

**AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

November 10, 2015
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

Per City Council Resolution No. 2010-38 matters taken up by the Council before 9:00 p.m. may be concluded, but no new matters shall be taken up after 9:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation – Preston Norman, Jr., Suffragan Bishop – Praise Tabernacle Community Church
- Pledge of Allegiance
- Roll Call – Councilmembers Miller, Moyer, Peterson, Welch, Mayor Franklin

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – *On Items Not on the Agenda*

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff or future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

CORRESPONDENCE: Items received under this category may be received and filed or referred to staff for future research or a future agenda.

*The City of Banning promotes and supports a high quality of life that ensures
a safe and friendly environment, fosters new opportunities and provides
responsive, fair treatment to all and is the pride of its citizens.*

IV. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council wishes to remove an item for separate consideration.)

Motion: That the City Council approve Consent Item 1 through 7

Items to be pulled _____, _____, _____, _____ for discussion.

(Resolutions require a recorded majority vote of the total membership of the City Council)

1.	Approval of Minutes – Special Meeting – 10/27/15	1
2.	Approval of Minutes – Special Meeting – 10/27/15 <i>(Closed Session)</i>	5
3.	Approval of Minutes – Regular Meeting – 10/27/15	7
4.	Approval of Minutes – Special Meeting – 10/28/15 <i>(Closed Session)</i>	37
5.	Report of Investments for September 2015	39
6.	Acceptance of Notice of Completion for Project No. 2015-01WW, Mechanical Repairs to Primary Clarifier	47
7.	Approval of the Second Amendment to Employment Agreement between the City of Banning and Alex Diaz	59

- Open for Public Comments
- Make Motion

V. REPORTS OF OFFICERS

1.	City Council Authorize the Mayor to Execute the City Manager Employment Agreement. Staff Report	91
	Recommendation: That the Council authorizes the Mayor to execute the City Manager Employment Agreement with the new City Manager Michael Rock.	
2.	Resolution No. 2015-95, Approving a Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. of Lake Forest, California. Staff Report	115
	Recommendations: That the City Council: 1) adopt Resolution No. 2015-95, Approving a Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. of Lake Forest, CA in the amount of \$25,705.00 for Fiscal Year 2015/2016 (Seven (7) Month Period) with the option to renew for four (4) additional single year periods; 2) Authorizing the Administrative Services Director to make necessary budget adjustments and appropriations and transfers related to the agreement; and 3) Authorizing the Acting City Manager to execute the Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. for Fiscal Year 2015/2016 (Seven (7) Month Period) with the option to renew for four(4) additional single year periods.	
3.	Resolution No. 2015-97, Accepting Community Development Block Grant Program Funds for Fiscal Year 2015-2016. Staff Report	209

Recommendation: **That the City Council adopt Resolution No. 2015-97.**

4. Resolution No. 2015-98, Approving the Purchase of a New CNG Street Sweeper and Approval to Accept Grant Funding from MSRC (Mobile Source Air Pollution Reduction Review Committee).

Staff Report. 261

Recommendations: **That the City Council: 1) adopt Resolution No. 2015-98, Approving the purchase of a new Compressed Natural Gas (“CNG”) Street Sweeper in the amount of not-to-exceed \$300,618.00 from Mar-Co Equipment Company (“Mar-Co”) of Pomona, CA; 2) Authorizing the Mayor to execute grant documents necessary to receive Clean Transportation Funding from the Mobile Source Air Pollution Reduction Review Committee (“MSRC”); and 3) Authorizing the Administrative Services director to make necessary budget Adjustments and appropriations related to the purchase of a CNG Street Sweeper and to record grant revenue into Fund 132, Air Quality Improvement Fund.**

5. Resolution No. 2015-100, Awarding the Contract for the Electric Utility Cost of Service Analysis and Rate Design and Rejecting All Other Proposals.

Staff Report. 367

Recommendations: **That the City Council adopt Resolution No. 2015-100, Awarding the contract for the Electric Utility Cost of Service Analysis and Rate Design to Leidos Engineering, LLC, in the amount not-to-exceed \$57,000.00 and reject all other proposals.**

6. Resolution No. 2015-101, Approving the First Amendment to the Astoria 2 Solar Project Power Sales Agreement between the City of Banning and the Southern California Public Power Authority, and also the Consent and Agreement, Inter-Creditor and Subordination Agreement, and Non-Disturbance and Attornment Agreement, Among Southern California Public Power Authority, Power and Water Resources Pooling Authority, City of Lodi, City of Corona, City of Moreno Valley, and City of Rancho Cucamonga and RE Astoria 2 LLC, Deutsche Bank Trust Company Americas and EFS Renewable Holdings, LLC to Finance Construction of the Astoria 2 Solar Project.

Staff Report. 591

Recommendations: **That the City Council adopt Resolution No. 2015-101, Approving the First Amendment to the Astoria 2 Solar Project Power Sales Agreement between the City of Banning and the Southern California Public Power Authority (“SCPPA”), and also the Consent and Agreement, Inter-Creditor and Subordination Agreement, and Non-Disturbance and Attornment Agreement, among Southern California Public Power Authority, Power and Water Resources Pooling Authority (“PWRPA”), City of Lodi, City of Corona, City of Moreno Valley, and City of Rancho Cucamonga and RE Astoria 2 LLC, Deutsche Bank Trust Company Americas and EFS Renewable Holdings, LLC to Finance Construction of the Astoria 2 Solar Project.**

7. Resolution No. 2015-102, Approving the Electric Utility's Interim Rate Schedule for Publicly Owned Electrical Vehicle Charging Stations.
 Staff Report. 679
 Recommendation: **That the City Council adopt Resolution No. 2015-102.**

8. City Council "Workshop" and Policies in re Consent Calendar, Meeting Minutes, Councilmember Interaction During Public Comment, and Time of Regular Council Meeting.
 Staff Report. 717
 Recommendation: **That the City Council receive and file information about, and provide any policy direction upon, the following policy issues:**
 (A) **The city's "Consent Calendar" Policy. How are items placed on the consent calendar? What is the consent calendar protocol?**
 (B) **The City's "Minutes" Policy. How much detail should be in minutes? how should public comment be recorded? Availability of video Recordings as an alternate/verbatim record?**
 (C) **Public comment Interaction Issues. Brown Act allows Councilmembers to "briefly respond" to public comments. Should Council define what qualifies as "brief" in terms of Councilmember responses? Limit on the number of Councilmembers that may respond to a public comment (i.e., in order to avoid crossing into the realm of "deliberations" that are prohibited by the Brown Act)?**
 (D) **Time of Regular Council Meetings. Is 5:00 p.m. too early for convenience of public? Alternative times to be considered? Impact on closed sessions?**

SCHEDULED MEETINGS

BANNING UTILITY AUTHORITY (BUA) – no meeting

BANNING FINANCING AUTHORITY (BFA) – no meeting.

VI. ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

- City Council
- City Committee Reports
- Report by City Attorney
- Report by City Manager

VII. ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Discussion of vacant properties and on Ramsey Street where people are discarding furniture.
2. Report on Banning Chamber of Commerce Utility Bill Issue

3. Workshop on legal issues (whistleblowers, harassment)
4. Attorney General Opinion re. Developer Impact Fees collected by hospital or other agencies.
5. Collection of Judgment re. Jim Smith
6. Safe Walkways for student from the schools and signage.
7. Housing Element (2016)

(Note: Dates attached to pending items are the dates anticipated when it will be on an agenda. The item(s) will be removed when completed.)

VIII. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Friday, 8 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

10/27/15
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Franklin on October 27, 2015 at 3:00 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Councilmember Welch
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Alex Diaz, Chief of Police
Lona N. Laymon, City Attorney
Brian Guillot, Acting Community Development Director
Art Vela, Acting Public Works Director
Rita Chapparosa, Deputy Human Resources Director
Michelle Green, Deputy Finance Director
Heidi Meraz, Community Services Director
Tim Chavez, Battalion Chief
Sonja De La Fuente, Office Specialist
Marie A. Calderon, City Clerk

WORKSHOP REPORTS

1. Drill/Training for emergency protocol in the event of a criminal shooter on City Premises.

Alex Diaz, Chief of Police stated that he will be giving a walkthrough of an active shooter type of incident. He said that he forwarded a card with some information to the City Council and staff presented by the U.S. Department of Homeland Security in regards to an active shooter. This card (Exhibit "A" attached) basically breaks down the original 10 page information down to the basics of what to do in the case of an active shooter situation. He said to set the record straight, we have not had any threats of an active shooter type situation at city hall but there is history in the past that issues and incidents like this have occurred and as you are aware we had an incident in our city not too long ago that a lot of people never thought would happen in our city. Based on that he believed it was important to do a walkthrough and just provide some basic information on what to do when dealing with an active shooter situation. At this time he went over the information provided on the card by the U. S. Department of Homeland Security in regards to an active shooter situation and what could happen if an active shooter entered the building into the Council Chambers and the best escape route and best plan for the situation and

also what could be done to prevent this type of situation. The police will deal with the threat but they want the Council, staff, and any citizen that might be in the line of fire to either hit the ground or follow the Council or other staff members.

Councilmember Miller said that Presidential Candidate Carson said that the people at the college where the massacre took place should have attacked the shooter and what is your reaction to that.

Chief Diaz said it is actually recommended in the pamphlet that if you are in a situation where you cannot escape, then the best route is to fight. Studies show that attackers are really not expecting for the public to react to the threat. He said that they are not going to put the Council in a position where you are going to fight. There will either be two or three police offices here at any time and they will engage until the threat is done. But obviously when you are dealing in a local where you already have law enforcement the last thing they want is for anyone in the public to engage the suspect because that creates a little bit of an issue for the police officers in targeting specifically. So if their goal is to take down the threat and they have people going towards the threat, it makes it a little bit more difficult for them to do be able to do their job without hurting others. However if there was another situation where you are in another local and there is no law enforcement and your only option is to engage the attacker, then by all means but in a situation here close corridor where there is a means for you as a Councilmember to retreat and hide, then obviously that is what they would ask of the Council, any member of the public, and any member of staff.

Mayor Franklin said you are telling the Council and staff what they should be doing but generally there are people here in the audience so are you going to take care of them also. Do you want them to try to hide here or are you going to try to get them out of the room?

Chief Diaz said the same thing applies for civilians and people in attendance at the meeting. He said that they do not want people right away to go outside because if there is a secondary active shooter out there, then obviously they are going to be very good targets. The goal is to contain and they will try to contain the scene as quickly as they can and hopefully the public will understand that the best course of action for them at that moment is to hit low ground; evacuate Council, evacuate staff and if some of the citizens follow staff that is great but if not, hit the deck and then just allow law enforcement to handle the situation.

ADJOURNMENT

By common consent the meeting adjourned at 3:27 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

COPING

WITH AN ACTIVE SHOOTER SITUATION

- Be aware of your environment and any possible dangers
- Take note of the two nearest exits in any facility you visit
- If you are in an office, stay there and secure the door
- Attempt to take the active shooter down as a last resort

Contact your building management or human resources department for more information and training on active shooter response in your workplace.

**CALL 911 WHEN IT
IS SAFE TO DO SO**

PROFILE

OF AN ACTIVE SHOOTER

An active shooter is an individual actively engaged in killing or attempting to kill people in a confined and populated area, typically through the use of firearms.

CHARACTERISTICS

OF AN ACTIVE SHOOTER SITUATION

- Victims are selected at random
- The event is unpredictable and evolves quickly
- Law enforcement is usually required to end an active shooter situation



HOW TO RESPOND

WHEN AN ACTIVE SHOOTER IS IN YOUR VICINITY

1. RUN

- Have an escape route and plan in mind
- Leave your belongings behind
- Keep your hands visible

2. HIDE

- Hide in an area out of the shooter's view
- Block entry to your hiding place and lock the doors
- Silence your cell phone and/or pager

3. FIGHT

- As a last resort and only when your life is in imminent danger
- Attempt to incapacitate the shooter
- Act with physical aggression and throw items at the active shooter

**CALL 911 WHEN IT
IS SAFE TO DO SO**

HOW TO RESPOND

WHEN LAW ENFORCEMENT ARRIVES

- Remain calm and follow instructions
- Put down any items in your hands (i.e., bags, jackets)
- Raise hands and spread fingers
- Keep hands visible at all times
- Avoid quick movements toward officers such as holding on to them for safety
- Avoid pointing, screaming or yelling
- Do not stop to ask officers for help or direction when evacuating

INFORMATION

YOU SHOULD PROVIDE TO LAW ENFORCEMENT OR 911 OPERATOR

- Location of the active shooter
- Number of shooters
- Physical description of shooters
- Number and type of weapons held by shooters
- Number of potential victims at the location

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

10/27/15
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Franklin on October 27, 2015 at 4:00 p.m. at the Banning Civic Center Large Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Councilmember Welch
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Dean Martin, Interim City Manager/Interim Administrative Services Dir.
Lona N. Laymon, City Attorney
Rita Chapparosa, Deputy Human Resources Director
Sonja De La Fuente, Deputy City Clerk
Marie A. Calderon, City Clerk

CLOSED SESSION

City Attorney Laymon announced that there are three items for closed session as follows: one case of potential initiation of litigation matter pursuant to Government Code Section 54956.9 (d)(4); Existing litigation pursuant to Government code Section 54956.9 (d)(1): (a) Robertson's Ready Mix, Lt., v. City of Banning-Case No. RIC 1409829 and RIC 1409037; and personnel matters pursuant to Government Code Section 54957 (b)(1) regarding appointment/recruitment of Interim and/or City Manager.

Mayor Franklin opened the item for public comments. There were none. Meeting went into closed session at 4:01 p.m. and recessed at 4:39 p.m.

Councilmembers Miller and Peterson recused themselves from the meeting when there was discussion regarding the potential initiation of litigation matter was discussed.

ADJOURNMENT

By common consent the meeting adjourned at 4:39 p.m.

Marie A. Calderon, City Clerk

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

10/27/15
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Franklin on October 27, 2015, at 5:04 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Councilmember Welch
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Alex Diaz, Interim Acting City Manager/Police Chief
Lona N. Laymon, City Attorney
Arturo Vela, Acting Public Works Director
Fred Mason, Electric Utility Director
Heidi Meraz, Community Services Director
Tim Chavez, Battalion Chief
Jim Barrett,
Michelle Green, Deputy Finance Director
Rita Chapparosa, Deputy Human Resources Director
Perry Gerdes,
Stacy Bovol, Utility Financial Analyst
Sonja De La Fuente, Deputy City Clerk
Marie A. Calderon, City Clerk

The invocation was given by Merle Malland, Police Chaplain. Councilmember Welch led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney Laymon said that the Council met in closed session on three items as follows: one case of potential initiation of litigation and there was no reportable action; one matter of existing litigation regarding Robertson's Ready Mix, Lt., v. City of Banning-Case No. RIC 1409829 and RIC 1409037 there was no reportable action; personnel matters – public employee appointment regarding appointment/recruitment of Interim and/or City Manager the Council voted unanimously to appoint Chief Alex Diaz as an Interim Acting City Manager.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – *On Items Not on the Agenda*

Chris McCallum, 757 W. Westward addressed the Council wishing Art Welch and his family the best in his future endeavors because he knows that Mr. Welch has a major operation coming up and he has been a great asset to this community and you are appreciated. He sent a shout out to the gentleman who has been telling him how to dress lately because of his red face so he has tried to tone it down a little bit as to how he dresses. Also, he wrote something called "Me and My Flag" which he gave to the City Clerk (Exhibit "A" attached) and if people would like to talk to him about this he will be out in front of city hall with his flag until he feels the need not to be.

Inge Schuler, resident addressed the Council bringing up again her request to eventually schedule a forensic audit of the utilities department because of all the various issues that we have had so that they can be clarified, corrected, etc. In regards to what Councilmember Peterson mentioned at the last Council Meeting the reference to staff on many of these reports we have a very influential, prominent, mysterious person that provides staff reports so Mr. or Mrs. Staff should be recognized and acknowledged when these reports are given and it would be nice for the public to find out how we are blessed with some of the people who are doing an awful lot of work in getting us these detailed staff reports. She was at city hall yesterday and spoke to Mr. Guillot and it was very, very interesting to see how staff is very responsive to people and Mr. Guillot was able to explain this rather convoluted map of Vanir to her and it is still probably mysterious to many of us in town because these buildings with numbers and locations and functions, etc. have been rededicated, re-assigned starting with building number one which actually wasn't building number four, etc. etc. It is nice to have somebody knowledgeable at the counter to explain this to people who have these questions and would be nice to have it explained at the Council meeting. She would like to see staff recognized by name, by department, etc.; it would be very nice.

Diego Rose said he wanted to take a few minutes to give a brief chronology of the hospital and where we are at and would like to do it at this particular point because of the article that just came out, as well as, the fact that the hospital is going to be going out for another \$140 million bond measure and he wanted to give a different perspective and asked the Mayor if he could have about 8 minutes instead of the regular 5 minutes. Mayor Franklin gave Mr. Rose 8 minutes.

Mr. Rose said that it is a very convoluted story of our local hospital and he finds it important that we keep everything in perspective with everything going on. He said he came from San Bernardino County as a charge nurse and was a charge nurse in the emergency room in Banning and has done trauma work for several years. He started at the hospital in July 2007 and left in December 2010. Starting in 2007 the hospital had been under the care of Brim Management, a consulting group, much like they have now with Epic. At that time the hospital had been under the care of Brim for approximately 20 years and it is important to note that this is a district hospital which means that we all own our hospital. There is an elected five-member board who act as the landlords of the property and those five members also sit on the hospital's operations board for a total of 13 members. When he was at the hospital there were a lot of issues in regards to patient/employee satisfaction that started to get him more involved than just actually working at the facility. At the end of 2009 Brim's contract was going to be up for renewal and a lot of the employees who had been there didn't want Brim there any longer. They had been there for about 20 years not doing a very good job and were operating in the red for almost all of those years. So during that election process a lot of the board members were taken to Austin, Texas on a get-a-

way prior to that vote and it came down that Brim managed to keep their contract for another year. That contract brought on a new CEO who used to be the District Manager for Brim and that individual is Mark Turner, currently the CEO of the hospital, but he was lateraled over into that position in 2009 when Brim's contract was renewed. At the end of 2009 and beginning of 2010 Brim was being bought out so Brim had to release Mark Turner from his contract. In order for the hospital to retain Mark Turner which the hospital so chose to do they stipulated a new payment schedule for Mark Turner and made him an employee of the hospital so he was no longer a contracted employee with Brim. So during that interim it is important to note that he was employee of the hospital and they no longer had a consulting group operating the hospital. There were actually seven different medical groups that had applied to facilitate some kind of change at the hospital of those some of them were very attractive offers and he knows that St. Bernardines wanted to pay the hospital almost a million dollars a year to sub-lease the hospital while the community would retain ownership and because Mark Turner was acting as the CEO at that time it was his choice and he decided that it would be best to bring on Epic so the arrangements were made with Epic and an executive committee was formed and that committee consisted of Mark Turner as an employee of the hospital which according to the Brown Act was illegal. Mr. Diego said through all of these changes that were going on there were many issues that he had and he put forth a lot of information to the Grand Jury of Riverside County with his concerns and almost all of them were brought up and were supposed to have been implemented and changed one of which was Mark Turner being on a board as an employee. So at that time Epic became the new consulting group for the hospital. In essence what took place was Mark Turner now became the CEO of the hospital but he was going to be taking orders or advice from a group that was going to be paid over \$500,000 a year in order to get their expertise so it is kind of hard to imagine that we are paying somebody to run a hospital and yet paying another \$500,000 for the consulting or management group. It is important for everyone to know that we have a very small local community hospital that doesn't have a lot of ancillary services; not nearly what we should have and not nearly what we have agreed to. So as we start to look at the financing now in 2010 and have a new management group it is important to note that through all of this we as taxpayers have passed several measures and bonds in order to facilitate the growth of the hospital, as well as, the operation. The bond Measure A and Measure D are both currently being utilized by the hospital and those two bond measures subsequently provide the hospital approximately \$3 million dollars a year. Measure A is almost completed and Measure D is the bulk of that at about \$2 million and actually Proposition 13 also institutes a little bit of money and that is almost a million a year so we are phasing out Measure A, Measure D is still in place and that will be in place for another ten years. The issue as it stands right now the hospital is getting ready to go forth to all of the voters in the Pass Region to ask for another \$140 million to complete the expansion that was supposed to have been done beginning in 2006 with the \$108 million dollar bond that was passed for construction and expansion of the hospital. That \$108 million plus interest was \$113,000 million and the project was slated to be done for \$126 million. As it stands right now that \$113 million has been spent so we have no more money left for the initial project that was supposed to have been done including the five stories. Mr. Rose said he would like the City Council and the people of Banning to at least be able whether it is through this facility or through other measures be able to hear the other side of the story and not just the side of the hospital. He asked the Council that between here and the time that this measure from the hospital is put forward that he would be given the opportunity to present the opposing facts.

CORRESPONDENCE

The City Clerk read three items at this time from the following people:

- Linda Pippenger referred to several questions she asked at the City Council meeting of October 13, 2015 regarding questions she asked about the repayment of the promissory note and deed of trust in regard to JMA Village, LLC; people that were interviewed by the Mayor in regards to the JMA Village project; and the importance of being heard at Council Meetings (Exhibit “B” attached).
- Maria Realin, 3066 W. George wrote regarding her monthly fee for electricity (Exhibit “C” attached).
- Fred Sakurai wrote regarding the City Council showing indifference to the comments and complaints of the citizens of Banning and the secret sessions (Exhibit “D” attached).
- David Ellis wrote regarding the relationship between former Councilmember Bob Botts and Fred Sakurai and the need for an ordinance for lobbyist/consultants (Exhibit “E” attached).

PRESENTATIONS:

1. Introduction of New Employee – Michael Nottingham

Acting Interim City Manager/Police Chief Diaz introduced Officer Michael Nottingham stating that he graduated from the Valley College Extended Basic Academy which is a year-long academy and also introduced his family and stated that his dad is retired law enforcement professional so he is following the tradition of his father.

APPOINTMENTS:

1. Acting City Manager: Acting Manager Appointment & Termination of Agreement with MuniTemps
(Staff Report – Lona N. Laymon, City Attorney)

City Attorney Laymon gave the staff report as contained in the agenda packet and stated that as she reported out from closed session the Council voted to appoint Chief Alex Diaz to the Acting City Manager position. For the record, the Banning Municipal Code Section 2.08.060 provides direct authority for such action and she read: “In the case of absence or disability of the City Manager, the City Council may designate one of the department heads or some other duly qualified person to perform the duties of the City Manager during the period of the absence or disability.” In order to fully appoint Chief Diaz the Council should set his compensation that will be in effect during his temporary term and she recommended a series of actions to do this and the Council would need to also discuss the termination of the MuniTemps contract, then open for public comment on both of the recommended actions.

Mayor Franklin asked Chief Diaz if he accepts the appointment for Acting City Manager. Chief Diaz said yes. Mayor Franklin asked the Council if they had any question; there were none.

Rita Chapparosa, Deputy Human Resources Director said the salary range for the City Manager is from \$170,189 to \$235,000. The working out of class pay minimum for that salary is the \$170,189. Mayor Franklin asked the Council if they had any question; there were none.

Mayor Franklin asked the City Attorney about the terms of appointment. City Attorney Laymon said it would be the compensation that Deputy Director Chapparosa just recommended and she asked her to describe the model.

Deputy Director Chapparosa said beginning on the 15th day of working out of class which she understands began on October 21, 2015 so once the 15th day is in effect they will go back retroactive to the date of October 21st.

Mayor Franklin asked if the Council was okay with the termination of the MuniTemps contract and all of the Councilmembers were okay with this action.

Mayor Franklin opened both items for comments from the public; there were none.

Motion Moyer/Welch that the City Council approve the appointment based on the terms agreed to and direct the City Attorney to process any contract amendments or changes needed to finalize the appointment of Police Chief Alex Diaz to serve as the Acting Interim City Manager. Motion carried, all in favor.

Motion Moyer/Welch that the City terminate the City's current contract with MuniTemps by providing written notice to MuniTemps of such termination pursuant to the provisions of the City's current contract with MuniTemps.

There was some further dialogue between the Council and the City Attorney regarding the 14-day notice and any payments having to be made to MuniTemps.

Motion carried, all in favor.

CONSENT ITEMS

1. Approval of Minutes – Special Meeting – 10/13/15 (*Closed Session*)

Recommendation: That the Minutes of the Special Meeting of October 13, 2015 be approved.

2. Approval of Minutes – Regular Meeting – 10/13/15

Recommendation: That the Minutes of the Regular Meeting of October 13, 2015 be approved.

3. Report of Investments for August 2015

Recommendation: That the City Council receive and file the monthly Report of Investments.

Motion Welch/Moyer to approve Consent Items 1, 2 and 3. Mayor Franklin opened the item for public comments; there were none. Motion carried, all in favor.

REPORTS OF OFFICERS

1. Additional Documentation Requested at the October 13, 2015 City Council Meeting Regarding an Amendment to the Government Staffing Services, Inc. Contract.
(Staff Report – Michelle Green, Deputy Finance Director)

Deputy Director Green gave the staff report on this item as contained in the agenda packet and briefly went over the items that she brought back to the Council for their review that would apply to a retired annuitant and their employment. All of these other pages that were included in the report were pulled as a part of a public records request. She said the items that she just went over were items that she should have attached to the previous staff report to be clearer and to properly reference the Government Code she was trying to cite as the reasoning for the action that was brought forward.

Councilmember Miller said thanked Mrs. Green for the report and he summarized where this all came from. At the last meeting there was a request by the staff that the Council increase the pay of the Dean Martin, previous Interim City Manager who just resigned, by \$20,000 dollars. The reason for that was that Mr. Martin was hired by a company, MuniTemps and we pay that company \$96.75 per hour for Mr. Martin; that is a large amount of money. If we take a look at our City and ask how many people in this City make \$96.75 per hour, he thinks that possibly Mr. Martin would raise his hand and he doesn't know if anyone else would but our City paid quite a bit of money for our City Manager.

City Attorney Laymon addressed Councilmember Miller stating that if he was going down the path of the compensation that Mr. Martin was getting from MuniTemps she suggested avoiding that information. MuniTemps has claimed that is confidential corporate proprietary information and the City only received that information inadvertently through CalPERS.

Councilmember Miller continued and stated that we have paid MuniTemps \$96.75 per hour. Mr. Martin accepted whatever MuniTemps paid him so at that point everyone was happy. He then came back to the Council afterward and said you have not paid me enough because MuniTemps has not paid me enough and therefore you should pay me more and he used an analogy to explain that everybody knows that city's pay anything you ask them which is ridiculous. We have been asked to pay extra money because everyone thinks a city is easy. He doesn't believe a city should be easy. This is taxpayer money and in order for us to give taxpayer money to anyone we have to look at it carefully, examine it carefully and say is that person truly entitled to that money. Based upon that analysis CalPERS said that we do not have to pay Mr. Martin any money and that was said on August 13th. On August 26, Mrs. Green wrote a letter to Rita in Human Resources saying that we will not pay any money to Mr. Martin because of the statement of CalPERS and that should have been the end of it. And yet on October 3rd a staff report with Mrs. Green's name on it came out saying we should pay Mr. Martin. He would like to know why the change in your attitude when on August 26th you said we will not pay him and then on October 3rd you said we should pay him. What changed your mind?

Deputy Director Green said it wasn't her mind that changed. When she sent the email to Rita she was letting her know the decision of Mr. Martin no to pursue the issue. He said no, we are

not going to pursue this and just let it lay; he changed his mind. She was relaying his decision to Rita at that particular time and his decision changed later on and she doesn't know why.

Councilmember Miller said so the staff report was not your report. The staff report was the report of Mr. Martin and you put your name on it instead of Mr. Martin.

Deputy Director Green said originally he wrote the draft report which is in the public records request on page 156 and when she looked at the report she felt it did not convey the true happenings, it didn't reference the investigation, it didn't reference the fact that PERS said we are not required to pay this so she had heartburn with the terminology that was used in the original draft. So she did edit the draft report to the report that she actually felt comfortable presenting to Council because it did say you don't have to pay this. The original version to her did not convey that message to the Council and she didn't feel that it fairly presented the situation to Council so she did edit Mr. Martin's draft.

There were further questions from Councilmember Miller to Ms. Green in regards to the staff report she wrote in making this recommendation for payment and Mr. Martin changing his mind to pursue it.

Councilmember Miller said we should be careful in the future when it says staff. We have to ask specifically who on the staff actually wrote that or who authorized that and not the person that has their signatures on it.

Councilmember Moyer said according to what he is reading in these emails this goes all the way back to July and he is wondering why they didn't hear about it until October.

Deputy Director Green said she believes that Mr. Martin wasn't going to pursue it so there was nothing to bring forward. He was the City Manager and it was his decision.

Councilmember Moyer said is it safe to assume then that as he came close to leaving us he decided that he would try to get the \$20,000.

Deputy Director Green said she didn't know specifically what triggered it but yes there was a change in heart.

Councilmember Peterson said he has a lot of questions but will pick up where Councilmember Moyer just left off and asked why Council didn't hear about this sooner. But a bigger question than that is that in going back through all of the emails, and for the record this is his record request so when we talk about the records request it was his request, so in going back through the records he never saw one email from a City Attorney so we have a legal issue, we have legal opinions, we have the possibility of lawsuit, we have all these legal ramifications and why did we never consult our City Attorney.

Deputy Director Green said that she deals with the IRS directly on several issues. The IRS, the EDD, other government agencies on a regular basis and every time then send correspondence to the City and they deal with certain issues it is not seen as a legal issue. Normally, the higher ups,

in this case the City Manager because he was also the ASD (Administrative Services Director), you present these issues to them and they make those determinations. She would say that Mr. Martin didn't feel the need or didn't see it as a legal issue at the time.

There were some further dialogue between Councilmember Peterson and Ms. Green in regards to her fiduciary duty and responsibility to present all the facts and information to Council. There was also some further dialogue in regards to the different versions of the staff report and her reason for not presenting the original report.

Councilmember Peterson asked Deputy Director Green if she could show in the staff report where it says the City does not have to pay the money.

Deputy Director Green said on page 177, under background, the third paragraph down it says: "However in this one instance, CalPERS would not implement any punitive actions against the City if we chose not to comply."

Councilmember Peterson said, "If we chose not to comply." CalPERS says we do not have to do it so you are saying it was a choice and CalPERS specifically said we do not have to pay.

Deputy Director Green said right. They say we should but you don't have to. They said we should but if you don't, we won't charge you anything.

Councilmember Peterson asked if she thinks this was a conflict of interest for Dean to prepare this and present it to you and have you give it to Council requesting a \$20,000 dollar bonus for him.

Deputy Director Green said she doesn't know if it is a conflict of interest because she thinks if he would have presented it, it would have definitely been a conflict of interest. Normally she would say it would have gone to the director level instead of Deputy Director level but somebody else besides him logically would have had to present it to Council. He chose herself and Rita because she would guess they are Deputy Human Resources and Deputy Finance. Normally the Administrative Services Director covers both Human Resources and Finance.

Councilmember Peterson asked if she was ever told not to specifically seek the advice of the City Attorney. Deputy Director Green said no.

Councilmember Peterson said that all City Managers have the habit of discussing agenda items with each and every Council Member individually so he doesn't meet with the City Manager and he doesn't know if Ed Miller does and he knows that the other three do. Prior to presenting your original staff report did she have any discussion about this subject matter with the Mayor?

Deputy Director Green said originally back when Dean decided not to pursue the matter; not when it became an issue.

Councilmember Peterson asked what did the Mayor said. Deputy Director Green said the Mayor said if he didn't want to pursue the matter that is fine.

Councilmember Peterson said when it resurfaced after August 26th when you sent the email to Rita at 2:04 p.m. here is the last email, "WE WILL NOT be pursuing any pay increase for Dean. There are no adverse consequences to the City for not doing so, signed Michelle Green". So after that date when this serpent raised its head again in October did you discuss this with the Mayor at that time?

Deputy Director Green said no; there were no further discussions.

Councilmember Peterson said this was up for the Mayor to sign the amendment to the contract so he would assume she would have knowledge.

Deputy Director Green said she did not work on the actual contract portion.

Mayor Franklin said that she would not have signed any kind of an agreement to the contract unless it would have been approved by the Council.

Councilmember Peterson said based on the answers and everything that he has received and the information that he has been given in his public record request he would like to recommend to the City Manager that a formal investigation be initiated into this incident because this has got the same symptoms of Bell. This is a scandalous attempt to get money out of the City. He doesn't understand how a contracted employee that is not even an employee of the City but a contractor can decide that he wants a \$20,000 pay raise after it was submitted not to and then all of a sudden decide on his own and direct staff to create a staff report and come forward with it so he would like to see an IA or something that comes forward and gets the truth out of the whole matter because this type of conduct cannot continue.

Mayor Franklin said that she knows that we have used MuniTemps for Homer Croy and for Dean Martin. Have we had a practice of using MuniTemps in the past?

Deputy Director Green said that in looking in the system she believes that the first time we used them like in recent years was with Homer Croy.

Mayor Franklin said because when we look at the documentation it looks like there is still an issue regarding Homer Croy that has to been resolved but also it looks like when we first set up the contract for Dean Martin it looked like everything was okay and then things went sideways. Have we used acting City Managers and acting staff in the past and have we used other temporary services for that.

Deputy Director Green said she doesn't know if we used temp agencies in the past and would have to research it. The difference with this is that the PERS laws went into effect more recently so in dealing with other companies we may have not had these issues.

Mayor Franklin said it seems like maybe we need to have some kind of protocol through the Council regarding when we hire especially if we do wind up using a third party that that third

party is responsible for anything that is required through CalPERS so that we don't have this ever come up again.

City Attorney Laymon said that she was having that discussion yesterday with their personnel team and one of the problems that we had with this contract was that we never received the MuniTemps contract and contracts like this should have a provision in them and even if we as a City are on the hook for CalPERS payment, at the very least in these types of agreements there should be a indemnification clause so that they have to reimburse us for these types of issues when they come up.

Councilmember Miller said this is a fairly small item of \$20,000 but the reason he takes this very seriously is that when we receive a staff report we have to assume that the staff is interested in the benefit of the City and this staff report clearly was not in the benefit of City, it was in the benefit of a staff member and as a result of that it cast a question on every staff report and that is why the whole Council is very, very concerned about this item. We want to be sure that if the staff report is given to us it is prepared solely with the interest of the City and not anyone else.

Councilmember Peterson said that the public needs to know that the City in some respects could have been on the hook for the money and Deputy Director Green is exactly right and that is not false way back when the City Council got together and hired Homer Croy. He thinks the public has seen if they have read the agenda, there is a formula that CalPERS uses 173.333 in order to get the hourly rate for the annuitant to be paid and he explained this formula with the original salary for the City Manager at \$200,000. Personally he thinks MuniTemps commission schedule is excessive when they are looking at an approximate 60/40 split rate or whatever it is. He understands what was being said but the problem is the way that it all came forward and that is the part that was bad. He understands the whole PERS process, the PERS Circular 200-002-14, he understands the Government Codes, he read the PERS Retirement Guide, and on page 9 as far as what it said in regards to the consequences if a city doesn't abide by it so he is very well versed on the subject matter now. He just wanted to let the public know that there is a possibility that later down the road in a PERS audit or whatever the case may be this could come back.

City Attorney Laymon said that the Council actually does not need to take formal action in order to initiate a review. The new Interim City Manager has the discretion to initiate that. There is one other question that she has and she believes that this is just a receive and file report for now but one other question that came up is that at the last meeting on this item there were essentially three aspects to your motion: 1) reject the request for the \$20,000; 2) bring back these materials; and 3) was to get a legal analysis of the various CalPERS issues and other legal issues pertaining to this. After Mr. Martin left she chose not to start expending substantial legal resources because she wasn't sure if the issue maybe mute with him gone but she wanted to find out from the Council because she didn't want to expend legal resources to put together a formal opinion and start that process unless the Council still wanted to go down that path.

Councilmember Peterson said he thinks that the legal issue has been discussed already and already put forth as far as the CalPERS Circular, the Government Code and he thinks that it is pretty much well understood. He still wants to see an investigation to find out how it got here and why it got here in its present form.

Mayor Franklin said that they will refer this to our Acting City Manager to follow up on. There were no further comments from the Councilmembers.

The City Council received and filed the report and there was no vote on this particular item.

2. Sex Offenders and Child Offenders Update
(Staff Report – Alex Diaz, Police Chief)

Chief Diaz stated that late last year the Council asked the Banning Police Department to do some research on ordinances and bring it forward for discussion. He prepared a report that will be on the police department's website so that the public can have access to it and review it but he gave a brief background on what Jessica's Law and Megan's Law comprised from decisions from the federal and state courts in the 1990's and they are based on California Penal Code Sections 290 and Sections 3003.5. He also discussed some recent court decisions in 2012 and wanted to stress some things that happened at that time. In 2012 there was a sex registrant who brought a case forward against the County of San Diego for certain restrictions apart from what Megan's and Jessica's Law complied with. A lot of cities created ordinances to create even more restrictions within their cities restricting access to parks and adding a significant amount of distance to where sex registrants could live from schools and other areas where children were present. This issue was brought to the courts and finally in 2015 the courts decided that in fact these ordinances were violating the constitutional rights of sex registrants giving them access to parks, limiting the areas where they could live and also restricting licensing through the county so on March 2, 2015 the courts decided on the William Taylor et al case. For the record the City of Banning does not have ordinances in place so what the City has been doing for the last few years is tracking state law. He reached out to several agencies both large and small in Riverside County, San Bernardino County, as well as, San Diego County and a lot of these agencies are making changes to their ordinances removing some of those items that were restrictive to sex registrants and that the court said were unconstitutional. So based on the that information staff decided to bring forward to Council to give them permission to continue tracking what state law dictates without adding any ordinances and the reason why is because there are some active lawsuits from some groups out in the community against agencies that have ordinances in place or agencies that are creating new ordinances. In fact, some of the larger agencies he reached out to said that they are not writing any ordinances and are basically tracking state law because that is going to prevent them from receiving any lawsuits.

There were some Council dialogue in basically staying with state law and tracking what is going on and also to keep the Council informed and up to date if anything changes.

Mayor Franklin opened the item for public comments; there were none.

The City Council received and filed the report and there was no vote on this particular item.

3. Resolution No. 2015-92, Approving an Amendment to the Professional Service Agreement with Charles Abbott Associates, Inc. to include Engineering Services.
(Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela gave the staff report on this item as contained in the agenda packet explaining what he did in evaluating this company to provide engineering services to the City of Banning. If approved for the remainder of this fiscal year the amendment would be equal to \$125,000.00 a year with an option to renew for three additional years for an amount of \$175,000.00 per year. The proposed amendment would be funded by current salary savings which are anticipated to be about \$330,000.00 a year. The option to renew the contract for additional years would come before the City Council for approval and it would also only occur if those salary savings still exist so as soon as those positions are filled then basically those services would not be needed anymore. He took this item to the Budget and Finance Committee and they did make a recommendation to move forward.

There was Council and staff dialogue in regards to the amounts being paid, the renewal for additional years being brought before the Council for approval, and the when the consultants would be available in-house.

Mayor Franklin opened the item for public comments; there were none.

Motion Welch/Miller that the City Council: 1) adopt Resolution No. 2015-92, Approving an Amendment to the Professional Services Agreement with Charles Abbott Associates, Inc. of Mission Viejo, California, to include Engineering Services in the amount of \$125,000.00 for Fiscal Year 2015/2016 with the option to renew for three additional years; 2) Authorizing the Administrative Services Director to make necessary budget adjustments and appropriations and transfers related to the agreement; and 3) Authorizing the Interim City Manager to execute the Professional Services Agreement with Charles Abbott Associates, Inc. for Fiscal Year 2015-2016 with the option to renew for three additional years. Motion carried, all in favor

Mayor Franklin recessed the regular City Council Meeting and called to order a schedule meeting of the Banning Utility Authority.

BANNING UTILITY AUTHORITY (BUA)

REPORTS OF OFFICERS

1. Resolution No. 2015-14 UA, Approval to Join the Santa Ana Watershed Project Authority Basin Monitoring Program Task Force.
(Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela gave the staff report as contained in the agenda packet giving information in regards to the benefits of joining this task force and the cost savings involved in regards to the required studies

There was Council and staff dialogue in regards to the joining this task force, the basins involved in the area, the boundaries, and the area under the authority of the Santa Ana River Authority. It was asked as to why all these problems in regards to water that are on the agenda for approval be

solved simultaneously and these different groups work together instead of being dealt with separately.

Acting Director Vela said that they are all different subjects. They are interconnected in the sense that we are talking about our water resources but they are different topics in his opinion and require different expertise to deal with.

Mayor Franklin opened the item for public comments; there were none.

Motion Moyer/Welch that the Board: 1) adopt Resolution No. 2015-14 UA, Approving the City to Join the Santa Ana Watershed Project Authority Basin Monitoring Program Task Force ("BMPTF") and allowing the Mayor to execute Amendment No. 2 to the BMPTF Agreement; and 2) Authorizing the Administrative Services Director to make the necessary Budget adjustments and appropriations related to Resolution No. 2015-14 UA. Motion carried, all in favor.

2. Resolution No. 2015-15 UA, Awarding a Professional Services Agreement for the 2015 Urban Water Management Plan Update to Krieger & Stewart Engineering Consultants.
(Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela gave the staff report as contained in the agenda packet. He said that there will be a public hearing on the Urban Water Management Plan so that they can hear from everyone before it is adopted. They received six proposals that were evaluated and as a result they rated Krieger & Stewart as the highest rated consultant of those proposals. This company has a lot of experience in providing urban water management plans and updates to many public agencies and other studies related to water supply assessments and staff feels that they what it takes to accomplish this project successfully.

There was some Council and staff dialogue in regards to how long it would take to do the project.

Mayor Franklin asked staff to send a letter to the San Geronimo Pass Water Agency asking them to be sure to include the content of our plan when they do theirs so at least we are on record asking them to formally consider our plan.

Mayor Franklin opened the item for public comment; there were none.

Motion Miller/Welch that the Board: 1) adopt Resolution No. 2015-15 UA, Awarding a Professional Services Agreement for the 2015 Urban Water Management Plan Update for the City's Water Utility to Krieger & Stewart of Riverside, CA in the amount of "not to exceed" \$73,000.00; 2) Authorizing the Administrative Services Director to make necessary budget adjustments and appropriations and transfers related to the project; and 3) Authorizing the Interim City Manager to execute the Professional Services Agreement with Krieger & Stewart Engineering and Consultants. Motion carried, all in favor.

3. Resolution No. 2015-16 UA, Awarding a Professional Services Agreement for the Chromium-6 Treatment and Compliance Study to Hazen and Sawyer.
(Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela gave his staff report providing a short power-point presentation (Exhibit “F” attached). He said that in dealing with Chromium 6 they have been getting lot of phone calls from people concerned as to why all of a sudden the concentrations of Chromium 6 have spiked in our system and has to remind people that it is not there is a spike in the concentration or the concentration has increased but that the standard was lowered. He explained that the bars in the first slide represent each well they expect to exceed the new Chromium 6 standard and their height is basically related to their concentration levels which he explained. Again, the concentration in the water from those wells is not changing; it is the standard that has changed that is making the City be in non-compliance. He continued to explain each of the slides in his presentation.

There was some Council and staff dialogue in regards to profiling, the State specific standards, why hasn’t a class action suit been brought, why hasn’t the ACLU or the cities get together to form a co-op to raise this limit back up, do we have to move forward at this point in time in this study or can’t we wait and see what everybody else is doing, and is there any data on the damage from Chromium 6 in other states and to what degree on the population compared to California.

Councilmember Miller said he thinks it is wonderful that California is very concerned about our health. The fact that it is going to cost money is always true. When it comes down to what causes cancer he doesn’t know if you all heard, but today the Public Health Department recommended that smoked bacon be put on the same list as smoking so there are all sorts of things that cause cancer and the fact that they discovered that Chromium 6 is a cancer producing element is to our benefit; the cost is not to our benefit but we have to do something about it. He doesn’t think the right approach is to try to go back to 100 parts per billion and thinks the correct approach is to have our water as healthy as possible. When it comes to what our City can do our City does not have to be an investigative City. This work has been done over and over again and the one that has done most of the work is the City of Glendale. He has the report from the City of Glendale but what is interesting about that report is that they did get funding from various groups so they have done a very extensive survey of what has to be done and we are very fortunate in selecting the correct consultant because the consulting firm that staff chose was the one that did this entire study. This entire study looked at all the different possibilities for purifying the water and they list those in their proposal and they are all studied in the Glendale Study. In the Glendale Study it was found that the weak-base anion exchange (WBA) was the best procedure and Glendale spent six years doing that study and just decided that now they are going to build a complete plant and they had pilot plants for all the different types of possibilities and there are demolishing those pilot plants and building the one plant and that is the “weak base anion exchange plant”. Also, Indio is one of the few cities that actually have a plant and they have gone with the “weak base plant”. He thinks that it is obvious that if you look at the data and read the entire report from Glendale that the WBA process is the one that is going to be used and for us to have Hazen & Sawyer come to us and say we are going to look at all your wells and we are going to analyze all these different procedures that to him does not make any sense. They already did it for Glendale, did that for Indio and to charge us for the same thing is just double-

dipping as far as he is concerned. We certainly need a consultant to take a look at our system but we are almost positive that the WBA system is the system that is going to be used. If we take a look at the wells that you indicate the City has, the bad wells are clustered in one area. He is not familiar with the geology of that area but if you take a look at our city there are many, many areas that have water that is pure and to him without going through the analysis of the cost it seems to him if you take a look at the cost of these plants is very likely to be less expensive to drill new wells and use these wells as recycled water wells so he thinks that has to be one of the systems that is very carefully considered. He thinks that is the safest plan because if you look at any one of the processes including the WBA process they produce brine and he explained about the brine process. So again, his summary is that if you look at the Glendale Report we know what type of plant we are going to use so that should be concentrated and he really thinks that to try to purify the bad wells is a poor process and that a better process is to consider the cost of drilling new wells and then you don't have to worry about the maintenance of these contaminated wells. And when it comes to the purity of the water it is 10 parts per billion now in California and California is always the leader and it is going to be that way throughout the whole country and eventually may even go down to 1 part per billion. So, again to say we are going to purify these wells to him is something we really have to consider producing new wells instead.

Mayor Franklin said that Councilmember Peterson asked about the whole state and surprisingly enough there are some cities that are not having this problem at all but she has talked to people in other parts of Southern California and are struggling with the same issue. Actually for their Water Alliance Meeting tomorrow of which there are 13 agencies a couple of them are dealing with it and they will be having a speaker coming to talk about Prop 1 and Cap and Trade to see where we can try to get some of those dollars to apply for things like this but we are trying to actively look for funds to address this kind of problem. She said that Councilmember Miller talked about the number coming down but she thinks that this is only one of the things that is going to be addressed in water as we continue moving forward as they identify more things that are in water, some that are naturally occurring and some that are artificial especially when people flush prescriptions and other things down those things are contaminating our water and we are going to find with time that we are going to have more restrictions because that is impacting all of us.

Mayor Franklin opened the item for public comment; there were none.

Councilmember Miller said people are concerned about this and you hear continuously should I drink bottled water, should I use a filtration system in my house and he thinks it would really be worthwhile, and he mentioned this before, for us to actually test the bottled water to see whether or not it is any better than the well water. For example, he knows that Planning Commissioner David Ellis has a filtration system and he has no idea whether or not it works. He thinks it would be worthwhile to inform the public to ask him for a sample of the water and inform the public whether or not there are any other means of purifying the water.

Motion Miller/Moyer that the Board: 1) adopt Resolution No. 2015-16 UA, Awarding a Professional Services Agreement for the Chromium-6 Treatment and Compliance Study to with Hazen and Sawyer of Palm Desert, CA in the amount of \$89,630.00; and 2) Authorizing the Administrative Services Director to make necessary budget adjustments

and appropriations and transfers related to the project; 3) Authorizing the Interim City Manager to execute the Professional Services Agreement with Hazen and Sawyer; and to also hopefully discuss with Hazen & Sawyer Councilmember Miller's recognition that all their previous work is that the WBA is the only system and it is not necessary to look at everything for the City of Banning. Motion carried, all in favor.

4. Resolution No. 2015-17 UA, Approving an Amendment to the Professional Services Agreement with E. S. Babcock & Sons, Inc. of Riverside, California.
(Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela gave the staff report on this item as contained in the agenda packet.

Councilmember Miller said in his past life he has been involved in water analysis and any company that does such an analysis gets sloppy. It is a technician who does it over and over again and he gets the water from Banning and he knows it is good and that is the end of it. When Duane Burk was the Public Works Director he had suggested to him that we go to another company and prepare a known sample with known concentrations of various chemicals and just send that in with the standard samples that we send in and verify that indeed they are analyzing our water so he is making that suggestion again.

Acting Director Vela said that they can look into doing something like that.

Mayor Franklin opened the item for public comments; there were none.

Motion Miller/Welch that the Board adopt Resolution No. 2015-17UA, Approving an Amendment to the Professional Services Agreement with E.S. Babcock & Sons, Inc. ("E.S. Babcock") of Riverside, CA in the amount not-to-exceed \$65,000.00 for analytical testing services. Motion carried, all in favor. Motion carried, all in favor.

Mayor Franklin adjourned the Banning Utility Authority meeting and stated that the next regular meeting will be held on November 10, 2015 at 5:00 p.m.

BANNING FINANCING AUTHORITY (BFA) – There was no meeting.

Mayor Franklin reconvened the regular City Council Meeting

ANNOUNCEMENTS/REPORTS (Upcoming Events/Other Items if any)

Councilmember Moyer –

- Last Friday he finally got together with the school people and they talked with two hours and at the beginning of that meeting the initial response from the school people was that we really don't have anything to talk about and two hours later they had discussed about ten topics. He thought it went very well and they set up some things for further conversations as they go along and they did discuss the use of their high school soccer field, the need for a school resource officer at Nicolet, the need to revive the Gang Resistance Education and Training Program at the Middle School level, the need for computer hot spots strategically placed throughout the city

for students to be able use and most importantly they talked about the railroad crossing problem at San Geronio Avenue. There are some things that they are looking into and talking about and they did both agreed that the schools and the City Council work together businesses won't come here if we don't have good schools to they are getting a dialogue going.

- In regards to the El Nino Preparation the City does have sandbags available at the Engineering Counter here at city hall and sand has been placed at the fire station at Murray and Williams so if the El Nino does hit us hard there are sandbags and sand available for people.

Mayor Franklin -

- She, Councilmember Moyer and Chief Diaz attended the League of California Cities Conference and attended different session and brought back information to share with staff about some of the things that they are talking about including transportation, mobility, and what to do in the event of emergencies and feels they were able to share quite a bit of information.
- Two weeks ago at Passcom they did have somebody from Union Pacific give a presentation regarding hazards with the items that they do carry on the trains and he stressed that they are always working on how to make sure they stay as safe as possible. He told them how many loads they carry daily that was over 1.4 million and they have only had 8 complaints within a year's time so they are doing a lot more to make sure the trains are safe. As part of the Metrolink Board the issue of train safety with pedestrians is a topic that is talked about almost monthly. There have been over 900 fatalities this year alone. In regards to how communities prepare for that they are looking at different things in different communities but one thing that is going on is called "Operation Lifesaver" through Riverside County Transportation Commission (RCTC). The City is getting information together now and will be able to get banners free from RCTC but is trying to work with Operation Lifesaver. The school district will be having some presentations next month at all the schools to remind the students that trains move a lot faster than they think they do but it is disheartening because regularly through Metrolink they hear that fatalities are happening almost every week and they seem to be suicide by train because of the way people are doing them.
- Senator Feinstein had a workshop two weeks ago in regards to her "Sand to Snow Monument and Antiquities Act" and she is moving forward. This impacts us only as it will possibly impact the flume but they are working to make sure it doesn't.
- There is a Water Alliance Meeting tomorrow, October 28th.
- She thanked Community Services, Banning Police Department, and everybody that helped last Saturday for the Halloween Fest at the Community Center. There were about 500 people in attendance and the kids had a great time.
- Through the Riverside County Transportation Commission (RCTC) they are still looking at the Metrolink from Coachella to Los Angeles. There has been some funding through the Federal Railroad Association so as they move through with Phase 2 they hope to make it a reality.

City Committee Reports - None

Report by City Attorney Laymon -

- There are new state laws that have been passed regarding medical marijuana and those are AB 266, AB 243 and SB 643 which comprise the Medical Marijuana Regulation and Safety Act. Under the new laws cities that do not have an express ban in their ordinances against mobile medical marijuana dispensaries or medical marijuana cultivation may be subject to being forced

to allow those uses, mobile and cultivation, if they don't have that ban in place and in effect by March 2016. More specific information will be coming to the Council with first a general update as to what those laws are and how they work and staff will also bring back appropriate changes to the City's current ban and probably some other cleanup changes to the ban.

Report by Acting Interim City Manager Diaz -

- Thursday, October 29th at 11:00 a.m. the City is hosting the 2015 State of the City Address with doors opening at 10:30 a.m. The event is open to the public and is free of charge and will be held in the Council Chambers however, there will be a delicious lunch served at \$5 per person. If you have any questions or need further information, you can contact Sonja at 951-922-4860.
- On Tuesday, Nov. 3rd from 6 to 7:30 p.m. the City will be hosting an "Emergency Preparedness Meeting" at the Banning Community Center, 789 N. San Geronio Ave. This will be to discuss primarily El Nino and how to prepare for this "Godzilla" type of weather front that is going to be hitting California.

Councilmember Miller said that he mentioned this before that whenever we have the Consent Items occasionally it is shown on the screen so people can see what we are voting on and he feels it is very helpful.

- Acting Interim City Manager Diaz said in regards to a comment made by Councilmember Moyer in regards to the sandbags staff did prepare with the help of Information Services a Public Service Announcement that was done in Spanish, English and they are just waiting for someone to come in and do the initial reading of it in Hmong. However, that video will be ready for the State of the City Address and will also be presented at the Emergency Preparedness Meeting. There is a section on the City's new website where the actual memo that Art Vela helped write is able and can be translated by anyone that goes to the website. There is a Google translate link next to the article to get information to prepare for the weather front.

Councilmember Peterson said that he doesn't know how many people know but the City has a new website and he has been trying to navigate around in it and he likes the old one better. With this new one it seems that things are hidden and it's like an Easter Egg Hunt and he suggested that there be a "print" item on there because he tried to print a job flyer and he couldn't get it to print correctly.

Acting Interim City Manager Diaz said it is a work in progress and they will address it and try to make it easier to navigate.

Mayor Franklin said she forgot a couple of items. Through WRCOG (Western Riverside Council of Governments) the City is eligible to get up to \$39,000 to work on some of our planning areas so that information has been passed on to staff. Also, on Saturday for people who want an alternative to taking their kids out door-to-door for Halloween, on Ramsey Street from 10 a.m. to 9 p.m. there will be through New Creation Church a kind of a Halloween Fest.

ITEMS FOR FUTURE AGENDAS

New Items – None

Pending Items – City Council

1. Discussion regarding City's ordinance dealing with sex offenders and child offenders.
(10/27/15)
2. Discussion of vacant properties and on Ramsey Street where people are discarding furniture.
3. Report on Banning Chamber of Commerce Utility Bill Issue
4. Workshop on legal issues (whistleblowers, harassment, personnel issues, consent calendar policy, more interaction with public, form of minutes,).
5. Attorney General Opinion re. Developer Impact Fees collected by hospital or other agencies.
6. Collection of Judgement re. Jim Smith
7. Discussion re. Time of City Council Meetings
8. Safe Walkways for student from the schools and signage.
9. Housing Element (10/27/15)

(Note: Dates attached to pending items are the dates anticipated when it will be on an agenda. The item(s) will be removed when completed.)

ADJOURNMENT

By common consent the meeting adjourned at 7:35 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

Me and My Flag

This is to some of the people I met while walking with my flag:
To the Mexican lady who spoke very little English who just wanted to know where I got my flag so she could walk arm in arm with her flag and son, who is serving our Country in Iraq.

To Ben, a young Black man, who said he didn't like my flag but as I walked and talked with him and my flag, he expressed his feelings to tell me his right to free speech because of my flag. I also expressed my right to teach him about the history of my flag. As we left each other an older White gentleman and I started walking and talking about my flag. And he echoed most of what the young man said about my flag. You see that's the point. We have a responsibility and the right to free speech because of my flag.

I need to keep on walking and talking arm in arm with my flag in front of the historical San Geronio Inn, since 1885. You see this property will be the future home of the County Probation Department, and this is a shame on us the guardians of future generations to protect the past. And me and my flag arm in arm keep on walking and talking until I cannot walk and talk anymore.

As I acknowledge the past and pray for the future that they learn what my flag means to all of them who will call this home, from sea to shining sea and to anyone who will call our Country home in the future. We must show them by our actions and words what my flag means to us.

Our government and any governments in the future of the world must know we the people of the United States of America will walk arm in arm with my flag, because I have the right to bear my flag in this City, County, State and our Country. Now is the time for me and my flag to walk arm in arm until the day I cannot walk anymore arm in arm with my flag.

GOD BLESS AMERICA

Banning City Council
99 E. Ramsey Street
Banning, CA 92220

OCT 26 2015

City Clerk's Office

To be read at City Council meeting October 27, 2015

RE: City of Banning Council Meeting of October 13, 2015

I attended this meeting that began at 5:00 p.m.

I asked several questions regarding the repayment of the promissory note and deed of trust in regard JMA Village, LLC that was recorded 5/3/2012 with Riverside County. The questions was answered later in the evening by the City Attorney that there had been no payments made.

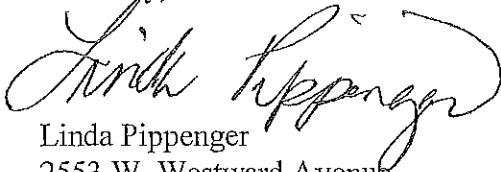
Councilman Ed Miller mentioned that eight citizens spoke regarding the project with seven against and one in favor and that ratio was convincing.

Mayor Franklin said that she had interviewed 80 people at various places and that all or most were in favor of the project but that they were afraid to come forward and say anything because they felt intimidated. This claim is unsubstantiated. Residents need to speak up or write a letter if they want their voice to be heard. Those of us who show up and participate in the city's business and risk intimidation by certain council members are far more engaged than a nebulous number of supporters. In order to evaluate their opinions, one needs to know the exact question asked of them and then use accepted statistical practices to evaluate their responses. Anything else is meaningless.

I think that it is wrong that eighty people came remain nameless but their thoughts are more important than the citizens that take the time from their lives and are unafraid to state their opinion. I know that if Mayor Franklin is asked for a list of these 80 citizens the request will be refused due to their fear.

I spent the evening (from 5:00 p.m. until 9:00 p.m.) in the council chambers. I have other things to do, but feel it is important to be heard. Obviously that observation is incorrect.

Sincerely,



Linda Pippenger
2553 W. Westward Avenue
Banning, CA 92220
909.556.1345 cell
lindaloupip@yahoo.com

10/26/2015

Maria D. Realin

3066 W. George St.

Banning, CA, 92220

Claiming to the Electricity Department of Banning

OCT 26 2015 *recd.*

City Clerk Office

Dear City Counsel,

The reasoning of this letter is because the months of July and August 2015 we paid the monthly fee of the electricity, but by the end of September a couple of the electrical workers of the city came to check our meter, but our monthly bill was yet to come. Then, I went to the city hall and ask why I yet receive my monthly bill the attendant that was available assured I would receive it in the following days. The following days I received my monthly bill not only had I received one but two! These bills claimed they were "late" but they were from the months of July and August of 2015 like I mentioned earlier. I went back to city hall once I received this "late" bill and asked the available attendant communicated to me that they were late bills, my question now is why is this happening? Why till now, September of 2015, do these bills appears if I had already paid a certain amount for those months when the bill was due! Also, why if it is a late bill why did it not appear in its corresponding months!

We know that this summer was hotter than the previous, but the amount that is being asked for is out of range from what we paid last year and what we pay on the usual! This especially shocks me because we do not have an air conditioning unit in our house. This is abuse to us and other families who have been victims of such act! It is unfair to not know the reasoning of the increased amount and why these "late fees" appear in its non-corresponding months. I, Maria D. Realin, and with my family demand an explanation to this absurd act of injustice.

Once again, this is an abuse to us and other families who have been victims of this act. And finally why till now do these late fees appear when I had already paid a certain amount for the months of July and August, why did these fees not appear with its corresponding month's fees. On the next pages are the bills from 2014, and they also have this year's fees with the additional fees I am being charged.

Thank you.

Proclamation of City Employees

- In the street we live in we have a problem with a trailer that has been parked out in the street for about a year or more in the same spot, and the employees of the city don't do anything or yet to report the trailer.
- The employees do their job by taking the measurements of the electricity and water, but also they can report animals they see most Banning residents have.
 - The resident next to my house the one with the trailer has a violent dog who always wants to attack everyone, including the employee who reads the meter.
- What is the reason that they don't do anything to make the city look nice and clean

Marie Calderon

From: Frp2002
Sent: Monday, October 26, 2015 6:11 PM
To: Marie Calderon
Subject: To the City Council

OCT 26 2015

City Clerk's Office
mhl

Ah ha! The Brown Act wall comes tumbling down. All this time the City Council has been hiding behind the wall, which was your way of showing indifference to the comments and complaints of the citizens of Banning. All this time various members of the council could have, and should have, been replying to the comments and complaints, and should have been taking action to at least investigate the causes for the complaint.

Now let's hear those complaints about those 33 and 34-day billing periods, about the tardy response of Code Enforcement, the debris that sits in the gutter in front of homes for a month, the speeding autos that only slow for a stop sign, and the weed killer fumes at places of business. Please come forward again, and we shall see if the Council members build up the wall again...or if they will step forward and take some action.

Please step forward and direct your comments and complaints directly to a particular council member. Retain a calendar and record the response time. You can use this calendar during the next election.

And, for my next act, I shall see what can be done about the steel doors blocking off what goes on in the 'secret' sessions. What is item one or item two or item three? And what does 'no reportable action' actually mean? Did the Mayor bring up a topic, and everyone just sat there and said nothing? Or, was there a flurry of four letter words that could not be reported? What sort of discussion actually went on behind those steel doors about the various items? And for that matter, what were the items?

I was told by the Mayor that only personnel matters and legal matters were discussed in 'secret' sessions. For that matter, questions concerning union negotiations were deemed to be personnel matters. Yet, when it came to the top dog in our city, City Manager Dean Martin, it was all up for discussion in the general Council meeting. Even when Mr. Martin suggested dropping the matter, Peterson continued even louder.

Let's find out if 'item one', 'item two', or 'item three' actually have a title and would be classified as personnel or legal matters. Arise, City of Banning residents and voters. Let's find out what actually goes on behind our backs.

Fred Sake Sakurai
951-849-3027

1

OCT 27 2015 *mcc*
City Clerk's Office

THE

OCT 27, 2015

I want the public to be aware that Mr Sakurai acts as a mouthpiece for former councilmember Bob Botts. The two go back a long way.

After resigning from the council Botts is now apparently a paid consultant for diversified Pacific – how much is Mr Sakurai standing to gain from this relationship?

Maybe Mr. Sakurai can explain to us how his buddy Botts made decisions when he was on the council regarding DP, and now has become a paid lobbyist for them ?

This brings me to another subject : the City needs an ordinance that requires lobbyist/consultants to register with the City, and that mandates disclosure their financial arrangements with the client.

Also, former council members or planning commission members should be barred from consulting/lobbying activity for 10 years after they leave office

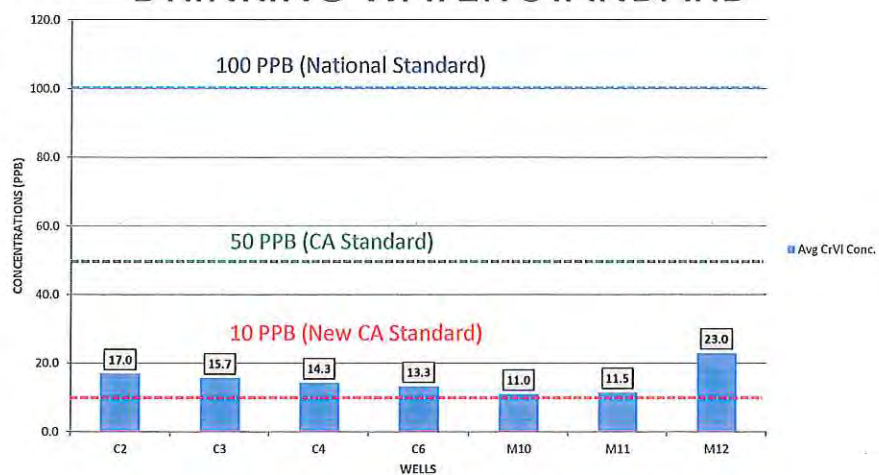
We cannot have a former councilman walk in and out of city hall and use his connections to get what he ~~wants~~. **NEEDS.**

SINCERELY

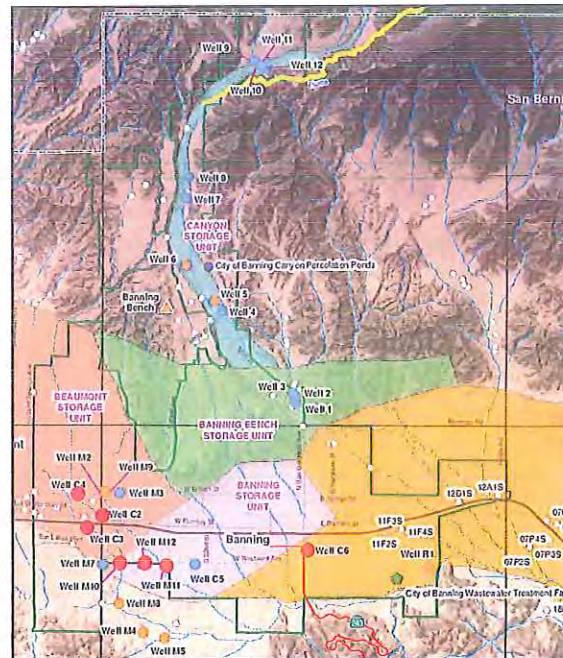
DAVID ELLIS

RESOLUTION NO. 2015-16UA CHROMIUM VI TREATMENT AND COMPLIANCE STUDY

CHROMIUM VI PRIMARY DRINKING WATER STANDARD



CITY WELLS



Resolution No. 2015-16UA

- Consider the approval of a Professional Services Agreement with Hazen & Sawyer of Palm Desert, CA to prepare Chromium VI Treatment and Compliance Study.
 - Staff formally solicited proposals via a Request for Proposals
 - 6 Proposals were received and evaluated
 - Hazen Sawyer was rated the highest

Resolution No. 2015-16UA

- Scope of Services include:
 - Analysis of Treatment Options
 - Blending facilities
 - Well Head Treatment
 - Ion Exchange
 - Reduction/Coagulation/Filtration
 - Reverse Osmosis
 - Biological Reactor
 - Brine Treatment
 - Well Modifications

Resolution No. 2015-16UA

- Scope of Services include (continued):
 - Evaluation of System Operations
 - Headloss, waste disposal and frequency, chemical and energy use/cost, filter run time, etc.
 - Infrastructure Site Analysis
 - Evaluate right-of-way/property acquisition needs for water conveyance and facility infrastructure.
 - Cost Analysis for Design/Construction/Operation
 - Facility Schematics

Resolution No. 2015-16UA

- Scope of Services include (continued):
 - Evaluation of System Operations
 - Headloss, waste disposal and frequency, chemical and energy use/cost, filter run time, etc.
 - Infrastructure Site Analysis
 - Evaluate right-of-way/property acquisition needs for water conveyance and facility infrastructure.
 - Cost Analysis for Design/Construction/Operation
 - Facility Schematics
- Cost to Prepare Study: \$89,630.00

SENATE BILL 385

- Allows water agencies to submit an application for a variance from the new standard up to January 1, 2020.
- During the variance period water agencies will not be deemed in violation of the new standard.
- A compliance plan is required for approval of a variance.
 - Additional requirements: Notifications of compliance plan to customers, annual updates to the State Water Resources Control Board.

QUESTIONS?

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

10/28/15
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Franklin on October 28, 2015 at 8:38 a.m. at the Banning Civic Center Large Conference Room, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Peterson
Councilmember Welch
Councilmember Westholder
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Fred Freeman, Vice President of Bob Murray & Associates
Marie A. Calderon, City Clerk

CLOSED SESSION

The City Council met in closed session pursuant to Government Code Section 54957 with regard to the following personnel issue: City Manager interviews.

Mayor Franklin opened the item for public comments and seeing no one in attendance she closed the public comments.

Meeting went into closed session at 8:39 a.m. and recessed at Noon for lunch and reconvened at 1:00 p.m. Meeting returned to regular session at 3:45 p.m. There was no reportable action taken.

ADJOURNMENT

By common consent the meeting adjourned at 3:45 p.m.

Marie A. Calderon, City Clerk

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CITY COUNCIL AGENDA

Date: November 10, 2015
TO: City Council
FROM: Alex Diaz, Interim City Manager
SUBJECT: Report of Investments for September 2015

RECOMMENDATION: The City Council receive and file the monthly *Report of Investments*.

JUSTIFICATION: State law requires that a monthly report of investments be submitted to the Governing Legislative Body.

BACKGROUND/ANALYSIS: This report includes investments on hand at the end of September 2015. As of September 30, 2015, the City's operating funds totaled \$77,305,700. Included in Successor Agency operating funds is \$855,160 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of September 30, 2015 approximately 38% of the City's unrestricted cash balances were invested in investments other than LAIF.

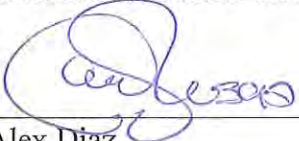
The September Investment Report includes the following documents:

- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Supplemental Information

The attached Summary Schedule of Cash and Investments has been updated to show the rate of earnings allowance received from Wells Fargo Bank. The amount earned reduces the total amount of bank fees charged.

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) was increased to 0.337% in September. The average rate for all investments in September was 0.359%.

RECOMMENDED AND APPROVED BY:

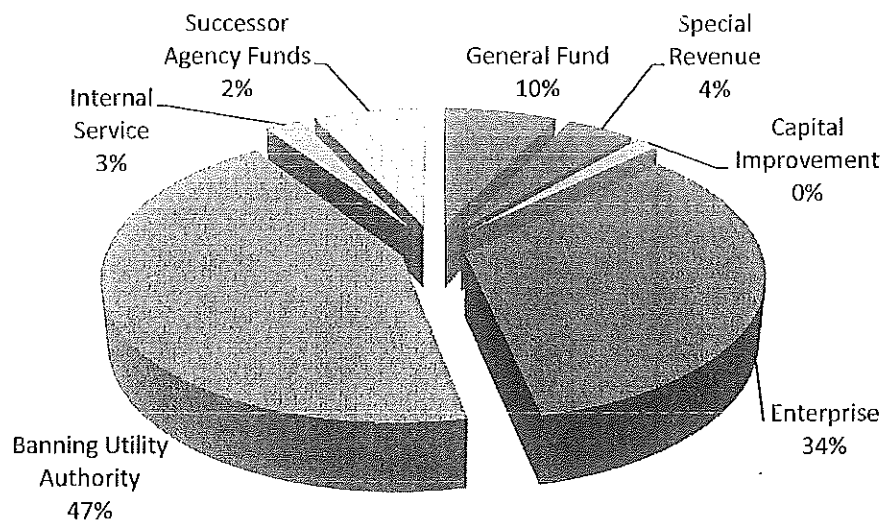


Alex Diaz
Interim City Manager

City of Banning
Investment Report Supplemental Information

Pooled Cash Distribution

Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the twelve month period of July 2014 to June 2015. *(The percentages will be updated quarterly.)*



The Table below describes the funds that are included within the Fund Types used for the pie chart.

Fund Type	Description of Funds
Governmental	General Fund
Special Revenue	Restricted Funds (i.e. CFDs, grants)
Capital Improvement	Development Impact Fee funds
Enterprise	Airport, Transit, Refuse, Electric
Banning Utility Authority	Water, Wastewater, Reclaimed water
Internal Service	Risk Management, Fleet, IT, Utility Services
Successor Agency Funds	Previously called Redevelopment Agency

Summary Schedule – Line item descriptions

Petty Cash –

The City maintains petty cash in various departments for incidental purchases. This line item includes the cash drawers for cashiers in utility billing.

Bank Accounts –

When reviewing the *Report of Investments*, please keep in mind that the balances shown on the *Summary Schedule of Cash and Investments* for bank accounts are “statement” balances. They reflect what the financial institution has on hand as of particular date and lists on their statement. They are not “general ledger” balances. General ledger balances reflect all activity through a particular date (i.e. all checks that have been written and all deposits that have been made) and is what we show on our books (the general ledger). The general ledger balance more accurately reflects the amount of cash we have available.

It should be noted that statement balances and general ledger balances can differ significantly. For example – on June 30th the statement balance for Wells Fargo Bank could show \$1,000,000, however, staff may have prepared a check run in the amount of \$750,000 on the same day. Our general ledger balance would show \$250,000, as the Wells Fargo statement does not recognize the checks that have been issued until they clear the bank.

For investment decisions and cash handling purposes staff relies on the balance in the general ledger. Staff does not invest funds that are not available. Sufficient funds must be kept in the bank accounts to cover all checks issued.

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings. The Summary Schedule of Cash and Investments shows the rate of earnings allowance received from the bank. The amount earned reduces the total amount of bank fees charged.
- Bank of America – Airport – The City maintains a Trust account for credit card purchases made at the airport. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – Parking Citations – The City maintains a Trust account for the processing of parking citations through Turbo Data. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – CNG – The City maintains a Trust account for credit card purchases of CNG fuel made at the City yards. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.

Summary Schedule – Line item descriptions – Cont.

Government Pools –

- Local Agency investment Fund – Account #1
 - This account includes both City pooled funds and a restricted cash balance related to the CRA bonds. Investments in LAIF are limited to \$50M.
- Local Agency investment Fund – Account #2
 - There is currently no balance in this account.
 - Note: When the State established the cutoff date of January 31, 2012 for the elimination of the Redevelopment Agency, LAIF staff recommended a transfer of the available balance from the CRA account to the City account to protect the funds from a rumored State raid or freezing of the funds.

Restricted Operating Funds at Riverside Public Utilities –

The City Electric operation has an agreement with Riverside Public Utilities (RPU) to purchase power for the City. Part of the agreement requires that the City maintain a balance in the trust account used by RPU. The City does not control the investments or earnings of the trust account.

Restricted Operating Funds at California ISO-

The California ISO facilitates the purchase and sale of the City's electricity. The City participates in periodic Congestion Revenue Rights (CRR) auctions to acquire financial hedges for transmission congestion. In order to participate in the CRR auctions the City was required to have a secured form of financial security. A cash deposit in the amount of \$100,000 was placed with Union bank in March, 2012 to meet the requirements. An additional \$9,297 was deposited in May 2015 to meet revised requirements. The account is an interest bearing collateral account.

Restricted Operating Funds at PERMA-

The City participates in a JPA with the Public Entity Risk Management Authority (PERMA), who provides administration for the City's worker's compensation insurance program. PERMA requires the City to deposit funds into an account used by PERMA for the payment of worker's compensation claims. The City does not control the investments or earnings of this account.

Other Investments –

Currently the City works with a Piper Jaffray broker to make various investments per the City policy and in accordance with State guidelines. The Broker is not on retainer, nor do they receive a City paid fee with each investment. Funds in the Money Market fluctuate as securities mature or get called. Staff is in the process of investing the Money Market funds over several months. We will be adding an additional broker to provide more investment options.

Fiscal Agent / US Bank –

Unspent bond proceeds and required bond reserves are invested by the Fiscal Agent in accordance with the bond documents.

Summary Schedule of Cash and Investments

Operating Funds		<u>Amount</u>	
<i>Petty Cash</i>		4,205	
<i>Bank Accounts</i>		Interest	
		Rate	Amount
Wells Fargo Bank		0.180% *	1,706,196
Bank of America-Airport		0.020%	3,238
Bank of America-Parking Citations		0.020%	3,009
Bank of America-CNG Station		0.020%	3,052
<i>Money Market and Bank Account Sub-Total</i>			1,715,496
<i>Government Pools</i>			
Account #1 Operating Amount	45,938,785		
Account #1 CRA Bond Cash Bal.	855,160		
Local Agency Investment Fund: Account #1		0.337%	46,793,945
Account #2 Successor Agency Cash Bal	0		
Local Agency Investment Fund: Account #2		0.337%	0
<i>Government Pool Sub-Total</i>			46,793,945
Operating Cash Balance			48,513,646
<i>Restricted Operating Funds</i>			
Riverside Public Utilities- Highmark U.S. Government Money Market Fund		0.040%	901,707
California ISO Corp- Union Bank			109,535
Worker's Compensation Program- (PERMA)			1,764,402
<i>Other Investments</i>			
Investments-US Bank/Piper Jaffray - See Page 2		0.411%	26,016,409
Operating Funds Total			77,305,700
Fiscal Agent		<u>Amount</u>	
US Bank		28,986,588	
Fiscal Agent Total			28,986,588

* Rate of earnings allowance received, offsets analyzed bank charges.

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Date	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
1,706,196	Wells Fargo Bank-Operating	n/a	0.18%	daily	varies	1,706,196	n/a	1,706,196
3,238	Bank of America-Airport	n/a	0.02%	daily	varies	3,238	n/a	3,238
3,009	Bank of America-Parking Citations	n/a	0.02%	daily	varies	3,009	n/a	3,009
3,052	Bank of America-Parking Citations	n/a	0.02%	daily	varies	3,052	n/a	3,052
Sub-total								1,715,496
<u>Government Pools</u>								
46,793,945	L.A.I.F. account #1	n/a	0.337%	daily	varies	46,793,945	n/a	46,793,945
0	L.A.I.F. account #2	n/a	0.337%	daily	varies	0	n/a	0
								46,793,945
<u>Investments-US Bank/Piper Jaffray</u>								
2,000,000	Federal Home Loan Bks	n/a	0.500%	7/15/2016	4/15/2014	2,000,000		2,001,600
1,700,000	FHLMC Mtn	n/a	0.700%	12/30/2016	6/30/2014	1,700,000		1,701,938
2,000,000	Federal Home Loan Bks	n/a	1.200%	5/24/2018	11/6/2014	2,000,000		1,994,700
1,000,000	FNMA	n/a	1.250%	11/27/2018	5/27/2015	1,000,000		1,004,310
2,000,000	Federal Home Loan Bks	n/a	1.100%	3/29/2018	7/1/2015	2,000,000		2,001,480
2,000,000	FHLMC Mtn	n/a	1.250%	7/27/2018	7/27/2015	2,000,000		2,004,980
15,307,401	Money Market	n/a	0.010%	daily	varies	15,307,401	0	15,307,401
US Bank/Piper Jaffray Average Rate=								26,016,409

Average Rate All= 0.359%

It has been verified that this investment portfolio is in conformity with the City of Banning's investment policy which was approved by the City Council on January 13, 2015. The Treasurer's cash management program provides sufficient liquidity to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 113 days and does not include Bond Reserve Fund Investments.

City of Banning Investment Report
Individual Investments with Fiscal Agent

September 30, 2015

Bond Issue Description	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Bond Maturity Date	Minimum Reserve Requirement	Market Value
COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A						
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 5-Ct	0.020%	daily	188,024	183,073
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003						
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	4.61%	1/29/2015	971,250	991,960
		US Bank Mmkt 5-Ct	0.020%	daily		21,262
		US Bank Mmkt 5-Ct	0.000%	daily		7
		US Bank Mmkt 5-Ct	0.000%	daily		10
		US Bank Mmkt 5-Ct	0.000%	daily		12
Surplus Fund						
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007						
Redevelop Fund	2037	US Bank Mmkt 5-Ct	0.020%	daily		14,57
		US Bank Mmkt 5-Ct	0.000%	daily		8,334,331
Reserve Fund		US Bank Mmkt 5-Ct	0.020%	daily		13
Special Fund		US Bank Mmkt 5-Ct	0.020%	daily	1,875,100	31.85
Surplus Fund		US Bank Mmkt 5-Ct	0.000%	daily		1.03
		US Bank Mmkt 5-Ct	0.000%	daily		16
		US Bank Mmkt 5-Ct	0.000%	daily		11
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES						
Interest Account		US Bank Mmkt 5-Ct	0.000%	daily		2
Principal Account		US Bank Mmkt 5-Ct	0.020%	daily		1.36
		US Bank Mmkt 5-Ct	0.020%	daily		55.49
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES						
Principal Account		US Bank Mmkt 5-Ct	0.000%	daily		7.13
Reserve Fund		US Bank Mmkt 5-Ct	0.020%	daily	2,310,738	39.25
Project Fund		US Bank Mmkt 5-Ct	0.040%	daily		27.22
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2015 SERIES						
Project Fund		First Amer Treas Oblig Fd CLD	0.030%	daily		5,007,562
Cost of Issuance Fund		First Amer Treas Oblig Fd CLD	0.000%	daily		29,606
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES						
Acquisition & Construction		US Bank Mmkt 5-Ct	0.020%	daily	2,672,050	45
		US Bank Mmkt 5-Ct	0.020%	daily		189.54
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES						
Acquisition & Construction		First Amer Treas Oblig Fd CLD	0.000%	daily		11,158,581
Cost of Issuance		First Amer Treas Oblig Fd CLD	0.000%	daily		33,043
*Paid Semi-Annually-Deposited into Money Mkt Account				Total		545,49
						28,996,589

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CITY COUNCIL/BANNING UTILITY AUTHORITY

DATE: November 10, 2015

TO: Banning Utility Authority

FROM: Art Vela, Acting Director of Public Works

SUBJECT: Notice of Completion for Project No. 2015-01WW, "Mechanical Repairs to Primary Clarifier"

RECOMMENDATION: That the City Council accepts Project No. 2015-01WW "Mechanical Repairs to Primary Clarifier" as complete and direct the City Clerk to record the Notice of Completion.

JUSTIFICATION: Staff has determined that the project has been completed per the City of Banning Plans and Specifications.

BACKGROUND: On May 26, 2015, the City Council/Banning Utility Authority adopted Resolution No. 2015-07UA, "Awarding the Construction Contract for Project No. 2015-01WW 'Mechanical Repairs to Primary Clarifier and Rejecting All Other Bids'", attached as Exhibit "A." The project was awarded to Tharsos, Inc., of La Mesa, California.

The scope of the work included the installation of a new 42" spur gear drive with all bearings, bolts, oil seals, gaskets, seals, shims, drive and driven sprocket, drive chain, shear pin and overload components. The project also included costs for furnishing all labor, materials, tools, equipment and necessary incidentals to perform the work including, but not limited to mobilization, participation in safety meetings and clean up. Project pictures are attached as Exhibit "B."


FISCAL DATA: The original contract amount for this project was \$98,100.00. The final contract amount was \$98,100.00.

RECOMMENDED BY:



Art Vela
Acting Director of Public Works

APPROVED BY:



Alex Diaz
Acting City Manager/Chief of Police

EXHIBIT “A”

RESOLUTION 2015-07UA

RESOLUTION NO. 2015-07 UA

A RESOLUTION OF THE BANNING UTILITY AUTHORITY OF THE CITY OF BANNING, CALIFORNIA, AWARDING THE CONSTRUCTION CONTRACT FOR PROJECT NO. 2015-01 WW, MECHANICAL REPAIRS TO PRIMARY CLARIFIER AND REJECTING ALL OTHER BIDS

WHEREAS, The City of Banning owns and operates the Wastewater Treatment Plant providing sewerage treatment services to the residents of Banning; and

WHEREAS, the west primary clarifier equipment is non-operable, has been repaired on numerous occasions and requires replacement of its motor in order to maintain primary treatment capacity wastewater plant operational needs; and

WHEREAS, the project scope of work consists in general of the removal and replacement of a damaged primary clarifier 42 inch spur gear drive unit at the Banning Wastewater Treatment Plant; and

WHEREAS, staff advertised a Notice Inviting to Bid on April 25, 2015 and May 2, 2015 in the Press Enterprise and on the City Website and on May 13, 2015 the City Clerk received 2 bids; and

WHEREAS, Tharsos, Inc. of La Mesa, California submitted the lowest bid; and

WHEREAS, the cost of Project No. 2015-01 WW, "Mechanical Repairs to Primary Clarifier is \$98,100.00 and staff is requesting the approval of a 10% contingency equal to \$9,810.00 for a total project budget amounting to \$107,910.00.

WHEREAS, Account No. 681-8000-454.95-12 (Special Utility Cap Items/Treatment Plan Improvements) will be utilized to fund the project.

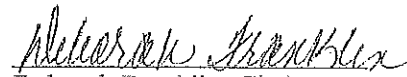
NOW, THEREFORE, BE IT RESOLVED by the Banning Utility Authority of the City of Banning as follows:

SECTION 1. Banning Utility Authority adopts Resolution No. 2015-07UA awarding the Construction Contract for Project No. 2015-01 WW "Mechanical Repairs to Primary Clarifier" with Tharsos, Inc. of La Mesa, California in an amount "not to exceed" \$98,100.00 and approving a 10% contingency.


SECTION 2. Authorize the Interim Administrative Services Director to make necessary budget adjustments and appropriations and transfers related to the project and to approve change orders within the 10% contingency.

SECTION 3. The Interim City Manager is authorized to execute the Construction Contract with of Calimesa, California in a form approved by the City Attorney. This authorization will be rescinded if the contract agreement is not executed by the parties within sixty (60) days of the date of this resolution.

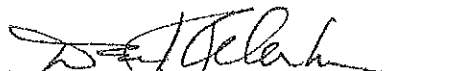
PASSED, APPROVED AND ADOPTED this 26th day of May, 2015.


Deborah Franklin, Chairperson
Banning Utility Authority

ATTEST:


Marie A. Calderon, Secretary

APPROVED AS TO FORM AND
LEGAL CONTENT:


David J. Aleshire, Authority Counsel
Aleshire & Wynder, LLP

CERTIFICATION:

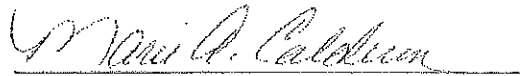
I, Marie A. Calderon, Secretary of the Banning Utility Authority of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-07 UA, was duly adopted by the Banning Utility Authority of the City of Banning, California, at a joint Meeting thereof held on the 26th day of May, 2015, by the following vote to wit:

AYES: Boardmembers Miller, Moyer, Peterson, Welch, Chairperson Franklin

NOES: None

ABSTAIN: None

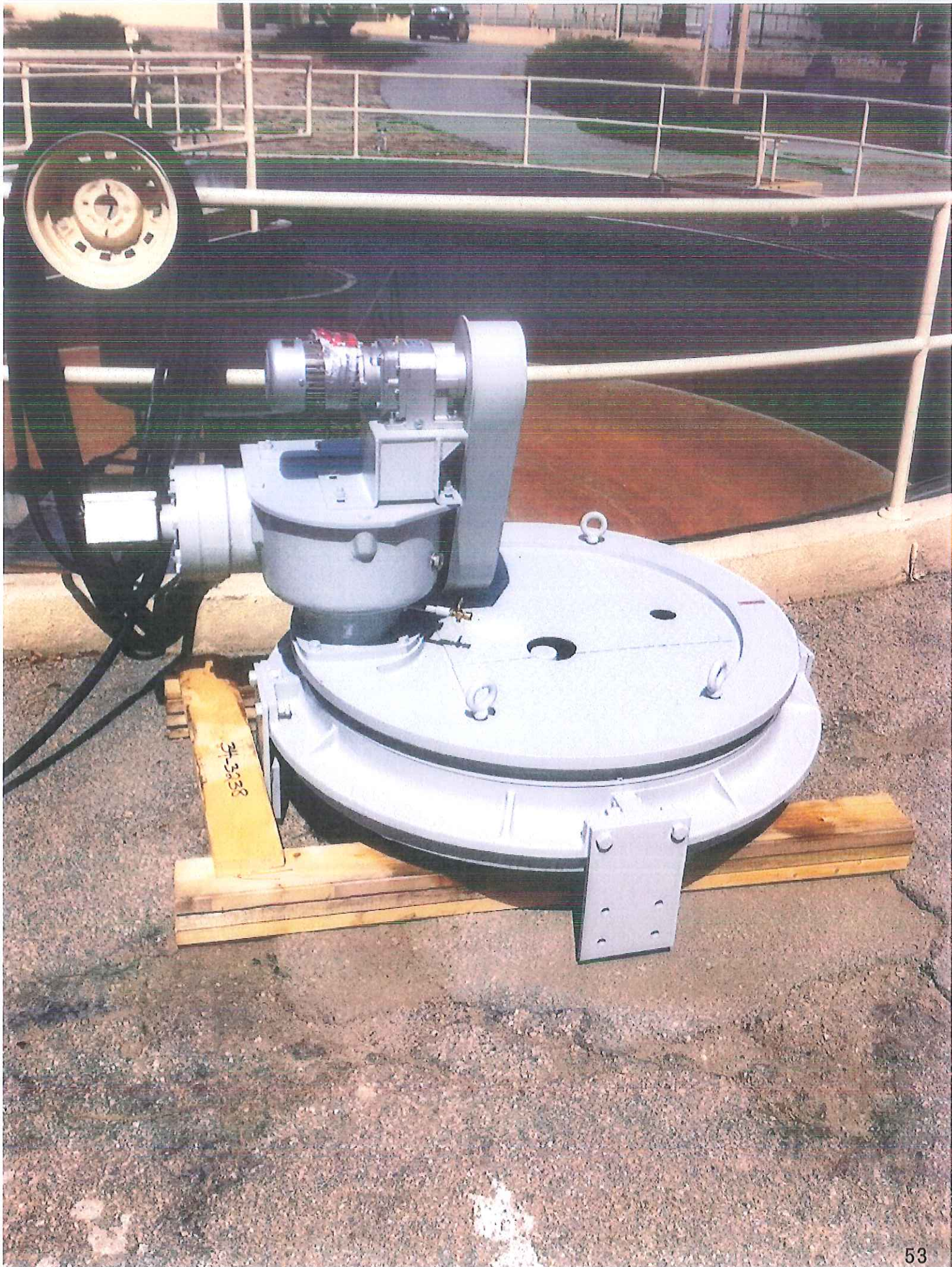
ABSENT: None



Marie A. Calderon, Secretary
Banning Utility Authority
City of Banning, California

EXHIBIT "B"

PROJECT PICTURES







1 WHEN RECORDED MAIL TO:

2
3 Office of the City Clerk
4 City of Banning
5 P.O. Box 998
6 Banning, California 92220
7

8 FREE RECORDING:
9 Exempt Pursuant to
10 Government Code §6103
11

12
13 NOTICE OF COMPLETION

14 PROJECT NO. 2015-01WW

15 MECHANICAL REPAIRS TO PRIMARY CLARIFIER

16
17 THIS NOTICE OF COMPLETION IS HEREBY GIVEN by the OWNER, the
18 City of Banning, a municipal corporation, pursuant to the provisions of Section 3093 of
19 the Civil Code of the State of California, and is hereby accepted by the City of Banning,
20 pursuant to authority conferred by the City Council this November 10, 2015, and the
21 grantees consent to recordation thereof by its duly authorized agent.
22

23 That the OWNER, the City of Banning, and Tharsos, Inc., of La Mesa, California, the
24 vendee, entered into an agreement dated May 28, 2015, for Project No. 2015-01WW,
25 "Mechanical Repairs to Primary Clarifier."
26

27 The scope of work included a new 42" spur gear drive with all bearings, bolts, oil seals,
28 gaskets, seals, shims, drive and driven sprocket, drive chain, shear pin and overload
29 components. Project also included all costs for furnishing all labor, materials, tools,
30 equipment and necessary incidentals to perform the work including, but not limited to
31 mobilization, participation in safety meetings and clean up.
32

33 That the work of improvement was completed on October 19, 2015, for Project No.
34 2015-01WW, "Mechanical Repairs to Primary Clarifier."

1 (1) The Nature of Interest was to repair the primary clarifier at the Wastewater
2 Treatment Plant.

3 (2) That the City of Banning, a municipal corporation, whose address is
4 Banning City Hall, 99 E. Ramsey Street, Banning, California 92220, is completing work
5 of improvement.

6 (3) That said work of improvement was performed at 2242 E. Charles Street
7 in Banning, California 92220.

8 (4) That the original contractor for said improvement was Tharsos, Inc., State
9 Contractor's License No. 980621.

10 (5) That Performance and Payment bonds were required for this project.

11 (6) The nature of interest is in fee.
12

13 Dated: November 10, 2015

14 CITY OF BANNING
15 A Municipal Corporation
16

17
18
19 By _____
20 Alex Diaz, Acting City Manager
21 Chief of Police
22

23 APPROVED AS TO FORM:
24
25
26

27 _____
28 Lona N. Laymon, City Attorney
29 Aleshire & Wynder, LLP
30
31
32
33
34
35

State of California
County of Riverside

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 2015 by _____ proved to me on this basis of satisfactory evidence to be the person(s) who appeared before me.

(S e a l)

Notary Public in and for said County
and State

STATE OF CALIFORNIA)

) SS

COUNTY OF RIVERSIDE)

MARIE A. CALDERON, being duly sworn, deposes and says:

That I am the City Clerk of the City of Banning, which City caused the work to be performed on the real property hereinabove described, and is authorized to execute this Notice of Completion on behalf of said City; that I have read the foregoing Notice and know the contents thereof, and that the facts stated therein are true based upon information available to the City of Banning, and that I make this verification on behalf of said City of Banning. I declare under perjury that the foregoing is true and correct.

Executed on _____, 2015 at Banning, California.

City Clerk of the City of Banning

**CITY COUNCIL AGENDA
CONSENT CALENDAR**

DATE: November 10, 2015

TO: City Council

FROM: Rita Chapparosa, Deputy Human Resources Director

SUBJECT: Second Amendment to Employment Agreement between the City of Banning and Alex Diaz


RECOMMENDATION: Approve the Second Amendment to Employment Agreement between the City and Alex Diaz to provide a provision to allow an Acting City Manager appointment with commensurate pay effective on the 15th consecutive day of service as Acting City Manager retroactive to the first day of appointment, with acting pay compensation to be the greater of either a 5% increase to base pay or the lowest step of the City Manager salary range.

JUSTIFICATION: The City's contract with its Police Chief does not currently contain any provision for appointment of the Police Chief as Acting Chief Manager in cases of absence of the City Manager and has no corresponding increased pay provision for providing such additional duties and service to the City.

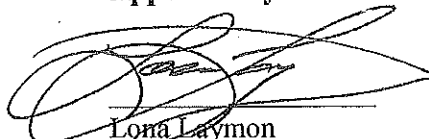
BACKGROUND: The former Interim City Manager's resignation effective October 20, 2015 created the need for Police Chief Alex Diaz to take over the day to day operations of the City effective October 21, 2015 with the approval of the Mayor until such time as City Council could formally approve the acting appointment at the Council meeting held on October 27, 2015. At that meeting, the City Council approved the basic deal terms for such acting appointment which was accepted by Alex Diaz at the meeting and therefore directed that such additional deal terms be incorporated into the Employment Agreement between the City and Alex Diaz by means of a Second Amendment thereto. Human Resources and the City Attorney's Office prepared the attached Second Amendment to Employment Agreement between the City and Alex Diaz in compliance with City Council's direction.

FISCAL DATA: There will be a minimal impact to the budget.

Prepared By:


Rita Chapparosa
Deputy Human Resources Director

Approved By:


Lona Laymon
City Attorney

Attachments:

1. Second Amendment to Employment Agreement
2. First Amendment to Employment Agreement
3. Original Employment Agreement (Police Chief)

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**SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE
CITY OF BANNING AND ALEX DIAZ**

This SECOND AMENDMENT TO EMPLOYMENT AGREEMENT ("Amendment") by and between the CITY OF BANNING, a California municipal corporation ("Employer") and Alex Diaz, an individual ("Employee") is effective as of the 21st day of October, 2015.

R E C I T A L S

WHEREAS, Employer and Employee entered into that certain agreement entitled "Chief of Police Employment Agreement" ("Agreement") on or about September 23, 2014; and

WHEREAS, Employer and Employee entered into that certain agreement entitled "First Amendment to Employment Agreement" ("First Amendment") on or about August 25, 2015; and

WHEREAS, effective October 21, 2015, Employer appointed Employee to serve in the position of Acting City Manager until Employer retains the services of a full-time City Manager, which Employee accepted; and

WHEREAS, Employer and Employee agree that Employee should be entitled to Acting Duty pay during his term as Acting City Manager; and

WHEREAS, Employer and Employee now desire to amend the Agreement to reflect Employee's temporary increase in salary due to the Acting Duty pay for being Acting City Manager.

NOW, THEREFORE, it is hereby agreed that the Agreement is amended in the following particulars only:

Section 1. The parties herein agree that **Section 2.0** of the Agreement titled "**COMPENSATION AND REIMBURSEMENT**" is amended to add a Section 2.4 as follows:

"2.4 Acting Duty Pay. At any time that City Council or an interim or permanent City Manager appoints EMPLOYEE as Acting City Manager and effective on the 15th consecutive day of service as Acting City Manager, EMPLOYEE shall be compensated with the greater of a 5% increase to EMPLOYEE's Base Salary or the at lowest Step of the City Manager salary range, retroactive to the first day of EMPLOYEE's appointment to the position of Acting City Manager. Upon the conclusion of EMPLOYEE's services as Acting City Manager as determined by City Council or an interim or permanent City Manager, he shall return to the performance of his duties as the Chief of Police in accordance with the Agreement earning the same salary and enjoying the same benefits as provided immediately prior to the serving as Acting City Manager."

Section 2. Except as expressly provided in this Second Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto executed this Second Amendment to be effective as of the Date first written above.

EMPLOYEE

By: 
Alex Diaz


EMPLOYER

By: _____
Debbie Franklin, Mayor

ATTEST:

Marie Calderon, City Clerk

APPROVED AS TO FORM:


Lona Laymon, City Attorney

**FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE CITY
OF BANNING AND ALEX DIAZ**

This FIRST AMENDMENT TO EMPLOYMENT AGREEMENT ("Amendment") by and between the CITY OF BANNING, a California municipal corporation ("Employer") and Alex Diaz, an individual ("Employee") is effective as of the 25th day of August, 2015.

R E C I T A L S

WHEREAS, Employer and Employee entered into that certain Agreement entitled "Chief of Police Employment Agreement" ("Agreement") on or about September 23, 2014; and

WHEREAS, the City Council of the City of Banning passed Resolution No. 2015-80 adopting a new Salary Schedule dated July 1, 2015 as applied to City Department Directors which provided for a 3% cost of living adjustment increase in compensation for all City of Banning Directors, including the Police Chief; and

WHEREAS the Employer and Employee now desire to amend the Agreement to reflect the 3% cost of living increase authorized by City Council.

NOW, THEREFORE, it is hereby agreed that the Agreement is amended in the following particulars only:

Section 1. The parties herein agree that **Section 2.0** of the Agreement titled **"COMPENSATION AND REIMBURSEMENT"** is amended to read in full as follows:

"2.1 Compensation. For the services rendered pursuant to this AGREEMENT, EMPLOYEE's initial annual base salary shall be One Hundred Twenty Six Thousand, Six Hundred and Seven Dollars and Ninety-Five Cents (\$126,607.95) annually ("Salary"), which shall be paid on a pro-rated basis bi-weekly at the same time as other employees of CITY are paid. The initial annual base salary shall be increased by 3% effective August 25, 2015 to One Hundred Thirty Thousand, Four Hundred and Five Dollars and Thirty-Nine Cents (\$130,405.39). Such base salary shall be subject to normal and proper withholdings as determined by state and federal law and as determined appropriate by the CITY and shall be subject to payroll taxes, workers' compensation, and other payroll-related liability costs."

Section 2. Except as expressly provided in this First Amendment, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto executed this First Amendment to be effective as of the Date first written above.


EMPLOYEE

By: 
Alex Diaz

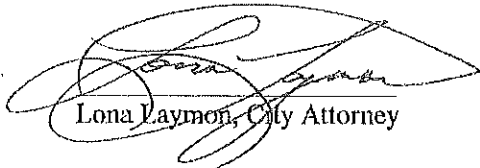
CITY

By: 
Dean Martin, Interim City Manager

ATTEST:


Marie Calderon, City Clerk

APPROVED AS TO FORM:


Lona Laymon, City Attorney

CHIEF OF POLICE EMPLOYMENT AGREEMENT

This CHIEF OF POLICE EMPLOYMENT AGREEMENT (hereinafter referred to as the "AGREEMENT") is entered into and made effective the 23rd day of September 2014, by and between the CITY OF BANNING, a general law city and municipal corporation (hereinafter referred to as the "CITY") and ALEX DIAZ, an individual (hereinafter referred to as "EMPLOYEE"). For purposes of this AGREEMENT, CITY and EMPLOYEE may be collectively referred to as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, pursuant to California Government Code section 34856 and Banning Municipal Code ("BMC") section 2.08.080, the City Manager has the authority to appoint the Chief of Police, subject to concurrence by a formal vote of the City Council;

WHEREAS, pursuant to BMC section 2.08.090, the City Manager is also authorized to execute an employment contract with the Chief of Police in contemplation of employment by the CITY subject to City Council approval of the maximum compensation and benefits prior to the employment contract taking effect and with the employment contract being subject to California Government Code section 53260 et seq. or any successor sections.

WHEREAS, the City Manager desires to appoint EMPLOYEE, an existing CITY public safety employee, to serve in the position of Chief of Police for the CITY, the duties of which position are generally set forth in Government Code sections 41601-41612, and in the Chief of Police Job Description adopted by the CITY which is attached hereto as Exhibit "A."

WHEREAS, EMPLOYEE desires to perform and assume responsibility for the provision of Chief of Police professional services to the CITY and its related agencies;

WHEREAS, the Parties agree that EMPLOYEE has the necessary qualifications and experience to perform as Chief of Police with the exception of the CITY Job Description requirement that EMPLOYEE must have at the time of application and must maintain a State of California Police Officer Standards and Training (POST) management certification and that with his appointment and formal approval by the City Council of same CITY is waiving the requirement of possessing a management certification at time of application or appointment, but the Parties agree that EMPLOYEE shall promptly apply for same.

WHEREAS, the Parties wish to establish the terms and conditions of EMPLOYEE's provision of Chief of Police professional services to the CITY and its related agencies through this AGREEMENT;

WHEREAS, EMPLOYEE's appointment as the CITY's Chief of Police remains subject to the formal approval of City Council pursuant to BMC section 2.08.080;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the CITY and EMPLOYEE hereby agree as follows:

A G R E E M E N T

1.0 EMPLOYMENT & DUTIES

1.1 Duties. Subject to formal approval of City Council, CITY hereby appoints EMPLOYEE as Chief of Police for the CITY to perform the functions and duties of said position, including those functions and duties specified in the Job Description for the Chief of Police attached hereto as Exhibit "A" and those functions and duties set forth in sections 41601-41612 of the Government Code of the State of California. Additionally, EMPLOYEE shall perform such other legally permissible and proper functions and duties as the City Manager shall, from time-to-time, direct or assign as appropriate to the position of Chief of Police. EMPLOYEE shall perform these functions and duties in an efficient, competent, and ethical manner and shall devote EMPLOYEE's best efforts and full-time attention thereto.

1.2 Work Schedule. It is recognized that the Chief of Police is expected to engage in the hours of work that are necessary to fulfill the obligations of the position, must be available at all times, and must devote a great deal of time outside the normal office hours to the business of the CITY. EMPLOYEE acknowledges that proper performance of the duties of Chief of Police will require EMPLOYEE to generally observe normal business hours (currently 8:00 a.m. to 5:00 p.m., Monday through Friday, including a standard one hour lunch period), as set by the CITY and as may be duly revised from time-to-time by the CITY and/or the City Manager, and will also often require the performance of necessary services outside of normal business hours. EMPLOYEE's compensation (whether salary or benefits) is not based on hours worked. Furthermore, the Chief of Police position remains an "exempt" classification under the overtime provisions of the federal Fair Labor Standards Act ("FLSA") and EMPLOYEE shall not be entitled to any compensation for overtime nor subject to such overtime provisions of the FLSA.

1.3 Fair Labor Standards Act ("FLSA") Exempt Status. EMPLOYEE acknowledges and agrees that the Chief of Police position is that of an exempt employee for the purposes of the FLSA.

1.4 Other Activities. EMPLOYEE shall focus his professional time, ability, and attention to the CITY's business during the term of this AGREEMENT. EMPLOYEE shall not engage, without the express prior written consent of the City Manager, in any other business duties or pursuits whatsoever, or directly or indirectly render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, that is or may be competitive with the CITY, that might cause a conflict-of-interest with the CITY, or that otherwise might interfere with the business or operation of the CITY or the satisfactory performance of the functions and duties of the Chief of Police.

1.5 Employment Status. Upon appointment to the Chief of Police position, EMPLOYEE shall serve at the will and pleasure of the City Manager and understands that by accepting the Chief of Police appointment that EMPLOYEE gives up his vested employment rights within the CITY's personnel system and shall become an "at-will" employee without recourse to bumping or other demotion rights and shall be subject to summary dismissal without any right of notice or hearing except as expressly provided in this AGREEMENT, including any

so-called due process pre-disciplinary "Skelly" hearing. The CITY may terminate EMPLOYEE at any time, with the sole exception being the express procedures set forth in Section 3.3 and Section 3.4 below which are in accordance with the state mandated protections afforded by the Public Safety Officers Procedural Bill of Rights Act ("POBOR") (Government Code sections 3300-3313).

1.6 Exemption from Personnel System. BMC § 2.68.020 expressly exempts the Chief of Police position from the CITY's Personnel System established in BMC Chapter 2.68. EMPLOYEE understands, acknowledges and agrees that EMPLOYEE is exempt from the CITY's Personnel System.

1.7 CITY Documents. All data, studies, reports and other documents prepared by EMPLOYEE while performing his duties during the term of this AGREEMENT shall be furnished to and become the property of the CITY, without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to EMPLOYEE in connection with the performance of this AGREEMENT shall be held confidential by EMPLOYEE to the extent permitted by applicable law, except as may be required by any governmental agency or court of competent jurisdiction. Such materials shall not be used by EMPLOYEE, without the prior written consent of the City Manager, for any purposes other than the performance of EMPLOYEE's duties. Additionally, no such materials may be disclosed to any person or entity not connected with the performance of services under this AGREEMENT, except as required by (a) law, (b) any governmental agency, (c) subpoena, or (d) an order issued by a court of competent jurisdiction.

2.0 COMPENSATION AND REIMBURSEMENT

2.1 Base Salary. For the services rendered pursuant to this AGREEMENT, EMPLOYEE's initial annual base salary shall be One Hundred Twenty Six Thousand, Six Hundred and Seven Dollars and Ninety Five Cents (\$126,607.95) ("Salary"), which shall be paid on a pro-rated basis bi-weekly at the same time as other employees of the CITY are paid, effective the first full pay period after September 23, 2014. Such base salary shall be subject to normal and proper withholdings as determined by state and federal law and as determined appropriate by the CITY and shall be subject to payroll taxes, workers' compensation, and other payroll-related liability costs.

2.2 Base Salary Review. The City Manager and EMPLOYEE agree to endeavor to conduct an annual base salary review concurrently with the annual performance evaluation set forth in Section 5.2.

2.3 Base Salary Adjustment. Following the annual performance evaluation set forth in Section 5.2 and the annual base salary review set forth above in Section 2.2, the City Manager may increase EMPLOYEE's base salary and benefits package based on the results of those reviews. Any adjustments in the base salary and/or benefits following the annual performance evaluation under Section 5.2 and review under Section 2.2 shall be at the sole discretion of the City Manager, subject to the maximum base salary and benefits permitted for

the position of Chief of Police in the most recent classification and compensation resolution approved by the City Council.

2.4 Business Expense Reimbursements. CITY shall reimburse EMPLOYEE for reasonable and necessary travel, subsistence, and other CITY related business expenses incurred by EMPLOYEE in the performance of his or her duties. All reimbursements shall be subject to and in accordance with California law, the CITY's adopted Travel & Meeting/Mileage Reimbursement Policy E- 1 & E-2, and IRS rules for reporting compensation through payroll or reimbursement through accounts payable.

3.0 TERM

3.1 Commencement & Effective Date. EMPLOYEE shall commence service hereunder at 8:00 a.m. Pacific daylight savings time on September 24, 2014, or such other date/time upon which the City Manager and Chief of Police may mutually agree. In the event Police Chief commences services on a date other than September 24, 2014, such date shall be deemed the effective date of this AGREEMENT ("Effective Date"). The Effective Date remains subject to formal City Council approval of the appointment of EMPLOYEE as the Chief of Police.

3.2 Term. This AGREEMENT shall remain in effect from the Effective Date specified at Section 3.1 until this AGREEMENT is terminated pursuant to Section 3.3 or 3.4.

3.3 Termination by EMPLOYEE. EMPLOYEE may terminate this AGREEMENT at any time, provided EMPLOYEE provides the City Manager with at least thirty (30) days' advance written notice. In the event EMPLOYEE terminates this AGREEMENT, EMPLOYEE expressly agrees that EMPLOYEE shall not be entitled to any severance pay.

3.4 Termination by CITY. The City Manager or someone acting in the capacity as City Manager or as Interim City Manager may terminate this AGREEMENT at any time with or without cause, by providing written notice of the reason(s) and an opportunity for administrative appeal, as provided herein, in accordance with the requirements of the POBOR, including but not limited to Government Code section 3304(c), which provides that the CITY is required to provide written notice of termination and the reason or reasons therefor and an opportunity for administrative appeal. The City Manager's right to terminate EMPLOYEE pursuant to this Section 3.4 shall not be subject to or in any way limited by the CITY's Rules and Regulations of the Personnel System (Resolution No. 1974-22) or past CITY practices related to the employment, discipline or termination of the CITY's employees. Except as expressly provided in this Section 3.4, EMPLOYEE expressly waives any rights provided for the Chief of Police under the CITY's Rules and Regulations of the Personnel System (Resolution No. 1974-22), Municipal Code, or under other state or federal law to any other form of pre- or post-termination hearing, appeal, or other administrative process pertaining to termination. Nothing herein, however, shall be construed to create a property interest, where one does not exist by rule of law, in the position of Chief of Police. Notwithstanding this Section 3.3, upon appointment to the Chief of Police position, EMPLOYEE remains an at-will employee serving at the pleasure of the City Manager.

(a) Termination by CITY for Cause. The CITY may terminate this AGREEMENT at any time by providing EMPLOYEE with five (5) business days' written notice of the termination for cause and the facts and grounds constituting such cause. The term "cause" shall be defined to include any misconduct materially related to performance of official duties, including but not be limited to any of the following: 1) Breach of this AGREEMENT, 2) Willful or persistent material breach of duties, 3) Résumé fraud or other acts of material dishonesty, 4) Unauthorized absence or leave, 5) Conviction of a misdemeanor involving moral turpitude (i.e., offenses contrary to justice, honesty, or morality), conviction of a misdemeanor DUI, or conviction of a felony under California law (the CITY may, in its discretion, place the Chief of Police on paid or unpaid administrative leave until resolution of charges brought against the Chief of Police), 6) Violation of the CITY's anti-harassment policies and/or a finding that legally prohibited personal acts of harassment against a CITY official or employee or legally prohibited personal acts of discrimination against a CITY official or employee has occurred, 7) Violation of the CITY's Municipal Code, Ordinances, Rules, and Regulations, including but not limited to the CITY's Rules and Regulations of the Personnel System (Resolution No. 1974-22), Administrative Procedures Manual, and the Banning Police Department Policy Manual, 8) Use or possession of illegal drugs, 9) Engaging in conduct tending to bring embarrassment or disrepute to the CITY, 10) Any illegal or unethical act involving personal gain, 11) A pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted direction of the City Manager or the policy decisions of the City Council, and 12) Gross misfeasance or gross malfeasance. If the CITY terminates for cause this AGREEMENT and the services of EMPLOYEE hereunder, the CITY shall have no obligation to pay severance. In order to comply with the requirements of California Government Code section 3304(c), a termination by the City Manager for cause shall be conducted in accordance with the following procedures:

(1) Within five (5) days of receipt of written notice under Section 3.3(a), EMPLOYEE may submit a request in writing to the City Manager for an administrative appeal. Such appeal shall not prohibit or otherwise delay the termination of EMPLOYEE prior to the administrative appeal. Failure to timely file such a request shall be deemed to be a waiver of the right to do so.

(2) Upon EMPLOYEE's written appeal request, the City Manager shall appoint an independent hearing officer to conduct an administrative hearing and issue an advisory decision which shall then be reviewed and considered and either adopted, modified or rejected by City Council. Both the EMPLOYEE and the CITY and their respective representatives, if any, shall make reasonable efforts to set an administrative appeal hearing date within thirty (30) days from the City Manager's receipt of the written appeal request. Pursuant to Government Code section 3304(c), For purposes of this subdivision, the removal of EMPLOYEE for the purpose of implementing the goals or policies, or both, of the CITY, for reasons including, but not limited to, incompatibility of management styles or as a result of a change in administration, shall be sufficient to constitute "reason or reasons" for EMPLOYEE's termination in addition to those stated in Section 3.4a above.

(3) At the administrative appeal hearing, the independent hearing officer shall be presented with both the information and documents on which the CITY based its decision to terminate as well as any information and documents on which the CITY

based its decision to terminate for cause as well as any information and documentation that the EMPLOYEE chooses to submit to challenge the CITY's information and documents to raise mitigating circumstances for consideration by the independent hearing officer.

(4) Within thirty (30) days of completing the hearing, the independent hearing officer shall issue an advisory decision in writing to the City Council determining whether EMPLOYEE was properly terminated and whether there was sufficient "cause" to justify not paying severance under the terms of this AGREEMENT unless severance was already tendered. Following City Council's review and consideration of the advisory decision, EMPLOYEE shall be notified in writing as to whether the advisory decision will be upheld, modified or rescinded.

(b) Termination by City Manager Without Cause. By providing EMPLOYEE at least thirty (30) days' prior written notice thereof, the CITY may terminate EMPLOYEE without cause but rather based upon management reasons such as implementing the CITY's goals or policies, including but not limited to: i) change of administration, or ii) incompatibility of management styles. In the event EMPLOYEE is terminated without cause, EMPLOYEE expressly agrees that EMPLOYEE shall not be entitled to any severance pay as the result of the termination of this AGREEMENT except as provided in Section 4.1 below. In order to comply with the requirements of California Government Code section 3304(c), termination by the City Manager for a reason other than cause shall be conducted in accordance with the following procedures:

(1) The CITY reserves the right to place the Police Chief on paid administrative leave for all or a portion of the thirty (30) day period provided under Section 3.4(b).

(2) EMPLOYEE may request to appear before the City Council prior to the effective date of the termination to challenge the reasons for the termination or to raise mitigating circumstances regarding the termination but in such event would waive any right to severance pay under Section 4.1 below.

4.0 SEVERANCE

4.1 Severance Pay. In the event EMPLOYEE is terminated without cause within two (2) years of EMPLOYEE's appointment date and does not challenge such termination, including but not limited to by means of appeal or civil or administrative claim, then CITY shall pay to EMPLOYEE severance in an amount equal to the monthly base salary of EMPLOYEE then in effect multiplied by three (3) excluding deferred compensation or the value of any other benefits. If EMPLOYEE is terminated without cause at any time later than two (2) years after EMPLOYEE's start date and does not challenge such termination, including but not limited to by means of appeal or civil or administrative claim, then CITY shall pay to EMPLOYEE severance in an amount equal to the monthly base salary of EMPLOYEE then in effect multiplied by six (6) excluding deferred compensation or the value of any other benefits.

Notwithstanding the foregoing, should such proposed severance payment exceed the amount authorized to be paid under Government Code Section 53260, then the amount paid to EMPLOYEE shall be reduced in the amount necessary to comply with such statute.

4.2 No Severance Pay if Termination for Cause or Initiated by EMPLOYEE. As provided in Section 3.4(a), should Employee be terminated for cause, the CITY shall have no obligation to pay the severance provided for in Section 4.1 above. As provided in Section 3.3, should EMPLOYEE initiate termination of this AGREEMENT, the CITY shall have no obligation to pay the severance provided for in Section 4.1 above.

4.3 Sole Rights. The severance rights provided in this Section 4.0 shall constitute the sole and only entitlement of EMPLOYEE with respect to severance pay in the event of the termination, other than for cause. EMPLOYEE expressly waives any and all other rights with respect to severance pay except as provided herein. Any and all severance rights are conditioned upon and in consideration for execution of the standard "Agreement of Separation, Severance, and General Release" attached hereto in form only as Exhibit "C."

5.0 PERFORMANCE EVALUATIONS

5.1 Purpose. The performance review and evaluation process set forth herein is intended to provide review and feedback to EMPLOYEE so as to facilitate a more effective management of the Police Department and the CITY. Nothing herein shall be deemed to alter or change the employment status of EMPLOYEE as Chief of Police (as set forth in Section 1.4 above), nor shall this Section 5.0 be construed as requiring "cause" to terminate this AGREEMENT, or the services of EMPLOYEE hereunder.

5.2 Annual Evaluation. The City Manager shall conduct a formal or informal review and evaluate the performance of EMPLOYEE on an annual basis to coincide with the anniversary date of EMPLOYEE's appointment to the position of Chief of Police. Such performance review and evaluation shall be conducted concurrently with an annual base salary review provided for in Section 2.2 above, and in accordance with the purpose noted in Section 5.1 above.

5.3 Written Summary. The City Manager may, at his or her sole discretion, elect to provide a written summary of each performance evaluation to EMPLOYEE within two (2) weeks following the conclusion of the performance review and evaluation process, and may, at his or her sole discretion, schedule at least one (1) City Council closed session with EMPLOYEE to deliver and discuss the evaluation.

6.0 BENEFITS AND OTHER COMPENSATION

6.1 Professional Development. The CITY recognizes its obligation to the professional development of its Chief of Police, and agrees that EMPLOYEE shall be given adequate opportunities to develop and maintain skills and abilities as a public administrator. EMPLOYEE is expected and encouraged to and does agree to participate in professional organizations and to attend Area and Regional meetings and conferences related to matters of interest to the CITY consistent with the time required for such attendance in relationship to EMPLOYEE's other responsibilities as determined by the City Manager. The City Manager

hereby agrees to budget an amount to be determined in the exercise of his or her sole discretion to pay the cost, travel and subsistence expense of EMPLOYEE for professional and/or official travel, meetings, and occasions adequate to continue professional development of EMPLOYEE and to adequately pursue necessary official functions for the CITY. These activities shall include membership in at least one professional association and attendance at one annual community development conference. EMPLOYEE shall be responsible for maintaining any professional certifications recognized as necessary or desirable in the performance of the duties hereunder. Tuition and cost of books will be reimbursed to EMPLOYEE for professional and technical courses approved by the City Manager and taken in an accredited educational institution provided that: the subject matter of the course relates directly to and contributes toward the Chief of Police position with the CITY; EMPLOYEE has received at least a competent proficiency rating on the last performance evaluation report; EMPLOYEE has furnished evidence that the course has been completed with at least a "C" or "pass" grade.

The City Manager also agrees to budget and pay for travel and subsistence expenses of EMPLOYEE for short courses, institutes, and seminars that are necessary for EMPLOYEE's professional development and for the good of the CITY. The City Manager agrees to budget and pay for professional dues and subscriptions of EMPLOYEE reasonably related to the professional growth, development, education and training of EMPLOYEE.

6.2 Paid Leave.

(a) Sick Leave: EMPLOYEE shall be entitled to ninety-six (96) hours of sick leave annually, with the right to cash in a maximum of ninety-six (96) hours annually. A minimum of forty (40) sick leave hours must be left in the bank at time of cash out. Sick leave shall accrue at the rate of 3.69 hours per pay period. Any sick leave cash out request must be made no later than November 1st of each year, and payment of the cash out shall be made in the last check issued in November. Sick leave may only be accrued to a maximum of four hundred eighty (480) hours at which point sick leave accrual will cease until the accrued hours fall below the maximum of four hundred eighty (480) hours. Sick leave must be used and deducted from accruals on a minute by minute basis for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. Upon termination for any reason, EMPLOYEE shall be entitled to one hundred percent (100%) of the unused sick leave on the books then existing.

(b) Vacation Leave. Police Chief shall be entitled to one hundred sixty (160) hours of vacation leave annually, with the right to cash in a combined maximum of eighty (80) vacation leave hours annually from any vacation leave bank. A minimum of eighty (80) vacation leave hours must be left in the regular vacation bank at time of cash out. If EMPLOYEE accrues greater than three hundred (300) hours of vacation time, then he may request a one-time cash out of fifty percent (50%) of the total available vacation hours to be paid at his current pay rate. Vacation leave shall accrue at the rate of 6.15 hours per pay period. Vacation leave may only be accrued to a maximum of four hundred eighty (480) hours at which point vacation leave accrual will cease until the accrued hours fall below the maximum of four hundred eighty (480) hours. Vacation leave must be used and deducted from accruals on a minute by minute basis for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. Upon termination, for any reason,

EMPLOYEE shall be entitled to one hundred percent (100%) of the unused vacation leave on the books then existing.

(c) Holiday Leave. EMPLOYEE shall be granted the following holidays: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Fourth of July, Labor Day, Veteran's Day, Thanksgiving, Day after Thanksgiving, and Christmas. In addition, one (1) floating holiday will be credited to EMPLOYEE's Holiday Leave bank July 1st each year. Accrued floating holiday hours may be taken in one hour increments. Leave balances must be used during the fiscal year or they will be cashed out according to Administrative Policy A-30. If the City Council recognizes an additional holiday for City employees, said holiday shall be extended to EMPLOYEE. Holiday leave must be used and deducted from accruals in increments of no less than one hour for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours.

(d) Executive Leave. EMPLOYEE shall be entitled to ninety-eight (98) hours of executive leave annually, with the right to cash in a maximum of ninety-eight (98) executive leave hours annually. Executive leave shall accrue at the rate of 3.77 hours per pay period. Executive leave may only be accrued to a maximum of two hundred (200) hours at which point executive leave accrual will cease until the accrued hours fall below the maximum of two hundred (200) hours. Executive leave must be used and deducted from accruals in increments of no less than one hour for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. Upon termination, for any reason, EMPLOYEE shall be entitled to one hundred percent (100%) of the unused executive leave on the books then existing.

(e) Bereavement Leave. In the event of the death of a member of EMPLOYEE's family, including EMPLOYEE's spouse, domestic partner, mother, father, brother, sister, child, grandchild, or grandparent or any one of the same relatives of EMPLOYEE's spouse or domestic partner, EMPLOYEE shall be allowed thirty (30) hours of bereavement leave for each death of a family member. Bereavement leave must be used and deducted from the total allowed hours in increments of no less than five hours for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. In the event of the death of a spouse or multiple family deaths occurring within a 24-hour period, EMPLOYEE shall be allowed forty (40) hours of total bereavement leave for this unfortunate event.

(f) Promotional Pay Out of Leave. Within thirty (30) days after EMPLOYEE's appointment to Chief of Police, the CITY shall have the option and be entitled to cash out, at EMPLOYEE's previous base salary not including acting pay at the time of said appointment, all vacation, holiday, and executive leave in excess of one hundred (100) hours respectively.

6.3 Cafeteria/Health & Welfare Benefits. EMPLOYEE shall be entitled to receive from the CITY an annual cafeteria benefit in an annual amount capped at Twenty Thousand Dollars (\$20,000.00), for the purchase of health and welfare benefits under any approved plan provided by the CITY. Said contribution shall first be used to provide for health insurance for the EMPLOYEE. EMPLOYEE may use funds for any of the CITY's medical

plans or, upon proof of coverage under another acceptable health plan as determined by the CITY's Human Resource Department, this amount may be taken as taxable income or converted to a 457 Plan or CITY sponsored Medical Savings Account. The City Manager may increase the benefit annually using CPI or the average of all CITY health insurance premium increases as long as it stays within the maximum parameters established by City Council for department heads. EMPLOYEE may elect to receive ninety-two and five-tenth percent (92.5%) of the balance in cash as CalPERS non-includable taxable income or converted to a 457 plan or CITY sponsored Medical Savings Account.

6.4 Retirement.

(a) Retirement Plan. EMPLOYEE shall be permitted to continue to participate in the CITY's CalPERS Retirement Program for Safety Employees 3% at 50 formula.

(b) Employee Contribution. EMPLOYEE shall be responsible for the full member contribution for EMPLOYEE's CalPERS retirement plan, currently at nine percent (9%) of EMPLOYEE's pre-tax compensation.

6.5 Automobile. EMPLOYEE's duties require that the Chief of Police shall have the exclusive and unrestricted use at all times during employment of a CITY vehicle. CITY shall provide all attendant operating and maintenance expenses and insurance. EMPLOYEE shall be governed by any and all CITY policies regarding the use of CITY vehicles. In the event the CITY vehicle provided to EMPLOYEE is unavailable or its use restricted from take-home use, EMPLOYEE shall receive a Two Hundred Fifty Dollar (\$250.000) per month as and for a car allowance for use of a personal vehicle in pursuit of recognized official duties.

6.6 CITY Flexible Spending Plan. EMPLOYEE is entitled to participate in the CITY's Flexible Spending Plan to the same extent as enjoyed by any other employee.

6.7 Life Insurance. In addition to the annual cafeteria benefit, the CITY will pay annual premiums for life insurance for EMPLOYEE with a benefit/coverage amount of One Hundred Fifty Thousand Dollars (\$150,000.00) during EMPLOYEE's employment.

6.8 Uniforms & Business Equipment. EMPLOYEE shall receive the amount of One Hundred Ten Dollars (\$110.00) per month uniform allowance, which amount shall be increased as uniform allowances are increased for Banning Police Officers' Association members. Payment of the uniform allowance will be paid equally between the first two pay periods each month. The CITY will finance at no interest to EMPLOYEE the purchase of any job-related personal tools or equipment, such as a computer, cell phone, etc., that serve the professional development of EMPLOYEE. Such tools or equipment shall be approved in advance by the City Manager at his or her sole discretion and the amount financed shall not exceed the value of one month's base salary of EMPLOYEE. Repayment to the CITY shall be made by payroll deductions until the amount loaned is completely repaid. The maximum period for repayment shall be two (2) years. Should EMPLOYEE terminate employment, then the remaining loan amount repayment shall be accelerated and become fully due and owing as of the termination date and may be deducted from any wages owed, including any severance payment to be made.

6.9 Bonding. CITY shall bear the full cost of any fidelity or other bonds required for EMPLOYEE under any law or CITY ordinance.

6.10 Education Pay. The CITY agrees to pay to EMPLOYEE the sum of Three Hundred Fifty Dollars (\$350.00) per month as and for an education incentive. Once EMPLOYEE obtains a POST Management Certificate, then EMPLOYEE shall be entitled to an increase in education incentive pay to a total of Four Hundred Fifty Dollars (\$450.00) per month.

6.11 Eyewear/Eyecare Reimbursement. EMPLOYEE shall be entitled to reimbursement for expenses incurred and paid by EMPLOYEE and/or dependents in obtaining prescription eyewear or medical care from a licensed Optician, Optometrist or Ophthalmologist. Such amount is limited to a total for all expenses of Two Hundred Fifty Dollars (\$250.00) every two years commencing on the date of this AGREEMENT.

6.12 Utility Allowance. Should EMPLOYEE reside within the CITY limits, then EMPLOYEE shall be entitled to receive a utility credit in the amount of One Hundred Fifty Dollars (\$150.00) per month against the cost of electric and water service during the period of such residency. In the event EMPLOYEE's spouse or a member of EMPLOYEE's household also is employed by the CITY and is eligible for this utility allowance, only one of either EMPLOYEE and EMPLOYEE's spouse or member of EMPLOYEE's household shall be eligible for such utility allowance.

6.13 Disability Program. EMPLOYEE agrees to pay the cost of membership in the CITY-approved long-term disability insurance program. EMPLOYEE agrees that such premiums will be paid with after-tax dollars in order to maintain the tax-free benefit status to both the CITY and EMPLOYEE in the event benefits are paid. It is agreed between the Parties that in the event of disability, EMPLOYEE shall enjoy all the rights and privileges to which EMPLOYEE is entitled under state or federal law.

7.0 INDEMNIFICATION

To the extent mandated by the California Government Code, the CITY shall defend, hold harmless, and indemnify EMPLOYEE against any tort, professional liability, claim or demand, or other legal action arising out of an alleged act or omission occurring in the performance of EMPLOYEE's services under this AGREEMENT. This section shall not apply to any intentional tort or crime committed by EMPLOYEE, to any action outside the course and scope of EMPLOYEE's employment, or any other intentional or malicious conduct or gross negligence of EMPLOYEE.

8.0 OTHER TERMS- CONDITIONS OF EMPLOYMENT

The City Manager, in consultation with EMPLOYEE, shall establish any such other terms and conditions of employment as he or she may determine from time to time, provided such terms and conditions do not exceed the maximum salary and benefits approved by the City Council for all department heads and are reduced to writing and signed by EMPLOYEE and the City Manager.

9.0 GENERAL PROVISIONS

9.1 Entire AGREEMENT. This AGREEMENT represents the entire AGREEMENT and understanding between the Parties and supersedes any and all other agreements and understandings, either oral or in writing, between the Parties with respect to EMPLOYEE's employment by the CITY and contains all of the covenants and agreements between the Parties with respect to such employment. No ordinances or resolutions of CITY governing employment, including the Personnel System, shall apply unless specified herein. Each Party to this AGREEMENT acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either Party, or anyone acting on behalf of either Party, which are not embodied herein, and that no other agreement, statement or promises not contained in this AGREEMENT shall be valid or binding upon either Party.

9.2 Amendment. This AGREEMENT may be amended at any time by the mutual consent of the Parties by an instrument in writing, which amendment shall require City Council approval, except where City Manager approval is expressly authorized herein.

9.3 Notices. Any notice required or permitted by this AGREEMENT shall be in writing and shall be personally served or shall be sufficiently given when served upon the other Party as sent by United States Postal Service, postage prepaid and addressed as follows:

To CITY:

City Manager
City of Banning
P.O. Box 998
Banning, California 92220

To Police Chief:

Alex Diaz
[On file with Human Resources Dept.]

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the course of transmission with the United States Postal Service.

9.4 Conflicts Prohibited. During the term of this AGREEMENT, EMPLOYEE shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of EMPLOYEE's duties under this AGREEMENT. EMPLOYEE shall comply with all requirements of law, including but not limited to, Sections 87100 *et seq.*, Section 1090 and Section 1125 of the Government Code, and all other similar statutory and administrative rules.

9.5 Effect of Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this AGREEMENT by the other Party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

9.6 Partial Invalidity. If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

9.7 Governing Law. This AGREEMENT shall be governed by and construed in accordance with the laws of the State of California, which are in full force and effect as of the date of execution and delivery by each Party hereto.

9.8 Government Code §§ 53243 - 53243.4. Assembly Bill 1344, which was subsequently enacted as Government Code §§ 53243 - 53243.4, sought to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. These statutes also require that contracts between local agencies and its employees include provisions requiring an employee who is convicted of a crime involving an abuse of his office or position to provide reimbursement to the local agency. These statutes are set forth in full in Exhibit "B" attached hereto and incorporated herein. Accordingly, the Parties agree that it is their mutual intent to fully comply with these Government Code sections and all other applicable law as it exists as of the date of execution of this AGREEMENT and as such laws may be amended from time to time thereafter. Specifically, the following Government Code sections are called out and hereby incorporated by this AGREEMENT:

§53243. Reimbursement of paid leave salary required upon conviction of crime involving office or position.

§53243.1. Reimbursement of legal criminal defense upon conviction of crime involving office or position.

§53243.2. Reimbursement of cash settlement upon conviction of crime involving office or position.

§53243.3. Reimbursement of noncontractual payments upon conviction or crime involving office or position.

§53243.4. "Abuse of office or position" defined.

EMPLOYEE represents that EMPLOYEE has reviewed, is familiar with, and agrees to comply fully with each of these provisions if any of these provisions are applicable to EMPLOYEE, including that EMPLOYEE agrees that any cash settlement or severance related to a termination that EMPLOYEE may receive from the CITY shall be fully reimbursed to the local agency if EMPLOYEE is convicted of a crime involving an abuse of EMPLOYEE's office or position.

9.9 Independent Legal Advice. The CITY and EMPLOYEE represent and warrant to each other that each has received legal advice from independent and separate legal counsel with respect to the legal effect of this AGREEMENT, or had the opportunity to do so, and the CITY and EMPLOYEE further represent and warrant that each has carefully reviewed this entire AGREEMENT and that each and every term thereof is understood and that the terms of this AGREEMENT are contractual and not a mere recital. This AGREEMENT shall not be construed against the Party or its representatives who drafted it or who drafted any portion thereof.

IN WITNESS WHEREOF, the City of Banning has caused this AGREEMENT to be signed and executed on its behalf by its City Manager, and duly attested by its officers thereunto duly authorized, and EMPLOYEE has signed and executed this AGREEMENT, all in triplicate.

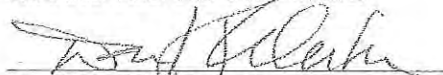
CITY OF BANNING


Homer Croy, Interim City Manager

ATTEST:


Marie Calderon, City Clerk

APPROVED AS TO FORM:


David J. Aleshire, City Attorney

CHIEF OF POLICE


Alex Diaz

EXHIBIT A

JOB DESCRIPTION CHIEF OF POLICE

JOB DEFINITION: Under policy direction, directs, oversees, plans, organizes and administers all aspects and operations of law enforcement services.

ESSENTIAL FUNCTIONS: The following duties ARE NOT intended to serve as a comprehensive list of all duties performed by all employees in this classification. Shown are duties intended to provide a representative summary of the major duties and responsibilities. Incumbent(s) may not be required to perform all duties listed and may be required to perform additional, position-specific duties.

REPRESENTATIVE DUTIES: Plans, organizes, controls, staffs and directs the activities and functions of the Police Department. Provides leadership to accomplish the mission, goals and objectives as defined in collaboration with the City and subordinate staff. Establishes protection of life and property through law enforcement, crime control, prevention measures, traffic enforcement, recovery of property and apprehension of offenders. Controls duties in a manner consistent with Department policy and legal guidelines to protect the interest of the public.

Identifies and monitors long- and short-range goals and objectives. Identifies, reviews, assesses, oversees and modifies and/or approves modifications of operational policies and procedures. Identifies and establishes operational protocols and processes. Recommends and implements changes to existing policies and procedures. Determines compliance with Department policies and procedures.

Oversees and manages assigned staff and personnel. Interviews prospective employees, hires and/or recommends hiring. Provides training and resources to personnel, designs and/or oversees development of performance measures, deliverables and related strategic planning efforts and incorporates strategic planning into the budget process. Identifies and implements new employee and on-going staff training programs. Coordinates, prioritizes and assigns tasks and projects. Tracks and reviews work progress and process. Evaluates work performance and/or recommends and implements disciplinary actions. Identifies staffing, equipment, facilities and related needs.

Conducts and attends public meetings. Receives briefings, updates and progress reports on individual projects or programs from staff members and outside entities. Reviews trends and practices in law enforcement, police science and criminal justice at the local, state and Federal level. Serves as a resource and liaison between the City Police Department and external local, state and national agencies, entities and/or individuals. Monitors budget allocations and reviews and recommends approval of budget expenditures and purchases.

Performs other duties as assigned or required.

KNOWLEDGE and SKILLS:

- Knowledge of applicable city, county, state and Federal statutes, rules, regulations, ordinances, codes, administrative orders and other operational guidelines and directives.
- Knowledge of the City's and the Department's policies and procedures.
- Knowledge of management and/or supervision principles.
- Knowledge of modern law enforcement trends and practices.
- Knowledge of the legislative process and legal terminology.
- Skill in reading, understanding, interpreting and applying relevant city, county, state and Federal statutes, rules, regulations, ordinances, codes, administrative orders, policies and procedures and other operational guidelines and directives.
- Skill in assessing and prioritizing multiple tasks, projects and/or demands.
- Skill in working within deadlines to complete projects and assignments.
- Skill in assessing, analyzing, identifying and implementing solutions to complex problems.
- Skill in establishing and maintaining effective working relations with co-workers, staff, vendors, contractors, visitors, the general public and others having business with the City of Banning.
- Skill in operating a personal computer utilizing a variety of software applications.

MINIMUM QUALIFICATIONS: A Bachelor's degree in Law, Criminal Justice, Public Administration or closely related field, AND ten (10) years law enforcement experience that includes five (5) years of management and/or supervision.

ADDITIONAL REQUIREMENTS: Must have at the time of application and must maintain State of California Police Officer Standards and Training (POST) management certification and California driver license. Depending on the needs of the City, incumbents in this classification may be required to obtain and maintain additional licenses or certifications for the practice of law enforcement. May be required to work outside the traditional work schedule. May be subject to call out and/or call-back.

EXHIBIT B

GOVERNMENT CODE SECTIONS 53243-53243.4 and 53260(a)

53243. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides paid leave salary offered by the local agency to the officer or employee pending an investigation shall require that any salary provided for that purpose be fully reimbursed if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

53243.1. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides funds for the legal criminal defense of an officer or employee shall require that any funds provided for that purpose be fully reimbursed to the local agency if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

53243.2. On or after January 1, 2012, any contract of employment between an employee and a local agency employer shall include a provision which provides that, regardless of the term of the contract, if the contract is terminated, any cash settlement related to the termination that an employee may receive from the local agency shall be fully reimbursed to the local agency if the employee is convicted of a crime involving an abuse of his or her office or position.

53243.3. On or after January 1, 2012, if a local agency provides, in the absence of a contractual obligation, for any of the payments described in this article, then the employee or officer receiving any payments provided for those purposes shall fully reimburse the local agency that provided those payments in the event that the employee or officer is convicted of a crime involving the abuse of his or her office or position.

53243.4. For purposes of this article, "abuse of office or position" means either of the following:

(a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority.

(b) A crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67), Title 6 (commencing with Section 85), or Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

53260. (a) All contracts of employment between an employee and a local agency employer shall include a provision which provides that regardless of the term of the contract, if the contract is terminated, the maximum cash settlement that an employee may receive shall be an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract. However, if the unexpired term of the contract is greater than 18 months, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 18.

GOVERNMENT CODE SECTIONS 3511.1-3511.2

3511.1. As used in this chapter, the following definitions apply:

(a) "Compensation" means annual salary, stipend, or bonus, paid by a local agency employer to a local agency executive.

(b) "Cost-of-living" means the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations.

(c) "Local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission, or agency thereof, or other local public agency.

(d) "Local agency executive" means any person employed by a local agency who is not subject to the Meyers-Milius-Brown Act (Chapter 10 (commencing with Section 3500)), Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 of Title 2 of the Education Code, or Chapter 4 (commencing with Section 88000) of Part 51 of Division 7 of Title 3 of the Education Code, and who meets either of the following requirements:

- (1) The person is the chief executive officer, a deputy chief executive officer, or an assistant chief executive officer of the local agency.
- (2) The person is the head of a department of a local agency.
- (3) The person's position within the local agency is held by an employment contract between the local agency and that person.

3511.2. On or after January 1, 2012, any contract executed or renewed between a local agency and a local agency executive shall not provide for the following:

(a) An automatic renewal of a contract that provides for an automatic increase in the level of compensation that exceeds a cost-of-living adjustment.

(b) A maximum cash settlement that exceeds the amounts determined pursuant to Article 3.5 (commencing with Section 53260) of Chapter 2 of Part 1 of Division 2 of Title 5.

EXHIBIT C

AGREEMENT OF SEPARATION, SEVERANCE, AND GENERAL RELEASE

1. PARTIES

This Agreement of Separation, Severance, and General Release (hereinafter referred to as the "AGREEMENT") is entered into by and between the City of Banning, a general law city and municipal corporation (hereinafter referred to as "THE CITY"), and ALEX DIAZ, an individual (hereinafter referred to as "EMPLOYEE").

2. RECITALS

2.1. EMPLOYEE was hired by THE CITY as an at-will Police Chief effective on or about September 23, 2014 serving at the pleasure of the City Manager of THE CITY pursuant to a written contract, a copy of which is attached hereto as Exhibit "A" ("THE CONTRACT"). EMPLOYEE is currently [REDACTED] years old.

2.2. THE CITY and EMPLOYEE desire that EMPLOYEE separate from employment with THE CITY and enter into a severance agreement whereby EMPLOYEE receives severance compensation in exchange for executing a general release and waiver of any and all claims that EMPLOYEE may have against THE CITY, including but not limited to its elected and non-elected officials, employees, attorneys, and agents. Accordingly, the parties hereto intend by this AGREEMENT to mutually conclude any and all employment relationships between THE CITY and EMPLOYEE by means of EMPLOYEE's separation by means of [REDACTED] as of [REDACTED]. This AGREEMENT sets forth the full and complete terms and conditions concluding EMPLOYEE's employment relationship with the CITY and any obligations related thereto, including any provided under THE CONTRACT.

2.3 In accordance with this AGREEMENT and with applicable state and federal laws, EMPLOYEE acknowledges that EMPLOYEE has been advised of EMPLOYEE's post-employment rights, including but not limited to, EMPLOYEE's rights under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Employee Retirement Income Security Act of 1974 ("ERISA"), and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

3. CONSIDERATION

3.1 EMPLOYEE shall receive payment to him at the time of his voluntary separation all earned salary, accrued fringe benefits as detailed in THE CONTRACT, and/or all other wage compensation/benefits owed to EMPLOYEE upon separation of employment, as required by state, federal or municipal law or THE CONTRACT or any other agreement with THE CITY.

3.2. In exchange for the waivers and releases set forth herein, THE CITY shall cause to be paid to EMPLOYEE an additional compensatory payment as severance pay by means of a lump sum payment of [REDACTED] and [REDACTED] cents (\$ [REDACTED] 00), as set forth in THE CONTRACT in the form of a check made payable to EMPLOYEE to be mailed to

EMPLOYEE at EMPLOYEE's home address via certified mail return receipt requested within thirty (30) business days after the EFFECTIVE DATE (as defined below) of this AGREEMENT. The lump sum payment shall be subject to applicable state and federal withholdings as determined appropriate by THE CITY.

3.3 In exchange for the severance payment provided for herein, EMPLOYEE, and on behalf of EMPLOYEE's spouse, heirs, representatives, successors, and assigns, hereby releases, acquits, and forever discharges THE CITY, and each of its predecessors, successors, assigns, officials, employees, representatives, agents, insurers, attorneys, and all persons and entities acting by, through, under, or in concert with any of them, and each of them (hereinafter referred to as "THE CITY PARTIES"), from any and all claims, charges, complaints, contracts, understandings, liabilities, obligations, promises, benefits, agreements, controversies, costs, losses, debts, expenses, damages, actions, causes of action, suits, rights, and demands of any nature whatsoever, known or unknown, suspected or unsuspected, which EMPLOYEE now has or may acquire in the future, or which EMPLOYEE ever had, relating to or arising out of any act, omission, occurrence, condition, event, transaction, or thing which was done, omitted to be done, occurred or was in effect at anytime from the beginning of time up to and including [REDACTED], (hereinafter referred to collectively as "CLAIMS"), without regard to whether such CLAIMS arise under the federal, state, or local constitutions, statutes, rules or regulations, or the common law. EMPLOYEE expressly acknowledges that the CLAIMS forever barred by this AGREEMENT specifically include, but are not limited to, claims based upon any alleged breach of THE CONTRACT or any other agreement of employment, any demand for wages, overtime or benefits, any claims of violation of the provisions of ERISA, COBRA or HIPAA, any alleged breach of any duty arising out of contract or tort, any alleged wrongful termination in violation of public policy, any alleged breach of any express or implied contract for continued employment, any alleged employment discrimination or unlawful discriminatory act, or any claim or cause of action including, but not limited to, any and all claims whether arising under any federal, state or local law prohibiting breach of employment contract, wrongful termination, or employment discrimination based upon age, race, color, sex, religion, handicap or disability, national origin or any other protected category or characteristic, and any and all rights or claims arising under the California Labor Code or Industrial Welfare Commission Wage Orders, the Federal Fair Labor Standards Act, the California Fair Employment and Housing Act, California Government Code §§12, 900 et seq., the Americans With Disabilities Act, Title VII of the Civil Rights Act of 1964, the Public Safety Officers Procedural Bill of Right Act, and any other federal, state, or local human rights, civil rights, or employment discrimination or employee rights statute, rule, or regulation. Nothing herein shall be interpreted as a release or waiver of any workers' compensation claims or in any way prohibit or prevent EMPLOYEE from participating in any claims or administrative action brought by a state or federal agency.

4. SPECIFIC ACKNOWLEDGMENT OF WAIVER OF CLAIMS UNDER ADEA AND OWBPA

The Age Discrimination in Employment Act of 1967 (hereinafter referred to as the "ADEA") makes it illegal for an employer to discharge any individual or otherwise discriminate with respect to the nature and privileges of an individual's employment on the basis that the individual is age forty (40) or older. The Older Workers Benefit Protection Act (hereinafter referred to as the "OWBPA," 29 U.S.C. § 626, et. seq., Pub L 101-433, 104 Stat. 978 (1990))

further augments the ADEA and prohibits the waiver of any right or claim under the ADEA, unless the waiver is knowing and voluntary. By entering into this AGREEMENT, EMPLOYEE acknowledges that EMPLOYEE knowingly and voluntarily, for just compensation in addition to anything of value to which EMPLOYEE was already entitled, waives and releases any rights he may have under the ADEA and/or OWBPA. EMPLOYEE further acknowledges that EMPLOYEE has been advised and understands, pursuant to the provisions of the ADEA and OWBPA, that:

- (a) This waiver/release is written in a manner understood by EMPLOYEE;
- (b) EMPLOYEE is aware of, and/or has been advised of, EMPLOYEE's rights under the ADEA and OWBPA, and of the legal significance of EMPLOYEE's waiver of any possible claims EMPLOYEE currently may have under the ADEA, OWBPA and/or similar age discrimination laws;
- (c) EMPLOYEE is entitled to a reasonable time of at least twenty-one (21) days within which to review and consider this AGREEMENT and the waiver and release of any rights EMPLOYEE may have under the ADEA, the OWBPA and similar age discrimination laws; but may, in the exercise of EMPLOYEE's own discretion, sign or reject this AGREEMENT at any time before the expiration of the twenty-one (21) days;
- (d) The waivers and releases set forth in this AGREEMENT shall not apply to any rights or claims that may arise under the ADEA and/or OWBPA **after** the EFFECTIVE DATE of this AGREEMENT;
- (e) EMPLOYEE has been advised by this writing that EMPLOYEE should consult with an attorney prior to executing this AGREEMENT;
- (f) EMPLOYEE has discussed this waiver and release with, and been advised with respect thereto by, EMPLOYEE's counsel of choice or at least had the opportunity to do so, and EMPLOYEE represents by signing this AGREEMENT that EMPLOYEE does not need any additional time within which to review and consider this AGREEMENT;
- (g) EMPLOYEE has **seven (7) days following EMPLOYEE's execution of this AGREEMENT** to revoke the AGREEMENT;
- (h) Notice of revocation within the seven (7) day revocation period must be provided, in writing, to THE CITY pursuant to Paragraph 8.9 herein, and must state, "I hereby revoke my acceptance of our Agreement of Severance and General Release;" and
- (i) This AGREEMENT shall not be effective until all parties have signed the AGREEMENT and ten (10) days have passed since EMPLOYEE's execution of same ("EFFECTIVE DATE").

5. UNKNOWN CLAIMS

In relation to the release provisions of Paragraphs 3 and 4 above, EMPLOYEE understands that California Civil Code section 1542 reads as follows:

"General Release--Claims Extinguished"

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

EMPLOYEE hereby waives the protection of California Civil Code section 1542.

6. WAIVER OF ADDITIONAL CLAIMS

EMPLOYEE hereby waives any provisions of state or federal law that might require a more detailed specification of the claims being released pursuant to the provisions of Paragraphs 3, 4, and 5 above.

7. REPRESENTATIONS AND WARRANTIES

Each of the parties to this AGREEMENT represents and warrants to, and agrees with, each other party as follows:

7.1. Advice of Counsel: The parties hereto have received independent legal advice from their respective attorneys concerning the advisability of entering into and executing this AGREEMENT or have been given the opportunity to obtain such advice. The parties acknowledge that they have been represented by counsel of their own choice in the negotiation of this AGREEMENT, that they have read this AGREEMENT; that they have had this AGREEMENT fully explained to them by such counsel, or have had such opportunity to do so and that they are fully aware of the contents of this AGREEMENT and of its legal effect.

7.2. No Fraud in Inducement: No party (nor any officer, agent, employee, representative, or attorney of or for any party) has made any statement or representation or failed to make any statement or representation to any other party regarding any fact relied upon in entering into this AGREEMENT, and neither party relies upon any statement, representation, omission or promise of any other party in executing this AGREEMENT, or in making the settlement provided for herein, except as expressly stated in this AGREEMENT.

7.3. Independent Investigation: Each party to this AGREEMENT has made such investigation of the facts pertaining to this settlement and this AGREEMENT and all the matters pertaining thereto, as it deems necessary.

7.4. Mistake Waived: In entering into this AGREEMENT, each party assumes the risk of any misrepresentation, concealment or mistake. If any party should subsequently discover that any fact relied upon by it in entering into this AGREEMENT was untrue, or that any fact was concealed from it, or that its understanding of the facts or of the law was incorrect, such party shall not be entitled to any relief in connection therewith, including without limitation on the generality of the foregoing any alleged right or claim to set aside or rescind this AGREEMENT. This AGREEMENT is intended to be, and is, final and binding between the parties, regardless of any claims of misrepresentation, promise made without the intent to perform, concealment of fact, mistake of fact or law, or any other circumstance whatsoever.

7.5. Later Discovery: The parties are aware that they may hereafter discover claims or facts in addition to or different from those they now know or believe to be true with respect to the matters related herein. Nevertheless, it is the intention of the parties that EMPLOYEE fully, finally and forever settle and release all such matters, and all claims relative thereto, which do now exist, may exist or have previously existed against THE CITY or THE CITY PARTIES. In furtherance of such intention, the releases given here shall be, and remain, in effect as full and complete releases of all such matters, notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

7.6. Indemnification: EMPLOYEE agrees to indemnify and hold harmless THE CITY or THE CITY PARTIES from, and against, any and all claims, damages, or liabilities sustained by them as a direct result of the violation or breach of the covenants, warranties, and representations undertaken pursuant to the provisions of this AGREEMENT. EMPLOYEE understands and agrees that EMPLOYEE shall be exclusively liable for the payment of all taxes for which EMPLOYEE is responsible, if any, as a result of EMPLOYEE's receipt of the consideration referred to in Paragraph 3 of this AGREEMENT. In addition, EMPLOYEE agrees fully to indemnify and hold the CITY PARTIES harmless for payment of tax obligations as may be required by any federal, state or local taxing authority, at any time, as a result of the payment of the consideration set forth in Paragraph 3 of this AGREEMENT.

7.7. Future Cooperation & Consultation fees: EMPLOYEE shall execute all such further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this AGREEMENT. EMPLOYEE shall provide THE CITY with consultation services (including deposition or trial testimony) in any litigation involving THE CITY which is reasonably related to acts or occurrences transpiring during EMPLOYEE's employment. Said services shall be provided as needed by THE CITY at a rate of \$100.00 per hour.

7.8. Return of Confidential Information and Property: Prior to the separation date, EMPLOYEE shall submit a written inventory of, and return to the City Clerk, all City keys, equipment, computer identification cards or codes, and other equipment or materials or confidential documents provided to or obtained by EMPLOYEE during the course of EMPLOYEE's employment with THE CITY.

7.9. No Pending Claims and/or Actions: EMPLOYEE represents that EMPLOYEE has not filed any complaints or charges against THE CITY or THE CITY PARTIES with any local, state or federal agency or court; that EMPLOYEE will not do so at any time hereafter for any claim arising up to and including the EFFECTIVE DATE of this AGREEMENT; and that if any such agency or court assumes jurisdiction of any such complaint or charge against THE CITY or THE CITY PARTIES on behalf of EMPLOYEE, whenever or where ever filed, EMPLOYEE will request such agency or court to withdraw from the matter forthwith. Nothing herein shall be interpreted as a release or waiver of any workers' compensation claims or in any way prohibit or prevent EMPLOYEE from participating in any claims or administrative action brought by a state or federal agency.

7.10. Ownership of Claims: EMPLOYEE represents and warrants as a material term of this AGREEMENT that EMPLOYEE has not heretofore assigned, transferred, released or granted, or purported to assign, transfer, release or grant, any of the CLAIMS disposed of by this

AGREEMENT. In executing this AGREEMENT, EMPLOYEE further warrants and represents that none of the CLAIMS released by EMPLOYEE thereunder will in the future be assigned, conveyed, or transferred in any fashion to any other person and/or entity.

7.11 Enforcement Fees and Costs: Should any legal action be required to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief to which that party may be entitled.

7.12 Authority: Each party represents to the other that it has the right to enter into this AGREEMENT, and that it is not violating the terms or conditions of any other AGREEMENT to which they are a party or by which they are bound by entering into this AGREEMENT. The parties represent that they will obtain all necessary approvals to execute this AGREEMENT. It is further represented and agreed that the individuals signing this AGREEMENT on behalf of the respective parties have actual authority to execute this AGREEMENT and, by doing so, bind the party on whose behalf this AGREEMENT has been signed.

8. MISCELLANEOUS

8.1. No Admission: Nothing contained herein shall be construed as an admission by THE CITY of any liability of any kind. THE CITY denies any liability in connection with any claim and intends hereby solely to avoid potential claims and/or litigation and buy its peace.

8.2. Governing Law: This AGREEMENT has been executed and delivered within the State of California, and the rights and obligations of the parties shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

8.3. Full Integration: This AGREEMENT is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This AGREEMENT may be amended only by a further agreement in writing, signed by the parties hereto.

8.4. Continuing Benefit: This AGREEMENT is binding upon and shall inure to the benefit of the parties hereto, their respective agents, spouses, employees, representatives, officials, attorneys, assigns, heirs, and successors in interest.

8.5. Joint Drafting: Each party agrees that it has cooperated in the drafting and preparation of this AGREEMENT. Hence, in any construction to be made of this AGREEMENT, the parties agree that same shall not be construed against any party.

8.6. Severability: In the event that any term, covenant, condition, provision or agreement contained in this AGREEMENT is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision or agreement shall in no way affect any other term, covenant, condition, provision or agreement and the remainder of this AGREEMENT shall still be in full force and effect.

8.7. Titles: The titles included in this AGREEMENT are for reference only and are not part of its terms, nor do they in any way modify the terms of this AGREEMENT.

8.8. Counterparts: This AGREEMENT may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one AGREEMENT, which shall be binding upon and effective as to all parties.

8.9. Notice: Any and all notices given to any party under this AGREEMENT shall be given as provided in this paragraph. All notices given to either party shall be made by certified or registered United States mail, or personal delivery, at the noticing party's discretion, and addressed to the parties as set forth below. Notices shall be deemed, for all purposes, to have been given and/or received on the date of personal service or three (3) consecutive calendar days following deposit of the same in the United States mail.

As to **EMPLOYEE**:

At EMPLOYEE's home address on file with THE CITY.

As to **THE CITY**:

City Manager
City of Banning
P.O. Box 998
Banning, California 92220

IN WITNESS WHEREOF, THE CITY has caused this AGREEMENT to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk, EMPLOYEE has signed and executed this AGREEMENT, and the attorneys for THE CITY and EMPLOYEE, if any, have approved as to form as of the dates written below.

DATED: _____

EMPLOYEE

By: _____
Alex Diaz

THE CITY

DATED: _____

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____

David J. Aleshire, City Attorney

[EMPLOYEE'S LAW FIRM]

By: _____
[Counsel]

CITY COUNCIL AGENDA

DATE: November 10, 2015

TO: City Council

FROM: Alex Diaz, Interim City Manager

SUBJECT: City Council Authorize the Mayor to Execute the City Manager Employment Agreement

RECOMMENDATION: That the City Council authorizes the mayor to execute the City Manager Employment Agreement with the new City Manager, Michael Rock.


BACKGROUND: The City Council instructed the previous Interim City Manager to conduct the recruitment for a permanent City Manager using the services of a consulting firm. Bob Murray & Associates was selected as the recruitment consulting firm through a Request for Proposal process. After a nationwide recruitment, more than 60 applications were received.

Bob Murray & Associates narrowed the more than 60 applications down to what is considered to be the top 5 candidates. The City Council then interviewed the top 5 candidates on October 28, 2015 and selected Michael Rock as the top candidate for the City Manager position. Bob Murray & Associates was tasked with conducting a background/reference check and negotiating the deal terms of the proposed City Manager Employment Agreement.

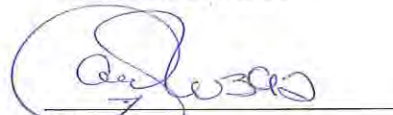
The background/reference check was completed and provided to the City's Human Resources Department and City Attorney. The attached City Manager Employment Agreement was prepared and approved by the City Attorney's Office based upon the deal points negotiated by Bob Murray & Associates. The selected salary of \$190,000 is within the salary range (\$170,189-\$230,245) for the City Manager position as set forth in the Banning Resolution No. 2015-75, Amendment to the Classification & Compensation Plan.

FISCAL DATA: There will not be a fiscal impact to the budget.

PREPARED BY:


Rita Chapparo
Deputy Human Resources Director

APPROVED BY:


Alex Diaz
Interim City Manager

Attachments:

1. City Manager Employment Agreement with Exhibits

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CITY OF BANNING

CITY MANAGER EMPLOYMENT AGREEMENT

This CITY MANAGER AGREEMENT (hereinafter referred to as the "AGREEMENT") is entered into and made effective the 10th day of November 2015, by and between the CITY OF BANNING, a general law city and municipal corporation (hereinafter referred to as the "CITY") and MICHAEL ROCK, an individual (hereinafter referred to as "EMPLOYEE"). For purposes of this AGREEMENT, CITY and EMPLOYEE may be collectively referred to as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, it is the desire of the City Council of the City of Banning (hereinafter the "City Council") to employ an individual to serve in the position of City Manager, which position is prescribed by state law and the CITY's Municipal Code; and

WHEREAS, California Government Code section 34852 provides that an ordinance establishing a city manager form of government shall define the powers and duties of the city manager; and

WHEREAS, the duties of the city manager of the CITY are set forth in full in Banning Municipal Code ("BMC") section 2.08.080 and in Exhibit "A" to this AGREEMENT; and

WHEREAS, pursuant to BMC section 2.08.020, "[t]he city manager shall be appointed by the city council solely on the basis of his executive and administrative qualifications and ability, and shall hold office at and during the pleasure of the city council[;]" and

WHEREAS, the CITY requires the services of a City Manager; and

WHEREAS, based on EMPLOYEE's executive and administrative qualifications and ability, the City Council desires to employ EMPLOYEE to serve as the city manager for the CITY; and

WHEREAS, EMPLOYEE has the required level of education, experience, skills and expertise to serve as the city manager of the CITY; and

WHEREAS, EMPLOYEE desires to perform and assume responsibility for the provision of city manager services to the CITY and its related agencies; and

WHEREAS, the Parties wish to establish the terms and conditions of EMPLOYEE's provision of city manager professional services to the CITY and its related agencies through this AGREEMENT;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the CITY and EMPLOYEE hereby agree as follows:

AGREEMENT

1.0 EMPLOYMENT & DUTIES

1.1 Duties. The City Council hereby appoints and employs EMPLOYEE as City Manager for the CITY to perform the functions and duties of that position, as described in Exhibit "A" to this AGREEMENT, Banning Municipal Code § 2.08.080, the California Government Code, and such other legally permissible and proper duties and functions as the City Council shall, from time to time, direct or assign to EMPLOYEE. CITY reserves the right to amend Banning Municipal Code Chapter 2.08, including § 2.08.080 which defines city manager functions and duties, as it deems necessary and appropriate, without requiring EMPLOYEE's acquiescence or an amendment of this AGREEMENT. EMPLOYEE agrees to perform all such functions and duties to the best of his ability and in an efficient, competent, and ethical manner.

1.2 Work Schedule. It is recognized that the City Manager is expected to engage in the hours of work that are necessary to fulfill the obligations of the position, must be available at all times, and must devote a great deal of time outside the normal office hours to the business of the CITY. EMPLOYEE acknowledges that proper performance of the duties of City Manager will require EMPLOYEE to generally observe normal business hours (currently 7:00 a.m. to 6:00 p.m., Monday through Thursday, including a standard one hour lunch period), as set by the CITY and as may be duly revised from time-to-time by the CITY, and will also often require the performance of necessary services outside of normal business hours. EMPLOYEE's compensation (whether salary or benefits) is not based on hours worked. Furthermore, the City Manager position remains an "exempt" classification under the overtime provisions of the federal Fair Labor Standards Act ("FLSA") and EMPLOYEE shall not be entitled to any compensation for overtime nor subject to such overtime provisions of the FLSA.

1.3 FLSA Exempt Status. EMPLOYEE acknowledges and agrees that the city manager position is that of an exempt employee of the CITY for the purposes of the FLSA.

1.4 Other Activities. EMPLOYEE shall focus his professional time, ability, and attention to the CITY's business during the term of this AGREEMENT. EMPLOYEE shall not engage, without the express prior written consent of the City Council, in any other business duties or pursuits whatsoever, or directly or indirectly render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, that is or may be competitive with the CITY, that might cause a conflict-of-interest with the CITY, or that otherwise might interfere with the business or operation of the CITY or the satisfactory performance of the functions and duties of the city manager.

1.5 Employment Status. Upon appointment to the city manager position, EMPLOYEE shall serve at the will and pleasure of the City Council and understands that by accepting the city manager appointment, he shall be an "at-will" employee and shall be subject to summary dismissal without any right of notice or hearing, including any so-called due process pre-disciplinary "Skelly" hearing. The CITY may terminate EMPLOYEE at any time in accordance with Section 3.4 below.

1.6 Exemption from Personnel System. BMC §2.68.020(E) expressly exempts the city manager position from the CITY's Personnel System established in BMC Chapter 2.68. EMPLOYEE understands, acknowledges and agrees that EMPLOYEE is exempt from the CITY's Personnel System.

1.7 CITY Documents. All data, studies, reports and other documents prepared by EMPLOYEE while performing his duties during the term of this AGREEMENT shall be furnished to and become the property of the CITY, without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to EMPLOYEE in connection with the performance of this AGREEMENT shall be held confidential by EMPLOYEE to the extent permitted by applicable law, except as may be required by any governmental agency or court of competent jurisdiction. Such materials shall not be used by EMPLOYEE, without the prior written consent of the City Council, for any purposes other than the performance of EMPLOYEE's duties. Additionally, no such materials may be disclosed to any person or entity not connected with the performance of services under this AGREEMENT, except as required by (a) law, (b) any governmental agency, (c) subpoena, or (d) an order issued by a court of competent jurisdiction.

2.0 COMPENSATION AND REIMBURSEMENT

2.1 Base Salary. For the services rendered pursuant to this AGREEMENT, EMPLOYEE's annual base salary shall be One Hundred Ninety Thousand Dollars (\$190,000.00) ("Salary"), which shall be paid on a pro-rated basis bi-weekly at the same time as other employees of the CITY are paid, effective the first full pay period after the effective date of this AGREEMENT as provided in Section 3.1 hereof. Such Salary shall be subject to normal and proper withholdings as determined by state and federal law and as determined appropriate by the City Council and shall be subject to payroll taxes, workers' compensation, and other payroll-related liability costs.

2.2 Salary Review. The City Council and EMPLOYEE agree to endeavor to conduct an annual Salary review concurrently with the annual performance evaluation set forth in Section 5.2 hereof.

2.3 Salary Adjustment. Following the annual performance evaluation set forth in Section 5.2 hereof and the annual Salary review set forth above in Section 2.2, the City Council may increase EMPLOYEE's base salary and benefits package based on the results of those annual reviews. Any adjustments in the base salary and/or benefits following the annual performance evaluation under Section 5.2 and review under Section 2.2 shall be at the sole discretion of the City Council.

2.4 Business Expense Reimbursements. CITY shall reimburse EMPLOYEE for reasonable and necessary travel, subsistence, and other CITY related business expenses incurred by EMPLOYEE in the performance of his duties. All reimbursements shall be subject to and in accordance with California law, the CITY's adopted policies, and IRS rules for reporting compensation through payroll or reimbursement through accounts payable.

3.0 TERM

3.1 Commencement & Effective Date. EMPLOYEE shall commence service hereunder at 7:00 a.m. Pacific Daylight Time on November 12, 2015, or such other date/time upon which EMPLOYEE and City Council may mutually agree. In the event EMPLOYEE commences services on a date other than November 12, 2015, such date shall be deemed the effective date of this AGREEMENT ("Effective Date").

3.2 Term. CITY hereby employs EMPLOYEE for an initial term of three (3) calendar years commencing on the AGREEMENT's Effective Date and continuing to and including November 12, 2018, subject to termination by the City Council or by EMPLOYEE, with or without cause, as hereinafter provided in Sections 3.3 and 3.4, at the conclusion of which this AGREEMENT shall automatically terminate. Prior to such automatic termination, the CITY shall have the option to unilaterally extend the Term of this AGREEMENT for an additional three (3) years, subject to termination by the City Council or by EMPLOYEE, with or without cause, as hereinafter provided in Sections 3.3 and 3.4. Additionally, the Term of this AGREEMENT may be extended upon mutual concurrence from the City Council and the EMPLOYEE, as evidenced by a writing signed by both parties. The CITY agrees that in the last year of the initial three year Term of the AGREEMENT, and in the last year of the Term of the AGREEMENT should the Term of the AGREEMENT be extended beyond its initial three years, the annual evaluation will be performed at least six (6) months prior to the expiration of the term.

3.3 Termination by EMPLOYEE. EMPLOYEE may terminate this AGREEMENT at any time, provided EMPLOYEE provides the City Council with at least thirty (30) days' advance written notice. In the event EMPLOYEE terminates this AGREEMENT, EMPLOYEE expressly agrees that EMPLOYEE shall not be entitled to any severance pay.

3.4 Termination by CITY. The City Council may terminate this AGREEMENT at any time with or without cause, by providing written notice of the reason(s). The City Council's right to terminate EMPLOYEE pursuant to this Section 3.4 shall not be subject to or in any way limited by the CITY's Rules and Regulations of the Personnel System (Resolution No. 1974-22), or any subsequent related resolutions, or past CITY practices related to the employment, discipline or termination of the CITY's employees. EMPLOYEE expressly waives any rights provided for the City Manager under the CITY's Rules and Regulations of the Personnel System (Resolution No. 1974-22), Municipal Code, or under other local, state or federal law to any other form of pre- or post-termination hearing, appeal, or other administrative process pertaining to termination. Nothing herein shall be construed to create a property interest, where one does not exist by rule of law in the position of city manager. Notwithstanding this Section 3.4, upon appointment to the city manager position, EMPLOYEE remains an at-will employee serving at the pleasure of the City Council.

(a) Termination by CITY for Cause. The CITY may terminate this AGREEMENT at any time by providing EMPLOYEE with five (5) business days' written notice of the termination for cause and the facts and grounds constituting such cause. The term "cause" shall be defined to include any misconduct materially related to performance of official duties, including but not be limited to any of the following: 1) breach of this AGREEMENT, 2) willful or persistent material breach of duties, 3) résumé fraud or other acts of material dishonesty, 4)

unauthorized absence or leave, 5) conviction of a misdemeanor involving moral turpitude (i.e., offenses contrary to justice, honesty, or morality), conviction of a misdemeanor DUI, or conviction of a felony under California law (the CITY may, in its discretion, place EMPLOYEE on paid or unpaid administrative leave until resolution of charges brought against EMPLOYEE), 6) violation of the CITY's anti-harassment policies and/or a finding that legally prohibited personal acts of harassment against a CITY official or employee or legally prohibited personal acts of discrimination against a CITY official or employee has occurred, 7) violation of the CITY's Municipal Code, ordinances, rules, and regulations, including but not limited to the CITY's Rules and Regulations of the Personnel System (Resolution No. 1974-22) and Administrative Policies, 8) use or possession of illegal drugs, 9) engaging in conduct tending to bring embarrassment or disrepute to the CITY, 10) any illegal or unethical act involving personal gain, 11) pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted directions or policy decisions of the City Council, and 12) gross misfeasance or gross malfeasance. If the CITY terminates for cause this AGREEMENT and the services of EMPLOYEE hereunder, the CITY shall have no obligation to pay EMPLOYEE any severance.

(b) Termination by CITY Without Cause. By providing EMPLOYEE at least thirty (30) days' prior written notice thereof, the CITY may terminate EMPLOYEE without cause but rather based upon management reasons such as implementing the CITY's goals or policies, including but not limited to: i) change of administration, or ii) incompatibility of management styles. In the event EMPLOYEE is terminated without cause, EMPLOYEE expressly agrees that EMPLOYEE shall not be entitled to any severance pay as the result of the termination of this AGREEMENT **except as provided in Section 4.1 below.**

4.0 SEVERANCE

4.1 Severance Pay. In the event EMPLOYEE is terminated without cause and EMPLOYEE does not challenge such termination, including but not limited to, by means of appeal or civil or administrative claim or liberty hearing, then CITY shall pay to EMPLOYEE severance as follows, contingent upon the length of EMPLOYEE's service with the CITY:

- 0 – 12 months : CITY shall pay to EMPLOYEE severance in an amount equal to EMPLOYEE's monthly base salary then in effect multiplied by two (2), excluding deferred compensation or the value of any other benefits.
- 12 – 24 months: CITY shall pay to EMPLOYEE severance in an amount equal to EMPLOYEE's monthly base salary then in effect multiplied by three (3), excluding deferred compensation or the value of any other benefits.
- Over twenty four (24) months: CITY shall pay to EMPLOYEE severance in an amount equal to EMPLOYEE's monthly base salary then in effect multiplied by six (6) or the multiplied by the number of months remaining on the express current Term of the contract, whichever is the lesser amount, excluding deferred compensation or the value of any other benefits.

- In the event that this AGREEMENT expires by its own terms and not by resignation of EMPLOYEE or early termination by CITY, then EMPLOYEE shall not be entitled to any severance.

Notwithstanding any other provision of this paragraph 4.1, should such proposed severance payment exceed the amount authorized to be paid under Government Code Section 53260, then the amount paid to EMPLOYEE shall be reduced in the amount necessary to comply with such statute. (Government Code Section 53260 provides that all contracts of employment with a city must include a provision limiting the maximum cash settlement for the termination of the contract to the monthly salary (excluding benefits) multiplied by the number of months left on the unexpired term, but not more than eighteen (18) months if the unexpired term exceeds 18 months)."

4.2 No Severance Pay if Termination for Cause or Initiated by EMPLOYEE.

As provided in Section 3.4(a), should EMPLOYEE be terminated for cause, the CITY shall have no obligation to pay the severance provided for in Section 4.1 above. As provided in Section 3.3, should EMPLOYEE initiate termination of this AGREEMENT, the CITY shall have no obligation to pay the severance provided for in Section 4.1 above. As provided in Section 4.1 above, should this AGREEMENT expire by its own terms without early termination by EMPLOYEE or CITY, then the CITY shall have no obligation to pay the severance provided for in Section 4.1.

4.3 Sole Rights. The severance rights provided in this Section 4.0 shall constitute the sole and only entitlement of EMPLOYEE with respect to severance pay in the event of the termination, other than for cause or by expiration of the AGREEMENT. EMPLOYEE expressly waives any and all other rights with respect to severance pay except as provided herein. Any and all severance rights are conditioned upon and in consideration for execution of the standard "Agreement of Separation, Severance, and General Release" attached hereto in form only as Exhibit "B."

5.0 PERFORMANCE EVALUATIONS

5.1 Purpose. The performance review and evaluation process set forth herein is intended to provide review and feedback to EMPLOYEE so as to facilitate a more effective management of the CITY. Nothing herein shall be deemed to alter or change the employment status of EMPLOYEE as city manager (as set forth in Section 1.5 above), nor shall this Section 5.0 be construed as requiring "cause" to terminate this AGREEMENT, or the services of EMPLOYEE hereunder.

5.2 Annual Evaluation. The City Council shall conduct a formal or informal review and evaluate the performance of EMPLOYEE on an annual basis to coincide with the anniversary date of EMPLOYEE's appointment to the position of city manager, using an evaluation form to be approved by City Council. Such performance review and evaluation shall be conducted concurrently with an annual base salary review provided for in Section 2.2 hereof, and in accordance with the purpose noted in Section 5.1 above.

5.3 Written Summary. The City Council may, at its sole discretion, elect to provide a written summary of each performance evaluation to EMPLOYEE within two (2) weeks following the conclusion of the performance review and evaluation process, and may, at its sole discretion, schedule at least one (1) City Council closed session with EMPLOYEE to deliver and discuss the evaluation.

6.0 BENEFITS AND OTHER COMPENSATION

6.1 Professional Development. The CITY recognizes its obligation to the professional development of its city manager, and agrees that EMPLOYEE shall be given adequate opportunities to develop and maintain skills and abilities as a public administrator. EMPLOYEE is expected and encouraged to and does agree to participate in professional organizations and to attend area and regional meetings and conferences related to matters of interest to the CITY consistent with the time required for such attendance in relationship to EMPLOYEE's other responsibilities as determined by the City Council. The City Council hereby agrees to budget an amount to be determined in the exercise of its sole discretion to pay the cost, travel and subsistence expense of EMPLOYEE for professional and/or official travel, meetings, and occasions adequate to continue professional development of EMPLOYEE and to adequately pursue necessary official functions for the CITY. These activities shall include membership in at least one professional association and attendance at one annual community development conference. EMPLOYEE shall be responsible for maintaining any professional certifications recognized as necessary or desirable in the performance of the duties hereunder. Tuition will be reimbursed to EMPLOYEE for professional and technical courses approved by the City Council and taken in an accredited educational institution provided that: i) the subject matter of the course relates directly to and contributes toward the city manager position with the CITY; ii) EMPLOYEE has received at least a competent proficiency rating on the last performance evaluation report; and iii) EMPLOYEE has furnished evidence that the course has been completed with at least a "C" or "pass" grade.

The City Council also agrees to budget and pay for travel and subsistence expenses of EMPLOYEE for short courses, institutes, and seminars that are necessary for EMPLOYEE's professional development and for the good of the CITY. The City Council agrees to budget and pay for professional dues and subscriptions of EMPLOYEE reasonably related to the professional growth, development, education and training of EMPLOYEE.

6.2 Paid Leave.

(a) Sick Leave: EMPLOYEE shall be entitled to ninety-six (96) hours of sick leave annually, with the right to cash in a maximum of ninety-six (96) hours annually. A minimum of forty (40) sick leave hours must be left in the bank at time of cash out. Sick leave shall accrue at the rate of 3.69 hours per pay period. Any sick leave cash out request must be made no later than November 1st of each year, and payment of the cash out shall be made in the last check issued in November. Sick leave may only be accrued to a maximum of four hundred eighty (480) hours at which point sick leave accrual will cease until the accrued hours fall below the maximum of four hundred eighty (480) hours. Sick leave must be used and deducted from accruals on a minute by minute basis for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. Upon

termination for any reason, EMPLOYEE shall be entitled to one hundred percent (100%) of the unused sick leave on the books then existing.

(b) Vacation Leave. EMPLOYEE shall be entitled to one hundred sixty (160) hours of vacation leave annually, with the right to cash in a combined maximum of eighty (80) vacation leave hours annually from any vacation leave bank. A minimum of eighty (80) vacation leave hours must be left in the regular vacation bank at time of cash out. If EMPLOYEE accrues greater than three hundred (300) hours of vacation time, then he may request a one-time cash out of fifty percent (50%) of the total available vacation hours to be paid at his current pay rate. Vacation leave shall accrue at the rate of 6.15 hours per pay period. Vacation leave may only be accrued to a maximum of four hundred eighty (480) hours at which point vacation leave accrual will cease until the accrued hours fall below the maximum of four hundred eighty (480) hours. Vacation leave must be used and deducted from accruals on a minute by minute basis for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. Upon termination, for any reason, EMPLOYEE shall be entitled to one hundred percent (100%) of the unused vacation leave on the books then existing.

(c) Holiday Leave. EMPLOYEE shall be granted the following holidays: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Fourth of July, Labor Day, Veteran's Day, Thanksgiving, Day after Thanksgiving, and Christmas. In addition, one (1) floating holiday will be credited to EMPLOYEE's Holiday Leave bank July 1st each year. Leave balances must be used during the fiscal year or they may be cashed out with City Council approval according to Administrative Policy A-30. If the City Council recognizes an additional holiday for City employees, said holiday shall be extended to EMPLOYEE. Holiday leave must be used and deducted from accruals in increments of no less than one hour for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours.

(d) Executive Leave. EMPLOYEE shall be entitled to ninety-eight (98) hours of executive leave annually, with the right to cash in a maximum of ninety-eight (98) executive leave hours annually. Executive leave shall accrue at the rate of 3.77 hours per pay period. Executive leave may only be accrued to a maximum of two hundred (200) hours at which point executive leave accrual will cease until the accrued hours fall below the maximum of two hundred (200) hours. Executive leave must be used and deducted from accruals in increments of no less than one hour for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. Upon termination, for any reason, EMPLOYEE shall be entitled to one hundred percent (100%) of the unused executive leave on the books then existing.

(e) Bereavement Leave. In the event of the death of a member of EMPLOYEE's family, including EMPLOYEE's spouse, domestic partner, mother, father, brother, sister, child, grandchild, or grandparent or any one of the same relatives of EMPLOYEE's spouse or domestic partner, EMPLOYEE shall be allowed thirty (30) hours of bereavement leave for each death of a family member. Bereavement leave must be used and deducted from the total allowed hours in increments of no less than five hours for time missed from normal work hours which for purposes of this section are deemed to be normal City

operating hours. In the event of the death of a spouse or multiple family deaths occurring within a 24 hour period, EMPLOYEE shall be allowed forty (40) hours of total bereavement leave for this unfortunate event.

6.3 Cafeteria/Health & Welfare Benefits. EMPLOYEE shall be entitled to receive from the CITY an annual cafeteria benefit in an annual amount capped at Twenty Thousand Dollars (\$20,000.00), for the purchase of health and welfare benefits under any approved plan provided by the CITY. Said contribution shall first be used to provide for health insurance for the EMPLOYEE. EMPLOYEE may use funds for any of the CITY's medical plans or, upon proof of coverage under another acceptable health plan as determined by the CITY's Human Resource Department, this amount may be taken as taxable income or converted to a 457 Plan or CITY sponsored Medical Savings Account. EMPLOYEE may increase the benefit annually using CPI or the average of all CITY health insurance premium increases as long as it stays within the maximum parameters established by City Council for department heads. EMPLOYEE may elect to receive ninety-two and five-tenths percent (92.5%) of the balance in cash as CalPERS non-includable taxable income or converted to a 457 plan or CITY sponsored Medical Savings Account.

6.4 Retirement.

(a) Retirement Plan. EMPLOYEE is believed to be a "classic member" as defined by CalPERS and as mandated by the Public Employees' Pension Reform Act of 2013, and if determined by CalPERS to be such shall be permitted to participate in the CITY's CalPERS Retirement Program with the 2% at 60 formula and 3 Year Average formula. If not so determined by CalPERS, then he shall be a "new member" as defined by CalPERS and eligible to participate in the CITY's CalPERS Retirement Program with the 2% at 62 formula and 3 Year Average formula.

(b) Employee Contribution. EMPLOYEE shall be responsible for the full member contribution for EMPLOYEE's CalPERS retirement plan.

6.5 Automobile. EMPLOYEE shall receive a Two Hundred Fifty Dollar (\$250.000) per month car allowance for use of a personal vehicle in pursuit of recognized official duties.

6.6 CITY Flexible Spending Plan. EMPLOYEE is entitled to participate in the CITY's Flexible Spending Plan to the same extent as enjoyed by any other employee.

6.7 Life Insurance. In addition to the annual cafeteria benefit, the CITY will pay annual premiums for life insurance for EMPLOYEE with a benefit/coverage amount of One Hundred Fifty Thousand Dollars (\$150,000.00) during EMPLOYEE's employment.

6.8 Business Equipment. The CITY will finance at no interest to EMPLOYEE the purchase of any job-related personal tools or equipment, such as a computer, cell phone, etc., that serve the professional development of EMPLOYEE. Such tools or equipment shall be approved in advance by the City Council at its sole discretion and the amount financed shall not exceed the value of one month's base salary of EMPLOYEE. Repayment to the CITY shall be made by payroll deductions until the amount loaned is completely repaid. The

maximum period for repayment shall be two (2) years. Should EMPLOYEE terminate employment, then the remaining loan amount repayment shall be accelerated and become fully due and owing as of the termination date and may be deducted from any wages owed, including any severance payment to be made.

6.9 Bonding. CITY shall bear the full cost of any fidelity or other bonds required for EMPLOYEE under any law or CITY ordinance.

6.10 Education Pay. The CITY agrees to pay to EMPLOYEE the sum of Two Hundred and Seventy Five Dollars (\$275.00) per month as and for an education incentive.

6.11 Eyewear/Eyecare Reimbursement. EMPLOYEE shall be entitled to reimbursement for expenses incurred and paid by EMPLOYEE and/or dependents in obtaining prescription eyewear or medical care from a licensed Optician, Optometrist or Ophthalmologist. Such amount is limited to a total for all expenses of Two Hundred Fifty Dollars (\$250.00) every two years commencing on the date of this AGREEMENT. Thereafter, reimbursement will occur two years from the date of the previous reimbursement.

6.12 Utility Allowance. Should EMPLOYEE reside within the CITY limits, then EMPLOYEE shall be entitled to receive a utility credit in the amount of One Hundred Fifty Dollars (\$150.00) per month against the cost of electric and water service during the period of such residency. In the event EMPLOYEE's spouse or a member of EMPLOYEE's household also is employed by the CITY and is eligible for this utility allowance, only one of either EMPLOYEE and EMPLOYEE's spouse or member of EMPLOYEE's household shall be eligible for such utility allowance.

6.13 Disability Program. EMPLOYEE agrees to pay the cost of membership in the CITY-approved short-term/ long-term disability insurance program. EMPLOYEE agrees that such premiums will be paid with after-tax dollars in order to maintain the tax-free benefit status to both the CITY and EMPLOYEE in the event benefits are paid. It is agreed between the Parties that in the event of disability, EMPLOYEE shall enjoy all the rights and privileges to which EMPLOYEE is entitled under state or federal law.

7.0 INDEMNIFICATION

To the extent mandated by the California Government Code, the CITY shall defend, hold harmless, and indemnify EMPLOYEE against any tort, professional liability, claim or demand, or other legal action arising out of an alleged act or omission occurring in the performance of EMPLOYEE's services under this AGREEMENT. This section shall not apply to any intentional tort or crime committed by EMPLOYEE, to any action outside the course and scope of EMPLOYEE's employment, or any other intentional or malicious conduct or gross negligence of EMPLOYEE.

8.0 OTHER TERMS- CONDITIONS OF EMPLOYMENT

The City Council, in consultation with EMPLOYEE, shall establish any such other terms and conditions of employment as it may determine from time to time, provided such

terms and conditions do not exceed the maximum salary and benefits approved by the City Council and are reduced to writing and signed by EMPLOYEE and the Mayor.

9.0 GENERAL PROVISIONS

9.1 Entire AGREEMENT. This AGREEMENT represents the entire AGREEMENT and understanding between the Parties and supersedes any and all other agreements and understandings, either oral or in writing, between the Parties with respect to EMPLOYEE's employment by the CITY and contains all of the covenants and agreements between the Parties with respect to such employment. No ordinances or resolutions of CITY governing employment, including the Personnel System, shall apply unless specified herein. Each Party to this AGREEMENT acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either Party, or anyone acting on behalf of either Party, which are not embodied herein, and that no other agreement, statement or promises not contained in this AGREEMENT shall be valid or binding upon either Party.

9.2 Amendment. This AGREEMENT may be amended at any time by the mutual consent of the Parties by an instrument in writing, which amendment shall require City Council approval.

9.3 Notices. Any notice required or permitted by this AGREEMENT shall be in writing and shall be personally served or shall be sufficiently given when served upon the other Party as sent by United States Postal Service, postage prepaid and addressed as follows:

To CITY:

Mayor
City of Banning
P.O. Box 998
Banning, California 92220

To EMPLOYEE:

Michael Rock
[On file with Human Resources Dept.]

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the course of transmission with the United States Postal Service.

9.4 Conflicts Prohibited. During the term of this AGREEMENT, EMPLOYEE shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of EMPLOYEE's duties under this AGREEMENT. EMPLOYEE shall comply with all requirements of law, including but not limited to, Sections 87100 *et seq.*, Section 1090 and Section 1126 of the Government Code, and all other similar statutory and administrative rules.

9.5 Effect of Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this AGREEMENT by the other Party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

9.6 Partial Invalidity. If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

9.7 Governing Law. This AGREEMENT shall be governed by and construed in accordance with the laws of the State of California, which are in full force and effect as of the date of execution and delivery by each Party hereto.

9.8 Government Code §§ 53243 - 53243.4. Assembly Bill 1344, which was subsequently enacted as Government Code §§ 53243 - 53243.4, sought to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. These statutes also require that contracts between local agencies and its employees include provisions requiring an employee who is convicted of a crime involving an abuse of his office or position to provide reimbursement to the local agency. These statutes are incorporated herein by reference. Accordingly, the Parties agree that it is their mutual intent to fully comply with these Government Code sections and all other applicable law as it exists as of the date of execution of this AGREEMENT and as such laws may be amended from time to time thereafter. Specifically, the following Government Code sections are called out and hereby incorporated by this AGREEMENT:

§53243. Reimbursement of paid leave salary required upon conviction of crime involving office or position.

§53243.1. Reimbursement of legal criminal defense upon conviction of crime involving office or position.

§53243.2. Reimbursement of cash settlement upon conviction of crime involving office or position.

§53243.3. Reimbursement of noncontractual payments upon conviction or crime involving office or position.

§53243.4. "Abuse of office or position" defined.

EMPLOYEE represents that EMPLOYEE has reviewed, is familiar with, and agrees to comply fully with each of these provisions if any of these provisions are applicable to EMPLOYEE, including that EMPLOYEE agrees that any cash settlement or severance related to a termination that EMPLOYEE may receive from the CITY shall be fully reimbursed to the local agency if EMPLOYEE is convicted of a crime involving an abuse of EMPLOYEE's office or position.

9.9 Independent Legal Advice. The CITY and EMPLOYEE represent and warrant to each other that each has received legal advice from independent and separate legal counsel with respect to the legal effect of this AGREEMENT, or had the opportunity to do so, and the CITY and EMPLOYEE further represent and warrant that each has carefully reviewed this entire AGREEMENT and that each and every term thereof is understood and that the terms of this AGREEMENT are contractual and not a mere recital. This AGREEMENT shall not be

construed against the Party or its representatives who drafted it or who drafted any portion thereof.

IN WITNESS WHEREOF, the City of Banning has caused this AGREEMENT to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and EMPLOYEE has signed and executed this AGREEMENT, all in triplicate.

CITY OF BANNING

Debbie Franklin, Mayor

ATTEST:

Marie Calderon, City Clerk

APPROVED AS TO FORM:

Lona N. Laymon, City Attorney

CITY MANAGER

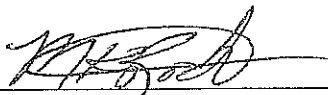

Michael Rock

EXHIBIT A

JOB DESCRIPTION
CITY MANAGER

Plans, organizes, coordinates, and directs department heads and support staff to accomplish the goals and work activities of the City; develops and directs the implementation of goals, objectives, policies, procedures and work standards for the City; works closely with the City Attorney, City Council, boards and commissions and a variety of public and private organizations, and citizen groups in implementing programs and projects to resolve issues of concern and solve problems; advises the City Council on issues and programs; prepares and recommends long-range plans for City services and programs and develops specific proposals for action on current and future City needs; makes interpretations of City regulations and various ordinances, codes and applicable laws to ensure compliance; has responsibility for the preparation and administration of the annual budget for the City; represents the City in contacts with governmental agencies, community groups, and various business, professional and other organizations directly or through subordinate staff; coordinates the preparation of a wide variety of reports or presentations to the City Council or outside agencies; and receives other direction and assignments from the City.

EXHIBIT B

AGREEMENT OF SEPARATION, SEVERANCE, AND GENERAL RELEASE

1. PARTIES

This Agreement of Separation, Severance, and General Release (hereinafter referred to as the "AGREEMENT") is entered into by and between the City of Banning, a general law city and municipal corporation (hereinafter referred to as "THE CITY"), and MICHAEL ROCK, an individual (hereinafter referred to as "EMPLOYEE").

2. RECITALS

2.1. EMPLOYEE was hired by THE CITY as an at-will city manager effective on or about November 12, 2015 serving at the pleasure of the City Council of THE CITY pursuant to a written contract, a copy of which is attached hereto as Exhibit "A" ("THE CONTRACT"). EMPLOYEE is currently ____ years old.

2.2. THE CITY and EMPLOYEE desire that EMPLOYEE separate from employment with THE CITY and enter into a severance agreement whereby EMPLOYEE receives severance compensation in exchange for executing a general release and waiver of any and all claims that EMPLOYEE may have against THE CITY, including but not limited to its elected and non-elected officials, employees, attorneys, and agents. Accordingly, the parties hereto intend by this AGREEMENT to mutually conclude any and all employment relationships between THE CITY and EMPLOYEE by means of EMPLOYEE's separation by means of _____ as of _____, _____. This AGREEMENT sets forth the full and complete terms and conditions concluding EMPLOYEE's employment relationship with the CITY and any obligations related thereto, including any provided under THE CONTRACT.

2.3 In accordance with this AGREEMENT and with applicable state and federal laws, EMPLOYEE acknowledges that EMPLOYEE has been advised of EMPLOYEE's post-employment rights, including but not limited to, EMPLOYEE's rights under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Employee Retirement Income Security Act of 1974 ("ERISA"), and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

3. CONSIDERATION

3.1 EMPLOYEE shall receive payment to him at the time of his voluntary separation all earned salary, accrued fringe benefits as detailed in THE CONTRACT, and/or all other wage compensation/benefits owed to EMPLOYEE upon separation of employment, as required by state, federal or municipal law or THE CONTRACT or any other agreement with THE CITY.

3.2. In exchange for the waivers and releases set forth herein, THE CITY shall cause to be paid to EMPLOYEE an additional compensatory payment as severance pay by means of a lump sum payment of _____ and ____ cents (\$_____.00), as set forth in

THE CONTRACT in the form of a check made payable to EMPLOYEE to be mailed to EMPLOYEE at EMPLOYEE's home address via certified mail return receipt requested within thirty (30) business days after the EFFECTIVE DATE (as defined below) of this AGREEMENT. The lump sum payment shall be subject to applicable state and federal withholdings as determined appropriate by THE CITY.

3.3 In exchange for the severance payment provided for herein, EMPLOYEE, and on behalf of EMPLOYEE's spouse, heirs, representatives, successors, and assigns, hereby releases, acquits, and forever discharges THE CITY, and each of its predecessors, successors, assigns, officials, employees, representatives, agents, insurers, attorneys, and all persons and entities acting by, through, under, or in concert with any of them, and each of them (hereinafter referred to as "THE CITY PARTIES"), from any and all claims, charges, complaints, contracts, understandings, liabilities, obligations, promises, benefits, agreements, controversies, costs, losses, debts, expenses, damages, actions, causes of action, suits, rights, and demands of any nature whatsoever, known or unknown, suspected or unsuspected, which EMPLOYEE now has or may acquire in the future, or which EMPLOYEE ever had, relating to or arising out of any act, omission, occurrence, condition, event, transaction, or thing which was done, omitted to be done, occurred or was in effect at anytime from the beginning of time up to and including _____, _____ (hereinafter referred to collectively as "CLAIMS"), without regard to whether such CLAIMS arise under the federal, state, or local constitutions, statutes, rules or regulations, or the common law. EMPLOYEE expressly acknowledges that the CLAIMS forever barred by this AGREEMENT specifically include, but are not limited to, claims based upon any alleged breach of THE CONTRACT or any other agreement of employment, any demand for wages, overtime or benefits, any claims of violation of the provisions of ERISA, COBRA or HIPAA, any alleged breach of any duty arising out of contract or tort, any alleged wrongful termination in violation of public policy, any alleged breach of any express or implied contract for continued employment, any alleged employment discrimination or unlawful discriminatory act, or any claim or cause of action including, but not limited to, any and all claims whether arising under any federal, state or local law prohibiting breach of employment contract, wrongful termination, or employment discrimination based upon age, race, color, sex, religion, handicap or disability, national origin or any other protected category or characteristic, and any and all rights or claims arising under the California Labor Code or Industrial Welfare Commission Wage Orders, the Federal Fair Labor Standards Act, the California Fair Employment and Housing Act, California Government Code §§12, 900 et seq., the Americans With Disabilities Act, Title VII of the Civil Rights Act of 1964, the Public Safety Officers Procedural Bill of Right Act, and any other federal, state, or local human rights, civil rights, or employment discrimination or employee rights statute, rule, or regulation. Nothing herein shall be interpreted as a release or waiver of any workers' compensation claims or in any way prohibit or prevent EMPLOYEE from participating in any claims or administrative action brought by a state or federal agency. Furthermore, nothing herein shall be interpreted as a release or waiver of the THE CITY's statutory obligations relative to providing defense and indemnification of public employees, if any, including but not limited to Government Code Sections 825-825.6 and Sections 995-996.6.

4. SPECIFIC ACKNOWLEDGMENT OF WAIVER OF CLAIMS UNDER ADEA AND OWBPA

The Age Discrimination in Employment Act of 1967 (hereinafter referred to as the "ADEA") makes it illegal for an employer to discharge any individual or otherwise discriminate

with respect to the nature and privileges of an individual's employment on the basis that the individual is age forty (40) or older. The Older Workers Benefit Protection Act (hereinafter referred to as the "OWBPA," 29 U.S.C. § 626, et. seq., Pub L 101-433, 104 Stat. 978 (1990)) further augments the ADEA and prohibits the waiver of any right or claim under the ADEA, **unless the waiver is knowing and voluntary**. By entering into this AGREEMENT, EMPLOYEE acknowledges that EMPLOYEE knowingly and voluntarily, for just compensation in addition to anything of value to which EMPLOYEE was already entitled, waives and releases any rights he may have under the ADEA and/or OWBPA. EMPLOYEE further acknowledges that EMPLOYEE has been advised and understands, pursuant to the provisions of the ADEA and OWBPA, that:

- (a) This waiver/release is written in a manner understood by EMPLOYEE;
- (b) EMPLOYEE is aware of, and/or has been advised of, EMPLOYEE's rights under the ADEA and OWBPA, and of the legal significance of EMPLOYEE's waiver of any possible claims EMPLOYEE currently may have under the ADEA, OWBPA and/or similar age discrimination laws;
- (c) EMPLOYEE is entitled to a reasonable time of at least twenty-one (21) days within which to review and consider this AGREEMENT and the waiver and release of any rights EMPLOYEE may have under the ADEA, the OWBPA and similar age discrimination laws; but may, in the exercise of EMPLOYEE's own discretion, sign or reject this AGREEMENT at any time before the expiration of the twenty-one (21) days;
- (d) The waivers and releases set forth in this AGREEMENT shall not apply to any rights or claims that may arise under the ADEA and/or OWBPA **after** the EFFECTIVE DATE of this AGREEMENT;
- (e) EMPLOYEE has been advised by this writing that EMPLOYEE should consult with an attorney prior to executing this AGREEMENT;
- (f) EMPLOYEE has discussed this waiver and release with, and been advised with respect thereto by, EMPLOYEE's counsel of choice or at least had the opportunity to do so, and EMPLOYEE represents by signing this AGREEMENT that EMPLOYEE does not need any additional time within which to review and consider this AGREEMENT;
- (g) EMPLOYEE has **seven (7) days following EMPLOYEE's execution of this AGREEMENT** to revoke the AGREEMENT;
- (h) Notice of revocation within the seven (7) day revocation period must be provided, in writing, to THE CITY pursuant to Paragraph 8.9 herein, and must state, "I hereby revoke my acceptance of our Agreement of Severance and General Release;" and
- (i) This AGREEMENT shall not be effective until all parties have signed the AGREEMENT and ten (10) days have passed since EMPLOYEE's execution of same ("EFFECTIVE DATE").

5. UNKNOWN CLAIMS

In relation to the release provisions of Paragraphs 3 and 4 above, EMPLOYEE understands that California Civil Code section 1542 reads as follows:

"General Release--Claims Extinguished"

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

EMPLOYEE hereby waives the protection of California Civil Code section 1542.

6. WAIVER OF ADDITIONAL CLAIMS

EMPLOYEE hereby waives any provisions of state or federal law that might require a more detailed specification of the claims being released pursuant to the provisions of Paragraphs 3, 4, and 5 above.

7. REPRESENTATIONS AND WARRANTIES

Each of the parties to this AGREEMENT represents and warrants to, and agrees with, each other party as follows:

7.1. Advice of Counsel: The parties hereto have received independent legal advice from their respective attorneys concerning the advisability of entering into and executing this AGREEMENT or have been given the opportunity to obtain such advice. The parties acknowledge that they have been represented by counsel of their own choice in the negotiation of this AGREEMENT, that they have read this AGREEMENT; that they have had this AGREEMENT fully explained to them by such counsel, or have had such opportunity to do so and that they are fully aware of the contents of this AGREEMENT and of its legal effect.

7.2. No Fraud in Inducement: No party (nor any officer, agent, employee, representative, or attorney of or for any party) has made any statement or representation or failed to make any statement or representation to any other party regarding any fact relied upon in entering into this AGREEMENT, and neither party relies upon any statement, representation, omission or promise of any other party in executing this AGREEMENT, or in making the settlement provided for herein, except as expressly stated in this AGREEMENT.

7.3. Independent Investigation: Each party to this AGREEMENT has made such investigation of the facts pertaining to this settlement and this AGREEMENT and all the matters pertaining thereto, as it deems necessary.

7.4. Mistake Waived: In entering into this AGREEMENT, each party assumes the risk of any misrepresentation, concealment or mistake. If any party should subsequently discover that any fact relied upon by it in entering into this AGREEMENT was untrue, or that any fact was concealed from it, or that its understanding of the facts or of the law was incorrect, such

party shall not be entitled to any relief in connection therewith, including without limitation on the generality of the foregoing any alleged right or claim to set aside or rescind this AGREEMENT. This AGREEMENT is intended to be, and is, final and binding between the parties, regardless of any claims of misrepresentation, promise made without the intent to perform, concealment of fact, mistake of fact or law, or any other circumstance whatsoever.

7.5. Later Discovery: The parties are aware that they may hereafter discover claims or facts in addition to or different from those they now know or believe to be true with respect to the matters related herein. Nevertheless, it is the intention of the parties that EMPLOYEE fully, finally and forever settle and release all such matters, and all claims relative thereto, which do now exist, may exist or have previously existed against THE CITY or THE CITY PARTIES. In furtherance of such intention, the releases given here shall be, and remain, in effect as full and complete releases of all such matters, notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

7.6. Indemnification: EMPLOYEE agrees to indemnify and hold harmless THE CITY or THE CITY PARTIES from, and against, any and all claims, damages, or liabilities sustained by them as a direct result of the violation or breach of the covenants, warranties, and representations undertaken pursuant to the provisions of this AGREEMENT. EMPLOYEE understands and agrees that EMPLOYEE shall be exclusively liable for the payment of all taxes for which EMPLOYEE is responsible, if any, as a result of EMPLOYEE's receipt of the consideration referred to in Paragraph 3 of this AGREEMENT. In addition, EMPLOYEE agrees fully to indemnify and hold the CITY PARTIES harmless for payment of tax obligations as may be required by any federal, state or local taxing authority, at any time, as a result of the payment of the consideration set forth in Paragraph 3 of this AGREEMENT.

7.7. Future Cooperation & Consultation fees: EMPLOYEE shall execute all such further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this AGREEMENT. EMPLOYEE shall provide THE CITY with consultation services (including deposition or trial testimony) in any litigation involving THE CITY which is reasonably related to acts or occurrences transpiring during EMPLOYEE's employment. Said services shall be provided as needed by THE CITY at a rate of \$100.00 per hour.

7.8. Return of Confidential Information and Property: Prior to the separation date, EMPLOYEE shall submit a written inventory of, and return to the City Clerk, all City keys, equipment, computer identification cards or codes, and other equipment or materials or confidential documents provided to or obtained by EMPLOYEE during the course of EMPLOYEE's employment with THE CITY.

7.9. No Pending Claims and/or Actions: EMPLOYEE represents that EMPLOYEE has not filed any complaints or charges against THE CITY or THE CITY PARTIES with any local, state or federal agency or court; that EMPLOYEE will not do so at any time hereafter for any claim arising up to and including the EFFECTIVE DATE of this AGREEMENT; and that if any such agency or court assumes jurisdiction of any such complaint or charge against THE CITY or THE CITY PARTIES on behalf of EMPLOYEE, whenever or where ever filed, EMPLOYEE will request such agency or court to withdraw from the matter forthwith. Nothing herein shall be interpreted as a release or waiver of any workers' compensation claims or in any way

prohibit or prevent EMPLOYEE from participating in any claims or administrative action brought by a state or federal agency.

7.10. Ownership of Claims: EMPLOYEE represents and warrants as a material term of this AGREEMENT that EMPLOYEE has not heretofore assigned, transferred, released or granted, or purported to assign, transfer, release or grant, any of the CLAIMS disposed of by this AGREEMENT. In executing this AGREEMENT, EMPLOYEE further warrants and represents that none of the CLAIMS released by EMPLOYEE thereunder will in the future be assigned, conveyed, or transferred in any fashion to any other person and/or entity.

7.11 Enforcement Fees and Costs: Should any legal action be required to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief to which that party may be entitled.

7.12 Authority: Each party represents to the other that it has the right to enter into this AGREEMENT, and that it is not violating the terms or conditions of any other AGREEMENT to which they are a party or by which they are bound by entering into this AGREEMENT. The parties represent that they will obtain all necessary approvals to execute this AGREEMENT. It is further represented and agreed that the individuals signing this AGREEMENT on behalf of the respective parties have actual authority to execute this AGREEMENT and, by doing so, bind the party on whose behalf this AGREEMENT has been signed.

8. MISCELLANEOUS

8.1. No Admission: Nothing contained herein shall be construed as an admission by THE CITY of any liability of any kind. THE CITY denies any liability in connection with any claim and intends hereby solely to avoid potential claims and/or litigation and buy its peace.

8.2. Governing Law: This AGREEMENT has been executed and delivered within the State of California, and the rights and obligations of the parties shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

8.3. Full Integration: This AGREEMENT is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This AGREEMENT may be amended only by a further agreement in writing, signed by the parties hereto.

8.4. Continuing Benefit: This AGREEMENT is binding upon and shall inure to the benefit of the parties hereto, their respective agents, spouses, employees, representatives, officials, attorneys, assigns, heirs, and successors in interest.

8.5. Joint Drafting: Each party agrees that it has cooperated in the drafting and preparation of this AGREEMENT. Hence, in any construction to be made of this AGREEMENT, the parties agree that same shall not be construed against any party.

8.6. Severability: In the event that any term, covenant, condition, provision or agreement contained in this AGREEMENT is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision or agreement shall in no

way affect any other term, covenant, condition, provision or agreement and the remainder of this AGREEMENT shall still be in full force and effect.

8.7. Titles: The titles included in this AGREEMENT are for reference only and are not part of its terms, nor do they in any way modify the terms of this AGREEMENT.

8.8. Counterparts: This AGREEMENT may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one AGREEMENT, which shall be binding upon and effective as to all parties.

8.9. Notice: Any and all notices given to any party under this AGREEMENT shall be given as provided in this paragraph. All notices given to either party shall be made by certified or registered United States mail, or personal delivery, at the noticing party's discretion, and addressed to the parties as set forth below. Notices shall be deemed, for all purposes, to have been given and/or received on the date of personal service or three (3) consecutive calendar days following deposit of the same in the United States mail.

As to EMPLOYEE:

At EMPLOYEE's home address on file with THE CITY.

As to THE CITY:

Mayor
City of Banning
P.O. Box 998
Banning, California 92220

IN WITNESS WHEREOF, THE CITY has caused this AGREEMENT to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk, EMPLOYEE has signed and executed this AGREEMENT, and the attorneys for THE CITY and EMPLOYEE, if any, have approved as to form as of the dates written below.

DATED: _____

EMPLOYEE

By: _____
Michael Rock

THE CITY

DATED: _____

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
[_____] , City Attorney

[EMPLOYEE'S ATTORNEY'S LAW FIRM]

By: _____
[Counsel Name]

CITY COUNCIL MEETING

DATE: November 10, 2015

TO: City Council

FROM: Art Vela, Acting Director of Public Works

SUBJECT: Resolution No. 2015-95, "Approving a Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. of Lake Forest, California"

RECOMMENDATION: The City Council adopt Resolution No. 2015-95:

- I. Approving a Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. of Lake Forest, California in the amount of \$25,705.00 for Fiscal Year 2015/2016 (Seven (7) Month Period) with the option to renew for four (4) additional single year periods.
- II. Authorizing the Administrative Services Director to make necessary budget adjustments and appropriations and transfers related to the agreement.
- III. Authorizing the Acting City Manager to execute the Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. for Fiscal Year 2015/2016 (Seven (7) Month Period) with the option to renew for four (4) additional single year periods.

JUSTIFICATION: The approval of the Landscape Maintenance Services Agreement will assist the Public Works Department in addressing current demands and operational needs.

BACKGROUND: On September 1, 2015 staff solicited proposals from qualified companies to provide landscape maintenance services for public properties throughout the City.

The scope of work for these services includes turf management; shrub bed maintenance; tree care and pruning; fertilization; environmental weed and pest control program; irrigation equipment and operations for all locations identified in this Request for Proposals ("RFP") attached as Exhibit "A" and listed below:

- Ramsey Street Medians from Highland Springs Avenue to Highland Home Road.
- Banning City Hall (99 East Ramsey Street) landscaping around building and parking lot.
- Banning Police Station (125 East Ramsey Street).
- Banning Police Station Northeast Parking Lot (125 E. Ramsey Street)
- Fire Station Building (5261 W. Wilson Street)
- Community Center & Senior Center (769 & 789 N. San Geronio Avenue)
- Aquatic Center (749 N. San Geronio Avenue)

Public Works staff advertised the RFP on September 1, 2015 in the Press Enterprise, attached as Exhibit "B" and on the City's website. In addition, notifications of the opportunity were sent to local companies. In response to these efforts, the Public Works Department received four (4) proposals from the following companies attached as Exhibit "C":

<u>Companies</u>	<u>Bid Amount Per Month</u>
1) Artistic Maintenance, Inc., of Lake Forest, CA	\$3,315.00
2) Bill and Dave's Landscape Maintenance, Inc., of Perris, CA	\$5,635.00
3) Inland Empire Landscape Inc. of San Bernardino, CA	\$5,976.58
4) Marina Landscape Maintenance, Inc., of Anaheim, CA	Incomplete

As a result, staff respectfully requests a contract award to Artistic Maintenance, Inc. in the total amount of \$25,705.00 for Fiscal Year 2015/2016 (7 month period) with the option to renew for four (4) additional single years upon satisfactory annual review of provided services. Each contract renewal shall be brought forth to City Council for final approval and shall be for an amount equal to \$42,280.00 (twelve month period) with a possible consideration of a consumer price index increase ("CPI").

The total contract amount includes \$2,500.00 to cover miscellaneous expenses such as irrigation repairs or plant replacement as needed. Artistic Maintenance, Inc. currently provides services to the City for various locations and has successfully met requirements.


FISCAL DATA: Funding is available in the operational budgets of the Police, Streets, Building Maintenance, Community Center, and Senior Center Division accounts for the Fiscal Year 2015/2016 seven month Landscape Maintenance Services Agreement in the amount of \$25,705.00.

RECOMMENDED BY:



Art Vela
Acting Director of Public Works

REVIEWED/APPROVED BY:



Alex Diaz
Acting City Manager/Chief of Police

Attachments:

1. Exhibit "A": RFP
2. Exhibit "B": Advertisement
3. Exhibit "C": Proposals

RESOLUTION NO. 2015-95

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING A LANDSCAPE MAINTENANCE SERVICES AGREEMENT WITH ARTISTIC MAINTENANCE, INC. OF LAKE FOREST, CALIFORNIA

WHEREAS, on September 1, 2015 staff solicited proposals from qualified companies to provide landscape maintenance services for public properties throughout the City and:

WHEREAS, the scope of work for these services includes turf management; shrub bed maintenance; tree care and pruning; fertilization; environmental weed and pest control; irrigation equipment and operations for all locations identified in the Request for Proposals; and

WHEREAS, Public Works staff advertised the RFP on September 1, 2015 in the Press Enterprise and provided notification on the City's website, as well as, notifications were sent to local companies and the Public Works Department received four (4) proposals; and

WHEREAS, staff recommends the award of a Landscape Maintenance Services Agreement to Artistic Maintenance, Inc. in the amount of \$25,705.00 for Fiscal Year 2015/2016 (7 month period) with the option to renew for four (4) additional single years upon satisfactory annual review of provided; and

WHEREAS, Artistic Maintenance, Inc. currently provides services to the City for various locations and has successfully met requirements; and

WHEREAS, funding is available in the operational budgets of the Police, Streets, Building Maintenance, Community Center, and Senior Center Division accounts for the Fiscal Year 2015/2016 seven (7)month Landscape Maintenance Services Agreement in the amount of \$25,705.00.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The Banning City Council adopts Resolution No. 2015-95 approving a Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. of Lake Forest, California in the amount of \$25,705.00 for Fiscal Year 2015/2016 (Seven (7) Month Period) with the option to renew for four (4) additional single year periods in which City Council will have final approval of each additional single year period.

SECTION 2. The Administrative Services Director is authorized to make necessary budget adjustments and appropriations and transfers related to this services agreement.

SECTION 3. The Acting City Manager is authorized to execute the Landscape Maintenance Services Agreement with Artistic Maintenance, Inc. of Lake Forest, California, in a form approved by the City Attorney.

PASSED, ADOPTED AND APPROVED this 10th day of November, 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon,
City Clerk of the City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

Lona N. Laymon, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-95, was duly adopted by the City Council of the City of Banning, California, at a Regular Meeting thereof held on the 10th day of November, 2015, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon,
City Clerk of the City of Banning

Exhibit “A”

Request for Proposals (RFP)
Landscape Maintenance Services for City Properties

Request for Proposals (RFP)
Landscape Maintenance Services for City
Properties



Responses Due:
City of Banning
Public Works Department
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3130

August, 2015

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1.0 INTRODUCTION

1.1 PROJECT DESCRIPTION AND OBJECTIVES

The City of Banning (City) is soliciting proposals from qualified contractors to provide landscape maintenance services for public facilities throughout Banning.

1.2 BACKGROUND INFORMATION

The City of Banning, incorporated in 1913, covers approximately 23.2 square miles located in the San Geronio Pass area of Riverside County, approximately 30 miles east of the cities of San Bernardino and Riverside. The 2014 U.S. Census Bureau American Community Survey recorded a population of 30,325 for the City of Banning.

City facilities that require landscape maintenance include the Ramsey Street Medians, City Hall, Police Station, Fire Station and Community Center including the Senior Center and pool facilities.

2.0 SCOPE OF WORK

The scope of services includes turf management; shrub bed maintenance; tree care and pruning; fertilization; environmental weed and pest control program; and irrigation equipment and operations for all locations identified in this Request for Proposals ("RFP") and listed below:

- Ramsey Street Medians (Ramsey Street) from Highland Springs Avenue to Highland Home Road.
- Banning City Hall (99 East Ramsey Street) landscaping around building and in parking lot.
- Banning Police Station (125 E. Ramsey Street)
- Banning Police Station Northeast Parking Lot (125 E. Ramsey Street)
- Fire Station Building (5261 W. Wilson Street)
- Community Center & Senior Center (769 & 789 N. San Geronio Avenue)
- Aquatic Center (749 N. San Geronio Avenue) landscaping around the immediate exterior vicinity around the center as well as the landscaping inside the center.

It is the responsibility of the Contractor to visit the site and become familiar with the project location and maintenance needs. It is the City's expectation that all land care and maintenance items identified in this RFP will be addressed. The City is considering awarding a contract for the term of seven (7) months and may be renewable for an additional four (4) single years upon annual review of the provided services. The City of Banning reserves the right to accept or reject any or all proposals. These specifications and scope of services shall become part of the contract agreement.

2.1 PROJECT ADMINISTRATION AND COORDINATION

Kick-off Meeting

Upon receipt of a written Notice to Proceed from the City of Banning, Contractor shall conduct a kick-off meeting with the City to review the scope of the project, develop a project schedule, and confirm deliverables. The project schedule shall include each task and subtasks.

Coordination

Facilities are owned by the City of Banning. It is the responsibility of the Contractor to coordinate any interactions that may need to occur with various City departments or outside agencies throughout the provided services.

Monthly Schedule

Qualified contractors shall prepare a monthly execution schedule for City of Banning approval. Contractors shall prepare regular progress and diversion reports to the City of Banning staff each month.

2.2 TURF MANAGMENT

A. Lawn Mowing

1. For all turf areas, Contractor will inspect and police the grounds for litter and debris prior to each mowing and dispose of it.
2. Turf will be mowed one time per week during active growing periods, and as often as required during slow periods of growth to maintain a neat and manicured appearance, weather permitting.
3. Mowing height for all irrigated lawn areas will be no less than 1 ½" and no more than 2 ½" for a finished cut height unless otherwise requested. Turf will be cut at a uniform height. Mowing equipment is to be kept sufficiently sharp and properly adjusted through daily servicing to provide a cleanly cut grass blade. Grass blade bruising, tearing, and shredding are to be prevented. Mowing pattern will be

varied where possible to reduce rutting and compaction of grade. Any excess clippings will be dispersed and/or collected to prevent damage and unsightly appearance of lawns.

B. Edging and String Trimming

All sidewalks, curb lines, concrete slabs, tree circles, and bed edges will be edged as often as necessary to maintain a neat and manicured appearance. String trimming will be performed around all trees, shrubs, road signs, guard posts, utility poles, and other obstacles.

C. Clearing of Walks

At the conclusion of each visit, walks adjacent to work areas will be blown clean.

2.3 SHRUB BED MAINTENANCE

- A. Landscaped areas will be policed throughout the growing season for weeds, litter, and debris. Particular attention will be paid to entryways, focal points, and high traffic areas.
- B. Planter beds will be groomed to promote an attractive, fresh appearance.
- C. Concrete swales (if applicable) to be kept clear of miscellaneous dirt and debris.
- D. Complete trimming, edging, and weeding of all shrub and ground cover areas will be done on a cyclical basis. Trimming and edging are to be performed monthly and weeding is to be performed weekly. Major pruning will be done following flowering or during plant's dormant season.
 - 1. Pruning to be performed by contractor's designated staff member who is trained and demonstrated competency in proper pruning techniques.
 - 2. Prune shrubbery and hedges at established maintenance height.
 - 3. Prune groundcover as required to contain perimeter growth to within bed areas where adjacent to walks, curbs, and structures. Mature groundcover will be maintained at a consistent appearance with a beveled or rolled edge at hard surfaces.
 - 4. Shearing of plants will occur only where previous practice has been to shear, or as directed.

5. Removal of leaves and debris from lawns, planter beds, and walkways will be completed throughout the year as needed to maintain a clean appearance.

2.4 TREE CARE & PRUNING

- A. All trees will be “skirted” as needed per the City’s request to allow for pedestrian and vehicle clearance. Remove lower branches of trees when in conflict with growth of planting beneath. On trees that are over 12’ only low hanging branches that are considered a hazard to pedestrians or vehicles will be pruned as part of this agreement.
- B. All trees under 12” total height will be pruned to remove weak, dead, damaged, and diseased portions of the plant for natural growth development.
 1. Cuts will be flush and clean, leaving not stubs, or tearing of bark. Major pruning will be done following flowering or during plant’s dormant season.
 2. Pruning to be performed by contractor’s designated staff member who is trained and demonstrates competency in proper pruning techniques.
- C. Monitor trees that are staked or guyed. Loosen and / or remove supports when appropriate to prevent girdling of the trunk and encourage root support.

2.5 FERTILIZATION

- A. Contractor will provide all labor and materials to fertilize lawn, shrubs and ground cover to maintain proper nutrient levels and provide a consistent, healthy appearance.
 1. Turf, shrub and ground cover areas will be fertilized with specifically formulated products including well-balanced, slow-release fertilizers customized seasonally by contractor. Seasonally refers to “Winter” and “Summer” and different fertilizers will be used based on ground temperature.
 2. Fertilizer product will be selected based on plant type and season.

2.6 ENVIRONMENTAL WEED AND PEST CONTROL PROGRAM

- A. All applications and herbicides or pesticides will be performed under the direction of California Licensed & Certified Pest Control Specialist. All safety precautions will be taken in the handling and application of chemicals as stated on manufacturer’s labels.
- B. Broadleaf turf weeds will be treated as needed in the spring and fall with applicable materials.

- C. Weeds in shrub, planter beds, ground cover areas, tree circles, and sidewalk cracks adjacent to landscaped areas will be controlled by a manual weeding program or by the use of selective herbicides, including pre-emergent herbicides.
- D. Planting areas will be monitored for insect and disease infestations. Moles, field mice, ground squirrels, gophers, and other rodent activity will be monitored. Notification of problems and recommendations for timely appropriate, control measure will be made.
- E. Material Safety Data Sheets (MSDS) for all chemicals used on site(s) are available from Contractor to clients in accordance with EPA and OSHA regulations.
- F. Contractor will at all times be in compliance with requirements for hazardous communications programs. Pest control specialist are to be trained and supervised in the safe application, storage, and disposal of chemicals in accordance with EPA, OSHA, and DPR regulations.

2.7 IRRIGATION EQUIPMENT AND OPERATION

- A. Schedule all irrigation controllers on project to maximize existing irrigation systems efficiency. Controller programs will be adjusted as determined by weather and plant requirements, with water conservation methods in place. Controllers will be shut off during periods of rain. Watering will be scheduled for night or early morning unless instructed differently by City's representative.
- B. Clean and adjust sprinkler system to provide the best coverage possible from existing system. Turn on each zone, monitor for leaks or malfunctioning parts, and adjust for proper spray arch and maximum efficiency.
- C. Upon inspection, any accidental damage or vandalism caused by others shall be reported to owner within 48 hours. Repair and/or replacement of any damaged or malfunctioning components beyond Contractor's control will be submitted as an extra. Damage caused by the irrigation system by Contractor shall be repaired within three (3) days, unless otherwise agreed to, at no charge.

2.8 GENERAL CONDITIONS

- A. City is responsible for all costs associated to water.
- B. Contractor will provide uniformed staff supervised by fully trained Supervisors and Area Manager. Radio and cellular phone communication will be available.

C. Inspection of site(s) will be made regularly and problems, if found, will be discussed by contractor and the City. Written, comprehensive inspection reports will be provided upon request.

D. Debris generated by landscape activities will be removed from the site unless prior arrangements are made. Debris collected by the Contractor will be recycled and or composted. Contractor will submit a monthly diversion summary report stating diverted quantities and facilities utilized for recycling materials.

3.0 CONTRACTOR QUALIFICATIONS

3.1 QUALIFICATIONS AND UNDERSTANDING

Each Contractor must provide the following information about their company so the City can evaluate the Contractor's stability and ability to support the commitments set forth in response to the RFP. It is imperative the Contractor's proposal fully address all aspects of the RFP. The proposal must provide the City Staff with clearly expressed information concerning the Proposer's understanding of the City's specific requirements which would result in the conduct of this study in a thorough and efficient manner.

The Contractor shall outline their company's (or team's) background, including:

- How long the company has been in business, plus a brief description of the company history, size and organization.
- Contractor qualifications to complete the scope of services and a statement of understanding of the work involved to complete this assignment.

3.2 PROJECT TEAM

Each Contractor must provide the following information about their project team.

- Primary point of contact, person responsible for overall corporate commitment (must be a company principal or officer) and project manager. Describe the responsibilities of the individuals and extent of involvement with the project.
- Identify and list key individuals proposed for the project team. Describe the responsibilities of the individuals and extent of involvement with the project.
- All key personnel listed should have current names, titles and telephone numbers and be listed on at least one of the supplied client references who are familiar with

work performed by the individual in a similar capacity. References will be contacted as part of the selection process.

- Clearly identify project sub-contractors, how long the prime and sub have worked together and the reason why they were selected. Contractors are encouraged to support small businesses where ever possible.

3.3 REFERENCES

The Contractor shall supply a minimum of 3 references from agencies with projects of similar nature. Each reference shall contain:

- Client name and contact information
- Project description
- Role of key project team members.

Only references of the prime Contractor shall be considered, or references from project teams that have completed at least 3 projects together. The Contractor shall also list projects completed for other agencies.

3.4 SCHEDULE

The Contractor shall provide a project schedule indicating monthly and project activities. The schedule shall reflect a tentative start date of Tuesday, December 1, 2015 through June 30, 2016 with the option to renew upon satisfactory review and request of the City.

4.0 PROPOSAL SUBMISSION

4.1 RFP TIME SCHEDULE

- | | |
|----------------------------------|---------------------------|
| • Request for Proposal Available | Tues., September 1, 2015 |
| • Inquiry Deadline | Tues., September 15, 2015 |
| • Proposals Due | Mon., September 24, 2015 |
| • Final Selection | Thurs., October 1, 2015 |
| • City Council Recommendation | Tues., October 13, 2015 |
| • Notice to Proceed (Tentative) | Thur., December 1, 2015 |

4.2 NUMBER OF COPIES AND DELIVERY

Four (4) copies of the proposal shall be submitted to the following address:

**City of Banning
City Clerk's Office
99 E. Ramsey Street
P.O. Box 998
Banning, CA 92220**

The proposal title, Contractors name and deadline information shall be clearly identified on the submission package and cover page. Submission deadline is Monday, September 24, 2015 at 5:00 p.m. Proposals submitted after that time shall not be considered. All questions regarding the scope of work shall be submitted to Holly Stuart, Public Works Analyst at the address above or via e-mail at hstuart@ci.banning.ca.us.

4.3 FORMAT AND CONTENT

Proposals shall be printed on 8 ½" X 11" paper, single sided in a 10 point Arial font and be limited to 25 pages excluding the cover letter, resumes and any appended information.

Proposals should address the following items in order of appearance:

Cover letter

The cover letter shall be provided which explains the contractor's interest in the project. The letter shall contain name/address/phone number of the person who will serve as the contractor's principal contact person.

Qualifications of Contractor/Project Team

Provide names, titles and responsibilities of key personnel who will be responsible for the management of the project. Include qualifications, resumes, experience of each, and length of time with the company.

References

Give at least three (3) references for projects of similar size and scope, including at least three (3) references for projects completed during the past five years. Include the name and organization, a brief summary of the work, the cost of the project and the name and telephone number of a responsible contact person.

Fee Proposal: One set in a separate sealed envelope

The Fee Schedule in a separate envelope shall be broken down on separate sheets as follows:

- A "Not to Exceed" fee for all services. Man-hours and billing rates per classification of personnel will be indicated for each task and/or subtask per specified location.

- Provide a complete list of costs per task and/or subtask and a total fee for the proposal. Include a rate schedule for maintenance and repair as needed.
- A current hourly Fee Schedule for Fiscal Year 2015/2016 and classification of personnel, along with the type of work they and any sub-contractors will perform, is also required.

Note: A separate fee schedule is required for each project location.

4.4 PROPOSAL EVALUATION

Proposals will be evaluated based on the following criteria:

- Responsiveness to the RFP.
- Contractor qualifications, project understanding, and overall experience.
- Results of reference checks.
- Proposal Fee.

4.5 NEGOTIATIONS

In an effort to manage the resources available for this project, the City may find it necessary to negotiate tasks, include contingencies for additional meetings or workshops, and address other factors identified by the Proposer not contemplated in this document or the City's standard agreement.

5.0 CONTRACT REQUIREMENTS AND SUBMITTALS

5.1 CITY OF BANNING REQUIREMENTS

The Contract will be presented to Council for approval. Please provide a copy of the attached City agreement to your legal team and insurance provider, if you are selected for Final Evaluation. This will expedite the process. A purchase order will not be granted until the contract is signed and all insurance requirements are satisfied.

Exhibit “B”

**Press Enterprise
September 1, 2015 Notification of Availability**

REQUEST FOR PROPOSALS (RFP)
LANDSCAPE MAINTENANCE SERVICES FOR CITY PROPERTIES

The City of Banning is soliciting proposals from qualified firms to provide "Landscape Maintenance Services for City Properties".

A complete copy of the Request for Proposals may be obtained by visiting the City of Banning website at <http://www.ci.banning.ca.us/index.aspx?nid=19> or by contacting Ms. Holly Stuart, Public Works Analyst by email at hstuart@ci.banning.ca.us or by phone at (951) 922-3138. The Proposals are due by Thursday September 24, 2015 by 5:00 pm to the City of Banning, City Clerk located at 99 E. Ramsey Street, Banning, CA 92220.

BY ORDER OF THE CITY CLERK of the City of Banning, California.

s/ Marie A. Calderon, City Clerk
City of Banning, California

DATED: August 26, 2015
PUBLISH: August 31, 2015

Exhibit “C”

Proposals

Artistic Maintenance, Inc., of Lake Forest, CA



ARTISTIC MAINTENANCE, INC.
REFERENCE PROFILE

City of Yorba Linda

Facility and Park Maintenance
Landscape and Irrigation Maintenance
August 1, 2000 - Current
Steve Campbell
(714) 961-7170

City of Fountain Valley

Parks and City Hall Maintenance
Landscape and Irrigation Maintenance
July 1, 2009 - Current
Marco Garcia
(714) 593-4400

Jurupa Area Recreation & Park District

Landscape and Irrigation Maintenance
October 1, 2011 - Current
Dan Rodriguez
(951) 361-2090

Sun Lakes Country Club

Landscape and Irrigation Maintenance
August 1, 1994 - Current
Mark Schleiden
(951) 769-6644

WATER MANAGEMENT

CONCIOUS AND PURPOSEFUL

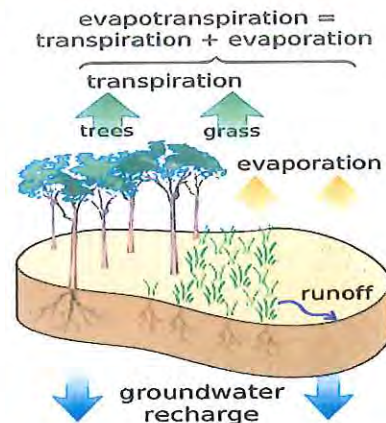
On-going Maintenance

We prepare a complete report of the condition of the irrigation system within the first 3 months of service. This report covers uniformity and effectiveness of controllers, valves, and heads.

Our irrigation technicians, whom are certified in water management check, repair and document their findings on their bi-weekly inspections of your property.



Our Irrigation scheduling incorporates the use of evapotranspiration data such as those from the California Irrigation Management Information System (CIMIS) weather stations or other validated weather data or soil moisture monitoring system to apply the appropriate levels of water for different climates.



The irrigation system shall be maintained to reduce runoff, low head drainage, overspray, or other similar conditions where irrigation water flows onto adjacent property, non-irrigated areas, hardscapes walks, roadways, or structures.

Overhead irrigation is scheduled between 8:00PM and 10:00AM, unless weather conditions are unfavorable.



Your Superintendent is equipped with a lap top computer to adjust and manage all centrally controlled irrigation systems from the field.

Our maintenance crews perpetuate the water savings by mulching bare soil, grass recycling, and turf aeration.





Hardware Up-grades

We will assist you in meeting the provisions of SB1881 which requires that:

Controllers installed are either Weather-based irrigation controllers, soil moisture based controllers or other self-adjusting irrigation controllers, and shall be required for all irrigation systems. (Rain Bird, Weather Trak, Rain Master, Calsense). These new generation controllers can **save up to 30% of your current water usage.**



RAIN BIRD



Hunter

WeatherTRAK
The proven leader in smart water management.

TORO. Count on it.



Sprinkler heads should be low volume heads, low head drainage should be eliminated.

We will also provide information on various Misc Components, flow meters, master valves and weather stations that improve water management.

Delivery System up-grades

Long, narrow, or irregularly shaped turf, landscape and median areas less than eight (8) feet in width in any direction should be irrigated with subsurface irrigation or other low volume irrigation technology.

Irrigated areas (including turf) within 24 inches of non-permeable hardscape shall be irrigated with drip irrigation or subsurface Irrigation technology.

Converting existing sprinkler heads with low volume sprinkler heads can **save up to 30% of water usage.**





Plant material up-grades

Turf on slopes greater than 4:1 should be converted to shrubs.

We will consult on plants that may be selected for the landscape, insuring the Estimated Applied Water Use recommended for the project site does not exceed the Maximum Applied Water Allowance.

The following is highly recommended:

- (a) Protection and preservation of native species and natural vegetation.
- (b) Selection of water efficient plants.
- (c) Selection of trees based on applicable local tree ordinance or tree shading guidelines.
- (d) Selection of plants from local and regional landscape program plant lists. Plants shall be selected and planted appropriately based upon their adaptability to the climatic, geologic, and topographical conditions of the project site.



Rebate Programs

We will assist you in applying for rebates, since each individual water district has their own guideline for how to apply and receive conservation rebates.

There are also irrigation manufacturing companies that are offering financing for complete system renovations, from controllers to sprinkler heads and all components in between. The water savings, in most cases, will pay for the monthly bill.

Moulton Niguel Water District

27500 La Paz Road, Laguna Niguel, CA 92677 (949) 831-2500

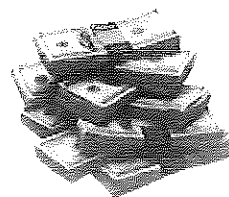




In Summary

Our irrigation management program is consciously designed to purposefully produce monthly savings through water management.

You choose the degree and direction we take in customizing your program. We will calculate the initial investment costs, on-going monthly repair costs, and compare it to the monthly savings to arrive at a payback period. After which time it is money in the bank each month.





**Artistic
Maintenance, Inc.**
Landscape & Irrigation Management



LANDSCAPE MAINTENANCE PROPOSAL SUMMARY

Thank you for the opportunity of submitting this bid/proposal for **Ramsey Street Medians** located in **Banning, California**. We are very grateful for your consideration and hope that you will find the enclosed information useful in determining the scope of our services and qualifications.

The proposal is based on the Landscape Maintenance Specifications that were supplied by City of Banning and on our evaluation of your property.

Specifications may be replaced, modified or amended at any time upon the full written consent of Artistic Maintenance, Inc. and authorized individuals or their agents. Any authorized replacement, modification or amendment to these specifications shall negate and make void any previously quoted fees which are relative to these specifications. Any revisions to these specifications shall necessitate reconsideration of Artistic's fee proposal and possible adjustment.

The proposed monthly fee for services provided shall be:

LANDSCAPE MAINTENANCE

\$ 1,175.00 PER MONTH

Approximately 50 man hours per month

Contract Services Include:

- Certified Arborists
- Certified Pest Applicators
- Monthly Landscape walk-through
- 24 hour emergency response services
- Water Management Specialists
- 2-5 year Tree Maintenance Program developed by our certified arborist.
- Monthly landscape reports include: Service request report, Irrigation tracking log,
Detailed punch list from landscape walk through and digital imaging proposals upon request.

Your project's management will be headquartered out of our **Riverside** office. All communications can be mailed to the address listed on our letterhead.

EXHIBIT "B"

UNIT PRICE LIST

The following unit price list for planting includes labor and industry standard soil prep. If there is site clean-up required prior to planting it will be charged extra. Premium plant prices are not included and will be charged and quoted according to market prices. Dump fees are not included and are charged as extra. There is a one year warranty on all planting.

Our basic extra work rates apply to all items of labor and material that are not included in our maintenance agreement, for example, planting of annual color, repair of main sprinkler lines and replacement of stolen or vandalized materials.

BASIC HOURLY LABOR RATES ARE AS FOLLOWS

Maintenance Extra Work Labor	\$25.00
Construction Labor	\$25.00
Irrigator and Foreman	\$38.00
Irrigation Technician	\$50.00
Pesticide Applicator	\$30.00
Pesticide Technician	\$35.00
Tree Pruner	\$28.00
Emergency Service	\$45.00
(There is only a charge for services rendered)	
Supervision	\$40.00
Superintendent (Horticulturalist)	\$60.00

UNIT COSTS for PLANT MATERIALS (Includes labor to install)

Premium Plant Material of all sizes is quoted separately

Ground Cover Flats	\$20.50/flat
4" Color Flats (does not include bulbs or difficult to find materials)	\$23.50/flat
1 Gallon Shrub	\$7.25/shrub
5 Gallon Shrub	\$18.50/shrub
5 Gallon Tree (single staked)	\$28.00/tree
5 Gallon Vine (includes attachment)	\$30.00/shrub
5 Gallon Espalier (includes removal of espalier & attachment)	\$45.00/each
15 Gallon Shrub	\$60.00/shrub
15 Gallon Vine (includes attachment)	\$75.00/shrub
15 Gallon Espalier (includes removal of espalier & attachment)	\$125.00/each
15 Gallon Tree	\$90.00/tree

24 inch Box Tree	\$250.00/tree
36 inch Box Tree	\$700.00/tree
Double Staking of Tree	\$23.50 /tree
Soil Prep for Ground Cover.....	\$.15 /sq. ft.
Soil Prep for Color	\$.20 /sq. ft.
Soil Prep for Turf	\$.15 /sq. ft.
Seeded Turf - Fescue (soil prep, topper, and installation)	\$.30 /sq. ft.
Sod Turf - Fescue (installation for orders over 1,000 sq. ft.)	\$1.25 /sq. ft.
Mulch (in place).....	\$45.00 /yard

UNIT COSTS for IRRIGATION PARTS

irrigation components.....wholesale plus 15%
 (Heads, risers, fittings, valve components, etc. and repairs conducted by subcontractors or other Agents of
 Artistic)

EQUIPMENT

QUOTED AS REQUIRED

ADDITION TO MAINTENANCE AREA

Additional Planter Beds.....	\$.0080 per sq. ft.
Additional Slope	\$.0070 per sq. ft.
Additional Flat/Turf	\$.0085 per sq. ft.

OPTIONAL SERVICES

QUOTED AS REQUIRED



**Artistic
Maintenance, Inc.**
Landscape & Irrigation Management



LANDSCAPE MAINTENANCE PROPOSAL SUMMARY

Thank you for the opportunity of submitting this bid/proposal for **Banning City Hall** located in **Banning, California**. We are very grateful for your consideration and hope that you will find the enclosed information useful in determining the scope of our services and qualifications.

The proposal is based on the Landscape Maintenance Specifications that were supplied by City of Banning and on our evaluation of your property.

Specifications may be replaced, modified or amended at any time upon the full written consent of Artistic Maintenance, Inc. and authorized individuals or their agents. Any authorized replacement, modification or amendment to these specifications shall negate and make void any previously quoted fees which are relative to these specifications. Any revisions to these specifications shall necessitate reconsideration of Artistic's fee proposal and possible adjustment.

The proposed monthly fee for services provided shall be:

LANDSCAPE MAINTENANCE

\$ 700.00 PER MONTH

Approximately 30 man hours per month

Contract Services Include:

- Certified Arborists
- Certified Pest Applicators
- Monthly Landscape walk-through
- 24 hour emergency response services
- Water Management Specialists
- 2-5 year Tree Maintenance Program developed by our certified arborist.
- Monthly landscape reports include: Service request report, Irrigation tracking log, Detailed punch list from landscape walk through and digital imaging proposals upon request.

Your project's management will be headquartered out of our **Riverside** office. All communications can be mailed to the address listed on our letterhead.

EXHIBIT "B"

UNIT PRICE LIST

The following unit price list for planting includes labor and industry standard soil prep. If there is site clean-up required prior to planting it will be charged extra. Premium plant prices are not included and will be charged and quoted according to market prices. Dump fees are not included and are charged as extra. There is a one year warranty on all planting.

Our basic extra work rates apply to all items of labor and material that are not included in our maintenance agreement, for example, planting of annual color, repair of main sprinkler lines and replacement of stolen or vandalized materials.

BASIC HOURLY LABOR RATES ARE AS FOLLOWS

Maintenance Extra Work Labor	\$25.00
Construction Labor	\$25.00
Irrigator and Foreman	\$38.00
Irrigation Technician	\$50.00
Pesticide Applicator	\$30.00
Pesticide Technician	\$35.00
Tree Pruner	\$28.00
Emergency Service	\$45.00
(There is only a charge for services rendered)	
Supervision	\$40.00
Superintendent (Horticulturalist)	\$60.00

UNIT COSTS for PLANT MATERIALS (Includes labor to install)

Premium Plant Material of all sizes is quoted separately

Ground Cover Flats	\$20.50/flat
4" Color Flats (does not include bulbs or difficult to find materials)	\$23.50/flat
1 Gallon Shrub	\$7.25/shrub
5 Gallon Shrub	\$18.50/shrub
5 Gallon Tree (single staked)	\$28.00/tree
5 Gallon Vine (includes attachment)	\$30.00/shrub
5 Gallon Espalier (includes removal of espalier & attachment)	\$45.00/each
15 Gallon Shrub	\$60.00/shrub
15 Gallon Vine (includes attachment)	\$75.00/shrub
15 Gallon Espalier (includes removal of espalier & attachment)	\$125.00/each
15 Gallon Tree	\$90.00/tree

24 inch Box Tree.....	\$250.00/tree
36 inch Box Tree.....	\$700.00/tree
Double Staking of Tree	\$23.50 /tree
Soil Prep for Ground Cover.....	\$.15 /sq. ft.
Soil Prep for Color.....	\$.20 /sq. ft.
Soil Prep for Turf.....	\$.15 /sq. ft.
Seeded Turf - Fescue (soil prep, topper, and installation)	\$.30 /sq. ft.
Sod Turf - Fescue (installation for orders over 1,000 sq. ft.)	\$1.25 /sq. ft.
Mulch (in place).....	\$45.00 /yard

UNIT COSTS for IRRIGATION PARTS

Irrigation components.....	wholesale plus 15%
(Heads, risers, fittings, valve components, etc. and repairs conducted by subcontractors or other Agents of Artistic)	

EQUIPMENT

QUOTED AS REQUIRED

ADDITION TO MAINTENANCE AREA

Additional Planter Beds.....	\$.0080 per sq. ft.
Additional Slope	\$.0070 per sq. ft.
Additional Flat/Turf.....	\$.0085 per sq. ft.

OPTIONAL SERVICES

QUOTED AS REQUIRED



**Artistic
Maintenance, Inc.**
Landscape & Irrigation Management



LANDSCAPE MAINTENANCE PROPOSAL SUMMARY

Thank you for the opportunity of submitting this bid/proposal for **Banning Police Station** located in **Banning, California**. We are very grateful for your consideration and hope that you will find the enclosed information useful in determining the scope of our services and qualifications.

The proposal is based on the Landscape Maintenance Specifications that were supplied by City of Banning and on our evaluation of your property.

Specifications may be replaced, modified or amended at any time upon the full written consent of Artistic Maintenance, Inc. and authorized individuals or their agents. Any authorized replacement, modification or amendment to these specifications shall negate and make void any previously quoted fees which are relative to these specifications. Any revisions to these specifications shall necessitate reconsideration of Artistic's fee proposal and possible adjustment.

The proposed monthly fee for services provided shall be:

LANDSCAPE MAINTENANCE

\$ 275.00 PER MONTH

Approximately 12 man hours per month

Contract Services Include:

- Certified Arborists
- Certified Pest Applicators
- Monthly Landscape walk-through
- 24 hour emergency response services
- Water Management Specialists
- 2-5 year Tree Maintenance Program developed by our certified arborist.
- Monthly landscape reports include: Service request report, Irrigation tracking log, Detailed punch list from landscape walk through and digital imaging proposals upon request.

Your project's management will be headquartered out of our **Riverside** office. All communications can be mailed to the address listed on our letterhead.

EXHIBIT "B"

UNIT PRICE LIST

The following unit price list for planting includes labor and industry standard soil prep. If there is site clean-up required prior to planting it will be charged extra. Premium plant prices are not included and will be charged and quoted according to market prices. Dump fees are not included and are charged as extra. There is a one year warranty on all planting.

Our basic extra work rates apply to all items of labor and material that are not included in our maintenance agreement, for example, planting of annual color, repair of main sprinkler lines and replacement of stolen or vandalized materials.

BASIC HOURLY LABOR RATES ARE AS FOLLOWS

Maintenance Extra Work Labor	\$25.00
Construction Labor	\$25.00
Irrigator and Foreman	\$38.00
Irrigation Technician	\$50.00
Pesticide Applicator	\$30.00
Pesticide Technician	\$35.00
Tree Pruner	\$28.00
Emergency Service	\$45.00
(There is only a charge for services rendered)	
Supervision	\$40.00
Superintendent (Horticulturalist)	\$60.00

UNIT COSTS for PLANT MATERIALS (Includes labor to install)

Premium Plant Material of all sizes is quoted separately

Ground Cover Flats	\$20.50/flat
4" Color Flats (does not include bulbs or difficult to find materials)	\$23.50/flat
1 Gallon Shrub	\$7.25/shrub
5 Gallon Shrub	\$18.50/shrub
5 Gallon Tree (single staked)	\$28.00/tree
5 Gallon Vine (includes attachment)	\$30.00/shrub
5 Gallon Espalier (includes removal of espalier & attachment)	\$45.00/each
15 Gallon Shrub	\$60.00/shrub
15 Gallon Vine (includes attachment)	\$75.00/shrub
15 Gallon Espalier (includes removal of espalier & attachment)	\$125.00/each
15 Gallon Tree	\$90.00/tree

24 Inch Box Tree	\$250.00/tree
36 inch Box Tree	\$700.00/tree
Double Staking of Tree	\$23.50 /tree
Soil Prep for Ground Cover	\$.15 /sq. ft.
Soil Prep for Color	\$.20 /sq. ft.
Soil Prep for Turf	\$.15 /sq. ft.
Seeded Turf - Fescue (soil prep, topper, and installation)	\$.30 /sq. ft.
Sod Turf - Fescue (installation for orders over 1,000 sq. ft.)	\$1.25 /sq. ft.
Mulch (in place)	\$45.00 /yard

UNIT COSTS for IRRIGATION PARTS

Irrigation components.....wholesale plus 15%
 (Heads, risers, fittings, valve components, etc. and repairs conducted by subcontractors or other Agents of
 Artistic)

EQUIPMENT

QUOTED AS REQUIRED

ADDITION TO MAINTENANCE AREA

Additional Planter Beds	\$.0080 per sq. ft.
Additional Slope	\$.0070 per sq. ft.
Additional Flat/Turf	\$.0085 per sq. ft.

OPTIONAL SERVICES

QUOTED AS REQUIRED



**Artistic
Maintenance, Inc.**
Landscape & Irrigation Management



LANDSCAPE MAINTENANCE PROPOSAL SUMMARY

Thank you for the opportunity of submitting this bid/proposal for **Banning Police Station Northeast Parking Lot** located in **Banning, California**. We are very grateful for your consideration and hope that you will find the enclosed information useful in determining the scope of our services and qualifications.

The proposal is based on the Landscape Maintenance Specifications that were supplied by City of Banning and on our evaluation of your property.

Specifications may be replaced, modified or amended at any time upon the full written consent of Artistic Maintenance, Inc. and authorized individuals or their agents. Any authorized replacement, modification or amendment to these specifications shall negate and make void any previously quoted fees which are relative to these specifications. Any revisions to these specifications shall necessitate reconsideration of Artistic's fee proposal and possible adjustment.

The proposed monthly fee for services provided shall be:

LANDSCAPE MAINTENANCE

\$ 165.00 PER MONTH

Approximately 7 man hours per month

Contract Services Include:

- Certified Arborists
- Certified Pest Applicators
- Monthly Landscape walk-through
- 24 hour emergency response services
- Water Management Specialists
- 2-5 year Tree Maintenance Program developed by our certified arborist.
- Monthly landscape reports include: Service request report, Irrigation tracking log, Detailed punch list from landscape walk through and digital imaging proposals upon request.

Your project's management will be headquartered out of our **Riverside** office. All communications can be mailed to the address listed on our letterhead.

EXHIBIT "B"

UNIT PRICE LIST

The following unit price list for planting includes labor and industry standard soil prep. If there is site clean-up required prior to planting it will be charged extra. Premium plant prices are not included and will be charged and quoted according to market prices. Dump fees are not included and are charged as extra. There is a one year warranty on all planting.

Our basic extra work rates apply to all items of labor and material that are not included in our maintenance agreement, for example, planting of annual color, repair of main sprinkler lines and replacement of stolen or vandalized materials.

BASIC HOURLY LABOR RATES ARE AS FOLLOWS

Maintenance Extra Work Labor	\$25.00
Construction Labor	\$25.00
Irrigator and Foreman	\$38.00
Irrigation Technician	\$50.00
Pesticide Applicator	\$30.00
Pesticide Technician	\$35.00
Tree Pruner	\$28.00
Emergency Service	\$45.00
(There is only a charge for services rendered)	
Supervision	\$40.00
Superintendent (Horticulturalist)	\$60.00

UNIT COSTS for PLANT MATERIALS (Includes labor to install)

Premium Plant Material of all sizes is quoted separately

Ground Cover Flats	\$20.50/flat
4" Color Flats (does not include bulbs or difficult to find materials)	\$23.50/flat
1 Gallon Shrub	\$7.25/shrub
5 Gallon Shrub	\$18.50/shrub
5 Gallon Tree (single staked)	\$28.00/tree
5 Gallon Vine (includes attachment)	\$30.00/shrub
5 Gallon Espalier (includes removal of espalier & attachment)	\$45.00/each
15 Gallon Shrub	\$60.00/shrub
15 Gallon Vine (includes attachment)	\$75.00/shrub
15 Gallon Espalier (includes removal of espalier & attachment)	\$125.00/each
15 Gallon Tree	\$90.00/tree

24 inch Box Tree	\$250.00/tree
36 inch Box Tree	\$700.00/tree
Double Staking of Tree	\$23.50 /tree
Soil Prep for Ground Cover	\$.15 /sq. ft.
Soil Prep for Color	\$.20 /sq. ft.
Soil Prep for Turf	\$.15 /sq. ft.
Seeded Turf - Fescue (soil prep, topper, and installation)	\$.30 /sq. ft.
Sod Turf - Fescue (installation for orders over 1,000 sq. ft.)	\$1.25 /sq. ft.
Mulch (in place)	\$45.00 /yard

UNIT COSTS for IRRIGATION PARTS

irrigation components	wholesale plus 15%
(Heads, risers, fittings, valve components, etc. and repairs conducted by subcontractors or other Agents of Artistic)	

EQUIPMENT

QUOTED AS REQUIRED

ADDITION TO MAINTENANCE AREA

Additional Planter Beds	\$.0080 per sq. ft.
Additional Slope	\$.0070 per sq. ft.
Additional Flat/Turf	\$.0085 per sq. ft.

OPTIONAL SERVICES

QUOTED AS REQUIRED



**Artistic
Maintenance, Inc.**
Landscape & Irrigation Management

SEP 24 2013
City Clerk's Office

LANDSCAPE MAINTENANCE PROPOSAL SUMMARY

Thank you for the opportunity of submitting this bid/proposal for **Fire Station Building** located in **Banning, California**. We are very grateful for your consideration and hope that you will find the enclosed information useful in determining the scope of our services and qualifications.

The proposal is based on the Landscape Maintenance Specifications that were supplied by City of Banning and on our evaluation of your property.

Specifications may be replaced, modified or amended at any time upon the full written consent of Artistic Maintenance, Inc. and authorized individuals or their agents. Any authorized replacement, modification or amendment to these specifications shall negate and make void any previously quoted fees which are relative to these specifications. Any revisions to these specifications shall necessitate reconsideration of Artistic's fee proposal and possible adjustment.

The proposed monthly fee for services provided shall be:

LANDSCAPE MAINTENANCE

\$ 150.00 PER MONTH

Approximately 6 man hours per month

Contract Services Include:

- Certified Arborists
- Certified Pest Applicators
- Monthly Landscape walk-through
- 24 hour emergency response services
- Water Management Specialists
- 2-5 year Tree Maintenance Program developed by our certified arborist.
- Monthly landscape reports include: Service request report, Irrigation tracking log, Detailed punch list from landscape walk through and digital imaging proposals upon request.

Your project's management will be headquartered out of our **Riverside** office.

EXHIBIT "B"

UNIT PRICE LIST

The following unit price list for planting includes labor and industry standard soil prep. If there is site clean-up required prior to planting it will be charged extra. Premium plant prices are not included and will be charged and quoted according to market prices. Dump fees are not included and are charged as extra. There is a one year warranty on all planting.

Our basic extra work rates apply to all items of labor and material that are not included in our maintenance agreement, for example, planting of annual color, repair of main sprinkler lines and replacement of stolen or vandalized materials.

BASIC HOURLY LABOR RATES ARE AS FOLLOWS

Maintenance Extra Work Labor	\$25.00
Construction Labor	\$25.00
Irrigator and Foreman	\$38.00
Irrigation Technician	\$50.00
Pesticide Applicator	\$30.00
Pesticide Technician	\$35.00
Tree Pruner	\$28.00
Emergency Service	\$45.00
(There is only a charge for services rendered)	
Supervision	\$40.00
Superintendent (Horticulturalist)	\$60.00

UNIT COSTS for PLANT MATERIALS (Includes labor to install)

Premium Plant Material of all sizes is quoted separately

Ground Cover Flats	\$20.50/flat
4" Color Flats (does not include bulbs or difficult to find materials)	\$23.50/flat
1 Gallon Shrub	\$7.25/shrub
5 Gallon Shrub	\$18.50/shrub
5 Gallon Tree (single staked)	\$28.00/tree
5 Gallon Vine (includes attachment)	\$30.00/shrub
5 Gallon Espalier (includes removal of espalier & attachment)	\$45.00/each
15 Gallon Shrub	\$60.00/shrub
15 Gallon Vine (includes attachment)	\$75.00/shrub
15 Gallon Espalier (includes removal of espalier & attachment)	\$125.00/each
15 Gallon Tree	\$90.00/tree

24 inch Box Tree	\$250.00/tree
36 inch Box Tree	\$700.00/tree
Double Staking of Tree	\$23.50 /tree
Soil Prep for Ground Cover.....	\$.15 /sq. ft.
Soil Prep for Color.....	\$.20 /sq. ft.
Soil Prep for Turf.....	\$.15 /sq. ft.
Seeded Turf - Fescue (soil prep, topper, and installation).....	\$.30 /sq. ft.
Sod Turf - Fescue (installation for orders over 1,000 sq. ft.)	\$1.25 /sq. ft.
Mulch (in place).....	\$45.00 /yard

UNIT COSTS for IRRIGATION PARTS

Irrigation components.....	wholesale plus 15%
(Heads, risers, fittings, valve components, etc. and repairs conducted by subcontractors or other Agents of Artistic)	

EQUIPMENT

QUOTED AS REQUIRED

ADDITION TO MAINTENANCE AREA

Additional Planter Beds.....	\$.0080 per sq. ft.
Additional Slope	\$.0070 per sq. ft.
Additional Flat/Turf	\$.0085 per sq. ft.

OPTIONAL SERVICES

QUOTED AS REQUIRED



**Artistic
Maintenance, Inc.**
Landscape & Irrigation Management



LANDSCAPE MAINTENANCE PROPOSAL SUMMARY

Thank you for the opportunity of submitting this bid/proposal for **Community Center & Senior Center** located in **Banning, California**. We are very grateful for your consideration and hope that you will find the enclosed information useful in determining the scope of our services and qualifications.

The proposal is based on the Landscape Maintenance Specifications that were supplied by City of Banning and on our evaluation of your property.

Specifications may be replaced, modified or amended at any time upon the full written consent of Artistic Maintenance, Inc. and authorized individuals or their agents. Any authorized replacement, modification or amendment to these specifications shall negate and make void any previously quoted fees which are relative to these specifications. Any revisions to these specifications shall necessitate reconsideration of Artistic's fee proposal and possible adjustment.

The proposed monthly fee for services provided shall be:

LANDSCAPE MAINTENANCE

\$ 575.00 PER MONTH

Approximately 24 man hours per month

Contract Services Include:

- Certified Arborists
- Certified Pest Applicators
- Monthly Landscape walk-through
- 24 hour emergency response services
- Water Management Specialists
- 2-5 year Tree Maintenance Program developed by our certified arborist.
- Monthly landscape reports include: Service request report, Irrigation tracking log, Detailed punch list from landscape walk through and digital imaging proposals upon request.

Your project's management will be headquartered out of our **Riverside** office.

EXHIBIT "B"

UNIT PRICE LIST

The following unit price list for planting includes labor and industry standard soil prep. If there is site clean-up required prior to planting it will be charged extra. Premium plant prices are not included and will be charged and quoted according to market prices. Dump fees are not included and are charged as extra. There is a one year warranty on all planting.

Our basic extra work rates apply to all items of labor and material that are not included in our maintenance agreement, for example, planting of annual color, repair of main sprinkler lines and replacement of stolen or vandalized materials.

BASIC HOURLY LABOR RATES ARE AS FOLLOWS

Maintenance Extra Work Labor	\$25.00
Construction Labor	\$25.00
Irrigator and Foreman	\$38.00
Irrigation Technician	\$50.00
Pesticide Applicator	\$30.00
Pesticide Technician	\$35.00
Tree Pruner	\$28.00
Emergency Service	\$45.00
(There is only a charge for services rendered)	
Supervision	\$40.00
Superintendent (Horticulturalist)	\$60.00

UNIT COSTS for PLANT MATERIALS (Includes labor to install)

Premium Plant Material of all sizes is quoted separately

Ground Cover Flats	\$20.50/flat
4" Color Flats (does not include bulbs or difficult to find materials)	\$23.50/flat
1 Gallon Shrub	\$7.25/shrub
5 Gallon Shrub	\$18.50/shrub
5 Gallon Tree (single staked)	\$28.00/tree
5 Gallon Vine (includes attachment)	\$30.00/shrub
5 Gallon Espalier (includes removal of espalier & attachment)	\$45.00/each
15 Gallon Shrub	\$60.00/shrub
15 Gallon Vine (includes attachment)	\$75.00/shrub
15 Gallon Espalier (includes removal of espalier & attachment)	\$125.00/each
15 Gallon Tree	\$90.00/tree

24 Inch Box Tree.....	\$250.00/tree
36 Inch Box Tree	\$700.00/tree
Double Staking of Tree	\$23.50 /tree
Soil Prep for Ground Cover.....	\$.15 /sq. ft.
Soil Prep for Color.....	\$.20 /sq. ft.
Soil Prep for Turf	\$.15 /sq. ft.
Seeded Turf - Fescue (soil prep, topper, and installation)	\$.30 /sq. ft.
Sod Turf - Fescue (installation for orders over 1,000 sq. ft.)	\$1.25 /sq. ft.
Mulch (in place).....	\$45.00 /yard

UNIT COSTS for IRRIGATION PARTS

Irrigation components.....	wholesale plus 15%
(Heads, risers, fittings, valve components, etc. and repairs conducted by subcontractors or other Agents of Artistic)	

EQUIPMENT

QUOTED AS REQUIRED

ADDITION TO MAINTENANCE AREA

Additional Planter Beds.....	\$.0080 per sq. ft.
Additional Slope	\$.0070 per sq. ft.
Additional Flat/Turf	\$.0085 per sq. ft.

OPTIONAL SERVICES

QUOTED AS REQUIRED



**Artistic
Maintenance, Inc.**
Landscape & Irrigation Management



LANDSCAPE MAINTENANCE PROPOSAL SUMMARY

Thank you for the opportunity of submitting this bid/proposal for **Aquatic Center** located in **Banning, California**. We are very grateful for your consideration and hope that you will find the enclosed information useful in determining the scope of our services and qualifications.

The proposal is based on the Landscape Maintenance Specifications that were supplied by City of Banning and on our evaluation of your property.

Specifications may be replaced, modified or amended at any time upon the full written consent of Artistic Maintenance, Inc. and authorized individuals or their agents. Any authorized replacement, modification or amendment to these specifications shall negate and make void any previously quoted fees which are relative to these specifications. Any revisions to these specifications shall necessitate reconsideration of Artistic's fee proposal and possible adjustment.

The proposed monthly fee for services provided shall be:

LANDSCAPE MAINTENANCE

\$ 275.00 PER MONTH

Approximately 12 man hours per month

Contract Services Include:

- Certified Arborists
- Certified Pest Applicators
- Monthly Landscape walk-through
- 24 hour emergency response services
- Water Management Specialists
- 2-5 year Tree Maintenance Program developed by our certified arborist.
- Monthly landscape reports include: Service request report, Irrigation tracking log, Detailed punch list from landscape walk through and digital imaging proposals upon request.

Your project's management will be headquartered out of our **Riverside** office.

EXHIBIT "B"

UNIT PRICE LIST

The following unit price list for planting includes labor and industry standard soil prep. If there is site clean-up required prior to planting it will be charged extra. Premium plant prices are not included and will be charged and quoted according to market prices. Dump fees are not included and are charged as extra. There is a one year warranty on all planting.

Our basic extra work rates apply to all items of labor and material that are not included in our maintenance agreement, for example, planting of annual color, repair of main sprinkler lines and replacement of stolen or vandalized materials.

BASIC HOURLY LABOR RATES ARE AS FOLLOWS

Maintenance Extra Work Labor	\$25.00
Construction Labor	\$25.00
Irrigator and Foreman	\$38.00
Irrigation Technician	\$50.00
Pesticide Applicator	\$30.00
Pesticide Technician	\$35.00
Tree Pruner	\$28.00
Emergency Service	\$45.00
(There is only a charge for services rendered)	
Supervision	\$40.00
Superintendent (Horticulturalist)	\$60.00

UNIT COSTS for PLANT MATERIALS (Includes labor to install)

Premium Plant Material of all sizes is quoted separately

Ground Cover Flats	\$20.50/flat
4" Color Flats (does not include bulbs or difficult to find materials)	\$23.50/flat
1 Gallon Shrub	\$7.25/shrub
5 Gallon Shrub	\$18.50/shrub
5 Gallon Tree (single staked)	\$28.00/tree
5 Gallon Vine (includes attachment)	\$30.00/shrub
5 Gallon Espalier (includes removal of espalier & attachment)	\$45.00/each
15 Gallon Shrub	\$60.00/shrub
15 Gallon Vine (includes attachment)	\$75.00/shrub
15 Gallon Espalier (includes removal of espalier & attachment)	\$125.00/each
15 Gallon Tree	\$90.00/tree

24 Inch Box Tree	\$250.00/tree
36 inch Box Tree	\$700.00/tree
Double Staking of Tree	\$25.50 /tree
Soil Prep for Ground Cover.....	\$.15 /sq. ft.
Soil Prep for Color.....	\$.20 /sq. ft.
Soil Prep for Turf	\$.15 /sq. ft.
Seeded Turf - Fescue (soil prep, topper, and installation)	\$.30 /sq. ft.
Sod Turf - Fescue (installation for orders over 1,000 sq. ft.)	\$1.25 /sq. ft.
Mulch (in place).....	\$45.00 /yard

UNIT COSTS for IRRIGATION PARTS

Irrigation components.....	wholesale plus 15%
(Heads, risers, fittings, valve components, etc. and repairs conducted by subcontractors or other Agents of Artistic)	

EQUIPMENT

QUOTED AS REQUIRED

ADDITION TO MAINTENANCE AREA

Additional Planter Beds.....	\$.0080 per sq. ft.
Additional Slope	\$.0070 per sq. ft.
Additional Flat/Turf	\$.0085 per sq. ft.

OPTIONAL SERVICES

QUOTED AS REQUIRED

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Bill and Dave's Landscape Maintenance, Inc., of Perris, CA



City of Banning

City Clerk's Office

RFP Landscape Maintenance Services

Company Contact Information

Contact Name	Title	Phone	Email
Primary Contact			
Tyler Leidenfrost	Operations Manager	(951) 663-1538 cell (951) 943-6455 office main	tyler@billanddaveslandscape.com
Support Personnel			
David Leidenfrost	Quality Control Manager	(951) 329-8405 cell	david@billanddaveslandscape.com
Alex Leidenfrost	Project Supervisor	(951) 214-5314 cell	contact@billanddaveslandscape.com
Jennifer Chandler	Office Manager	(951) 943-6455	jennifer@billanddaveslandscape.com
Jose Martinez	Senior Irrigation Tech	(951) 329-8401	contact@billanddaveslandscape.com

Chapter 1 – Proposal Summary

Bill and Dave's Landscape Maintenance Inc. (Bill and Dave's) is a full service landscape maintenance and construction company that has been serving the inland communities of Southern California for over 30 years. Our experience, responsiveness, technical knowledge, attention to detail, and desire to provide quality service has formed the foundation of strong client relationships some of which have lasted over 25 years. Viewed from a perspective of client loyalty and persistent desire for quality, we appreciate the lengths to which the City of Banning goes to provide its residents with beautiful landscapes.

Our continuous pursuit of knowledge and eye on changes in the industry allow us to adapt quickly and utilize client resources as effectively as possible. Our understanding of the landscape maintenance industry is not simply limited to operating a landscape maintenance company but extends into an understanding of the horticultural practices and environmental factors that are constantly impacting our inland landscapes.

Through our base of operations located close by in Perris, Bill and Dave's can provide responsive and quality service to the City of Banning at competitive rates. Our company structure allows for easy and effective communication with company management and key personnel. Our staff can be contacted through the main office, mobile phones, email, and text as needed. Our goal is to provide our clients with the tools to keep information moving freely, work efficiently, and address issues quickly.

Company Contact Information

Contact Name	Title	Phone	Email
<u>Primary Contact</u>			
Tyler Leidenfrost	Operations Manager	(951) 663-1538 cell (951) 943-6455 office main	tyler@billanddaveslandscape.com
<u>Support Personnel</u>			
David Leidenfrost	Quality Control Manager	(951) 329-8405 cell	dave@billanddaveslandscape.com
Alex Leidenfrost	Project Supervisor	(951) 214-5314 cell	contact@billanddaveslandscape.com
Jennifer Chandler	Office Manager	(951) 943-6455	jennifer@billanddaveslandscape.com
Jose Martinez	Senior Irrigation Tech	(951) 329-8401	contact@billanddaveslandscape.com

Firm Profile

Bill and Dave's operates from two offices in Southern California (Santa Ana and Perris) with the primary base of operation located in Perris. We currently have 45 staff members including three (3) full time irrigation technicians based out of the Perris office with the ability to train and add staff as necessary. With our maintenance fleet totaling over 30 vehicles including flat beds, dump trucks, irrigation service trucks, and other service vehicles, we own all of the equipment used in our day to day operations.

Bill and Dave's currently holds five (5) municipal or agency contracts with City of Perris, City of Yucaipa, City of San Jacinto, and the Romoland School District totaling roughly 14 million square feet of landscaped area. We also maintain over 60 Commercial Properties including home owners associations, apartment complexes, shopping centers, and retail spaces.

Bill and Dave's Landscape Maintenance Inc. is in good financial standing with no potential or pending litigation. Our company operates with the necessary working capital to continually maintain operations, secure project materials, and allow for staff expansion.

Qualifications and Firm Personnel

Over eighty percent of our staff at Bill and Dave's has been with our company for over 5 years or more. Over those years our staff has built relationships with our clients, their representatives, as well as developed an intimate knowledge of the landscapes which we maintain. As we expand we plan to continue this tradition of building long lasting relationships and expanding our knowledge of the constantly changing landscape industry.

Our philosophy on landscape maintenance is what sets us apart as we strive for excellence in terms of service quality and reliability.

Service Plan

Provide turf maintenance – While maintaining contract compliance Bill and Dave's utilizes the most current practices in turf maintenance and seasonal turf renovation. Our understanding of turf varieties, their uses, and required maintenance levels has enable us to provide our clients with a valuable partner in providing their communities with quality sports fields and open space. Understanding that water is a valuable resource and we must use it wisely, will provide the City of Banning with the support needed to maintain high quality turf in the most responsible and effective methods available.

Provide planter maintenance – Bill and Dave's understands that landscapes are a living and changing expression of the community. Communities with well maintained landscapes, free of over growth, litter, and debris make people feel welcomed and safe within parks and along streetscapes. Through our attention to detail and pride in creating manicured landscapes we will provide the City of Banning with the natural expression of a quality community.

Provide tree maintenance – Bill and Dave's understands respects that maintenance practices in relation to trees impacts the landscape for generations. Through proper pruning and thinning under the maintenance contract the trees within the city landscapes will continue to provide a long lasting benefit to the community. Our staff will take the time to make the right pruning choices of not only which braches to cut but which branches not to cut preserving tree form and structure to benefit the landscape.

Provide plant disease, weed, pest and rodent control – Bill and Dave's utilizes the most effective and environmentally responsible methods possible while addressing the issue of pest control in the landscape. Our use of chemicals within the landscapes is monitored closely and we have a strong understanding of the impacts that misuse of pesticides and herbicides may have on existing plant material, surrounding native plant life, and wildlife.

Irrigation system repair including backflow repair as needed – Bill and Dave's understands that great irrigation systems need to be managed well and poor irrigation systems are unmanageable. We possess the knowledge of landscape irrigation in both principle and practice. This has allowed us the ability to maintain and modify irrigation systems to efficiently maintain landscapes and provide moisture levels in the soil that conserve water and allow for maximum plant growth.

Provide necessary traffic control measures as required – The safety of our staff and those we work around is above all else our number one priority. Bill and Dave's will employ all safety measures necessary to provide a safe working environment for all involved with and affected by ongoing landscape maintenance tasks. This includes but is not limited to the implementation of necessary and required traffic control measure to protect our staff and the public.

Proposed innovations

The leadership and key support personnel at Bill and Dave's are continuously seeking out new ways to provide better service to our customers by training our staff, researching new equipment, and utilizing the most effective materials possible within the landscape maintenance process. This is accomplished by trade related seminars, meeting with sales representatives, research experts, and other professionals in the field to discuss and learn about changes and innovations in the industry. As an example Bill and Dave's has embraced the larger role that low water use and native landscapes are playing in municipal and commercial landscapes. We have taken the time to train our staff through a rotation program where portions of crews are exposed and trained on low water use landscape maintenance techniques. As the landscape transitions towards sustainability our staff will be well prepared.

Project Staffing

All maintenance contracts through Bill and Dave's are managed by the Operations Manager Tyler Leidenfrost. Tyler will be directly responsible for contract compliance and will be the primary contact for City of Banning management personnel. Tyler can be contacted at any time to discuss contractual and billing matters as well as any other issue as required. Under Tyler's supervision a site supervisor will be responsible to oversee the crews working within the City of Banning. The site supervisor will meet with the city inspectors, generate work orders for crews based on observations, and provide the first tier of quality control. Only experienced personnel will be assigned to the maintenance areas and substantial training will be provided to new and transferring personnel.

References

City of Perris

Maintain 11 of the City parks and 75% of the LMD districts. We have been with Perris since 2008.

Greg Zoll (Landscape and Parks Manager)

951-355-3924

City of Yucaipa

Maintain the Civic center as well as all the City Parks. We have been working with Yucaipa since 2013.

Bill Hemsley (Parks Director)

909-797-2489

Romoland School District

Maintain the 5 schools in the district as well as the district office. We have been working with Romoland since 2008.

Dave Guckart (Maintenance Director)

951-926-9244

City of San Jacinto

Maintain about half of the city parks and LLPD zones. We have been with San Jacinto since 2014.

Dan Murdocvich Public Works Director

951-487-7330

Ramsey Street Medians

Maintain Planter Area per Specs.

Cost Per Month **\$ 350.00**

Maintain Tree Maintenance per Specs.

Cost Per Month **\$50.00**

Maintain Rodent and Disease Control per Specs.

Cost Per Month **\$50.00**

Maintain Fertilization per Specs.

Cost Per Month **\$85.00**

Monitor Irrigation per Specs.

Cost Per Month **\$ 100.00**

Total Cost per Month **\$635.00**

All Prices are not to exceed prices for the term of 1 year. Following the year there will be an increase based on the CPI index.

Banning City Hall

Maintain Planter Area per Specs.

Cost Per Month	\$300.00
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Maintain Turf Area per Specs.

Cost Per Month	\$250.00
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Maintain Tree Maintenance per Specs.

Cost Per Month	\$ 100.00
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Maintain Rodent and Disease Control per Specs.

Cost Per Month	\$ 100.00
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Maintain Fertilization per Specs.

Cost Per Month	\$ 200.00
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Monitor Irrigation per Specs.

Cost Per Month	\$ 225.00
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Total Cost per Month	\$1,175.00
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All Prices are not to exceed prices for the term of 1 year. Following the year there will be an increase based on the CPI index.

Banning Police Station

Maintain Planter Area per Specs.

Cost Per Month	\$300.00
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Maintain Turf Area per Specs.

Cost Per Month	\$250.00
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Maintain Tree Maintenance per Specs.

Cost Per Month	\$ 100.00
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Maintain Rodent and Disease Control per Specs.

Cost Per Month	\$ 100.00
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Maintain Fertilization per Specs.

Cost Per Month	\$ 200.00
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Monitor Irrigation per Specs.

Cost Per Month	\$ 200.00
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Total Cost per Month	\$1,150.00
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All Prices are not to exceed prices for the term of 1 year. Following the year there will be an increase based on the CPI index.

Banning Police Station Parking Lot

Maintain Planter Area per Specs.

Cost Per Month	\$ 200.00
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Maintain Tree Maintenance per Specs.

Cost Per Month	\$ 100.00
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Maintain Rodent and Disease Control per Specs.

Cost Per Month	\$ 50.00
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Maintain Fertilization per Specs.

Cost Per Month	\$ 100.00
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Monitor Irrigation per Specs.

Cost Per Month	\$ 125.00
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Total Cost per Month	\$575.00
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All Prices are not to exceed prices for the term of 1 year. Following the year there will be an increase based on the CPI index.

Fire Station

Maintain Planter Area per Specs.

Cost Per Month	\$ 200.00
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Maintain Tree Maintenance per Specs.

Cost Per Month	\$ 50.00
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Maintain Rodent and Disease Control per Specs.

Cost Per Month	\$ 50.00
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Maintain Fertilization per Specs.

Cost Per Month	\$ 100.00
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Monitor Irrigation per Specs.

Cost Per Month	\$ 100.00
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Total Cost per Month	\$500.00
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All Prices are not to exceed prices for the term of 1 year. Following the year there will be an increase based on the CPI index.

Banning Aquatic Center

Maintain Planter Area per Specs.

Cost Per Month	\$200.00
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Maintain Turf Area per Specs.

Cost Per Month	\$200.00
-----------------------	-----------------

Maintain Tree Maintenance per Specs.

Cost Per Month	\$ 100.00
-----------------------	------------------

Maintain Rodent and Disease Control per Specs.

Cost Per Month	\$ 100.00
-----------------------	------------------

Maintain Fertilization per Specs.

Cost Per Month	\$ 100.00
-----------------------	------------------

Monitor Irrigation per Specs.

Cost Per Month	\$ 100.00
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Total Cost per Month	\$800.00
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All Prices are not to exceed prices for the term of 1 year. Following the year there will be an increase based on the CPI index.

Banning Community and Senior Center

Maintain Planter Area per Specs.

Cost Per Month	\$200.00
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Maintain Turf Area per Specs.

Cost Per Month	\$200.00
-----------------------	-----------------

Maintain Tree Maintenance per Specs.

Cost Per Month	\$ 100.00
-----------------------	------------------

Maintain Rodent and Disease Control per Specs.

Cost Per Month	\$ 100.00
-----------------------	------------------

Maintain Fertilization per Specs.

Cost Per Month	\$ 100.00
-----------------------	------------------

Monitor Irrigation per Specs.

Cost Per Month	\$ 100.00
-----------------------	------------------

Total Cost per Month	\$800.00
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All Prices are not to exceed prices for the term of 1 year. Following the year there will be an increase based on the CPI index.

Bidder (Company Name): Bill and Dave's Landscape Maintenance Inc.

BID ITEM NO.	UNIT	ITEM DESCRIPTION	UNIT PRICE
1.	Per Hour	Graffiti Abatement Services	<u>\$ 95.00</u>
2.	EA.	Replacement/Installation of Turf per 100 Square Feet, including all labor and materials to install per Specifications.	<u>\$ 175.00</u>
3.	EA.	Re-seeding of Turf including Topper per 100 Square Feet, including all labor and materials per Specifications.	<u>\$ 30.00</u>
4.	EA.	Replacement/Installation of 15-Gallon Tree including all labor, stakes, and materials to install per Specifications.	<u>\$ 90.00</u>
5.	EA.	Replacement/Installation of 24" Box Tree, including all labor, stakes, and materials to install per Specifications.	<u>\$ 225.00</u>
6.	EA.	Replacement/Installation of Ground Cover nursery flat, including all labor and materials to install per Specifications.	<u>\$ 40.00</u>
7.	EA.	Replacement/Installation of 1-Gallon Shrub/Groundcover, including all labor and materials to install per Specifications.	<u>\$ 9.00</u>
8.	EA.	Replacement/Installation of 5-Gallon Shrub/Groundcover, including all labor and materials to install per Specifications.	<u>\$ 16.00</u>
9.	EA.	Replacement/Installation of 1-Gallon Vine, including all labor and materials to install per Specifications.	<u>\$ 15.00</u>

10.	EA.	Replacement/Installation of 5-Gallon Vine, including all labor and materials to install per Specifications.	<u>\$ 25.00</u>
11.	EA.	Replacement of Irrigation Pop-up Spray Nozzle, including all labor and materials to install and test per Specifications.	<u>\$ 3.50</u>
12.	EA.	Replacement of Irrigation Drip Line Hose, including all labor and materials to install and test per Specifications.	<u>\$ 6.50</u>
13.	EA.	Replacement of Irrigation Drip Salco Emitter and Riser, including all labor and materials to install and test per Specifications.	<u>\$ 12.00</u>
14.	EA.	Replacement of 6" Spray Pop-up Irrigation Body or equal with built-in check valve with pressure regulation, including all labor and necessary pipe, fittings, marlex, and materials to install and test per Specifications.	<u>\$ 31.00</u>
15.	EA.	Replacement of Reclaimed 6" Spray Pop-up Irrigation Body or equal with built-in check valve with pressure regulation, including all labor and necessary pipe, fittings, marlex, and materials to install and test per Specifications.	<u>\$ 32.00</u>
16.	EA.	Replacement of 12" Spray Pop-up Irrigation Body or equal with built-in check valve with pressure regulation, including all labor and necessary pipe, fittings, marlex, and materials to install and test per Specifications.	<u>\$ 32.00</u>

17.	EA.	Replacement of Reclaimed 12" Spray Pop-up Irrigation Body or equal with built-in check valve with pressure regulation, including all labor and necessary pipe, fittings, marlex, and materials to install and test per Specifications.	\$ 36.00
18.	EA.	Replacement of 4" Plastic Rotor Irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 29.00
19.	EA.	Replacement of Reclaimed 4" Plastic Rotor Irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 32.00
20.	EA.	Replacement of 6" Plastic Rotor Irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 36.00
21.	EA.	Replacement of Reclaimed 6" Plastic Rotor Irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 38.00
22.	EA.	Replacement of 6" Stainless Steel Rotor Irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 79.00

23.	EA.	Replacement of Reclaimed 6" Stainless Steel Rotor irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 82.00
24.	EA.	Replacement of 12" Plastic Rotor Irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 39.00
25.	EA.	Replacement of Reclaimed 12" Plastic Rotor Irrigation Body or equal, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 42.00
26.	EA.	Replacement of Bubblers/Emitters for drip irrigation system, including all labor and necessary pipe, fittings, marlex, riser, and materials to install and test per Specifications.	\$ 6.50
27.	EA.	Replacement of 3/4" Plastic Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	\$ 195.00
28.	EA.	Replacement of 1" Plastic Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	\$ 210.00
29.	EA.	Replacement of Reclaimed 1" Plastic Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	\$ 235.00

30.	EA.	Replacement of 1" Brass Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 225.00</u>
31.	EA.	Replacement of Reclaimed 1" Brass Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 225.00</u>
32.	EA.	Replacement of 1 1/2" Plastic Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 230.00</u>
33.	EA.	Replacement of Reclaimed 1 1/2" Plastic Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 255.00</u>
34.	EA.	Replacement of 1 1/2" Brass Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 235.00</u>
35.	EA.	Replacement of Reclaimed 1/2" Brass Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 235.00</u>
36.	EA.	Replacement of 2" Plastic Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 250.00</u>
37.	EA.	Replacement of 2" Brass Valve or equal, including all labor and necessary pipe, fittings, solenoid, and materials to install and test per Specifications.	<u>\$ 325.00</u>

Inland Empire Landscape Inc. of San Bernardino, CA

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INLAND EMPIRE LANDSCAPE, INC.

Landscape Development & Maintenance

2456 Kern Street
San Bernardino, CA 92407
909.473.9066
fax 909.473.9040
ST. LIC. 802299



Cover Letter

9-23-15

Dear City's Selection Committee

Inland Empire Landscape, Inc. is honored to have the opportunity to submit this proposal for the City of Banning Landscape Maintenance Services for City Properties.

As we continue to expand our services and landscape management, in the private and public industry providing quality services, it is our intent to consider contracts that we can effectively service providing quick response time and the overall quality of service we always aim to provide for our customers.

After closely reviewing Table of Contents, Technical Specifications and Exhibits of RFP for Landscape Maintenance Services for City Properties, after inspecting all (7) locations, We are confident that we will be an excellent fit for the proposed work.

We know the character, the quality and the quantities of work to be performed, and concluded that we are prepared and willing to commit all the resources necessary to perform our services.

I believe that our experience will give us the opportunity to provide you with a well-rounded option for your landscape and general maintenance services.

Respectfully,

Joel Ibarra
President
Office (909) 473-9066
joel@inlandempirelandscape.com
Cell Phone Number: (951) 538-7574

References

City of San Bernardino

300 North D St.

San Bernardino, Ca 92418

Phone: (909)384-5052

Contact: **Jim Tickemyer** -Park Superintendent (951)544-8966

Phone: (909)384-5226

Mickey Valdivia –Director of Parks Recreations and Communities Services

Project: Annual Park Maintenance Full Service & Landscape Maintenance Services

Contract Amount: \$548,400.00

City of Rialto

150 S. Palm Ave.

Rialto, CA 92407

Phone: 909-772-2635

Contact: **Sam Sung** - Landscape Contract Administrator

Project: Annual Landscape and General Maintenance Services

Contract Amount: \$799,087.05 Yr.

City of Riverside Public Works Division

1900 Main Street

Riverside, CA 92501

Phone: 951-351-6112

Contact: **Robert Filiar** - City Landscape Inspector - (951-712-4365),

Projects: "Landscape and general Maintenance Services for Downtown Area Parking Lots."

Contract Estimated Amount \$ 40,000.00 Yr.

North Quadrant, Contract Total Yearly Cost \$353,448.00

Company Personnel and Qualifications

Office Personnel is available from 7:00 a.m. To 4:00 p.m. Monday through Friday. Supervisors are available 24 hours 7 days a week for emergency calls via cellular phone and email. All of our field personnel carry smart phones, for faster response time.

We currently have 2 Supervisors, 1 Irrigation Tech. and 2 Foremen living in the city of Menifee to attend any emergency within 30 minutes, 24 hours a day 7 days a Week.

Joel Ibarra - President

Responsibilities: Company Operations, Signs Contracts and Proposals & Meets with Clients for Work Progress and New Projects, Bears all the responsibility of the company, available for emergency calls. Mr. Ibarra holds the Company C27, C61, D49 & Pest Control Business License.

Has Over 20 Years of Office and Field Experience.

Raymond Cervantes- Landscape Maintenance Division Manager

Responsibilities: preparation & delivery of bids/proposals, coordinates work schedules, staff and has general responsibility to manage contract, meets with clients for work progress, Emergency Calls.

Has Over 25 Years of Landscape Maintenance and Office work experience.

Guillermo Perez - Supervisor

Responsibilities: Daily operations Inspect and Supervise the work in progress, schedules projects, meets with the City Staff to discuss work progress and new ideas. Guillermo Perez has 15 years of park maintenance and landscape experience as well as Supervisory Experience Supervising up to 24 Employees.

Panfilo Villegas – Foremen Landscape Maintenance

Panfilo has been in the landscape industry for 16 years. He began his career as landscape maintenance and was promoted to foremen 7 years later. Panfilo's many strengths include following proper maintenance techniques, managing others, and adjusting sprinkler heads to ensure proper water coverage to all turf and planter areas.

Licensing and Qualifications

- License # 802299
- C-27 Landscaping
- C-61 Specialty
- D-49 Tree Service
- Pest Control Business License #37897
- Certified Reclaimed Water Technicians (San Diego County Trained)
- State of California Licensed Pest control Applicators and Operators
- Qualified Electricians
- Insured and Bonded Rated (A)

Fee Proposal

	Rate:	Hours per month
Supervisor:	\$ 18.00	20
Irrigation Tech.:	\$ 13.00	32
Foreman:	\$ 11.25	64
Laborer:	\$ 10.25	128

	Monthly Cost
Total Labor	\$ 2,808.00
Truck & Equipment	\$ 1,070.49

Materials & Supplieess	Monthly
	\$ 2,098.09

Total Monthly cost: \$ 5,976.58

Monthly Charges per Section

Section 1 Ramsey Street Median	\$ 1,825.00
Section 2 Banning City Hall	\$ 1,100.00
Section 3 Banning Police Station	\$ 370.00
Section 4 Banning Police Station Northeast	\$ 240.00
Section 5 Fire Station Building	\$ 220.00
Section 6 Community Center & Senior Center	\$ 1,400.00
Section 7 Aquatic center	\$ 821.58

Total Monthly Charges for all 7 Sections: \$ 5,976.58

Fee Proposal

	Rate:	Hours per month
Supervisor:	\$ 18.00	20
Irrigation Tech.:	\$ 13.00	32
Foreman:	\$ 11.25	64
Laborer:	\$ 10.25	128

	Monthly Cost
Total Labor	\$ 2,808.00
Truck & Equipment	\$ 1,070.49

Materials & Supplies	Monthly
	\$ 2,098.09

Total Monthly cost	\$ 5,976.58
--------------------	-------------

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Contractor shall perform the following tasks beginning December 1, 2015 and ending July 1, 2016:

LOCATION	QTY	MONTHLY RATE	TOTAL
Ramsey Street Medians	7 Months	\$1,825.00	\$12,775.00
A. City Hall- 99 East Ramsey St.	7 Months	\$1,100.00	\$7,700.00
B. Banning Police Station- 125	7 Months	\$370.00	\$2,590.00
Police Department Parking Lot NE	7 Months	\$240.00	\$1,680.00
C. Fire Station- 5261 West Wilson Street	7 Months	\$221.00	\$1,547.00
D. Community Center & Senior Center	7 Months	\$1,400.00	\$9,800.00
E. Aquatic Center	7 Months	\$820.00	\$5,740.00
Total		\$5,976.00	\$41,832.00

II. Payments will be made based upon the satisfactory completion of the task.

III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 2.3.

IV. The City will compensate Contractor for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all materials and equipment properly charged to the Services.
- C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

V. The total compensation for the Services shall not exceed \$ ^{41,832.00} _____, as provided in Section 2.1 of this Agreement.



State Of California
CONTRACTORS STATE LICENSE BOARD
ACTIVE LICENSE



802299

License Number

CORP

Entity

INLAND EMPIRE LANDSCAPE INC

Business Name

Classification: **C27 C61/D49**



08/31/2016

Expiration Date

www.cslb.ca.gov



CALIFORNIA DEPARTMENT OF PESTICIDE REGULATION

10011 STREET
SACRAMENTO, CALIFORNIA 95814

ISSUED
EXPIRES:

January 01, 2015
December 31, 2016

PEST CONTROL BUSINESS MAIN
LICENSE

LICENSE NO. 37897

Included if in state and on qualified persons to help with exportation.

Address

INLAND EMPIRE LANDSCAPE INC
2456 KERN ST
SAN BERNARDINO, CA 92407

Business Location

INLAND EMPIRE LANDSCAPE INC
2456 KERN ST
SAN BERNARDINO, CA 92407

POST THIS LICENSE PROMINENTLY IN PUBLIC VIEW
THIS LICENSE IS NOT TRANSFERABLE AND CHANGE OF OWNERSHIP REQUIRES A NEW LICENSE



DEPARTMENT OF PESTICIDE REGULATION
LICENSING/CERTIFICATION PROGRAM

QUALIFIED APPLICATOR LICENSE



License #: 122218
Categories: BC

EXPIRES: 12/31/2016
ISSUED: 01/01/2015

JOEL A IBARRA
2456 KERN ST
SAN BERNARDINO CA 92407



This License must be shown to any representative of the Director or Commissioner upon request.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/25/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Alfonso Costas 1740 E Washington Street Suite C3 Colton, CA 92324	909-824-0293 909-422-1414	CONTACT NAME Alfonso Costas PHONE (A/C No. Ext.) 909-824-0293 FAX (A/C No.) 909-422-1414 E-MAIL ADDRESS PRODUCER CUSTOMER ID#
INSURED Inland Empire Landscape, Inc. 2456 Kern Street San Bernardino, CA 92407	909-473-9066 909-473-9040	INSURER(S) AFFORDING COVERAGE INSURER A: Seneca Specialty Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL(SUBR) INSR (WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	<input checked="" type="checkbox"/>	BAG-1026313-1	11/20/2014	11/20/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						
UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE RETENTION \$						
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						
VIC STATUTORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Job Description: Landscape Maintenance/Installation Project:
Certificate Holder named as Additional Insured per form CG 20 10 07 04 attached.

CERTIFICATE HOLDER

CANCELLATION

Inland Empire Landscape, Inc.
2456 Kern Street
San Bernardino, CA 92407

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

POLICY NUMBER : FAG-1926313-1

COMMERCIAL GENERAL LIABILITY
CG 20 10 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS - SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s)
Or Organization(s):

Location(s) Of Covered Operations:

All persons or organizations as required by written
contract with the insured Various

It is further agreed that this insurance shall be primary and non-contributory but only in the event of a
named insured's sole negligence

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to
include as an additional insured the person(s) or
organization(s) shown in the Schedule, but only
with respect to liability for "bodily injury", "property
damage" or "personal and advertising injury"
caused, in whole or in part, by:
1. Your acts or omissions; or
2. The acts or omissions of those acting on your
behalf;
in the performance of your ongoing operations for
the additional insured(s) at the location(s)
designated above.

B. With respect to the insurance afforded to these
additional insureds, the following additional
exclusions apply:
This insurance does not apply to "bodily injury"
or "property damage" occurring after:
1. All work, including materials, parts or
equipment furnished in connection with such
work, on the project (other than service,
maintenance or repairs) to be performed by or
on behalf of the additional insured(s) at the
location of the covered operations has been
completed; or
2. That portion of "your work" out of which the
injury or damage arises has been put to its
intended use by any person or organization
other than another contractor or subcontractor
engaged in performing operations for a
principal as a part of the same project.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/25/2015

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PRODUCER 909-824-0293 909-422-1414

Alfonso Costas Insurance Services

1740 E Washington Street

Suite C3

Colton, CA 92324

INSURED 909-473-9066 909-473-9040

Inland Empire Landscape, Inc.

2456 Kern Street

San Bernardino, CA 92407

CONTACT NAME: Alfonso Costas

PHONE (A/C, No, Ext): 909-824-0293

FAX (A/C, No): 909-422-1414

E-MAIL

ADDRESS:

PRODUCER

CUSTOMER ID #

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Truck Insurance Exchange

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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INSR	TYPE OF INSURANCE	ADDL SUBR	POLICY NUMBER	POLICY EFF	POLICY EXP	LIMITS
1	TR	INSR	WVD	(MM/DD/YYYY)	(MM/DD/YYYY)	
	GENERAL LIABILITY					EACH OCCURRENCE \$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR					MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
						GENERAL AGGREGATE \$
						PRODUCTS - COMP/OP AGG \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					\$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO		602630726	12/08/2014	12/08/2015	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS					PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS					\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS					\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE					\$
	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A			E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS b9, G.W.					E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Job Description: Landscape Maintenance/Installation

Project:

CERTIFICATE HOLDER

Inland Empire Landscape, Inc.

2456 Kern Street

San Bernardino, CA 92407

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/07/2015

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PRODUCER 909-824-9821 909-422-1414

Alfonso Costas
1740 E Washington Street
Suite C3
Colton, CA 92324

CONTACT NAME: Alfonso Costas

PHONE (A/C, No. Ex): 909-824-9821

FAX (A/C, No): 909-422-1414

E-MAIL ADDRESS: acostas@farmersagent.com

PRODUCER

CUSTOMER ID #:

INSURED 909-473-9066 909-473-9040

Inland Empire Landscape, Inc.
2456 Kern Street

San Bernardino, CA 92407

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: ARCH INSURANCE COMPANY

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY					EACH OCCURRENCE \$
	COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	CLAIMS-MADE OCCUR					MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
						GENERAL AGGREGATE \$
						PRODUCTS - COM/OP AGG \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					\$
	POLICY PRO-JECT LOC					\$
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO					BODILY INJURY (Per person) \$
	ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS					PROPERTY DAMAGE (Per accident) \$
	HIRED AUTOS					\$
	NON-OWNED AUTOS					\$
	UMBRELLA LIAB OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB CLAIMS-MADE					AGGREGATE \$
	DEDUCTIBLE					\$
	RETENTION \$					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	ZAWCI2509800	07/07/2015	07/07/2016	WC STATU-TORY LIMITS: \$ 1,000,000
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Job Description: Landscape Maintenance/Installation

Project:

CERTIFICATE HOLDER

Inland Empire Landscape, Inc.
2456 Kern Street
San Bernardino, CA 92407

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

198

Marina Landscape Maintenance, Inc., of Anaheim, CA

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Original
SEP 23 2015
City Clerk's Office

To Whom It May Concern:

Thank you for the opportunity to submit our proposal to the City of Banning regarding the **Landscape Maintenance Services** project due to the City of Banning Office of City Clerk by September 24, 2015 by 5PM. Enclosed in this documentation is proposed pricing of recurring landscape maintenance work to be performed for the following:

- Ramsey Street Medians (Ramsey Street) from Highland Springs Avenue to Highland Home Road
- Banning City Hall (99 East Ramsey Street) landscaping around building and parking lot)
- Banning Police Station (125 E. Ramsey Street)
- Banning Police Station Northeast Parking Lot (125 E. Ramsey Street)
- Fire Station Building (5261 W. Wilson Street)
- Community Center & Senior Center (769 & 789 N. San Geronio Avenue)
- Aquatic Center (749 N. Gorgonio Ave.) landscaping around the immediate exterior vicinity around the center as well as the landscaping inside the center

Per the Scope of Work provided by the City of Banning, Marina Landscape Maintenance, Inc. will perform various maintenance services emphasizing the following items:

- Lawn Care will be provided cutting and maintaining the cleanliness of the lawns with appropriate length for each type of grasses and maintenance of unwanted weeds. Irrigation System inspection and continuous maintenance to ensure sprinkler system is functional. Maintenance of the medians which include weekly inspections to ensure median is weed free. Watering tree, shrubs and ground cover to establish moisture to the root zone and necessary fertilizing, trimming and planting to ensure all shrubs are presentable.
- All reports and meetings will be met with corresponding documents for pest control, weed control, weed control, and insect and disease control.

Marina was founded in 1971 and specializes in large-scale landscape construction and maintenance projects throughout the western United States. Today, Marina is one of the 20 largest landscape and site development contractors in America. Marina employs over 600 trained landscape professionals. Our employees have an average of 15 years tenure with the company. We are competitively priced in all market segments, and have union affiliation.

As President, I will be the person authorized to make commitments for the Company. In case of absence, urgent documents may also be signed by Ali Tavakoli (Vice-President) and Teri Nguyen (CFO).

Marina has always taken pride in helping the communities of Southern California look their best. We look forward to the opportunity to work with the City of Banning on this particular project and others in the future.

Sincerely,



Robert Cowan
Marina Landscape Maintenance, Inc.
1900 Lewis St.
Anaheim, CA 92805
T: (714) 939-6600
F: (714) 935-1199

Qualifications

Marina is a landscape firm with in-house site development expertise in multiple areas, including sports turf, landscape construction, irrigation, erosion control, landscape design, agronomic consulting and maintenance. The company's diverse project experience includes: theme parks and recreation facilities, sport field complexes, golf courses, hotels and resorts, commercial and industrial developments, public facilities, streetscapes, highway beautification, wetlands and re-vegetation zones, and housing developments. Marina holds a current contractor's license with A, B, C27, C36, C61 and D49 categories and has certified personnel in pest control application, pest control advising, water management, arbor care to manage and satisfy any of the City's needs that should arise.

Marina Landscapes methodology for maintaining the facilities required by this scope of work will be in full compliance with the requirements stated therein, as driven by the City's schedules. Maintenance operations will be completed by skilled crews, which will be sent to manicure the sites in the time allowed but their schedule will remain flexible to adjust as required by the needs and requirements of the City's requests.

During our ramp-up period, we will be inspecting all of the sites before assuming control of the work, creating any necessary punch-lists for deficiencies. After initial inspections we will develop the routes and discover the specific requirements of individual locations, this will also allow us to create priorities and assess any urgent goals for the project. Once mobilized and an accurate assessment of the sites has been ascertained, our crews will commence their daily operations.

Mowing of turf will be completed by skilled mow crews to manicure the sites in the time allowed. All fertilization, aeration, and dethatching, schedules shall be followed. Schedules will be established but we will remain flexible to adjust as required by the City. Shrub areas will have a regular program of cultivation to avoid soil compaction, which can lead to wasted water due to poor absorption rates. A regular program of fertilization will also be implemented.

Our crews will have fully stocked vehicles, complete with the required tools to manicure each site thoroughly. All of our equipment is routinely serviced and sharpened and kept in working order to minimize any unnecessary downtime or potential damage to turf/landscape plants or other improvements. Large mowing equipment will be safely and securely transported within the project areas on trailers as they travel to the various turf sites. All spraying activity will be done early in the morning and in low winds to avoid any harm to people and any possible damage of adjacent landscaped areas.

Marina Landscape will equip the City with an educated supervisor under the direction of the PM to provide the day to day instruction. Marina Landscape has a fleet of equipment and labor to support this project as required. As a Landscape Construction and Maintenance Company, Marina Landscape has in-depth knowledge of irrigation systems, professional trouble shooting and repair of systems. We are detailed and meticulous with our work and guarantee customer satisfaction.

Full-time qualified irrigators will be on-site according to particular needs of each section of work to ensure the landscape's needs are being met. Our irrigation technicians will ensure that plants are getting required watering and that irrigation controllers are set to the proper settings. Our irrigation technicians recognize that water conservation is very important to everyone and having an efficient water practice is the key to optimizing water usage. One of the first processes Marina Landscape will implement on a new contract is a water audit.

Our water audit ensures that the irrigation system is operating properly which will help reduce water costs, while making sure proper absorption is occurring in the plant soil. Marina Landscape understands the importance and impact landscape can have on the overall appearance of a city or property. With our experience, Marina Landscape knows what it takes and how to achieve the desired results for very high profile contracts. We will treat this contract with a committed team of professionals to ensure residents and visitors are impressed by the way the City is caring for its landscape.

Marina Landscape is an award winning company. We take proactive steps to ensure quality of service is being met and exceeded. For this project, our Maintenance Manager Marty Stowell will be overseeing our staff. He has over 30 years' experience in the landscaping business and participates and chairs in many landscape committees throughout Southern California. Marty, along with our Maintenance Supervisor, Gabe Ponce, will be visiting all the sites frequently to ensure all of the standards are being met. If needed, they will create punch-lists for the supervisor on anything that may need improvement. Gabe will walk the site with the on-site supervisor and explain anything that needs attention. Using this proactive method of control, we are able to keep our projects in excellent condition.

Marina Landscape has a streamlined process that quickly responds to client service needs. Any questions or concerns that arise should be e-mailed or called in to our Office Manager, Roxy Huerta. She will create a work order and relay the instructions to Marty Stowell and Gabe Ponce, so issues can be addressed immediately.

After a work order is completed, we confirm with our customer that the work was performed in a professional manner to ensure nothing is overlooked. We can also send our customer the supporting documentation of the completed work, if they desire. These are our normal steps to correcting issues that occur during a contract. For the City, concerns and issues can also be sent directly to Marty or Gabe for immediate remediation.

All of Marina Landscapes supervisors and foremen carry cell phones to take any calls throughout the day. At no point during the working day is communication cut-off between the field and office staff. This gives our maintenance department the ability to handle issues or emergencies and allows us to keep all of our properties in pristine condition.

Safety is a priority at Marina Landscape. We currently have a safety rating of less than one. Our workers are very aware of their surroundings and participate in daily tailgate safety meetings. Every employee of Marina goes through a thorough safety training program at the beginning of their employment and our continuing education only strengthens those foundations. When accidents have occurred, we re-enact the incident to educate other employees demonstrating how the accident occurred, and what we could do to prevent it from occurring again. While on-site our employees will be equipped with gear that will protect them and others from being injured. This includes any goggles, gloves, hard toed-shoes, long-sleeves and pants, masks, hard-hats or reflective attire/equipment.

For after-hour emergencies, we refer you to our front desk at (714) 939-6600, where you will be forwarded to Gabe Ponce, our emergency contact. After Gabe receives a call, he will either handle the problem himself or notify the on call supervisor so he can apply the appropriate actions to resolve the situation.

Work Order Management System

Marina Landscape, Inc. will provide the City of Banning with a web based trouble ticket reporting system which will allow constant communication and updates of work orders and repairs being handled on-site. This ticket reporting system ensures that all work orders get expedited with automatic email responses when the work order is closed.

STAFFING PROCESS

Marina Maintenance Department has over 450 full time employees, with experience in the multiple areas of the established landscape care. Our employees are constantly trained in their individual areas and are fully capable of providing the highest quality of service.

EMPLOYEE TRAINING AND SUPERVISION

At the beginning of their employment in Marina, all new employees go through a one-day long orientation session where they learn about the company's policy, they are trained in the safety and emergency procedures and they also learn about their rights and responsibilities. After orientation new employees

are also trained for a minimum of one week in their specific duties according to the position they are assigned. Marina employees are certified and trained on each piece of equipment prior to using it in the field. Marina's family strives to make new employees feel comfortable and welcome, we try to always be available to answer any question and extend a helping hand to those that are just starting the process and help them integrate better to the team.

In regards to supplies and chemicals, the QAL trains his personnel on how to effectively and safely apply and dispose of chemicals used in the field as well as emergency procedures established by the Company to control accidents. They also learn prevention as to avoid getting hurt or being exposed to toxic materials.

In regards to equipment handling, Marina trains all their employees to know how to be and move around heavy machinery. Employees are required to wear the safety vests, glasses, gloves, and any other task appropriate safety gear at all times while being in the area of equipment or traffic. Marina has safety training meeting every month, we have Meetings to learn the emergency procedures every 2 months and training on the company's policies every 6 month. Marinas Supervisor to employee ratio is 3:1, 3 crew members for every foreman. The supervision is always on site and available to the client to make corrections and guaranty the quality of the work.

Over our field supervision, Marina has the area supervision performed by qualified and trained superintendents that serve as links between the field personnel and the upper management. These superintendents have decision power over project resources and corrections needed and report back to both the client and the operations department when such corrections are made. Marina also has certified personnel to fully embrace the requirements that can occur during the time of the contract. Examples of these are certified irrigators, certified arborists, certified pest control advisers and applicators, certified personnel in traffic control, etc.

EMPLOYMENT RECRUITMENT AND RETENTION

Marina is an ever growing company with programs to recruit, train and advance our employees. We have candidates file in applications every day and we create a data base where the names of these people are tabulated according to their experience and previous training. When a need arises, we go back to that data base and locate the appropriate person for the opening. If one is not available, Marina will also advertise the position.

Once the application is received, our Human Resources department will check the reference listed as well as the driver's license records and run a background check, if possible. When a new employee is selected Marina asks for a drug test and a background check for the person selected, as well as copies of their legal documents for the file.

After the selection process has ended the new employees go through an orientation session where they are instructed in regards to Marina's policies and procedures, their rights, their responsibilities and the company's expectations in fulfilling their role as part of the team. Marina's probationary period is 90 days. As a way of retaining our employees we have quarterly evaluation meetings to hear their concerns about the projects and to know their needs are being met. Marina's turnover rate is less than 1%.

Key Personnel

Robert B. Cowan, President/CEO – (714) 939-6600

Robert Cowan is the President of Marina Landscape Inc. He has been in the landscaping business for 44 years and continues to learn and grow with the industry. Robert and his brother built Marina Landscape from the ground up into a \$65 million dollar a year company that is only going to grow.

Robert has built a reputation on the motto of "Building it right, the 1st time and never miss a deadline." Marina Landscape will provide the proper manpower to tackle any size job and the intelligence to be efficient to provide the greatest value to the client and environment.

Marina Landscapes President continues to be involved with all decisions within the company and has a hands-on approach to work. This has brought together individuals and developed them into a team. This team believes in the notion that hard work and dedication will bring prosperity to their family. The family traditions of working together, sharing knowledge and experiences has developed a strong company that customers rely on day after day to design, develop, construct, and maintain award-winning landscapes.

Marty Stowell, President of Maintenance Operations – (818) 612-0118

Marty has been in the landscaping industry for over 30 years. He is responsible for the entire Maintenance Operations Department which includes overseeing all of our maintenance jobs and crews. Marty's expertise is found in maintaining city-wide maintenance contracts and HOAs in Southern California. His keen eye for scheduling and the utilization of our crews makes our maintenance operations very efficient and effective. Marty also has vast knowledge in landscape irrigation and installation, estimating and construction. Marty has great relationships with many public sector agencies including LA Metro, where Marina oversees the maintenance of the Blue - Green lines.

Gabe Ponce, Branch Manager – (714) 614-4550

Gabe joined the Marina family in 2005. Gabe has been involved in the Landscape Industry since he was 16 years old. He is highly experienced in turf maintenance and sports turf maintenance, including renovation. He has managed projects of over 150 acres and crews of 32 people. He is also experienced in estimating, purchasing and inventory management.

Roxy Huerta, Office Manager, Landscape Maintenance – (714) 704-0489

Roxy joined the Marina family in 2014. Roxy's key strengths as an office manager include client relations and accounting. Roxy's is responsible for accounts payable, accounts receivable, payroll reports, and customer service. She plays an important role in the safety training of all our crews in the field. Roxy is also fluent in both English and Spanish.

References

City of Culver City

Patrick Reynolds

Title: City Inspector

4117 Overland Ave., Culver City, CA

(310) 253-6471

Patrick.Reynolds@culvercity.org

Anaheim Resort District

Dan Oregel

Title: Operations Superintendent

200 S. Anaheim Blvd., Anaheim, CA

(714) 936-4971

DOregel@anaheim.net

City of Lake Forest

Oscar Garcia

Title: City Inspector

25550 Commercenter Dr., Lake Forest, CA

(949) 283-1737

OGarcia@ci.lake-forest.ca.us

City of Fountain Valley

Marci Garcia

Title: City Inspector

10200 Slater Ave., Fountain Valley, CA

(714) 459-4623

Marco.Garcia@fountainvalley.org

City of Anaheim

Mike Dziurgot

Title: Operations Manager

200 Anaheim Blvd., Anaheim, CA

(714) 981-2061

MDziurgot@anaheim.net

EXHIBIT "C"
SCHEDULE OF COMPENSATION
Marina Landscape Maintenance, Inc.

Fee Schedule for Locations:

Location	Qty.	Monthly Rate	Total Cost	Man Hours Per Month
Ramsey Street Medians	5 Months	\$1,440.00	\$7,200.00	60 Hours
City Hall – 99 East Ramsey Street	5 Months	\$800.00	\$4,250.00	32 Hours
Banning Police Station – 125 East Ramsey	5 Months	\$300.00	\$1,500.00	16 Hours
Police Department Parking Lot NE	5 Months	\$220.00	\$1100.00	4 Hour
Fire Station – 5261 West Wilson Street	5 Months	\$220.00	\$110.00	16 Hours
Total		\$3,030.00	\$15,150.00	128 Hours

Rate Schedule for Maintenance and Repair

Foreman	\$30.00
Laborer	\$25.00
Irrigation Technician	\$45.00

Current Hourly Fee Schedule for Fiscal Year 2015/2015

Foreman	\$30.00
Laborer	\$25.00
Irrigation Technician	\$45.00
Regular Maintenance	\$21.85

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CITY COUNCIL AGENDA

Date: November 10, 2015

TO: City Council

FROM: Art Vela, Acting Director of Public Works

SUBJECT: Resolution No. 2015-97, "Accepting Community Development Block Grant Program Funds for Fiscal Year 2015-2016"

RECOMMENDATION: Adopt Resolution No. 2015-97, "Accepting Community Development Block Grant Program Funds for Fiscal Year 2015-2016."

JUSTIFICATION: This Supplemental Agreement is required in order for the City to obtain and utilize funds for the Community Development Block Grant projects previously approved by City Council.

BACKGROUND: On an annual basis, the City of Banning has participated in the federally funded Community Development Block Grant ("CDBG") program. On November 12, 2014, the City Council adopted Resolution No. 2014-76, attached as Exhibit "A" approving projects for consideration of Riverside County Economic Development Agency ("EDA").

Although the initial 2015-2016 City project funding request to Riverside County EDA was to assist with funding portions of a street improvements project and lighting at Lions Park, CDBG City project funding was reprogrammed to fund Project No. 2015-01, "ADA Upgrades at Lions Park". Accessibility upgrades at Lions Park are needed in order to obtain compliance with the Americans with Disabilities Act ("ADA"). The construction of Project No. 2015-01, "ADA Upgrades at Lions Park" was approved by City Council on October 13, 2015 under Resolution No. 2015-93 and construction is scheduled to commence in November of 2015.

In order to utilize Fiscal Year 2015-2016 CDBG funding, the City is required to execute a Supplemental Agreement. The Supplemental Agreement is attached herein as Exhibit "B". CDBG fund allocations for FY 2015-2016 are as follows:

<u>Description</u>	<u>Amount</u>
Lions Park ADA Improvements	\$173,818.00
Boys & Girls Club – Teen Town Program	\$5,000.00

FISCAL DATA: The original request submitted to the County was in the amount of \$140,000.00; however, the City anticipates receiving \$178,818.00 through CDBG program funds, Fiscal Year 2015-2016 per the Supplemental Agreement.

RECOMMENDED BY:



Art Vela

Acting Director of Public Works

APPROVED BY:



Alex Diaz

Chief of Police/Acting City Manager

Attachments:

1. Exhibit "A": Resolution No. 2014-76
2. Exhibit "B": Supplemental Agreement

RESOLUTION NO. 2015-97

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, APPROVING THE PROJECTS FOR THE FISCAL YEAR 2015-2016
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

WHEREAS, the City of Banning submits applications for projects/activities under the Community Development Block Grant (“CDBG”) program to the Riverside County Economic Development Agency annually; and

WHEREAS, on November 12, 2014, the City Council adopted Resolution 2014-76, attached Exhibit “A”, approving FY 2015-2016 projects and authorizing staff to submit said projects to the Riverside County Economic Development Agency (“EDA”) for consideration;

WHEREAS, since the original submittal to Riverside County EDA City project funds were reprogrammed to Project No. 2015-01, “ADA Upgrades at Lions Park” in order to obtain compliance with the Americans with Disabilities Act (“ADA”); and

WHEREAS, the projects/activities submitted herein meet the CDBG program guidelines and/or requirements; and

WHEREAS, it is necessary that the projects/activities be approved by the City Council through resolution in order for the City and its citizens to utilize the federally funded CDBG grant funds.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1. The City Council hereby adopts Resolution No. 2015-97 approving the Supplemental Agreement with County of Riverside Economic Development Agency for FY 2015-2016 Community Development Block Grant funding.

SECTION 2. The Mayor is authorized to sign said Supplemental Agreement attached herewith as Exhibit “B.”

SECTION 3. The Administrative Services Director is authorized to make necessary budget adjustments.

PASSED, ADOPTED AND APPROVED this 10th day of November, 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

APPROVED AS TO FORM
AND LEGAL CONTENT:

Lona N. Laymon, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-97, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 10th day of November, 2015 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California

EXHIBIT "A"

CITY COUNCIL RESOLUTION NO. 2014-76,
"APPROVING THE PROJECTS FOR FISCAL YEAR 2015-2016
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM"

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RESOLUTION NO. 2014-76

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, APPROVING THE PROJECTS FOR THE FISCAL YEAR 2015-2016
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

WHEREAS, the City of Banning has been submitting applications for projects/activities under the Community Development Block Grant (CDBG) program to the Riverside County Economic Development Agency annually; and

WHEREAS, on September 16, 2014, the City of Banning emailed out requests for applications to the eligible organizations that serve the Community within the City of Banning, and on September 17, 2014, an outreach program was sent to the Press Enterprise, and also advertised on the City's Channel 10, Twitter, and Facebook, notifying the public of the availability of CDBG applications, as shown in Exhibit "A"; and

WHEREAS, on October 14, 2014 at its regular meeting, the City Council appointed a committee to review the applications and on October 27, 2014 the applications were given to the committee and the recommendations as shown as Exhibit "B" and;

WHEREAS, the projects/activities submitted herein meet the CDBG program guidelines and/or requirements; and

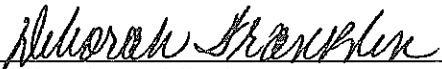
WHEREAS, it is essential that the projects/activities be approved by the City Council through resolution in order for the City and its citizens to utilize the federally funded CDBG grant funds.

NOW, THEREFORE, BE IT RESOLVED as follows:

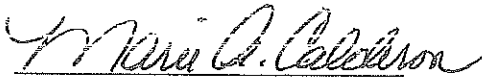
SECTION 1. Resolution No. 2014-76, approving the project/activities submitted for funding under the Community Development Block Grant programs for Fiscal Year 2015-2016 as listed in Exhibit "B" is hereby adopted.

SECTION 2. Staff is authorized to submit Fiscal Year 2015-2016 Community Development Block Grant program applications to Riverside Economic Development Agency for approval by their Board.

PASSED, APPROVED AND ADOPTED this 12th day of November, 2014.

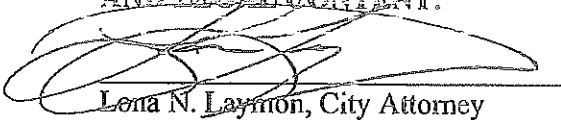

Deborah Franklin, Mayor
City of Banning

ATTEST:



Marie A. Calderon, City Clerk

APPROVED AS TO FORM
AND LEGAL CONTENT:



Lena N. Laymon, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2014-76, was duly adopted by the City Council of the City of Banning, California, at a special meeting thereof held on the 12th day of November, 2014 by the following vote, to wit:

AYES: Councilmembers Miller, Peterson, Westholder, Welch, Mayor Franklin

NOES: None

ABSTAIN: None

ABSENT: None



Marie A. Calderon, City Clerk
City of Banning, California

EXHIBIT "A"

**OUTREACH PROGRAM NOTIFYING THE PUBLIC OF CDBG
APPLICATION AVAILABILITY FOR FY 2015-2016**

CITY OF BANNING
PRESS RELEASE

September 16, 2014

For Immediate Release
Contact: Kahono Oei (951) 922-3135

FOR IMMEDIATE RELEASE

SUBJECT: Applications available for Community Development Block Grants

The City of Banning is accepting applications for the Community Development Block Grant Program, for Fiscal Year 2015-2016.

The U.S. Department of Housing and Urban Development (HUD), through the Riverside County Economic Development (EDA) administers the CDBG funding. The funding will allow the community the opportunity to provide services within the City of Banning.

Eligible public services include but are not limited to:

- Healthcare
- Job training
- Childcare
- Services for the homeless
- Recreation programs
- Services for seniors and public safety services

Applications are available online at the Riverside County Economic Development Agency website: www.rivcoeda.org or hard copies are available at the Banning City Hall, Engineering Division. Please contact the Engineering Division at 951.922.3135, to obtain information regarding the application process.

Applications are due by October 16, 2014.

EXHIBIT "B"

REQUESTED PROJECT AND SERVICE PROGRAMS

**Requested Projects for FY 2015-2016
Community Development Block Grant (CDBG) Program**

SERVICE RELATED PROJECTS

NO.	AGENCY	DESCRIPTION	FY 2015-2016 REQUESTED	AD-HOC RECOMMENDATION
1.	Boys and Girls Club	Teen – Town (Youth Development Services)	\$30,000.00	\$5,000.00
2.	Stagecoach Days Association	Purchase and Installation of Bleachers at Dysart Park	\$50,000.00	\$10,000.00
	Total		\$80,000.00	\$15,000.00

Requested Project for FY 2015-2016
Community Development Block Grant (CDBG) Program

CITY PROJECTS

NO.	PROJECT NAME	DESCRIPTION	FY 2015-2016 REQUESTED	AD-HOC RECOMMENDATION
1.	Street Improvements at Various Locations	Scope of work under this project includes grinding/cold planing of existing asphalt; grading, placing new A.C. and base; sidewalks, curbs, gutters, driveways, cross gutters, spandrels and handicap ramps; adjusting manholes, water meters boxes, and water valve covers to grade; removing and replacing water meter boxes, and mailboxes when required by the Public Works Inspector; striping improvements; and cleaning, etc., on various streets.	\$430,000.00	\$60,000.00
2.	Replacement of Existing Lighting at Three Ball Fields and Fencing	Scope of work under this project includes installation and replacement of existing lighting at three (3) ball fields at Lions Park, which will allow staff to control lights remotely. In addition, replacement of ball field fencing and issues with accessibility will be addressed as necessary.	\$300,000.00	\$65,000.00
	Total		\$730,000.00	\$125,000.00

Description
Street Improvements at Various Locations

1. George Street: Hargrave Street to Almond Way (south side) 260'; curb/gutter, asphalt concrete, and aggregate base patch; handicap ramps.
2. 957 E George Street (north side): 70' curb/gutter, asphalt concrete, and aggregate base patch; 1150 S.F. sidewalk connecting to existing sidewalk.
3. Christie Street: Hargrave Street to Blanchard Street, 480' curb/gutter, asphalt concrete, and aggregate base patch (Almond Way to Blanchard Street on both sides), 2600' S.F. sidewalk, north side, handicap ramps.
4. Wilson Street: Almond Way to Blanchard Street, 1175 S.F. sidewalk; north side, 2 handicap ramps.
5. Hoffer Street: Phillips Street to Evans Street, 750' curb/gutter, asphalt concrete, aggregate base and paving.
6. 985 E. Williams Street (north side), 115' curb/gutter asphalt concrete, and aggregate base paving, handicap ramp.
7. Phillips Street: Williams Street to Nicolet Street, 424' curb/gutter asphalt concrete, and aggregate base paving (east/west intermittent), 3 handicap ramps.
8. Nicolet Street: Evans Street to Alessandro Road (north side), 1900' curb/gutter asphalt concrete, and aggregate base paving, 10 handicap ramps.
9. Barbour Street: Hargrave Street to Juarez Street, curb and gutter on both sides of street.
10. Wesley Street: Hargrave Street to Hathaway Street, curb and gutter on both sides of street.

EXHIBIT “B”

**SUPPLEMENTAL AGREEMENT
FY 2015-2016 COMMUNITY DEVELOPMENT
BLOCK GRANT FUNDS**

**SUPPLEMENTAL AGREEMENT FOR THE USE OF
2015-2016 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

This Supplemental Agreement ("Agreement") is entered into this _____ day of _____, 2015, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the CITY OF BANNING, herein called "CITY." COUNTY and CITY are collectively referred to as "Parties" and individually as "Party."

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated July 15, 2015 ("Cooperation Agreement"), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds ("CDBG"), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, dated July 15, 2015, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY promises and agrees to undertake and assist with the community development activities, within its jurisdiction, by utilizing the sum of \$178,818, CDBG Entitlement Funds, as specifically identified in Exhibits A and B, attached hereto, and are incorporated herein by this reference, for the following projects (collectively, the "Projects"):

5.BN.32-15	Lions Park ADA Improvements	\$173,818
0.139-15	Boys and Girls Club-Teen Town Program	\$5,000

3. TERM OF AGREEMENT. The term of this Agreement for the implementation of the Projects shall be for a period of one (1) year from July 1, 2015 to termination on June 30, 2016. City shall proceed consistent with the completion schedule set

1 forth in Exhibits A and B, attached hereto and incorporated herein. In the event the Projects are
2 not substantially completed by the time set forth in the applicable completion schedules due to a
3 force majeure event (See Section 24 below), the COUNTY may consider extending the schedule
4 for the completion of the project(s). Times of performance for other activities may also be
5 extended in writing by COUNTY. If substantial progress toward completion in conformance
6 with the completion schedule, as determined by COUNTY in its discretion, of the projects are
7 not made during the term of this Supplemental Agreement, COUNTY may suspend or terminate
8 this Supplemental Agreement pursuant to the termination procedures set forth in the section
9 titled "Termination," and the entitlement funds associated with the Projects may be
10 reprogrammed by the COUNTY after appropriate notice is provided to the City.

11 4. DISPOSITION OF FUNDS.

12 A. COUNTY's Board of Supervisors shall determine the final disposition and
13 distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of
14 this Supplemental Agreement. COUNTY, through its Economic Development Agency, shall
15 make payment of the CDBG funds to CITY as set forth in the attached Exhibits A and B. It is
16 the CITY's responsibility to monitor all project activities set forth in the attached Exhibits A
17 and B, and to ensure compliance with applicable federal regulations and the terms of this
18 Supplemental Agreement.

19 B. CITY shall comply with timely drawdown of CDBG Entitlement funding
20 by expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects.
21 CITY acknowledges that CITY's drawdown performance directly impacts the COUNTY's
22 overall program drawdown rate. If the CITY's unobligated CDBG fund balance, as of January
23 31, 2016, exceeds two-times (200%) the CITY's 2015-2016 CDBG allocation, the COUNTY
24 may, in its sole discretion, take the necessary administrative actions to reduce the CITY's CDBG
25 fund balance. Necessary actions include, but are not limited to, reprogramming the excess CDBG
26 fund balance to other eligible activities as selected by COUNTY. COUNTY may, in its sole and
27 absolute discretion, authorize CITY in writing, prior to January 31, 2016, to exceed the CDBG
28

1 fund balance requirement.

2 C. CITY shall comply with timely drawdown of CDBG funds by submitting
3 monthly requests for reimbursement or other COUNTY approved reimbursement schedules. All
4 disbursements of CDBG funds will be on a reimbursement basis and made within thirty (30)
5 days after the COUNTY has received the CITY's reimbursement request including
6 documentation supporting expenditures.

7 D. All authorized obligations incurred in the performance of the
8 Supplemental Agreement for projects eligible under the following CDBG regulations must be
9 reported in writing to COUNTY no later than by June 15, 2016:

- 10 1. Public Services [24 CFR 570.201 (e)]
- 11 2. Acquisition [24 CFR 570.201 (a)]
- 12 3. Clearance Activities [24 CFR 570.201 (d)]
- 13 4. Interim Assistance [24 CFR 570.201 (f)]
- 14 5. Code Enforcement [24 CFR 570.202 (c)]

15 All other eligible activities under this Supplemental Agreement must be implemented,
16 completed, and obligations reported in writing to the COUNTY by the CITY no later than the
17 completion schedules set forth in the attached Exhibits to this Supplemental Agreement. "CFR"
18 as used herein refers to the Code of Federal Regulations.

19 The COUNTY will directly manage and monitor projects identified in Exhibit B,
20 attached hereto. These projects have been determined to be of Countywide benefit, receiving
21 CDBG funding from multiple sources; therefore, these projects will be managed and monitored
22 by the COUNTY.

23 5. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with
24 COUNTY in undertaking essential community development and housing assistance activities,
25 specifically urban renewal and public assistance housing, and shall assist COUNTY in
26 implementing and undertaking the goals and strategies identified in the 2014-2019 Five Year
27 Consolidated Plan, pursuant to 24 CFR Part 91 and other requirements of the Community
28

1 Development Block Grant Program.

2 6. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA
3 ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Section 15051(d) of Title 14 of the
4 California Administrative Code, the CITY is designated as the lead agency for the projects that
5 are the subject matter of this Supplemental Agreement.

6 7. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the
7 provisions of Section 895.2 of the California Government Code imposing certain tort liability
8 jointly upon public entities solely by reason of such entities being parties to an agreement as
9 defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in
10 Section 895.4 and 895.6 of the Code, agree that each Party shall be liable for any damages
11 including, but not limited to, claims, demands, losses, liabilities, costs and expenses including
12 reasonable attorneys' fees, resulting from the negligent or wrongful acts or omissions of their
13 employees or agents in the performance of this Agreement, and each Party shall indemnify,
14 defend and hold harmless the other Parties from such claims, demands, damages, losses or
15 liabilities for their negligence

16 8. INSURANCE. Without limiting or diminishing the CITY obligation to
17 indemnify or hold the COUNTY harmless, CITY shall procure and maintain or cause to be
18 maintained, at its sole cost and expense, the following insurance coverage's during the term of
19 this Agreement.

20 a. Workers' Compensation:

21 If the CITY has employees as defined by the State of California, the CITY shall
22 maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of
23 the State of California. Policy shall include Employers' Liability (Coverage B) including
24 Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy
25 shall be endorsed to waive subrogation in favor of the County of Riverside.

26 b. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CITY'S performance of its obligations hereunder. Policy shall name the County of Riverside as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

c. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CITY shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside as Additional Insured.

d. General Insurance Provisions - All lines:

(i). Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

(ii). The CITY'S insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CITY'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement

1 with the COUNTY, or 2) procure a bond which guarantees payment of losses and related
2 investigations, claims administration, and defense costs and expenses.

3 (iii). CITY shall cause CITY'S insurance carrier(s) to furnish the
4 County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and
5 certified original copies of Endorsements effecting coverage as required herein, and 2) if
6 requested to do so orally or in writing by the County Risk Manager, provide original Certified
7 copies of policies including all Endorsements and all attachments thereto, showing such
8 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall
9 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given
10 to the County of Riverside prior to any material modification, cancellation, expiration or
11 reduction in coverage of such insurance. In the event of a material modification, cancellation,
12 expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County
13 of Riverside receives, prior to such effective date, another properly executed original Certificate
14 of Insurance and original copies of endorsements or certified original policies, including all
15 endorsements and attachments thereto evidencing coverage's set forth herein and the insurance
16 required herein is in full force and effect. *CITY shall not commence operations until the*
17 *COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of*
18 *endorsements and if requested, certified original policies of insurance including all*
19 *endorsements and any and all other attachments as required in this Section. An individual*
20 *authorized by the insurance carrier to do so on its behalf shall sign the original endorsements*
21 *for each policy and the Certificate of Insurance.*

23 (iv). It is understood and agreed to by the parties hereto that the CITY'S
24 insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or
25 deductibles and/or self-insured retention's or self-insured programs shall not be construed as
26 contributory.

27 (v). If, during the term of this Agreement or any extension thereof,
28

1 there is a material change in the scope of services; or, there is a material change in the equipment
2 to be used in the performance of the scope of or, the term of this Agreement, including any
3 extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of
4 insurance required under this Agreement and the monetary limits of liability for the insurance
5 coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the
6 amount or type of insurance carried by the CITY has become inadequate.

7 (vi). CITY shall pass down the insurance obligations contained herein
8 to all tiers of subcontractors working under this Agreement.

9 (vii). The insurance requirements contained in this Agreement may be
10 met with a program(s) of self-insurance acceptable to the COUNTY.

11 (viii). CITY agrees to notify COUNTY of any claim by a third party or
12 any incident or event that may give rise to a claim arising from the performance of this
13 Agreement.

14 9. RECORDS AND INSPECTIONS.

15 A. CITY shall establish and maintain financial, programmatic, statistical, and
16 other supporting records of its operations and financial activities in accordance with the **Uniform**
17 **Administrative Requirements, Cost Principles, and Audit Requirements for Federal**
18 **Awards** (2 CFR Part 200.333), and 24 CFR Part 84 and 85, as amended, as they relate to the
19 acceptance and use of federal funds under this Agreement. Said records shall be retained for a
20 period of three (3) years from the date that the activity or program funded with the CDBG Grant
21 is closed out by the COUNTY and reported as complete in the Comprehensive Annual
22 Performance and Evaluation Report (CAPER). Exceptions to the three (3) year retention period
23 requirement, pursuant to 2 CFR 200.333 include the following:

24 i. if any litigation, claim, or audit is started prior to the expiration of
25 the three year period;

26 ii. when the CITY is notified in writing by the COUNTY, HUD, or
27 other Federal agency to extend the retention period;
28

1 iii. records for real property and equipment acquired with CDBG
2 funds must be retained for three (3) years after final disposition;

3 iv. when the records are transferred by the CITY to the COUNTY,
4 HUD, or other Federal agency, the three (3) year period is not applicable.

5 B. CITY shall obtain an external audit in accordance with the Uniform
6 Administrative Requirements, Cost Principles, and Audit Requirements for Federal
7 Awards (2 CFR Part 200.500) and HUD's single audit regulations (24 CFR Part 44.6). Audits
8 shall usually be performed annually but not less frequently than every two years. Nonprofit
9 institutions and government agencies that expend less than \$750,000 a year in Federal awards are
10 exempt from Federal audit requirements, but records must be available for review by appropriate
11 officials of the Federal grantor agency or subgranting entity. The audit report shall be submitted
12 to the COUNTY within 180 days after the end of the COUNTY'S fiscal year.

13 C. CITY shall maintain a separate account for the CITY'S CDBG Entitlement
14 funds received as set forth in Exhibits A and B attached hereto.

15 D. Pursuant to 2 CFR 200.336, CITY shall, during the normal business hours,
16 make available to COUNTY, the U.S. Department of Housing and Urban Development (HUD),
17 or other authorized representative, for the examination and copying, all of its records and other
18 materials with respect to matters covered by this Agreement and provide reasonable access to
19 CITY staff for the purpose of interview and discussion related to the records and documents.

20 E. CITY shall not retain any program income as defined in Section 570.500
21 of Title 24 of the Code of Federal Regulations. Said program income shall be used only for the
22 activities that are the subject of this Agreement. Further, all provisions of this Agreement shall
23 apply to such activities.

24 F. The CITY shall ensure that at least fifty-one percent (51%) of the persons
25 benefiting from all CDBG-funded activities or projects designated as serving limited clientele
26 [570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household income
27 guidelines. The CITY shall provide the required income certification and direct benefit
28

1 documentation, in writing, to the COUNTY pursuant to the reporting requirement of each
2 activity as set forth in Exhibits A and B, attached hereto. In the event that CITY engages the
3 services of a sub-contractor to implement CDBG-funded activities, the CITY must collect, in
4 writing, all required income certification and direct benefit documentation from subcontractors
5 prior to submittal to the COUNTY pursuant to the reporting requirement of each activity as set
6 forth in Exhibits A and B, attached hereto.

7 10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal,
8 state, and local laws, regulations, and ordinances and any amendments thereto and the federal
9 regulations and guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY
10 is to comply with those regulations found in the Uniform Administrative Requirements, Cost
11 Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Part
12 84 and 85, as amended, or any subsequent replacement. CITY is to abide by the provisions of the
13 Community Development Block Grant Manual, prepared by COUNTY and cited in the above-
14 mentioned Cooperation Agreement. CITY shall comply, if applicable, with Section 3 of the
15 Housing & Urban Development Act of 1968, as amended, attached hereto as Exhibit "S" and
16 incorporated herein by this reference. CITY shall also comply with the provisions of 24 CFR
17 Part 570.200 (j), attached hereto as Exhibit "R," and incorporated herein by this reference,
18 pertaining to inherently religious activities.

19 11. INDEPENDENT CONTRACTOR. The CITY is, for purposes relating to this
20 Supplemental Agreement, an independent contractor and shall not be deemed an employee of the
21 COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents
22 and subcontractor's) shall in no event be entitled to any benefits to which the COUNTY
23 employees are entitled, including but not limited to overtime, any retirement benefits, worker's
24 compensation benefits, and injury leave or other leave benefits. There shall be no employer-
25 employee relationship between the parties; and the CITY shall hold the COUNTY harmless from
26 any and all claims that may be made against the COUNTY based upon any contention by a third
27 party that an employer-employee relationship exists by reason of this Supplemental Agreement.
28

1 It is further understood and agreed by the parties that the CITY in the performance of this
2 Supplemental Agreement is subject to the control or direction of the COUNTY merely as to the
3 results to be accomplished and not as to the means and methods for accomplishing the results.

4 12. TERMINATION.

5 A. CITY. CITY may not terminate this Agreement except upon express
6 written consent of COUNTY, pursuant to CFR Part 200.339 (a)(3).

7 B. COUNTY. Notwithstanding the provisions of Paragraph 12a, COUNTY
8 may suspend or terminate this Supplemental Agreement upon a ten (10) day written notice to
9 CITY of action being taken and the reason for such action including, but not limited to, the
10 following reasons:

11 (1) In the event CITY fails to perform the covenants herein contained
12 at such times and in such manner as provided in this Supplemental Agreement; and

13 (2) In the event there is a conflict with any federal, state or local law,
14 ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement
15 invalid or untenable; or

16 (3) In the event the funding from the Department of Housing and
17 Urban Development referred to in Sections 1 and 2 above is terminated or otherwise becomes
18 unavailable.

19 C. This Agreement may be terminated and/or funding suspended, in whole or
20 in part, for cause in accordance with the **Uniform Administrative Requirements, Cost**
21 **Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200.339). Cause shall
22 be based on the failure of the CITY to materially comply with either the terms or conditions of
23 this Agreement. Upon suspension of funding, the CITY agrees not to incur any costs related
24 thereto, or connected with, any area of conflict from which the COUNTY has determined that
25 suspension of funds is necessary. CITY acknowledges that failure to comply with Federal
26 statutes, regulations, or the terms and conditions of this Agreement may be considered by the
27 COUNTY in evaluating future CDBG and non-CDBG funding applications submitted by CITY.
28

1 D. Upon suspension or termination of this Supplemental Agreement, CITY
2 shall return any unencumbered funds which it has been provided by COUNTY. In accepting said
3 funds, COUNTY does not waive any claim or cause of action it may have against CITY for
4 breach of this Supplemental Agreement.

5 E. Reversion of Assets

6 1. Upon expiration or termination of this Supplemental Agreement,
7 the CITY shall transfer to the COUNTY any CDBG funds on hand at the time of expiration of
8 the Supplemental Agreement as well as any accounts receivable held by CITY which are
9 attributable to the use of CDBG funds awarded pursuant to this Supplemental Agreement.

10 2. Any real property under the CITY'S control that was acquired or
11 improved in whole or in part with CDBG funds (including CDBG funds provided to the CITY in
12 the form of a loan) in excess of \$25,000 is either:

13 (i) Used to meet one of the National Objectives pursuant to 24
14 CFR Part 570.208 until five years after expiration of this agreement, or for such longer period of
15 time as determined to be appropriate by the COUNTY; or

16 (ii) Not used in accordance with Clause (i) above, in which
17 event the CITY shall pay the COUNTY an amount equal to the current market value of the
18 property less any portion of the value attributable to expenditures of non-CDBG funds for the
19 acquisition of, or improvement to, the property.

20 13. NONDISCRIMINATION. CITY shall abide by 24 CFR 570.601 and 570.602 of
21 Title 24 of the Code of Federal Regulations which requires that no person in the United States
22 shall on the grounds of race, color, national origin, or sex, be excluded from participation in, be
23 denied the benefits of, or be subjected to discrimination under any program or activity funded in
24 whole or in part with Community Development funds. CITY shall abide by and include in any
25 subcontracts to perform work under this Supplemental Agreement, the following clause:

26 "During the performance of this Supplemental Agreement, CITY and its subcontractors
27 shall not unlawfully discriminate against any employee or applicant for employment
28

1 because of race, religion, color, national origin, ancestry, physical handicap, medical
2 condition, marital status, age (over 40) or sex. CITY and subcontractors shall insure that
3 the evaluation and treatment of their employees and applicants for employment are free
4 of such discrimination. CITY and subcontractors shall comply with the provisions of the
5 Fair Employment and Housing Act (Government Code, Section 12900 et seq.). The
6 applicable regulations of the Fair Employment and Housing Commission implementing
7 Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the
8 California Administrative Code are incorporated into this Agreement by reference and
9 made a part hereof as if set forth in full. CITY and its subcontractors shall give written
10 notice of their obligations under this clause to labor organizations with which they have a
11 collective bargaining or other agreement."

12 14. PROHIBITION AGAINST CONFLICTS OF INTEREST

13 A. CITY and its assigns, employees, agents, consultants, officers and elected
14 and appointed officials shall become familiar with and shall comply with the **Uniform**
15 **Administrative Requirements, Cost Principles, and Audit Requirements for Federal**
16 **Awards** (2 CFR Part 200) and the CDBG regulations prohibiting conflicts of interest contained
17 in 24 CFR 570.611, a copy of which is attached hereto as Exhibit "CI" and incorporated herein
18 by this reference.

19 B. CITY understands and agrees that no waiver of exception can be granted
20 to the prohibition against conflict of interest except upon written approval of HUD pursuant to
21 24 CFR 570.611 (d). Any request by CITY for an exception shall first be reviewed by COUNTY
22 to determine whether such request is appropriate for submission to HUD in the COUNTY'S sole
23 and absolute discretion. In determining whether such request is appropriate for submission to
24 HUD, COUNTY will consider the factors listed in 24 CFR 570.611 (e).

25 C. Prior to the distribution of any CDBG funding under this Supplemental
26 Agreement, CITY shall provide COUNTY, in writing, a list of all employees, agents,
27 consultants, officers and elected and appointed officials who are in a position to participate in a
28

1 decision making process, exercise any functions or responsibilities, or gain inside information
2 with respect to the CDBG activities funded under this Agreement. CITY shall also promptly
3 disclose to COUNTY any potential conflict, including even the appearance of conflict that may
4 arise with respect to the CDBG activities funded under this Supplemental Agreement.

5 E. Any violation of this Section 14 shall be deemed a material breach of this
6 Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by
7 the COUNTY.

8 15. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no
9 liability for any later determination by the United States Government, the U.S. Department of
10 Housing and Urban Development, or any other person or entity that CITY is or is not eligible
11 under 24 CFR Part 570 to receive CDBG entitlement funds from the COUNTY.

12 16. USE OF PROPERTY. Whenever federal CDBG funds or program income are
13 used, in whole or in part, for the purchase of equipment or personal property, the property shall
14 not be transferred from its originally funded use, by CITY or the CITY'S subcontractor
15 implementing the CDBG-funded activity, for a period of five (5) years from the close-out date of
16 the grant from which CDBG assistance was provided. The CITY shall maintain a current
17 inventory for COUNTY monitoring and review.

18 17. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY
19 agrees to notify in writing, and to cause any subcontractor implementing CDBG-funded Projects
20 to notify, in writing, the Riverside County Workforce Development Center of any and all job
21 openings that are caused by the CDBG-funded Projects under this Supplemental Agreement.

22 18. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant
23 to this Supplemental Agreement will make reference to the contribution of the COUNTY, the
24 Economic Development Agency, and the Community Development Block Grant Program in
25 making the project possible.

26 19. PROGRAM MONITORING AND EVALUATION. CITY and its subcontractors
27 shall be monitored and evaluated in terms of its effectiveness and timely compliance with the
28

1 provisions of this Supplemental Agreement and the effective and efficient achievement of the
2 CDBG National Objectives as set forth in Exhibits A and B, attached hereto. Quarterly reports
3 shall be due on the last day of the month immediately following the end of the quarter being
4 reported. The quarterly written reports shall include, but shall not be limited to, the following
5 data elements:

6 A. Title of program, listing of components, description of
7 activities/operations.

8 B. The projected goals, indicated numerically, and also the goals achieved
9 (for each report period). In addition, identify by percentage and description, the progress
10 achieved towards meeting the specified goals and identify any problems encountered in meeting
11 goals.

12 C. If the CDBG-funded activity meets a National Objective under 24 CFR
13 570.208 (a)(2)(i), CITY will report the following:

14 1) Total number of direct beneficiaries (clientele served) with
15 household incomes at:

- 16 ◦ Above 80% MHI
- 17 ◦ Between 50% and 80% MHI (Low-Income)
- 18 ◦ Between 30% and 50% MHI (Very Low-Income)
- 19 ◦ Less than 30% MHI (Extremely Low-Income)

20 2) Total number and percent (%) of the clientele served that have
21 household incomes at or below 80% MHI

22 3) Racial ethnicity of clientele

23 4) Number of Female-Headed Households

24 D. CITY shall report, in writing, and cause its subcontractors to report, in
25 writing, beneficiary statistics monthly to the Economic Development Agency (EDA) on the pre-
26 approved *Direct Benefit Form* and *Self-Certification Form* (certifying income, family size, and
27 racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by EDA should
28

1 HUD implement changes during the term of this Supplemental Agreement. CITY and
2 subcontractors will collect and provide all necessary data required by HUD pertaining to the
3 Specific Outcome Indicators as identified in HUD's Community Planning and Development
4 (CPD) Outcome Performance Measurement System.

5 20. SOURCE OF FUNDING. CITY acknowledges that the source of funding
6 pursuant to this Supplemental Agreement is Community Development Block Grant funds
7 (CFDA 14.218), and the Grant Award Number is B-15-UC-06-0506.

8 21. ENTIRE AGREEMENT. This Supplemental Agreement, including any
9 attachments or exhibits hereto constitutes the entire Supplemental Agreement of the parties with
10 respect to its subject matter and supersedes all prior and contemporaneous representations,
11 proposals, discussions and communications, whether oral or in writing. No oral understanding or
12 agreement not incorporated herein shall be binding on any of the parties hereto. Each of the
13 attachments and exhibits attached hereto is incorporated herein by this reference.

14 22. MINISTERIAL ACTS. The Assistant County Executive Officer/EDA or
15 designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to
16 implement the terms, provisions, and conditions of this Supplemental Agreement as it may be
17 amended from time-to-time by COUNTY.

18 23. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval
19 from the COUNTY'S Economic Development Agency prior to implementing the following
20 "high risk" activities funded with CDBG assistance:

- 21 A. Construction of public facilities (project plans and specifications);
- 22 B. Acquisition of real property;
- 23 C. Historic Preservation;
- 24 D. Relocation; and
- 25 F. Economic Development

26 24. FORCE MAJEURE.

- 27 A. Performance by either party hereunder shall not be deemed to be in default
- 28

1 where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods,
2 earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine
3 restrictions, freight embargoes, lack of transportation, governmental restrictions or priority,
4 litigation, unusually severe weather, inability to secure necessary labor, material or tools, delays
5 of any contractor, sub-contractor or supplier, acts of the other party, acts or failure to act of a
6 public or governmental agency or entity, or any causes beyond the control or without the fault of
7 the party claiming an extension of time to perform.

8 B. An extension of time for any such cause (a "Force Majeure Delay") shall
9 be for the period of the enforced delay and shall commence to run from the time of the
10 commencement of the cause, if notice by the party claiming such extension is sent to the other
11 party within thirty (30) calendar days of knowledge of the commencement of the cause.
12 Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure
13 Delay unless and until the party claiming such delay and interference delivers to the other party
14 written notice describing the event, its cause, when and how such party obtained knowledge, the
15 date the event commenced, and the estimated delay resulting therefrom. Any party claiming a
16 Force Majeure Delay shall deliver such written notice within thirty (30) calendar days after it
17 obtains knowledge of the event.

18 25. JURISDICTION AND VENUE: Any action at law or in equity arising under this
19 Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or
20 determining the validity of any provision of this Supplemental Agreement shall be filed in the
21 consolidated Courts of Riverside County, State of California, and the parties hereto waive all
22 provisions of law providing for the filing, removal or change of venue to any other court or
23 jurisdiction

24 26. SEVERABILITY. Each paragraph and provision of this Supplemental
25 Agreement is severable from each other provision, and if any provision or part thereof is
26 declared invalid, the remaining provisions shall remain in full force and effect.

27 27. WAIVER. Failure by a party to insist upon the strict performance of any of the
28

provisions of this Supplemental Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's rights to insist and demand strict compliance by the other party with the terms of this Supplemental Agreement thereafter.

28. NOTICES. Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the CITY or COUNTY is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

<u>COUNTY</u>	<u>CITY</u>
Assistant County Executive Officer/EDA	Holy Stuart
Economic Development Agency	City of Banning
P.O. Box 1180	99 E. Ramsey Street
Riverside, CA 92502	Banning, CA 92220

28. LOBBYING. CITY certifies to the best of its knowledge and belief, that:

a. No federally-appropriated funds have been paid or will be paid, by or on behalf of the CITY, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the

1 making of any federal grant, the making of any federal loan, the entering into of any cooperative
2 agreement, and the extension, continuation, renewal, amendment, or modification of any federal
3 contract, grant, loan, or cooperative agreement.

4 b. If any funds other than federally-appropriated funds have been paid or will
5 be paid to any person for influencing or attempting to influence an officer or employee of any
6 agency, a member of Congress, an officer or employee of Congress, or an employee of a member
7 of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the
8 CITY shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in
9 accordance with its instructions.

10 c. CITY shall require that the language of this certification be included in the
11 award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts
12 under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and
13 disclose accordingly. This certification is a material representation of fact upon which reliance
14 was placed when this transaction was made or entered into.

15 29. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement
16 and any dispute arising hereunder shall be governed by and interpreted in accordance with the
17 laws of the State of California. This Supplemental Agreement shall be construed as a whole
18 according to its fair language and common meaning to achieve the objectives and purposes of the
19 parties hereto, and the rule of construction to the effect that ambiguities are to be resolved
20 against the drafting party shall not be employed in interpreting this Supplemental Agreement, all
21 parties having been represented by counsel in the negotiation and preparation hereof.

22 30. AUTHORITY TO EXECUTE. The persons executing this Supplemental
23 Agreement or exhibits attached hereto on behalf of the parties to this Supplemental Agreement
24 hereby warrant and represent that they have the authority to execute this Supplemental
25 Agreement and warrant and represent that they have the authority to bind the respective parties
26 to this Supplemental Agreement to the performance of its obligations hereunder.

27 31. EFFECTIVE DATE. The effective date of this Supplemental Agreement is the
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1 date the parties sign the Supplemental Agreement. If the parties sign the Supplemental
2 Agreement on more than one date, then the last date the Supplemental Agreement is signed by a
3 party shall be the effective date.

4 32. COUNTERPARTS. This Supplemental Agreement may be signed by the
5 different parties hereto in counterparts, each of which shall be an original but all of which
6 together shall constitute one and the same agreement.

7 33. LETTER TO PROCEED. CITY shall not initiate nor incur expenses for the
8 CDBG-funded Projects or activities covered under the terms of this Supplemental Agreement as
9 set forth in Exhibits A and B, attached hereto, prior to receiving written authorization from
10 COUNTY to proceed.

11 34. ASSIGNMENT. The CITY shall not make any assignment or transfer in any form
12 with respect to this Supplemental Agreement, without prior written approval of the COUNTY.

13 35. MODIFICATION OF AGREEMENT. This Supplemental Agreement may be
14 modified or amended only by a writing signed by the duly authorized and empowered
15 representative of COUNTY and CITY respectively.

16
17
18 Remainder of Page Intentionally Blank

19 [Signatures on Following Page]
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1 IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as
2 of the dates set forth below.

3
4 COUNTY OF RIVERSIDE,
5 a political subdivision of the
6 State of California

CITY OF BANNING,
a general law city

7 BY: _____
8 Suzanne Holland, Assistant County
9 Executive Officer/EDA

BY: _____
Mayor

10 Date: _____

Date: _____

11
12 APPROVED AS TO FORM:
13 Gregory P. Priamos, County Counsel

ATTEST:

14
15 By: _____
16 Jhaila R. Brown,
Deputy County Counsel

BY: _____
City Clerk

17 APPROVED AS TO FORM:

18
19 BY: _____
20 City Attorney
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SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning DUNS #: 99169823

ADDRESS: 99 E Ramsey Street
Banning, CA 92220

PROGRAM CONTACTS: Holly Stuart, Public Works Analyst

PHONE: (951) 922-3130 FAX: (951) 922-3141

E-MAIL: hstuart@ci.banning.ca.us

PROJECT NAME: Lions Park ADA Improvements

PROJECT LOCATION: 955 South Hargrave Street, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: Categorical Exclusion

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY: \$173,818

Project to be administered by County (EDA) on behalf of City: YES ☐ NO ☒

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a 2015-2016 Community Development Block Grant for the **Lions Park ADA Improvements** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 The City of Banning will use CDBG funds leveraged with existing funds for the design and construction of improvements to Lions Park for ADA compliance. Improvements will be made to the parking lot, restrooms, and field areas to provide access to individuals with disabilities.

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a) (1) (i)

CFR Reference: Low Mod Area

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1 Design & specification of improvement

Activity #2 Implement construction.

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one): ☒ Creating Suitable Living Environments
☐ Providing Decent Affordable Housing
☐ Creating Economic Opportunities

Outcome (select one): ☒ Availability/Accessibility
☐ Affordability
☐ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$173,818** Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended.

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total of Non- CDBG Funds	Total Activity/Project Budget	Notes
Design/Engineering Costs	X		\$173,818	
Project Administration Costs				
Construction Costs	X			
Acquisition Costs				
Relocations Costs				
Capital Equipment Costs				
Code Enforcement				
Clearance				
Interim Assistance				
Indirect Costs:				
TOTAL CDBG BUDGET	\$173,818		173,818	

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
PRIVATE							
OTHER							

TOTAL: none

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of three (3). The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of five (5) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200.500) and HUD's single audit regulations (24 CFR Part 44.6).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Complete Online Training	September 2015	October 2015
Implement Project Activities	Upon Notification from EDA	
Execute Supplemental Agreement & Notice to Incur Cost	October 2015	November 2015

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Submit Quarterly Performance Reports to County		October 15, 2015 January 15, 2016 April 15, 2016 July 31, 2016

County Monitoring of City
Program/Performance

To be determined by Program Manager

Specific Project Activities

1. City executes Supplemental Agreement; receives authorization to incur cost letter
2. City prepares final construction documents for EDA review and approval
3. EDA authorizes City to advertise for bids
4. EDA reviews and approves bidding process
5. City awards construction contract
6. City and EDA conduct "pre-construction meeting"
7. EDA authorizes City to issue "Notice to Proceed"

City Submits Reimbursement
Requests

Monthly Submittal ☐

Other Schedule ☒

Monthly progress report

CDBG-funded Project Complete

TBD

City Submits Monthly
Direct Benefit Reports

Upon Notification by EDA

V. SPECIAL CONDITIONS / PERFORMANCE REQUIREMENTS

City agrees to comply with applicable CDBG procurement procedures and HUD Labor Standards 4010. No construction will shall commence using CDBG funding without prior Notice to Proceed. Pre-Construction meeting required.

City is required to contact the County Program Manager for review prior to submission of RFP, construction activity, or incurring costs without prior written approval. County must be contacted 10 days in advance for attendance of Pre-Construction meeting. Original Certified payrolls to be submitted on a weekly basis to County.

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK**

I. GENERAL INFORMATION

CITY NAME: City of Banning DUNS#: 99169823

ADDRESS: P.O. Box 655
Beaumont, CA 92220

CITY PROGRAM CONTACTS: Holly Stuart, Public Works Analyst

SUBRECIPIENT NAME: Boys & Girls Clubs of the San Gorgonio Pass

ADDRESS: P.O. Box 655, Beaumont, CA 92220

PHONE: (951) 922-3259 FAX: (951) 922-2141

E-MAIL: _____

PROJECT NAME: Boys and Girls Club-Teen Town Program

PROJECT LOCATION: 1101 E. George St., Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: **\$10,000**

5th District **\$5,000**
Banning **\$5,000**

Project to be administered by County (EDA) on behalf of CITY: YES ☒ NO ☐

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2015-2016** Community Development Block Grant for the **Boys and Girls Club-Teen Town Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The Boys and Girls Club of San Gorgonio Pass provides an after- school Teen Town Program that includes Skills Mastery and Resistance Training (SMART) for low-income youth in the community. Activities include character building, substance abuse prevention, health and nutrition programs, and other related activities. CDBG funds will be used for staff salaries (direct cost), travel, and consumable supplies.*

EXHIBIT CI

Prohibition Against Conflicts of Interest
Page 1 of 4

§ 570.611 Conflict of interest.

(a) Applicability.

(1) In the procurement of supplies, equipment, construction, and services by recipients, and by subrecipients (including those specified at § 570.204(c), the conflict of interest provisions in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200.318), and 24 CFR Part 84 and 85, as amended, shall apply.

(2) Subrecipient must maintain written standards of conduct covering conflict of interest and governing the performance of its employees engaged in the selection and award of contracts.

(3) In all cases not governed by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200.318), and 24 CFR Part 84 and 85, as amended, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202, or grants, loans and other assistance to businesses, individuals and other private entities pursuant to § 570-203, § 570.204 or § 570.455).

(b) Conflicts prohibited. Except for the use of CDBG funds to pay salaries and other related administrative or personnel costs, the general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from a CDBG assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or subrecipients which are receiving funds under this part.

EXHIBIT CI

Prohibition Against Conflicts of Interest
Page 2 of 4

(d) Exceptions: threshold requirements. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project. An exception may be considered only after the recipient has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the recipient's attorney that the interest for which the exception is sought would not Violate State or local law.

(e) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

(2) Whether an opportunity was provided for open competitive bidding or negotiation;

(3) Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(4) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(5) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(6) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(7) Any other relevant considerations.

Exhibit CI

Prohibition Against Conflicts of Interest
Page 3 of 4

Community Development Block Grant
Policy Manual
I.D. # A-11
(pg. 1 of 2)

TOPIC: CONFLICT OF INTEREST CODED
RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY

DATE: June 2015

This Conflict of Interest Code is written to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200.318), and 24 CFR Part 84 and 85, as amended. These regulations require that grantees and sub-grantees to maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

1) No employee, officer or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.

2) Such a conflict will arise when:

- i) The employee, officer or agent;
- ii) Any member of the immediate family;
- iii) His/Her partners, or;
- iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.

3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.

4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:

- i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
- ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.

EXHIBIT C1

Prohibition Against Conflicts of Interest
Page 4 of 4

Community Development Block Grant
Policy Manual
I.D. # A-11
(pg. 2 of 2)

TOPIC: CONFLICT OF INTEREST CODE
RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY

DATE: June 2015

- iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
 - iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
 - v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.
- 5) For purposes of Section 4, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 1 of 2

In accordance with First Amendment Church/State Principles, as a general rule, CDBG/ESG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations therefore apply to the use of CDBG/ESG funds.

(1) CDBG/ESG funds may not be used for the acquisition of property or the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures to be used for religious purposes or which will otherwise promote religious interests. This limitation includes the acquisition of property for ownership by primarily religious entities and the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures owned by such entities (except as permitted under paragraph (j) (2) of this section with respect to rehabilitation and under paragraph (j) (4) of this section with respect to repairs undertaken in connection with public services) regardless of the use to be made of the property or structure. Property owned by primarily religious entities may be acquired with CDBG/ESG funds at no more than fair market value for a non-religious use.

(2) CDBG/ESG funds may be used to rehabilitate buildings owned by primarily religious entities to be used for a wholly secular purpose under the following conditions:

(i) The building (or portion thereof) that is to be improved with the CDBG/ESG assistance has been leased to an existing or newly-established wholly secular entity (which may be an entity established by the religious entity);

(ii) The CDBG/ESG assistance is provided to the lessee (and not the lessor) to make the improvements;

(iii) The leased premises will be used exclusively for secular purposes available to persons regardless of religion;

(iv) The lease payments do not exceed the fair market rent of the premises as they were before the improvements are made;

(v) The portion of the cost of any improvements that also serve a non-leased part of the building will be allocated to and paid for by the lessor;

(vi) The lessor enters into a binding agreement that unless the lessee, or a qualified successor lessee, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee an amount equal to the residual value of the improvements;

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 2 of 2

(vii) The lessee must remit the amount received from the lessor under subparagraph (2)(vi) of this section to the recipient or subrecipient from which the CDBG/ESG funds were derived.

The lessee can also enter into a management contract authorizing the lessor religious entity to use the building for its intended secular purpose, e.g., homeless shelter, provision of public services. In such case,

the religious entity must agree in the management contract to carry out the secular purpose in a manner free from religious influences in accordance with the principles set forth in paragraph (j)(3) of this section.

(3) As a general rule, CDBG/ESG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the recipient or subrecipient from which the CDBG/ESG funds are derived that, in connection with the provision of such services:

(i) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.

(ii) It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(iii) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services;

(iv) The portion of a facility used to provide the public services shall contain no religious symbols or decorations, other than those permanently affixed to or part of the structure.

(4) Where the public services provided under paragraph (j)(3) of this section are carried out on property owned by the primarily religious entity, CDBG/ESG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG/ESG expenditure for the public services.

EXHIBIT "S"

Page 1 of 2

Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

Sec. 135.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

EXHIBIT "S"

Page 2 of 2

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

CITY COUNCIL MEETING

DATE: November 10, 2015

TO: City Council

FROM: Art Vela, Acting Director of Public Works

SUBJECT: Resolution No. 2015-98, "Approving the Purchase of a new CNG Street Sweeper and Approval to Accept Grant Funding from MSRC"

RECOMMENDATION: The City Council adopt Resolution No. 2015-98:

- I. Approving the purchase of a new Compressed Natural Gas ("CNG") Street Sweeper in the amount of, "not to exceed", \$300,618.00 from Mar-Co Equipment Company ("Mar-Co") of Pomona, CA.
- II. Authorizing the Mayor to execute grant documents necessary to receive Clean Transportation Funding from the Mobile Source Air Pollution Reduction Review Committee ("MSRC").
- III. Authorizing the Administrative Services Director to make necessary budget adjustments and appropriations related to the purchase of a CNG Street Sweeper and to record grant revenue into Fund 132, Air Quality Improvement Fund.

JUSTIFICATION: The purchase of a new street sweeper will allow the City to reinstate street sweeping services in order to keep City streets and the community clean, as well as, prevent debris and contamination from entering storm drains which eventually flow into our local waterways.

BACKGROUND: The City owns a 2000 Tymco Street Sweeper ("sweeper") that was put in operation in 2001 and which has become inoperable since November 7, 2013. After assessing the sweeper, staff determined that the auxiliary motor, which powers the street sweeping components (brushes, vacuum, hopper, etc.) of the vehicle, had ceased. Since the break down, the sweeper has remained in a non-operational state and the street sweeping operations, throughout the city, have not occurred.

On June 23, 2015 City Council considered multiple options in order to provide the community with street sweeping services including rebuilding the existing street sweeper auxiliary motor; replacing the existing street sweeper auxiliary motor; replacing the existing street sweeper components; and the purchase of a new street sweeper. After reviewing the available options and along with the Budget and Finance Committee's recommendation, City Council directed Public Works staff to move forward with the procurement of a new CNG Street Sweeper.

As a result, Public Works staff advertised a Request for Proposals ("RFP"), attached as Exhibit "A" for the purchase of one CNG Street Sweeper on October 6, 2015 in the Press Enterprise, attached as Exhibit "B" and on the City's website. In addition, notifications of the opportunity were sent to five (5) suppliers and provided to "Bid America" for posting to interested parties. In response to these efforts, the Public Works Department received three (3) proposals from the following companies attached as Exhibit "C":

<u>Companies</u>	<u>Bid Amount</u>
1) Mar-Co Equipment Company of Pomona, CA	\$296,568.00
2) Sweeper Shop of Upland, CA	\$298,760.00
3) HAAKER Equipment Company of La Verne, CA	\$324,316.44

Based on the proposals, staff recommends the purchase of one new CNG street sweeper, Tymco 600 CNG, from Mar-Co. Additional options were recommended in the proposal from Mar-Co including a hopper split screen, pick-up head curtain lifter and air operated diaphragm pump in the amount of \$4,050.00. Consequently, staff recommends a total purchase of one Tymco 600 CNG Street Sweeper with the additional options for a total purchase amount of \$300,618.00.

The estimated delivery schedule for loading, shipping and delivery of the new street sweeper will be 90 to 150 days following this approval.

On June 24, 2015, staff submitted a grant application to MSRC requesting funds to assist in the purchase of a new CNG street sweeper and on September 11, 2015 the City received a letter, attached as Exhibit "D", stating the City was awarded \$30,000.00, which is the maximum allotment for the purchase of heavy-duty CNG vehicles.

FISCAL DATA: Fund 132, Air Quality Improvement Funds are available in the approximate amount of \$296,000.00. Additionally, staff applied for and received an award in the amount \$30,000.00 from MSRC for a total approximate available budget of \$326,000.00. The total purchase of one Tymco 600 CNG Street Sweeper amounts to \$300,618.00, which will leave a fund balance of \$25,382.00.

RECOMMENDED BY:



Art Vela
Acting Director of Public Works

REVIEWED/APPROVED BY:



Alex Diaz
Acting City Manager/Chief of Police

Attachments:

1. Exhibit "A": RFP
2. Exhibit "B": Advertisement
3. Exhibit "C": Proposals
4. Exhibit "D": MSRC Letter

RESOLUTION NO. 2015-98

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE PURCHASE OF A NEW CNG STREET SWEEPER AND APPROVAL TO ACCEPT GRANT FUNDING FROM MSRC

WHEREAS, the Request for Proposals and specifications were advertised in the Press Enterprise on October 6, 2015, posted on the City's website and Bid America, as well as, sent to five (5) equipment suppliers; and

WHEREAS, three (3) proposals were received with the lowest qualified bidder identified as Mar-Co Equipment company ("Mar-Co"); and

WHEREAS, the purchase of one new Tymco 600 Compressed Natural Gas ("CNG") Street Sweeper with additional options proposed by Mar-Co included in their proposal amounts to \$300,618.00; and

WHEREAS, staff submitted a grant application to Clean Transportation Funding from the Mobile Source Air Pollution Reduction Review Committee ("MSRC") requesting funds to assist in the purchase of a new CNG street sweeper and on September 11, 2015 the City received correspondence from MSRC stating the City was awarded \$30,000.00, which is the maximum allotment for the purchase of heavy-duty CNG vehicles; and

WHEREAS, Air Quality Management funds and MSRC grant funding is available in an approximate amount of \$326,000.00 and will be utilize to fund the purchase of the new CNG street sweeper.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The Banning City Council adopts Resolution No. 2015-98, approving the purchase of a new CNG Street Sweeper in the amount of, "not to exceed", \$300,618.00 from Mar-Co of Pomona, CA.

SECTION 2. Authorizing the Mayor to execute grant documents necessary to receive grant funding from MSRC.

SECTION 3. Authorizing the Administrative Services Director to make necessary budget adjustments and appropriations related to the purchase of a CNG Street Sweeper and to record grant revenue into Fund 132, Air Quality Improvement Fund.

PASSED, ADOPTED AND APPROVED this 10th day of November, 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon,
City Clerk of the City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

Lona N. Laymon, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-98, was duly adopted by the City Council of the City of Banning, California, at a Regular Meeting thereof held on the 10th day of November, 2015, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon,
City Clerk of the City of Banning

Exhibit “A”

**Request for Proposals (RFP)
Purchase of a New CNG Street Sweeper**

Request for Proposals (RFP)
Purchase of a CNG Street Sweeper



Responses Due:
City of Banning
Public Works Department
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3130

October, 2015

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1.0 INTRODUCTION

1.1 PROJECT DESCRIPTION AND OBJECTIVES

The City of Banning (City) is soliciting proposals from qualified companies to supply the City of Banning with a Street Sweeper that meets City specifications and all Federal, State and Local regulatory compliance requirements.

1.2 BACKGROUND INFORMATION

The City of Banning, incorporated in 1913, covers approximately 23.2 square miles located in the San Geronio Pass area of Riverside County, approximately 30 miles east of the cities of San Bernardino and Riverside. The 2014 U.S. Census Bureau American Community Survey recorded a population of 30,325 for the City of Banning.

The City of Banning provides street sweeping services for its businesses and residence which includes the cleaning and clearing of trash and debris from streets and gutters. These crucial services are intended to be provided for public streets throughout the City on a continuous basis upon purchase of a street sweeper.

2.0 TECHNICAL SPECIFICATIONS

The technical specifications for the purchase of a street sweeper includes truck chassis; power unit; compressor natural gas package; dust separator hopper; hydraulic system; blower; pick-up head; dust control system; operating controls; manual and training support; paint; optional equipment; service and support for the purchase of a street sweeper identified in this Request for Proposals ("RFP").

It is the responsibility of the Supplier to ensure that City specifications are met, as well as, all Federal, State and Local regulatory compliance requirements. The City of Banning reserves the right to accept or reject any or all proposals. These specifications and scope of services shall become part of the contract agreement.

2.1 TRUCK CHASSIS

- a) 8.9 L Engine – 300 HP @ 2100 RPM, 860 lb-ft Torque @1300 RPM, CARB approved.
- b) 176" Wheelbase; 110" Cab to Axle (approximate)
- c) Allison 3500 RDS-P Automatic Transmission (Electronic) w/PTO Provision, Push Button
- d) 12,000 lb. Front Axle w/12,000 lb. Front Springs

- e) 21,000 lb. Rear Axle, Single Speed (6.14 ratio)
- f) 23,000 Rear Variable Rate Multi-Leaf Springs w/Leaf Spring Helper
- g) Oil Wheel Seals – Front & Rear
- h) Front Dust Shields
- i) Integral Power Assisted Steering w/Cruise Control, 18" Steering wheel, dual gauges
- j) Air Brakes, Cam Type, Q-Plus w/18.7 CFM Air Compressor – Air Tanks mounted between rails
- k) Anti-Lock Brake System, Automatic Slack Adjusters & Front Shock Absorbers
- l) Adjustable, High Back Air Seats - Driver and Passenger Vinyl w/Cloth Inserts
- m) (2) Batteries – Group 31, 12 volt, 1850 CCA Total Maintenance Free
- n) Alternator - 160 Amp
- o) AM/FM Stereo Radio w/CD player, Weather band and Clock
- p) (6) 11Rx22.5 14 Ply Tubeless Radial Tires - Duals in Rear
- q) (6) 10 Hole Disc Wheels - 22.5 x 8.25, Hub Piloted (Painted White)
- r) Tinted Glass
- s) 12V Power Supply, in dash
- t) External Grab Handles – Left & Right w/standard Interior Grab Handles
- u) Mirrors – Remote Controlled Electric Western type with 8" convex mirrors; Left & Right fender mounted
- v) 8" convex mirrors.
- w) Electric Intermittent Windshield Wipers with Washers
- x) Dual Gauges: Voltmeter, Coolant Temperature, Oil Pressure, Tachometer, Hour Meter, Transmission

- y) Temperature, Electronic Tachometer
- z) Frame – 11/32" x 3-1/2" x 10-15/16" Steel; 120,000 PSI
- aa) CNG Fuel Tank – behind cab with Methane Detection System
- bb) Air Conditioner, Heater, Defroster
- cc) Right Hand Inboard Frame Mounted Horizontal Catalytic Converter /Muffler
- dd) Dual Steering w/Dual Gauge Package.
- ee) Color: White

2.2 POWER UNIT

- a) The sweeper power unit shall be a CNG fueled, water-cooled industrial engine. Piston displacement shall not be less than 350 cubic inch (5.7L) developing not less than 98HP @ 2500RPM on CNG. Engine shall be 4 cycle, 4" bore and 3.48" stroke.
- b) Cylinder construction shall be bored block type.
- c) Spin-on replacement type oil filter.
- d) 12-volt ignition, electric starter and minimum 90-amp alternator with charge indicator gauge mounted on control console in cab.
- e) Unit shall have an automatic shutdown system when coolant temperature is too high, coolant level is too low or oil pressure is too low.
- f) Unit shall share batteries with chassis engine.
- g) Unit shall have a replaceable element, heavy duty dry type air cleaner.
- h) Variable speed governor shall be used to control engine speed.
- i) Turbo charged auxiliary not acceptable due to increased fuel consumption and accelerated engine wear at high RPM.

2.3 COMPRESSED NATURAL GAS PACKAGE

- a) The sweeper equipment shall utilize a multi stage regulator with a mixer for compressed natural gas. The fuel management system shall be comprised of an electronic closed loop air/fuel control and safety shut off or equivalent.

- b) The CNG cylinders (four each 15.9" dia. X 75" L [1960 SCF @ 3600 PSI each] full composite-wrapped 20 year aluminum cylinders) shall have an approximate total capacity of 59.4 diesel gallon equivalent and shall be shared with the truck engine.

2.4 DUST SEPARATOR

- a) Separation of the dirt and refuse from the air stream shall be accomplished within the hopper by means of a multipass cylindrical centrifugal dust separator with a minimum size of 20" diameter and 61" width. The separator shall be designed so that it will not plug with normally encountered debris.
- b) The dust separator shall have a minimum 24" x 61" curved, easy to open door allowing inspection and cleaning of the interior. The door shall be made with an abrasion resistant bonded rubber lining material for long life.
- c) The entire dust separator inlet area shall be lined with a bolt-in replaceable, wear resistant rubber liner for long life.
- d) A 61" x 84" steel screen of not less than 13 gauge shall be provided to allow air to move freely from the hopper into the centrifugal dust separator.
- e) Filters and baffles not acceptable due to increased cost of replacement and cleaning.

2.5 HOPPER

- a) Hopper size shall be approximately seven and three tenths (7.3) cubic yard volumetric measurement with an operating load capacity of not less than 6 cubic yards.
- b) Dumping shall be accomplished by means of hydraulically actuated cylinders attached to a rear door which shall have a minimum opening of 84" x 44" with a raker bar moving inside hopper as door is opened and closed to dump debris behind the rear wheels.
- c) Hydraulic cylinder movement shall be controlled with the use of an electric toggle switch located on the side of the hopper so discharging of debris may be viewed during dumping for maximum safety.
- d) The hopper floor shall have a minimum of 22-degree slope.
- e) Hopper door shall be opened & closed hydraulically and held in the closed position by means of a lock valve located in the hydraulic dump circuit.
- f) An inspection door (9.75" x 29") shall be provided on both left and right side of the hopper for easy viewing inside hopper and insertion of large debris.

- g) Hopper shall be maintained airtight through use of rubber seals on all doors and openings.
- h) An amber high powered strobe light with minimum 2,300,000+ candle power, a minimum input of 23 Joules, and 60 flashes per minute shall be mounted on the rear of the hopper roof. The strobe light shall have a protective limb guard.
- i) Two (2) work lights shall be mounted at the rear of the hopper to illuminate the dump area.

2.6 HYDRAULIC SYSTEM

- a) The hydraulic system shall be adequate for use within the design requirements of the sweeper. The system shall include a minimum 25 gallon reservoir, sight gauge, temperature gauge, 80 mesh suction strainer, spin-on replaceable full flow oil filter, hydraulic cylinders, gutter broom drive motors, control valves, relief valves, oil cooler, hydraulic hoses and standard fittings.
- b) The hydraulic pump shall be belt driven by the auxiliary engine.
- c) Pressure shall be 2500 PSI for gutter brooms and 1500 PSI for pick-up head and dump door.

2.7 BLOWER

- a) Heavy-duty die cast, wear resistant high strength aluminum alloy turbine type open face blower balanced within 4 grams shall be provided to create air pressure and suction.
- b) Blower wheel shall be covered with wear resistant rubber for long life.
- c) Blower shall be mounted on self-aligning anti-friction bearings, sealed and lubricated for life. If bearings are not sealed then an automatic lube system must be furnished.
- d) Blower shall be driven from PTO off auxiliary engine by heavy-duty power belt, which shall be adjustable for tension.
- e) Blower housing shall be a bolt on design and shall be lined with a bolt-in wear resistant, replaceable rubber liner for long life.
- f) Blower shall not exceed 3000 RPM to insure smooth efficient performance.

2.8 PICK-UP HEAD

- a) A spring balanced all steel fabricated pick-up head with maximum length and width of 37" x 41" shall be provided.
- b) The pick-up head shall have a separate upper and lower chamber where pressurized air is blasted from upper chamber through an elongated blast orifice to street surface.
- c) Blast orifice flange shall be of bolt-on design so that flange is easily replaced and shall have adjustment mechanism so that blast orifice gap is easily adjusted without removing pick-up head from sweeper.
- d) Pick-up head shall have a 14" (minimum) diameter pressure inlet ring located on left side of pick-up head.
- e) A 14" diameter (minimum) pressure hose attached between pick-up head and blower housing shall be provided.
- f) A bolt-in pressure inlet ring with turning vanes shall be provided for efficient performance and easy service.
- g) A 14" diameter (minimum) suction hose, attached to a quick disconnect transition at the hopper, shall extend down to the right side of the pick-up head and shall be attached to the pick-up head suction nozzle ring which shall be constructed of 1/4" steel.
- h) Suction hose shall have a minimum 3/8" wall construction for long life.
- i) Pick-up head shall be equipped with 2" wide adjustable side mounted integral alloy steel and carbide runners for maximum pick up ability and long life. Skid runners to be warranted for 2 years/2,000 hours prorated.
- j) Pick-up head shall be raised and lowered hydraulically by a single switch on the control panel.
- k) Pressure inlet ring shall be equipped with an adjustable pressure relief for optimum leaf and light debris sweeping; control shall be mounted inside cab.

2.9 DUST CONTROL WATER SYSTEM

- a) Water tank(s) shall be 220-gallon capacity, constructed of recyclable polyethylene for strength and puncture resistance. Tank shall be 100% rustproof. Tank shall be of bolt-in design for easy removal. Tank shall have a water level sight gauge.
- b) Water from tank to be filtered by 80 mesh cleanable filter located between tank and water pump.

- c) 12V electric motor driven pump delivering minimum of 5.0 GPM with a 25 PSI system relief pressure and with an electric solid state liquid level sensor to automatically shut off pump and turn on low water warning lamp when water is depleted.
- d) Electric solenoid water control valves shall be cab controlled. Spray system shall include spray nozzles to be located as follows: minimum of 4 on outside of pick-up head; 2 for each gutter broom; 1 inside hopper. Water nozzles to be located on outside of pick-up head and suction tube for easy inspection and superior dust control.
- e) Water tank shall have anti-siphon/anti-pressure filler neck with air gap.
- f) Flexible 20-foot (minimum) long water fill hose with 2-1/2" coupling for filling water reservoir and hose storage rack shall be provided. Water fill hose shall include a stainless 100 mesh cleanable filter.

2.10 OPERATING CONTROLS

- a) All operating controls for sweeper shall be mounted inside truck cab and readily accessible to operator in either right or left driving position. Dump control can be mounted on the outside.
- b) All main electrical systems, i.e. ignition, lights, hydraulic and water shall be separately fused to isolate electrical problems to fused area and speed service.
- c) Auxiliary engine controls and gauges shall be mounted on console panel and consist of, but not limited to, ignition switch, linear actuated throttle, oil pressure gauge, water temperature gage, volt meter and tachometer.
- d) Sweeper controls, meters and gauges shall consist of, but not limited to, right gutter broom-left gutter broom, pick-up head, beacon or strobe light, water system, and work light lighted paddle type switches, low water light, hour meter and leaf pressure switch.
- e) All external wiring, harnesses and terminations shall be of a sealed, weather-tight design utilizing heat-shrinkable components. Additionally, where feasible, all connectors shall utilize solid, cold-formed, nickel-plated copper alloy contacts with gas-tight crimps.
- f) Dump control shall consist of a single weatherproof toggle switch located on the exterior of sweeper just above the left side fender well.

2.11 MANUALS/TRAINING/SUPPORT

- a) The bidder shall supply one sweeper operator and one sweeper parts and service manual and one set on CD with each unit.

- b) Manufacturer shall have available certifiable training course for complete maintenance and operation of sweeper. Manufacturer must have scheduled a minimum of 25 training courses per year for convenience of customers scheduling.
- c) Bidder shall also provide on-sight training for sweeper operation and general maintenance.
- d) Bidder shall provide operator instruction/safety/maintenance procedures on CD with the unit.

2.12 PAINT – COLOR

The entire unit shall be painted with manufactures standard white paint applied over a suitable primer. Pick-up head, gutter brooms and truck frame shall be painted black unless otherwise approved.

2.13 ADDITIONAL EQUIPMENT FOR SWEEPER AND CHASSIS

- a) Abrasion Protection Package: Standard hoper screen with hopper baffle curtains; protective hopper wall liners; suction nozzle liner; pressure wear pads; heavy duty pressure hose.
- b) Auxiliary Hydraulic System: Electrically operates hydraulic system without auxiliary engine (for raising gutter broom, pick-up head and dumping hopper)
- c) Dump Switch In Cab: Additional dump switch on control panel to activate dump operation from inside cab.
- d) Floodlights: Two Rear Floodlights For Rear Visibility
- e) Gutter Broom Tilt Adjuster: In cab control allows operator to manipulate pitch of vertical diggers to compensate for changing curb line depths/angles (both sides)
- f) Drop down gutter brooms: In cab control allows the operator to drop the gutter brooms in front of the pick-up head for packed on heavy debris pick up and swing out for standard curb sweeping applications
- g) Hopper Load Indicators: Sensors with audible and visual indicators in cab that signals full load.
- h) Hydraulic Level/Temp Shut Down System.
- i) Low Emissions Package: AQMD Rule 1186 compliant (includes high capacity dust separator, high output water, hopper baffle curtains and modified pick-up head water).

- j) Reverse Pick-Up Head System: Allows unit to back up without damage to pick-up head.
- k) "Light Bar – Amber, SAE Class 1, 55" long".
- l) "Traffic Directing Light (Arrow Stick) – Whelen TACF85LH, SAE Class 1 (44" long)".
- m) "Truck Chassis Manuals for Parts and Service".
- n) Broom assisted pick-up head – an on demand hydraulically driven broom mounted inside the pick-up head for removal of heavy debris applications
- o) Back-up camera – back up camera mounted in the rear and suction side of the pick-up head for safely reversing the unit and seeing debris entering into the pick-up head

2.14 SERVICE AND SUPPORT

- a) On-site service and warranty support shall be provided by the sweeper supplier.
- b) Sweeper supplier will provide a guaranteed service and warranty response time of 16 business hours at the unit's location (within Southern California).
- c) A parts warehouse must be provided within Southern California stocking all normal wear items.
- d) Sweeper supplier will provide free technical support.
- e) Sweeper supplier will provide free administration reports.
- f) Vendor will supply a dedicated account manager for customer support to be on call for assistance 24/7.

3.0 SUPPLIER QUALIFICATIONS

3.1 QUALIFICATIONS AND UNDERSTANDING

Each Supplier must provide the following information about their company so the City can evaluate the Supplier's stability and ability to support the commitments set forth in response to the RFP. It is imperative the Supplier's proposal fully address all aspects of the RFP. The proposal must provide the City Staff with clearly expressed information concerning the Proposer's understanding of the City's specific requirements.

The Supplier shall outline their company's (or team's) background, including:

- How long the company has been in business, plus a brief description of the company history, size and organization.
- Supplier qualifications are defined demonstrating the ability to meet technical specifications as defined in the RFP which is accompanied by a statement of understanding.

3.2 REFERENCES

The Supplier shall supply a minimum of 3 references from agencies who have made similar purchases. Each reference shall contain:

- Client name and contact information
- Equipment description
- Date of equipment purchase and delivery

3.3 SCHEDULE

The Supplier shall provide a tentative equipment delivery schedule.

4.0 PROPOSAL SUBMISSION

4.1 RFP TIME SCHEDULE

- | | |
|----------------------------------|--------------------------|
| • Request for Proposal Available | Tues., October 6, 2015 |
| • Inquiry Deadline | Wed., October 14, 2015 |
| • Proposals Due | Thurs., October 22, 2015 |
| • Final Selection | Thurs., October 29, 2015 |
| • City Council Recommendation | Tues., November 10, 2015 |
| • Notice to Proceed (Tentative) | Tues., December 8, 2015 |

4.2 NUMBER OF COPIES AND DELIVERY

Four (4) copies of the proposal shall be submitted to the following address:

**City of Banning
City Clerk's Office
99 E. Ramsey Street
P.O. Box 998
Banning, CA 92220**

The proposal title, Supplier name and deadline information shall be clearly identified on the submission package and cover page. Submission deadline is Thursday, October 22, 2015 by 5:00 p.m. Proposals submitted after that time shall not be considered. All questions regarding the technical specifications shall be submitted to Holly Stuart, Management Analyst at the address above or via e-mail at hstuart@ci.banning.ca.us.

4.3 FORMAT AND CONTENT

Proposals shall be printed on 8 ½" X 11" paper, single sided in a 10 point Arial font and be limited to 25 pages excluding the cover letter, resumes and any appended information.

Proposals should address the following items in order of appearance:

Cover letter

The cover letter shall be provided which explains the supplier's interest in the project. The letter shall contain name/address/phone number of the person who will serve as the supplier's principal contact person.

Qualifications of Supplier

Provide names, titles and responsibilities of key personnel who will be responsible for the handling the purchase and delivery of equipment.

References

Give at least three (3) references of comparable purchases and equipment delivery provided to agencies similar in size and scope, including at least three (3) references for purchases and deliveries completed during the past two years. Include the name and organization, a brief summary of the technical specifications of supplied equipment including cost as well as the name and telephone number of a responsible contact person.

Fee Proposal: One set in a separate sealed envelope

The Fee Schedule in a separate envelope shall be broken down on separate sheet as follows:

- A "Not to Exceed" amount for all equipment, training, and warranty (complete attached bid schedule as shown in Exhibit "A").

4.4 PROPOSAL EVALUATIONS

Proposals will be evaluated based on the following criteria:

- Responsiveness to the RFP.
- Supplier qualifications and equipment.
- Results of reference checks.
- Proposal Fee.

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Exhibit "A"

Bid Schedule

BID SCHEDULE I – CNG STREET SWEEPER

ITEM NO	DESCRIPTION OF ITEM	TOTAL UNIT PRICE
1.	NEW CNG STREET SWEEPER	

TOTAL BID AMOUNT IN FIGURES - SCHEDULE I: \$ _____
 (Bid Item No.'s 1 through 14)

TOTAL BID AMOUNT IN WORDS – SCHEDULE I: _____
 (Bid Item No.'s 1 through 14)

Exhibit “B”

**Press Enterprise
October 6, 2015 Notification of Availability**

REQUEST FOR PROPOSALS (RFP)
PURCHASE OF A CNG STREET SWEEPER

The City of Banning is soliciting proposals for the purchase of a CNG Street Sweeper.

A complete copy of the Request for Proposals may be obtained by visiting the City of Banning website at <http://www.ci.banning.ca.us/index.aspx?nid=19> or by contacting Ms. Holly Stuart, Management Analyst by email at hstuart@ci.banning.ca.us or by phone at (951) 922-3138. The Proposals are due by Thursday, October 22, 2015 by 5:00 pm to the City of Banning, City Clerk located at 99 E. Ramsey Street, Banning, CA 92220.

BY ORDER OF THE CITY CLERK of the City of Banning, California.

s/ Marie A. Calderon, City Clerk
City of Banning, California

DATED: October 1, 2015
PUBLISH: October 6, 2015

Exhibit “C”

Proposals

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MAR-CO Equipment Company of Pomona, CA

City of Banning
REQUEST FOR PROPOSALS
Purchase of a CNG Street Sweeper

Prepared By:

Mar-Co Equipment Company

Bid Due Date: Thursday, October 22, 2015 by 5:00pm

For:

City of Banning
Department of Public works
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3130



After careful review of the documents sent out in your RFP for the purchase of (1) new CNG street sweeper we are very interested in bidding on this project. Bryan Saunders the Territory Manager for all of Riverside and San Bernardino Counties will be the primary contact for this RFP.

- Bryan Saunders
- Territory Manager
- 130 Atlantic Street
- Pomona, CA 91768
- Office # 909-594-9493
- Mobile # 909-772-1545
- bsaunders@marcoequip.com

October 2015

Summary of Qualifications and Experience

Dear City of Banning,

This letter is in regard to your request for proposals for (1) new CNG street sweeper purchase.

Mar-Co Equipment Company Incorporated is a locally based company to the Southern California Region and has been in business since 1972. Mar-Co Equipment currently employs approximately 27 men and women.

Mar-Co Equipment Company hereby declares a clear understanding of the bid documents and technical specifications. We give our commitment to deliver the CNG sweeper in the required time and condition stated in the bid documents herein and this commitment is good through the time needed for the city to decide the most responsive bidder.

I Bryan Saunders Territory Manager for Mar-Co Equipment Company will be the primary individual authorized to respond to this RFP. Additionally Randy Champion the General Manager for Mar-Co Equipment will also be involved. Together we will be responsible for the handling, purchasing and delivering of the equipment. In the event of unforeseeable circumstances any of our management team is capable of executing the purchase and delivery of this equipment and should it be necessary to use them the city staff will be notified immediately.

Mar-Co Equipment Company was established in 1972 and has been serving the Southern California sweeper industry ever since. We are the authorized Tymco Regenerative Air street sweeper dealer for all of Southern California. We offer our customers new and used street sweeper sales, parts, and an unrivaled service department doing in house repairs in addition to on-site service within the Southern California region. Also included in our customer service package is free unlimited operator training, free technical support, free administrative reporting, on-site warranty support, and a dedicated account manager to insure a proper level of customer satisfaction.

Company Organization

- | | |
|--------------------------|-------------------|
| • President | Richard S. Butler |
| • General Manager | Randall Champion |
| • Service Manager | Richard Brown |
| • Office Manager | Rebecca Brown |

Office Location:

All of Mar-Co Equipment's sales and services are facilitated out of: 130 Atlantic Street, Pomona, Ca 91768. Office # 909-594-9493. Online @ www.marcoequip.com.

Mar-Co Equipment understands the requirements set forth in this RFP and we are confident the expectations stated in the technical specifications and RFP documents will be fulfilled.

Government Agency References

Gov't Agency and Contact Information	Sweeper model purchased	Model year	Approximate technical specifications
City of Imperial Jackie Loper Ph. 760-355-3336 jloper@cityofimperial.org	Tymco 600 CNG	2013	<ul style="list-style-type: none"> • Freightliner M2 112 CNG chassis • Chassis manuals • LED cab mounted light bar • Tymco 600 CNG sweeper standard equipment • Auxiliary engine software (KEM) • Optional Equipment: • Stainless steel hopper • Stainless steel blower housing • Hopper split screen • Air operated water pump w/ washout • Auxiliary hydraulics • Abrasion protection • Hopper load indicators • Reverse head chains • Broom assist head • Low emissions pm10 • Dual gutter broom tilt • Dump switch in cab • Back up camera • Side broom camera

City of Imperial purchase price \$302,518.50

City of Imperial purchase order # 43743

Government Agency References

Gov't Agency and Contact Information	Sweeper model purchased	Model year	Approximate technical specifications
City of Brawley Pete Sanchez Ph. 760-344-1263 PSanchez@brawley-ca.gov	Tymco 600 CNG	2015	<ul style="list-style-type: none"> • Freightliner M2 112 CNG chassis • Chassis manuals • Cummins engine software • Tymco 600 CNG sweeper standard equipment • Auxiliary engine software (KEM) • Optional Equipment: • Stainless steel hopper • Stainless steel blower housing • Hopper split screen • Air operated water pump w/ washout • Auxiliary hydraulics • Abrasion protection • Hopper load indicators • Hyd temp shut down • Reverse head chains • Low emissions pm10 • Gutter broom tilt right • Dump switch in cab

City of Brawley purchase price \$306,490.50

City of Brawley purchase order # 00001725

Government Agency References

Gov't Agency and Contact Information	Sweeper model purchased	Model year	Approximate technical specifications
City of Anaheim Mike McCarty Ph. 714-765-6811 mmcarty@anaheim.net	Tymco 600 CNG	2014	<ul style="list-style-type: none"> • Freightliner M2 112 CNG chassis • Air dryer brakes • LED truck lights • Tymco 600 CNG sweeper standard equipment • Optional Equipment: • Stainless steel hopper • Stainless steel blower housing • Stainless steel dust separator • Auxiliary hydraulics • Abrasion protection • Auxiliary fuse panel • Hyd temp shut down • Hydraulic shut off valve • Reverse head chains • Low emissions pm10 • Gutter broom tilt right & left • Drop down gutter brooms • Dump switch in cab • Title 13 strobe light • LED work lights • Back up camera

City of Anaheim purchase price \$317,225.16

City of Anaheim purchase order # 3J-05-51-N

Request for Proposals (RFP)
Purchase of a CNG Street Sweeper



Responses Due:
City of Banning
Public Works Department
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3130

October, 2015

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ADDENDUM NO. 1
to
Request for Proposals
for
Purchase of a CNG Street Sweeper

Date: October 15, 2015

To: All Interested Parties

This Addendum No. 1 forms a part of the Contract Documents and modifies the original proposal.

Item No. 1

Section 2.9 (d): The bidders must bid the sweeper with a low emissions package as required by the specifications. The specifications require that the sweeper be compliant with AQMD Rule 1186.

Item No. 2

Section 2.1 (aa) should read as follows: *CNG Fuel Tank – behind cab with in cab Methane Detection System.*

Item No. 3

Additional Options: If additional options are recommended, but not required by the specifications, bidders shall provide information related to the additional option/s and include it as an attachment to the bid.

1.0 INTRODUCTION

1.1 PROJECT DESCRIPTION AND OBJECTIVES

The City of Banning (City) is soliciting proposals from qualified companies to supply the City of Banning with a Street Sweeper that meets City specifications and all Federal, State and Local regulatory compliance requirements.

1.2 BACKGROUND INFORMATION

The City of Banning, incorporated in 1913, covers approximately 23.2 square miles located in the San Geronio Pass area of Riverside County, approximately 30 miles east of the cities of San Bernardino and Riverside. The 2014 U.S. Census Bureau American Community Survey recorded a population of 30,325 for the City of Banning.

The City of Banning provides street sweeping services for its businesses and residence which includes the cleaning and clearing of trash and debris from streets and gutters. These crucial services are intended to be provided for public streets throughout the City on a continuous basis upon purchase of a street sweeper.

2.0 TECHNICAL SPECIFICATIONS

The technical specifications for the purchase of a street sweeper include truck chassis; power unit; compressor natural gas package; dust separator hopper; hydraulic system; blower; pick-up head; dust control system; operating controls; manual and training support; paint; optional equipment; service and support for the purchase of a street sweeper identified in this Request for Proposals ("RFP").

It is the responsibility of the Supplier to ensure that City specifications are met, as well as, all Federal, State and Local regulatory compliance requirements. The City of Banning reserves the right to accept or reject any or all proposals. These specifications and scope of services shall become part of the contract agreement.

2.1 TRUCK CHASSIS

- a) 8.9 L Engine – 300 HP @ 2100 RPM, 860 lb-ft Torque @1300 RPM, CARB approved.
- b) 176" Wheelbase; 110" Cab to Axle (approximate)
- c) Allison 3500 RDS-P Automatic Transmission (Electronic) w/PTO Provision, Push Button
- d) 12,000 lb. Front Axle w/12,000 lb. Front Springs

- e) 21,000 lb. Rear Axle, Single Speed (6.14 ratio)
- f) 23,000 Rear Variable Rate Multi-Leaf Springs w/Leaf Spring Helper
- g) Oil Wheel Seals – Front & Rear
- h) Front Dust Shields
- i) Integral Power Assisted Steering w/Cruise Control, 18" Steering wheel, dual gauges
- j) Air Brakes, Cam Type, Q-Plus w/18.7 CFM Air Compressor – Air Tanks mounted between rails
- k) Anti-Lock Brake System, Automatic Slack Adjusters & Front Shock Absorbers
- l) Adjustable, High Back Air Seats - Driver and Passenger Vinyl w/Cloth Inserts
- m) (2) Batteries – Group 31, 12 volt, 1850 CCA Total Maintenance Free
- n) Alternator - 160 Amp
- o) AM/FM Stereo Radio w/CD player, Weather band and Clock
- p) (6) 11Rx22.5 14 Ply Tubeless Radial Tires - Duals in Rear
- q) (6) 10 Hole Disc Wheels - 22.5 x 8.25, Hub Piloted (Painted White)
- r) Tinted Glass
- s) 12V Power Supply, in dash
- t) External Grab Handles – Left & Right w/standard Interior Grab Handles
- u) Mirrors – Remote Controlled Electric Western type with 8" convex mirrors; Left & Right fender mounted
- v) 8" convex mirrors.
- w) Electric Intermittent Windshield Wipers with Washers
- x) Dual Gauges: Voltmeter, Coolant Temperature, Oil Pressure, Tachometer, Hour Meter, Transmission

- y) Temperature, Electronic Tachometer
- z) Frame – 11/32" x 3-1/2" x 10-15/16" Steel; 120,000 PSI
- aa) CNG Fuel Tank – behind cab with Methane Detection System
- bb) Air Conditioner, Heater, Defroster
- cc) Right Hand Inboard Frame Mounted Horizontal Catalytic Converter /Muffler
- dd) Dual Steering w/Dual Gauge Package.
- ee) Color: White

2.2 POWER UNIT

- a) The sweeper power unit shall be a CNG fueled, water-cooled industrial engine. Piston displacement shall not be less than 350 cubic inch (5.7L) developing not less than 98HP @ 2500RPM on CNG. Engine shall be 4 cycle, 4" bore and 3.48" stroke.
- b) Cylinder construction shall be bored block type.
- c) Spin-on replacement type oil filter.
- d) 12-volt ignition, electric starter and minimum 90-amp alternator with charge indicator gauge mounted on control console in cab.
- e) Unit shall have an automatic shutdown system when coolant temperature is too high, coolant level is too low or oil pressure is too low.
- f) Unit shall share batteries with chassis engine.
- g) Unit shall have a replaceable element, heavy duty dry type air cleaner.
- h) Variable speed governor shall be used to control engine speed.
- i) Turbo charged auxiliary not acceptable due to increased fuel consumption and accelerated engine wear at high RPM.

2.3 COMPRESSED NATURAL GAS PACKAGE

- a) The sweeper equipment shall utilize a multi stage regulator with a mixer for compressed natural gas. The fuel management system shall be comprised of an electronic closed loop air/fuel control and safety shut off or equivalent.

- b) The CNG cylinders (four each 15.9" dia. X 75" L [1960 SCF @ 3600 PSI each] full composite-wrapped 20 year aluminum cylinders) shall have an approximate total capacity of 59.4 diesel gallon equivalent and shall be shared with the truck engine.

2.4 DUST SEPARATOR

- a) Separation of the dirt and refuse from the air stream shall be accomplished within the hopper by means of a multipass cylindrical centrifugal dust separator with a minimum size of 20" diameter and 61" width. The separator shall be designed so that it will not plug with normally encountered debris.
- b) The dust separator shall have a minimum 24" x 61" curved, easy to open door allowing inspection and cleaning of the interior. The door shall be made with an abrasion resistant bonded rubber lining material for long life.
- c) The entire dust separator inlet area shall be lined with a bolt-in replaceable, wear resistant rubber liner for long life.
- d) A 61" x 84" steel screen of not less than 13 gauge shall be provided to allow air to move freely from the hopper into the centrifugal dust separator.
- e) Filters and baffles not acceptable due to increased cost of replacement and cleaning.

2.5 HOPPER

- a) Hopper size shall be approximately seven and three tenths (7.3) cubic yard volumetric measurement with an operating load capacity of not less than 6 cubic yards.
- b) Dumping shall be accomplished by means of hydraulically actuated cylinders attached to a rear door which shall have a minimum opening of 84" x 44" with a raker bar moving inside hopper as door is opened and closed to dump debris behind the rear wheels.
- c) Hydraulic cylinder movement shall be controlled with the use of an electric toggle switch located on the side of the hopper so discharging of debris may be viewed during dumping for maximum safety.
- d) The hopper floor shall have a minimum of 22-degree slope.
- e) Hopper door shall be opened & closed hydraulically and held in the closed position by means of a lock valve located in the hydraulic dump circuit.
- f) An inspection door (9.75" x 29") shall be provided on both left and right side of the hopper for easy viewing inside hopper and insertion of large debris.

- g) Hopper shall be maintained airtight through use of rubber seals on all doors and openings.
- h) An amber high powered strobe light with minimum 2,300,000+ candle power, a minimum input of 23 Joules, and 60 flashes per minute shall be mounted on the rear of the hopper roof. The strobe light shall have a protective limb guard.
- i) Two (2) work lights shall be mounted at the rear of the hopper to illuminate the dump area.

2.6 HYDRAULIC SYSTEM

- a) The hydraulic system shall be adequate for use within the design requirements of the sweeper. The system shall include a minimum 25 gallon reservoir, sight gauge, temperature gauge, 80 mesh suction strainer, spin-on replaceable full flow oil filter, hydraulic cylinders, gutter broom drive motors, control valves, relief valves, oil cooler, hydraulic hoses and standard fittings.
- b) The hydraulic pump shall be belt driven by the auxiliary engine.
- c) Pressure shall be 2500 PSI for gutter brooms and 1500 PSI for pick-up head and dump door.

2.7 BLOWER

- a) Heavy-duty die cast, wear resistant high strength aluminum alloy turbine type open face blower balanced within 4 grams shall be provided to create air pressure and suction.
- b) Blower wheel shall be covered with wear resistant rubber for long life.
- c) Blower shall be mounted on self-aligning anti-friction bearings, sealed and lubricated for life. If bearings are not sealed then an automatic lube system must be furnished.
- d) Blower shall be driven from PTO off auxiliary engine by heavy-duty power belt, which shall be adjustable for tension.
- e) Blower housing shall be a bolt on design and shall be lined with a bolt-in wear resistant, replaceable rubber liner for long life.
- f) Blower shall not exceed 3000 RPM to insure smooth efficient performance.

2.8 PICK-UP HEAD

- a) A spring balanced all steel fabricated pick-up head with maximum length and width of 87" x 41" shall be provided.
- b) The pick-up head shall have a separate upper and lower chamber where pressurized air is blasted from upper chamber through an elongated blast orifice to street surface.
- c) Blast orifice flange shall be of bolt-on design so that flange is easily replaced and shall have adjustment mechanism so that blast orifice gap is easily adjusted without removing pick-up head from sweeper.
- d) Pick-up head shall have a 14" (minimum) diameter pressure inlet ring located on left side of pick-up head.
- e) A 14" diameter (minimum) pressure hose attached between pick-up head and blower housing shall be provided.
- f) A bolt-in pressure inlet ring with turning vanes shall be provided for efficient performance and easy service.
- g) A 14" diameter (minimum) suction hose, attached to a quick disconnect transition at the hopper, shall extend down to the right side of the pick-up head and shall be attached to the pick-up head suction nozzle ring which shall be constructed of 1/4" steel.
- h) Suction hose shall have a minimum 3/8" wall construction for long life.
- i) Pick-up head shall be equipped with 2" wide adjustable side mounted integral alloy steel and carbide runners for maximum pick up ability and long life. Skid runners to be warranted for 2 years/2,000 hours prorated.
- j) Pick-up head shall be raised and lowered hydraulically by a single switch on the control panel.
- k) Pressure inlet ring shall be equipped with an adjustable pressure relief for optimum leaf and light debris sweeping; control shall be mounted inside cab.

2.9 DUST CONTROL WATER SYSTEM

- a) Water tank(s) shall be 220-gallon capacity, constructed of recyclable polyethylene for strength and puncture resistance. Tank shall be 100% rustproof. Tank shall be of bolt-in design for easy removal. Tank shall have a water level sight gauge.
- b) Water from tank to be filtered by 80 mesh cleanable filter located between tank and water pump.

- c) 12V electric motor driven pump delivering minimum of 5.0 GPM with a 25 PSI system relief pressure and with an electric solid state liquid level sensor to automatically shut off pump and turn on low water warning lamp when water is depleted.
- d) Electric solenoid water control valves shall be cab controlled. Spray system shall include spray nozzles to be located as follows: minimum of 4 on outside of pick-up head; 2 for each gutter broom; 1 inside hopper. Water nozzles to be located on outside of pick-up head and suction tube for easy inspection and superior dust control.
- e) Water tank shall have anti-siphon/anti-pressure filler neck with air gap.
- f) Flexible 20-foot (minimum) long water fill hose with 2-1/2" coupling for filling water reservoir and hose storage rack shall be provided. Water fill hose shall include a stainless 100 mesh cleanable filter.

2.10 OPERATING CONTROLS

- a) All operating controls for sweeper shall be mounted inside truck cab and readily accessible to operator in either right or left driving position. Dump control can be mounted on the outside.
- b) All main electrical systems, i.e. ignition, lights, hydraulic and water shall be separately fused to isolate electrical problems to fused area and speed service.
- c) Auxiliary engine controls and gauges shall be mounted on console panel and consist of, but not limited to, ignition switch, linear actuated throttle, oil pressure gauge, water temperature gage, volt meter and tachometer.
- d) Sweeper controls, meters and gauges shall consist of, but not limited to, right gutter broom-left gutter broom, pick-up head, beacon or strobe light, water system, and work light lighted paddle type switches, low water light, hour meter and leaf pressure switch.
- e) All external wiring, harnesses and terminations shall be of a sealed, weather-tight design utilizing heat-shrinkable components. Additionally, where feasible, all connectors shall utilize solid, cold-formed, nickel-plated copper alloy contacts with gas-tight crimps.
- f) Dump control shall consist of a single weatherproof toggle switch located on the exterior of sweeper just above the left side fender well.

2.11 MANUALS/TRAINING/SUPPORT

- a) The bidder shall supply one sweeper operator and one sweeper parts and service manual and one set on CD with each unit.

- b) Manufacturer shall have available certifiable training course for complete maintenance and operation of sweeper. Manufacturer must have scheduled a minimum of 25 training courses per year for convenience of customers scheduling.
- c) Bidder shall also provide on-sight training for sweeper operation and general maintenance.
- d) Bidder shall provide operator instruction/safety/maintenance procedures on CD with the unit.

2.12 PAINT – COLOR

The entire unit shall be painted with manufactures standard white paint applied over a suitable primer. Pick-up head, gutter brooms and truck frame shall be painted black unless otherwise approved.

2.13 ADDITIONAL EQUIPMENT FOR SWEEPER AND CHASSIS

- a) Abrasion Protection Package: Standard hoper screen with hopper baffle curtains; protective hopper wall liners; suction nozzle liner; pressure wear pads; heavy duty pressure hose.
- b) Auxiliary Hydraulic System: Electrically operates hydraulic system without auxiliary engine (for raising gutter broom, pick-up head and dumping hopper)
- c) Dump Switch In Cab: Additional dump switch on control panel to activate dump operation from inside cab.
- d) Floodlights: Two Rear Floodlights For Rear Visibility
- e) Gutter Broom Tilt Adjuster: In cab control allows operator to manipulate pitch of vertical diggers to compensate for changing curb line depths/angles (both sides)
- f) Drop down gutter brooms: In cab control allows the operator to drop the gutter brooms in front of the pick-up head for packed on heavy debris pick up and swing out for standard curb sweeping applications
- g) Hopper Load Indicators: Sensors with audible and visual indicators in cab that signals full load.
- h) Hydraulic Level/Temp Shut Down System.
- i) Low Emissions Package: AQMD Rule 1186 compliant (includes high capacity dust separator, high output water, hopper baffle curtains and modified pick-up head water).

- j) Reverse Pick-Up Head System: Allows unit to back up without damage to pick-up head.
- k) "Light Bar – Amber, SAE Class 1, 55" long".
- l) "Traffic Directing Light (Arrow Stick) – Whelen TACF85LH, SAE Class 1 (44" long)".
- m) "Truck Chassis Manuals for Parts and Service".
- n) Broom assisted pick-up head – an on demand hydraulically driven broom mounted inside the pick-up head for removal of heavy debris applications
- o) Back-up camera – back up camera mounted in the rear and suction side of the pick-up head for safely reversing the unit and seeing debris entering into the pick-up head

2.14 SERVICE AND SUPPORT

- a) On-site service and warranty support shall be provided by the sweeper supplier.
- b) Sweeper supplier will provide a guaranteed service and warranty response time of 16 business hours at the unit's location (within Southern California).
- c) A parts warehouse must be provided within Southern California stocking all normal wear items.
- d) Sweeper supplier will provide free technical support.
- e) Sweeper supplier will provide free administration reports.
- f) Vendor will supply a dedicated account manager for customer support to be on call for assistance 24/7.

3.0 SUPPLIER QUALIFICATIONS

3.1 QUALIFICATIONS AND UNDERSTANDING

Each Supplier must provide the following information about their company so the City can evaluate the Supplier's stability and ability to support the commitments set forth in response to the RFP. It is imperative the Supplier's proposal fully address all aspects of the RFP. The proposal must provide the City Staff with clearly expressed information concerning the Proposer's understanding of the City's specific requirements.

The Supplier shall outline their company's (or team's) background, including:

- How long the company has been in business, plus a brief description of the company history, size and organization.
- Supplier qualifications are defined demonstrating the ability to meet technical specifications as defined in the RFP which is accompanied by a statement of understanding.

3.2 REFERENCES

The Supplier shall supply a minimum of 3 references from agencies who have made similar purchases. Each reference shall contain:

- Client name and contact information
- Equipment description
- Date of equipment purchase and delivery

3.3 SCHEDULE

The Supplier shall provide a tentative equipment delivery schedule.

4.0 PROPOSAL SUBMISSION

4.1 RFP TIME SCHEDULE

- | | |
|----------------------------------|--------------------------|
| • Request for Proposal Available | Tues., October 6, 2015 |
| • Inquiry Deadline | Wed., October 14, 2015 |
| • Proposals Due | Thurs., October 22, 2015 |
| • Final Selection | Thurs., October 29, 2015 |
| • City Council Recommendation | Tues., November 10, 2015 |
| • Notice to Proceed (Tentative) | Tues., December 8, 2015 |

4.2 NUMBER OF COPIES AND DELIVERY

Four (4) copies of the proposal shall be submitted to the following address:

City of Banning
City Clerk's Office
99 E. Ramsey Street
P.O. Box 998
Banning, CA 92220

The proposal title, Supplier name and deadline information shall be clearly identified on the submission package and cover page. Submission deadline is Thursday, October 22, 2015 by 5:00 p.m. Proposals submitted after that time shall not be considered. All questions regarding the technical specifications shall be submitted to Holly Stuart, Management Analyst at the address above or via e-mail at hstuart@ci.banning.ca.us.

4.3 **FORMAT AND CONTENT**

Proposals shall be printed on 8 ½" X 11" paper, single sided in a 10 point Arial font and be limited to 25 pages excluding the cover letter, resumes and any appended information.

Proposals should address the following items in order of appearance:

Cover letter

The cover letter shall be provided which explains the supplier's interest in the project. The letter shall contain name/address/phone number of the person who will serve as the supplier's principal contact person.

Qualifications of Supplier

Provide names, titles and responsibilities of key personnel who will be responsible for the handling the purchase and delivery of equipment.

References

Give at least three (3) references of comparable purchases and equipment delivery provided to agencies similar in size and scope, including at least three (3) references for purchases and deliveries completed during the past two years. Include the name and organization, a brief summary of the technical specifications of supplied equipment including cost as well as the name and telephone number of a responsible contact person.

Fee Proposal: One set in a separate sealed envelope

The Fee Schedule in a separate envelope shall be broken down on separate sheet as follows:

- A "Not to Exceed" amount for all equipment, training, and warranty (complete attached bid schedule as shown in Exhibit "A").

4.4 PROPOSAL EVALUATIONS

Proposals will be evaluated based on the following criteria:

- Responsiveness to the RFP.
- Supplier qualifications and equipment.
- Results of reference checks.
- Proposal Fee.

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Exhibit "A"

Bid Schedule

BID SCHEDULE I – CNG STREET SWEEPER

ITEM NO	DESCRIPTION OF ITEM	TOTAL UNIT PRICE
1.	NEW CNG STREET SWEEPER	UNIT PRICE - 274,600.00 8.0% SALES TAX – 21,968.00 TOTAL UNIT PRICE – 296,568.00

TOTAL BID AMOUNT IN FIGURES – SCHEDULE I: 296,568.00

(Bid Item No.'s 1 through 14)

TOTAL BID AMOUNT IN WORDS – SCHEDULE I: Two Hundred Ninety Six Thousand Five Hundred Sixty Eight Dollars & Zero Cents

(Bid Item No's 1 through 14)

Estimated Delivery Schedule for Loading, Shipping, and Delivery (1) New CNG Sweeper

90 to 150 days

ATTACHMENT A

Additional Options

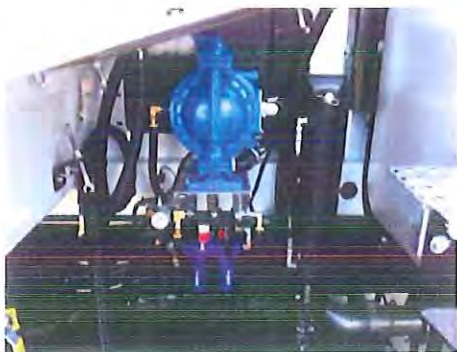
The following are options we feel would be a benefit to your sweeper and your overall sweeping program. If option(s) are desired add the price listed in the "Option Price" section to the total unit price.

OPTION NAME	OPTION DESCRIPTION	OPTION PRICE (vendor will pay the 8.0% sales tax on these items)
Hopper Split Screen	Hopper screen split into front and rear sections which can be hinged or removed manually by locking pins. Greatly decreases wash out time and aids in keeping screen clean for maximum air flow.	800.00
Pick-up Head Curtain Lifter	Hydraulically actuated and retractable roller assembly that provides the pick-up head with the ability to sweep a larger volume of light debris. I.E. Fall Seasons – Mass leaves, pine needles, etc.	1,500.00
Air Operated Diaphragm Pump	Self-contained water supply includes a single Air Operated Diaphragm pump used for the dust control system. Also comes with a high volume washout for catch basin and remote location cleanout.	1,750.00

PICK UP HEAD CURTAIN LIFTER



HOPPER SPLIT SCREEN



AIR OPERATED DIAPHRAGM PUMP



Warranty

DC 995-1AD FREIGHTLINER LEVEL I WARRANTY

Daimler Trucks North America warrants that each new Business Class M112 vehicle, with the exception of certain excluded components and parts, will be manufactured to the specifications agreed upon and will be free from defects in material and workmanship which appear under normal use and service, subject to different time and distance limitations for specific components and parts as set forth below.

Description	Coverage ⁽¹⁾
Basic	1 year or 100,000 miles/161 000 km
Alliance Batteries	1 year or 100,000 miles/161 000 km
Drivetrain	3 years or 300,000 miles/483 000 km
Cab Structure	3 years or 300,000 miles/483 000 km
Cab Corrosion/Perforation	5 years Unlimited
Frame Rails	6 years or 750,000 miles/1 207 000 km
Crossmembers	6 years or 750,000 miles/1 207 000 km
Brightwork	6 months Unlimited
Chassis Paint	6 months Unlimited
Corrosion (excluding Cab Corrosion)	6 months Unlimited
Paint	1 year or 100,000 miles/161 000 km

1. Time or distance, whichever occurs first.

WARRANTY

A. CERTIFIED EMISSIONS INDUSTRIAL ENGINE LIMITED WARRANTY

1. KEM Equipment, Inc. "the company" warrants each new Industrial engine, and factory installed accessories, to be free from defects in material and workmanship for the life of the warranty.
2. The warranty shall be in force only after KEM receives a properly completed Warranty Registration Form from the original purchaser. The Warranty commences on the date of the first retail purchase and applies to the original and subsequent purchasers. However, in no event shall the duration of the Warranty exceed three (3) years or 2500 hours measured from the original retail sale date. All subsequent purchasers must inform KEM in writing of the sale of the engine (and pay a \$150.00 transfer fee) to continue the warranty. If notification and payment is not received by KEM within 30 days of the resale, the warranty will be null and void.
3. The company obligation is limited to repairing or replacing those parts that are defective in material and workmanship only. At KEM's option it may replace such part with a part of equal quality to remedy any malfunction resulting from a defect in material or workmanship. Optionally, KEM may provide for the repair or replacement of any defective part at the selling dealership or a service center of KEM'S choice. KEM will make payment reimbursements for labor to replace such part as previously provided in the then current flat rate manual.
4. KEM distributors or service centers must be advised of any warranty related problem prior to the expiration of the warranty.
5. This warranty will **not** apply to:
 - **Use of accessories or parts not manufactured or sold by KEM Equipment, Inc.**
 - **Neglect; failure to follow maintenance schedules; accident; abnormal operation; misuse or negligence; improper maintenance or installation; racing or unapproved engine modifications.**
 - **Problems arising from incorrect installation or modifications to the exhaust components, fuel lines, cooling system components; or engine damage due to incorrect electrical connections.**
 - **Rust, corrosion, invasion effects of weather, or electrolysis.**
 - **Detonation or operation with fuels, oils or lubricants, which are not suitable for use with this product. Detonation causes: Poor fuel quality, overloading of engine, improper gear, engine overheating, excessive back pressure, incorrect ignition timing.**
 - **Reimbursement for: Storage charges, rental charges of any type, inconvenience of any type, loss of time or income, expense of returning KEM product to a service facility, towing, lodging, travel time, loss or damage to personal property.**
6. Reasonable access must be provided to the product for warranty service.
7. Warranty service must be requested by delivering the product for inspection to the retailer from whom the product was purchased or any convenient Industrial Service Center.
8. Proof of warranty must be provided at time of request for warranty service. A properly completed warranty registration must be on file with KEM.
9. Accurate service records must be available at the time of a warranty request.
10. Distributors, dealers and service providers are not agents for KEM. The company's obligation under this warranty is strictly and exclusively limited to the repair or

replacement of defective parts and does not authorize any person to create for it any obligation of liability in connection with this product nor does the company assume any obligation due to incorrect or defective installation by the dealer.

11. All incidental and/or consequential damages are excluded from this warranty. Implied warranties are limited to the life of this warranty. All implied warranties including merchantability fitness for a particular purpose or otherwise are disclaimed in their entirety after expirations of the appropriate 3 year / 2500 hour warranty period. This warranty gives you specific rights, and you may also have other rights, which may vary from state to state.
12. KEM reserves the right to change or improve design of any product previously assembled without notice and without obligation.
13. In the event that a warranty claim is required outside of the continental United States, with the exception of Alaska, Hawaii and Canada there may be additional charges to the engine owner. KEM will not warranty any engine outside the continental United States, with the exception of Alaska, Hawaii and Canada unless competent and trained personnel are available to provide service to the engine.

B. Emission Control Warranty

General Emissions Warranty Coverage

KEM Equipment, Inc. warrants to the ultimate engine purchaser and each subsequent purchaser that the Off-Road Large Spark-Ignition engines produced and certified by KEM Equipment, Inc. are designed, built, and equipped so as to conform to all applicable California ARB and U.S. EPA regulations. KEM warrants that all such engines are also free from defects in materials and workmanship.

Your Warranty Rights and Obligations

The California Air Resources Board, U.S. EPA and KEM Equipment, Inc. are pleased to explain the emission control system warranty on your new 2007 and subsequent model year Off-Road Large Spark-Ignition (LSI) engine. New LSI engines must be designed, built and equipped to meet stringent Federal and State anti-smog standards. KEM Equipment, Inc. must warrant the emission control system on your engine for the periods of time listed provided there has been no abuse, neglect or improper maintenance of your engine.

The emission control system on your new LSI engine may include parts such as the mixer, regulator or fuel injection system, ignition system, engine computer module (SECM), catalytic converter and air induction system. Also included may be sensors, hoses, belts, connectors and other associated emission-related assemblies. Please see **Emission Warranty Parts List** for a full disclosure of those parts covered under this Emission Control Warranty.

Where a warrantable condition exists, KEM Equipment, Inc. will repair your LSI engine at no cost to you including diagnosis, parts, and labor (travel expenses excluded).

KEM Equipment Inc. Warranty Coverage:

The new 2007 and subsequent model year off-road large spark-ignition engines are warranted for 3 years or 2500 hours of service, whichever occurs first from the date the equipment is delivered to the first retail purchaser or when the equipment is first placed in service. If any emission-related part on the engine is determined to be defective, the part will be repaired or replaced at no cost to you at an authorized KEM Equipment, Inc. service facility.

Owner's Warranty Responsibilities

As the off-road LSI engine owner, you are responsible to perform the **required maintenance listed in your owner's manual**. KEM Equipment, Inc. recommends that you retain all records covering maintenance on your off-road engine, but KEM Equipment, Inc. cannot deny warranty solely for the lack of receipts or for your failure to perform all scheduled maintenance.

As the off-road large spark-ignition engine owner, you should however be aware that KEM Equipment, Inc. may deny you warranty coverage if your off-road large spark ignition engine or a part has failed due to abuse, neglect, improper maintenance, unapproved modifications, or use of fuel(s) not in compliance with KEM's recommended fuel specifications.

You are responsible for initiating the warranty process. KEM suggests that you present your off-road large spark-ignition engine to an authorized KEM Equipment, Inc. dealer as soon as a problem exists. The warranty repair should be completed by the dealer as expeditiously as possible.

If you have any questions regarding your warranty rights and responsibilities, you should contact KEM Equipment, Inc. at (503) 692-5012.

General Emissions Warranty Coverage

Any warranted part that is not scheduled for replacement as required maintenance in the written instructions provided by KEM Equipment, Inc. will be warranted for the warranty period specified in this document. If any such part fails during the period of warranty coverage, it will be repaired or replaced by KEM Equipment Inc. according to the provisions contained herein. Any such part repaired or replaced under the warranty will be warranted for the remaining warranty period.

Any warranted part that is scheduled only for regular inspection in the written maintenance instructions to the effect of "repair or replace as necessary" will not reduce the period of warranty coverage. Any such part repaired or replaced under warranty will be warranted for the remaining warranty period.

Any warranted part that is scheduled for replacement as required maintenance in the written instructions will be warranted for the period of time prior to the first scheduled replacement point for that part. If the part fails prior to the first scheduled replacement, the part will be repaired or replaced by KEM Equipment, Inc. according to the procedures specified in this document. Any such part repaired or replaced under warranty will be warranted for the remainder of the period prior to the first scheduled replacement point for the part.

Repair or replacement of any warranted part under the warranty provisions will be performed at no charge to the owner at a warranty station.

Warranty services or repairs will be provided at all manufacturer distribution centers that are franchised to service the subject engines.

The owner will not be charged for diagnostic labor that leads to the determination that a warranted part is in fact defective, provided that such diagnostic work is performed at a warranty station.

KEM Equipment, Inc. will be liable for damages to other engine components

proximately caused by a failure under warranty of any warranted part provided by KEM Equipment, Inc.

Throughout the engine's warranty period defined, KEM Equipment, Inc. will maintain a supply of warranted parts sufficient to meet the expected demand for such parts.

Any replacement part, as defined in California Code of Regulations Section 1900 (b) (13), Title 13, may be used in the performance of any maintenance or repairs and will be provided without charge to the owner. It is not necessary for replacement parts to be the same brand or by the same manufacturer as the original part sold with the engine. Such use will not reduce the warranty obligations of KEM Equipment, Inc.

ADD-on or modified parts, as defined in California Code of Regulations Section 1900 (b) (1) and (b)(10), Title 13, may not be used. Such use will, at the discretion of KEM Equipment, Inc., be grounds for disallowing a warranty claim. KEM Equipment, Inc. will not be liable under this article to warrant failures of warranted parts caused by the use of such an add-on or modified part.

C. Emission Warranty Parts List

Warranty 3 years or 3,500 hours

1. Base Engine
 - a. GM Base Engine Assembly

Warranty 3 years or 2,500 hours

1. Fuel Metering System
 - a. Fuel injection system
 - b. Air/fuel ratio feedback and control system
 - c. Carburetor system (internal parts and/or pressure regulator or fuel mixer or injection system).
2. Air Induction System
 - a. Intake manifold or air intake system
3. Exhaust system
 - a. Catalytic converter
 - b. Exhaust manifold
4. Positive Crankcase Ventilation (PCV) System
 - a. PCV Valve
 - b. Oil Filler Cap
5. Ignition Control System
 - a. Engine Control Module (ECM)
 - b. Ignition module(s)
6. Miscellaneous items Used in Above Systems (Unless a normal wear item)
 - a. Vacuum, temperature, and time sensitive valves and switches.
 - b. Sensors used for electronic controls
 - c. Hoses, belt connectors, assemblies, clamps, fittings, tubing, sealing gaskets or devices, and mounting hardware
 - d. Pulleys, belts and idlers

CUMMINS WARRANTY INFORMATION (UNITED STATES AND CANADA)

ISL G Automotive Base Engine Warranty

- * Coverage begins with delivery of engine to first user.
- * 2 years / 250,000 miles (402,336 kilometers)
- * This warranty covers any failures of the Engine which result, under normal use and service, from defects in material or factory workmanship (Warranty Failure).

Optional Cummins Westport Protection Plan 2

- * 100% Parts and Labor
- * Covers Internal components and major engine systems.
- * Covers all these components, including listed parts below and their mounting hardware and gaskets:
 - Cylinder head assembly
 - Rocker lever assembly
 - ECM
 - Piston, rings and liners
 - Lube oil cooler assembly
 - Cylinder block assembly
 - Front gear cover
 - Oil pan
 - Connecting rod assembly
 - Lube pump assembly
 - Camshaft and bushings
 - Cam follower assemblies
 - EGR cooler, valve and mixer
- * Options:
 - o 3yr / 100,000 miles (160,000 km)
 - o 3yr / 150,000 miles (241,402 km)
 - o 4yr / 150,000 miles (241,402 km)
 - o 4yr / 200,000 miles (320,000 km)
 - o 5yr / 100,000 miles (160,000 km)
 - o 5yr / 150,000 miles (241,402 km)
 - o 5yr / 200,000 miles (321,869 km)
 - o 5yr / 250,000 miles (402,336 km)
 - o 5yr / 300,000 miles (482,803 km)
 - o 6yr / 250,000 miles (402,336 km)
 - o 7yr / 250,000 miles (402,336 km)

Optional Cummins Westport Protection Plan 1

- * Covers all components listed in Protection Plan 2 - PLUS Turbo, Throttle Plate Actuator and Water Pump.
- * Options:
 - o 3yr / 100,000 miles (160,000 km)
 - o 3yr / 150,000 miles (241,402 km)
 - o 4yr / 150,000 miles (241,402 km)
 - o 4yr / 200,000 miles (320,000 km)
 - o 5yr / 100,000 miles (160,000 km)
 - o 5yr / 150,000 miles (241,402 km)
 - o 5yr / 200,000 miles (321,869 km)
 - o 5yr / 250,000 miles (402,336 km)

Optional Cummins Westport 6/3 Major Components Plan

- * 6 yr / 300,000 miles (482,804 km)
- * 100% Parts and Labor
- * Covers major components:
 - Engine cylinder block casting
 - Engine crankshaft forging
 - Engine camshaft forging
 - Valve covers
 - Flywheel housing
 - Oil cooler cover/filter heads
 - Intake manifold castings
 - Gear cover and housing
 - Engine connecting rods
 - Oil pan
 - Engine connecting rod bolts/capscrews
 - Engine cylinder head castings
 - Engine cylinder head capscrews
 - Gear train gears:
 - Crankshaft gear
 - Camshaft gear
 - Camshaft idler gear
 - Accessory drive gear
 - Fuel pump drive gear



REGENERATIVE AIR SWEEPER® WARRANTY

TYMCO REGENERATIVE AIR SWEEPERS ("TYMCO Product") are warranted to be free from defective materials and workmanship for a period of 12 months or 1,000 hours from date of delivery and such period being hereinafter referred to as "warranty period." It is the sole responsibility of the dealer in whose territory the TYMCO Products are used, with respect to the warranty period to replace, free of charge, F.O.B. Waco, Texas, any original TYMCO part or parts which may prove to be defective due to defective workmanship or materials within the warranty period. This warranty does not apply to instances where there has been use of unauthorized parts or changes to the TYMCO Product, whether done voluntarily or by incompetence, carelessness, negligence, accident or need of attention upon the part of the purchaser, agents, employees or other parties.

This warranty shall not cover normal maintenance and adjustments, and shall not include, nor shall Seller or TYMCO be liable or responsible for, material for normal wear and usage.

TYMCO reserves the right to change the design and construction of the TYMCO Product when, in its sole discretion, any such change represents an improvement to the TYMCO Product.

All non Tymco purchased equipment and accessories are subject to that manufacturer's guarantee to the extent that such guarantee may apply and are not subject to this warranty nor to any implied warranty by TYMCO or the Seller.

THIS WARRANTY BY TYMCO AND/OR SELLER IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER TYMCO NOR SELLER SHALL BE LIABLE FOR ANY DAMAGES OF ANY KIND OR NATURE, WHETHER DIRECT OR INDIRECT, INCIDENTAL OR CONSEQUENTIAL WITH RESPECT TO THE SALE, USE OR PURCHASE OF THE TYMCO PRODUCT. FURTHER, NEITHER TYMCO NOR SELLER SHALL BE LIABLE FOR ANY DAMAGES BY REASON OF LOSS OF PRODUCTION, DOWN TIME, LOSS OF PROFITS OR LOSS OF INCOME ARISING FROM ANY REASON WHATSOEVER.

NO PERSON IS AUTHORIZED TO GIVE ANY OTHER WARRANTIES OR TO ASSUME ANY OTHER LIABILITY ON TYMCO'S BEHALF UNLESS MADE IN WRITING BY TYMCO, AND NO PERSON IS AUTHORIZED TO GIVE ANY WARRANTIES OR TO ASSUME ANY LIABILITIES ON THE SELLER'S BEHALF UNLESS MADE IN WRITING BY THE SELLER.

This warranty gives you specific legal rights, and you may also have other rights that vary from state to state.

Sweeper Shop of Upland, CA



Wednesday, October 21, 2015

City of Banning
Public Works Department
99 E. Ramsey Street
Banning, CA 92220

Subject: Request for Proposals, Purchase of a CNG Street Sweeper

To whom it may concern:

Please consider this letter part of our formal response to your Request for Proposals for the purchase of One (1) CNG Street Sweeper. Sweeper Shop is providing a complete proposal as specified with all items meeting or exceeding the intent of the specification.

Sweeper Shop is a full service equipment dealership with a specific emphasis on sweeping equipment. Sweeper Shop is a division of Pro Sales Group, Inc. a California Corporation. Established in March 2010, Pro Sales Group was incorporated to provide a basis for the acquisition of Pro Sweeper and Pro Drag Shoes, two small business enterprises operated in Rancho Cucamonga.

Sweeper Shop is currently the factory-authorized dealer for NiteHawk Sweeper and Schwarze Industries. Having assumed the operations of Pro Sweepers, and Kelly Equipment, Sweeper Shop maintains an established base of customers dating back to 1996 with over 19-years providing a front line dealer operation for Schwarze Industries.

Schwarze Industries line of sweeping equipment offers a full spectrum of full size street sweepers for use in municipal, construction and industrial maintenance applications. Over the past 40-years, Schwarze Industries has developed a complete product offering including mechanical brush type sweepers, regenerative air vacuum sweepers and specialized application sweepers such as high speed runway sweepers.

NiteHawk Sweepers produces sweepers specifically designed for parking lot and light industrial lot cleaning applications. The single engine design is the industry leader in efficiency and ease of operation. Over the past decade the NiteHawk Sweeper has become the dominant unit in the marketplace with over 70% of the market share of parking lot sweepers in California.

Sweeper Shop is located in Upland, California. Our staff includes several great people with high levels of experience in the sweeping industry. President and CEO Sean McElvy has over seventeen years of sweeper sales and support experience, including 19 years experience with the Schwarze family of sweepers.

Scott Hugie provides sales representation and superior customer service acting as Sales Representative and Office Manager. Scott has been working directly with the CEO for over 8-years and in that time has become a valuable asset to the operations of Sweeper Shop.

pro SalesGroup

1884 Woodlawn Street, Unit A, Upland, CA 91786
800.341.2322 909.980.4640
www.sweepershop.com



Service Manager Oscar Gomez has worked with sweepers and other road maintenance equipment for over 18-years. Oscar spent the past 14-years working with the Sweeper Shop and its affiliated companies with specific emphasis in sweeping equipment. Oscar is strong asset to Sweeper Shop.

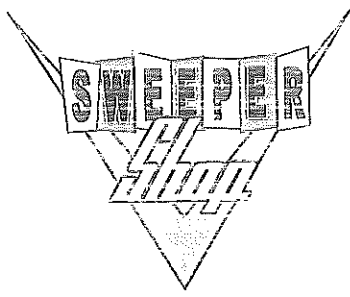
With over 30-years of sweeping equipment support experience, Dave Heath brings a wealth of knowledge to the team. Dave has worked with several sweeper related companies over the past decades. Dave's experience in the industry reaches across all manufacturers. His insight and experience allows Sweeper Shop to maintain and strengthen relationships with all users of sweepers.

Our fee response is included in the attached envelope per Page 11, item 4.3 of the RFP.

Respectfully submitted,

Sweeper Shop

Sean McElvy
President and CEO



City of Banning
October 21, 2014
Request for Proposals
Purchase of CNG Street Sweeper

Page 10, Item 3.2

References:

City of Dinuba, 1 QTY A7 CNG
Ismael Hernandez
559-591-5924

County of Los Angeles, 3 QTY, A7 CNG
Robert Clendening
626-458-7322

City of Whittier, 2 QTY, A9 CNG
Jay Nossett
562-464-3548

Page 10, Item 3.3

Delivery is estimated to be 180-240 Days After Receipt of Order



1884 Woodlawn Street, Unit A, Upland, CA 91786
800.341.2322 909.980.4640
www.sweepershop.com

Request for Proposals (RFP)
Purchase of a CNG Street Sweeper



Responses Due:
City of Banning
Public Works Department
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3130

October, 2015

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1.0 INTRODUCTION

1.1 PROJECT DESCRIPTION AND OBJECTIVES

The City of Banning (City) is soliciting proposals from qualified companies to supply the City of Banning with a Street Sweeper that meets City specifications and all Federal, State and Local regulatory compliance requirements.

1.2 BACKGROUND INFORMATION

The City of Banning, incorporated in 1913, covers approximately 23.2 square miles located in the San Geronio Pass area of Riverside County, approximately 30 miles east of the cities of San Bernardino and Riverside. The 2014 U.S. Census Bureau American Community Survey recorded a population of 30,325 for the City of Banning.

The City of Banning provides street sweeping services for its businesses and residence which includes the cleaning and clearing of trash and debris from streets and gutters. These crucial services are intended to be provided for public streets throughout the City on a continuous basis upon purchase of a street sweeper.

2.0 TECHNICAL SPECIFICATIONS

The technical specifications for the purchase of a street sweeper include truck chassis; power unit; compressor natural gas package; dust separator hopper; hydraulic system; blower; pick-up head; dust control system; operating controls; manual and training support; paint; optional equipment; service and support for the purchase of a street sweeper identified in this Request for Proposals ("RFP").

It is the responsibility of the Supplier to ensure that City specifications are met, as well as, all Federal, State and Local regulatory compliance requirements. The City of Banning reserves the right to accept or reject any or all proposals. These specifications and scope of services shall become part of the contract agreement.

2.1 TRUCK CHASSIS

- a) 8.9 L Engine – 300 HP @ 2100 RPM, 860 lb-ft Torque @1300 RPM, CARB approved.
- b) 176" Wheelbase; 110" Cab to Axle (approximate)
- c) Allison 3500 RDS-P Automatic Transmission (Electronic) w/PTO Provision, Push Button
- d) 12,000 lb. Front Axle w/12,000 lb. Front Springs

- e) 21,000 lb Rear Axle, Single Speed (6.14 ratio)
- f) 23,000 Rear Variable Rate Multi-Leaf Springs w/Leaf Spring Helper
- g) Oil Wheel Seals – Front & Rear
- h) Front Dust Shields
- i) Integral Power Assisted Steering w/Cruise Control, 18" Steering wheel, dual gauges
- j) Air Brakes, Cam Type, Q-Plus w/18.7 CFM Air Compressor – Air Tanks mounted between rails
- k) Anti-Lock Brake System, Automatic Slack Adjusters & Front Shock Absorbers
- l) Adjustable, High Back Air Seats - Driver and Passenger Vinyl w/Cloth Inserts
- m) (2) Batteries – Group 31, 12 volt, 1850 CCA Total Maintenance Free
- n) Alternator - 160 Amp
- o) AM/FM Stereo Radio w/CD player, Weather band and Clock
- p) (6) 11Rx22.5 14 Ply Tubeless Radial Tires - Duals in Rear
- q) (6) 10 Hole Disc Wheels - 22.5 x 8.25, Hub Piloted (Painted White)
- r) Tinted Glass
- s) 12V Power Supply, in dash
- t) External Grab Handles – Left & Right w/standard Interior Grab Handles
- u) Mirrors – Remote Controlled Electric Western type with 8" convex mirrors; Left & Right fender mounted
- v) 8" convex mirrors.
- w) Electric Intermittent Windshield Wipers with Washers
- x) Dual Gauges: Voltmeter, Coolant Temperature, Oil Pressure, Tachometer, Hour Meter, Transmission

- y) Temperature, Electronic Tachometer
- z) Frame – 11/32" x 3-1/2" x 10-15/16" Steel; 120,000 PSI
- aa) CNG Fuel Tank – behind cab with Methane Detection System
- bb) Air Conditioner, Heater, Defroster
- cc) Right Hand Inboard Frame Mounted Horizontal Catalytic Converter /Muffler
- dd) Dual Steering w/Dual Gauge Package.
- ee) Color: White

2.2 POWER UNIT

- a) The sweeper power unit shall be a CNG fueled, water-cooled industrial engine. Piston displacement shall not be less than 350 cubic inch (5.7L) developing not less than 98HP @ 2500RPM on CNG. Engine shall be 4 cycle, 4" bore and 3.48" stroke.
- b) Cylinder construction shall be bored block type.
- c) Spin-on replacement type oil filter.
- d) 12-volt ignition, electric starter and minimum 90-amp alternator with charge indicator gauge mounted on control console in cab.
- e) Unit shall have an automatic shutdown system when coolant temperature is too high, coolant level is too low or oil pressure is too low.
- f) Unit shall share batteries with chassis engine.
- g) Unit shall have a replaceable element, heavy duty dry type air cleaner.
- h) Variable speed governor shall be used to control engine speed.
- i) Turbo charged auxiliary not acceptable due to increased fuel consumption and accelerated engine wear at high RPM.

2.3 COMPRESSED NATURAL GAS PACKAGE

- a) The sweeper equipment shall utilize a multi stage regulator with a mixer for compressed natural gas. The fuel management system shall be comprised of an electronic closed loop air/fuel control and safety shut off or equivalent.

- b) The CNG cylinders (four each 15.9" dia. X 75" L [1960 SCF @ 3600 PSI each] full composite-wrapped 20 year aluminum cylinders) shall have an approximate total capacity of 59.4 diesel gallon equivalent and shall be shared with the truck engine.

2.4 DUST SEPARATOR

- a) Separation of the dirt and refuse from the air stream shall be accomplished within the hopper by means of a multipass cylindrical centrifugal dust separator with a minimum size of 20" diameter and 61" width. The separator shall be designed so that it will not plug with normally encountered debris.
- b) The dust separator shall have a minimum 24" x 61" curved, easy to open door allowing inspection and cleaning of the interior. The door shall be made with an abrasion resistant bonded rubber lining material for long life.
- c) The entire dust separator inlet area shall be lined with a bolt-in replaceable, wear resistant rubber liner for long life.
- d) A 61" x 84" steel screen of not less than 13 gauge shall be provided to allow air to move freely from the hopper into the centrifugal dust separator.
- e) Filters and baffles not acceptable due to increased cost of replacement and cleaning.

2.5 HOPPER

- a) Hopper size shall be approximately seven and three tenths (7.3) cubic yard volumetric measurement with an operating load capacity of not less than 6 cubic yards.
- b) Dumping shall be accomplished by means of hydraulically actuated cylinders attached to a rear door which shall have a minimum opening of 84" x 44" with a raker bar moving inside hopper as door is opened and closed to dump debris behind the rear wheels.
- c) Hydraulic cylinder movement shall be controlled with the use of an electric toggle switch located on the side of the hopper so discharging of debris may be viewed during dumping for maximum safety.
- d) The hopper floor shall have a minimum of 22-degree slope.
- e) Hopper door shall be opened & closed hydraulically and held in the closed position by means of a lock valve located in the hydraulic dump circuit.
- f) An inspection door (9.75" x 29") shall be provided on both left and right side of the hopper for easy viewing inside hopper and insertion of large debris.

- g) Hopper shall be maintained airtight through use of rubber seals on all doors and openings.
- h) An amber high powered strobe light with minimum 2,300,000+ candle power, a minimum input of 23 Joules, and 60 flashes per minute shall be mounted on the rear of the hopper roof. The strobe light shall have a protective limb guard.
- i) Two (2) work lights shall be mounted at the rear of the hopper to illuminate the dump area.

2.6 HYDRAULIC SYSTEM

- a) The hydraulic system shall be adequate for use within the design requirements of the sweeper. The system shall include a minimum 25 gallon reservoir, sight gauge, temperature gauge, 80 mesh suction strainer, spin-on replaceable full flow oil filter, hydraulic cylinders, gutter broom drive motors, control valves, relief valves, oil cooler, hydraulic hoses and standard fittings.
- b) The hydraulic pump shall be belt driven by the auxiliary engine.
- c) Pressure shall be 2500 PSI for gutter brooms and 1500 PSI for pick-up head and dump door.

2.7 BLOWER

- a) Heavy-duty die cast, wear resistant high strength aluminum alloy turbine type open face blower balanced within 4 grams shall be provided to create air pressure and suction.
- b) Blower wheel shall be covered with wear resistant rubber for long life.
- c) Blower shall be mounted on self-aligning anti-friction bearings, sealed and lubricated for life. If bearings are not sealed then an automatic lube system must be furnished.
- d) Blower shall be driven from PTO off auxiliary engine by heavy-duty power belt, which shall be adjustable for tension.
- e) Blower housing shall be a bolt on design and shall be lined with a bolt-in wear resistant, replaceable rubber liner for long life.
- f) Blower shall not exceed 3000 RPM to insure smooth efficient performance.

2.8 PICK-UP HEAD

- a) A spring balanced all steel fabricated pick-up head with maximum length and width of 87" x 41" shall be provided.
- b) The pick-up head shall have a separate upper and lower chamber where pressurized air is blasted from upper chamber through an elongated blast orifice to street surface.
- c) Blast orifice flange shall be of bolt-on design so that flange is easily replaced and shall have adjustment mechanism so that blast orifice gap is easily adjusted without removing pick-up head from sweeper.
- d) Pick-up head shall have a 14" (minimum) diameter pressure inlet ring located on left side of pick-up head.
- e) A 14" diameter (minimum) pressure hose attached between pick-up head and blower housing shall be provided.
- f) A bolt-in pressure inlet ring with turning vanes shall be provided for efficient performance and easy service.
- g) A 14" diameter (minimum) suction hose, attached to a quick disconnect transition at the hopper, shall extend down to the right side of the pick-up head and shall be attached to the pick-up head suction nozzle ring which shall be constructed of 1/4" steel.
- h) Suction hose shall have a minimum 3/8" wall construction for long life.
- i) Pick-up head shall be equipped with 2" wide adjustable side mounted integral alloy steel and carbide runners for maximum pick up ability and long life. Skid runners to be warranted for 2 years/2,000 hours prorated.
- j) Pick-up head shall be raised and lowered hydraulically by a single switch on the control panel.
- k) Pressure inlet ring shall be equipped with an adjustable pressure relief for optimum leaf and light debris sweeping; control shall be mounted inside cab.

2.9 DUST CONTROL WATER SYSTEM

- a) Water tank(s) shall be 220-gallon capacity, constructed of recyclable polyethylene for strength and puncture resistance. Tank shall be 100% rustproof. Tank shall be of bolt-in design for easy removal. Tank shall have a water level sight gauge.
- b) Water from tank to be filtered by 80 mesh cleanable filter located between tank and water pump.

- c) 12V electric motor driven pump delivering minimum of 5.0 GPM with a 25 PSI system relief pressure and with an electric solid state liquid level sensor to automatically shut off pump and turn on low water warning lamp when water is depleted.
- d) Electric solenoid water control valves shall be cab controlled. Spray system shall include spray nozzles to be located as follows: minimum of 4 on outside of pick-up head; 2 for each gutter broom; 1 inside hopper. Water nozzles to be located on outside of pick-up head and suction tube for easy inspection and superior dust control.
- e) Water tank shall have anti-siphon/anti-pressure filler neck with air gap.
- f) Flexible 20-foot (minimum) long water fill hose with 2-1/2" coupling for filling water reservoir and hose storage rack shall be provided. Water fill hose shall include a stainless 100 mesh cleanable filter.

2.10 OPERATING CONTROLS

- a) All operating controls for sweeper shall be mounted inside truck cab and readily accessible to operator in either right or left driving position. Dump control can be mounted on the outside.
- b) All main electrical systems, i.e. ignition, lights, hydraulic and water shall be separately fused to isolate electrical problems to fused area and speed service.
- c) Auxiliary engine controls and gauges shall be mounted on console panel and consist of, but not limited to, ignition switch, linear actuated throttle, oil pressure gauge, water temperature gage, volt meter and tachometer.
- d) Sweeper controls, meters and gauges shall consist of, but not limited to, right gutter broom-left gutter broom, pick-up head, beacon or strobe light, water system, and work light lighted paddle type switches, low water light, hour meter and leaf pressure switch.
- e) All external wiring, harnesses and terminations shall be of a sealed, weather-tight design utilizing heat-shrinkable components. Additionally, where feasible, all connectors shall utilize solid, cold-formed, nickel-plated copper alloy contacts with gas-tight crimps.
- f) Dump control shall consist of a single weatherproof toggle switch located on the exterior of sweeper just above the left side fender well.

2.11 MANUALS/TRAINING/SUPPORT

- a) The bidder shall supply one sweeper operator and one sweeper parts and service manual and one set on CD with each unit.

- b) Manufacturer shall have available certifiable training course for complete maintenance and operation of sweeper. Manufacturer must have scheduled a minimum of 25 training courses per year for convenience of customers scheduling.
- c) Bidder shall also provide on-sight training for sweeper operation and general maintenance.
- d) Bidder shall provide operator instruction/safety/maintenance procedures on CD with the unit.

2.12 PAINT - COLOR

The entire unit shall be painted with manufactures standard white paint applied over a suitable primer. Pick-up head, gutter brooms and truck frame shall be painted black unless otherwise approved.

2.13 ADDITIONAL EQUIPMENT FOR SWEEPER AND CHASSIS

- a) Abrasion Protection Package: Standard hopper screen with hopper baffle curtains; protective hopper wall liners; suction nozzle liner; pressure wear pads; heavy duty pressure hose.
- b) Auxiliary Hydraulic System: Electrically operates hydraulic system without auxiliary engine (for raising gutter broom, pick-up head and dumping hopper)
- c) Dump Switch In Cab: Additional dump switch on control panel to activate dump operation from inside cab.
- d) Floodlights: Two Rear Floodlights For Rear Visibility
- e) Gutter Broom Tilt Adjuster: In cab control allows operator to manipulate pitch of vertical diggers to compensate for changing curb line depths/angles (both sides)
- f) Drop down gutter brooms: In cab control allows the operator to drop the gutter brooms in front of the pick-up head for packed on heavy debris pick up and swing out for standard curb sweeping applications
- g) Hopper Load Indicators: Sensors with audible and visual indicators in cab that signals full load.
- h) Hydraulic Level/Temp Shut Down System.
- i) Low Emissions Package: AQMD Rule 1186 compliant (includes high capacity dust separator, high output water, hopper baffle curtains and modified pick-up head water).

- j) Reverse Pick-Up Head System: Allows unit to back up without damage to pick-up head.
- k) "Light Bar – Amber, SAE Class 1, 55" long".
- l) "Traffic Directing Light (Arrow Stick) – Whelen TACF85LH, SAE Class 1 (44" long)".
- m) "Truck Chassis Manuals for Parts and Service".
- n) Broom assisted pick-up head – an on demand hydraulically driven broom mounted inside the pick-up head for removal of heavy debris applications
- o) Back-up camera – back up camera mounted in the rear and suction side of the pick-up head for safely reversing the unit and seeing debris entering into the pick-up head

2.14 SERVICE AND SUPPORT

- a) On-site service and warranty support shall be provided by the sweeper supplier.
- b) Sweeper supplier will provide a guaranteed service and warranty response time of 16 business hours at the unit's location (within Southern California).
- c) A parts warehouse must be provided within Southern California stocking all normal wear items.
- d) Sweeper supplier will provide free technical support.
- e) Sweeper supplier will provide free administration reports.
- f) Vendor will supply a dedicated account manager for customer support to be on call for assistance 24/7.

3.0 SUPPLIER QUALIFICATIONS

3.1 QUALIFICATIONS AND UNDERSTANDING

Each Supplier must provide the following information about their company so the City can evaluate the Supplier's stability and ability to support the commitments set forth in response to the RFP. It is imperative the Supplier's proposal fully address all aspects of the RFP. The proposal must provide the City Staff with clearly expressed information concerning the Proposer's understanding of the City's specific requirements.

The Supplier shall outline their company's (or team's) background, including:

- How long the company has been in business, plus a brief description of the company history, size and organization.
- Supplier qualifications are defined demonstrating the ability to meet technical specifications as defined in the RFP which is accompanied by a statement of understanding.

3.2 REFERENCES

The Supplier shall supply a minimum of 3 references from agencies who have made similar purchases. Each reference shall contain:

- Client name and contact information
- Equipment description
- Date of equipment purchase and delivery

3.3 SCHEDULE

The Supplier shall provide a tentative equipment delivery schedule.

4.0 PROPOSAL SUBMISSION

4.1 RFP TIME SCHEDULE

- | | |
|----------------------------------|--------------------------|
| ◦ Request for Proposal Available | Tues., October 6, 2015 |
| ◦ Inquiry Deadline | Wed., October 14, 2015 |
| ◦ Proposals Due | Thurs., October 22, 2015 |
| ◦ Final Selection | Thurs., October 29, 2015 |
| ◦ City Council Recommendation | Tues., November 10, 2015 |
| ◦ Notice to Proceed (Tentative) | Tues., December 8, 2015 |

4.2 NUMBER OF COPIES AND DELIVERY

Four (4) copies of the proposal shall be submitted to the following address:

City of Banning
City Clerk's Office
99 E. Ramsey Street
P.O. Box 998
Banning, CA 92220

The proposal title, Supplier name and deadline information shall be clearly identified on the submission package and cover page. Submission deadline is Thursday, October 22, 2015 by 5:00 p.m. Proposals submitted after that time shall not be considered. All questions regarding the technical specifications shall be submitted to Holly Stuart, Management Analyst at the address above or via e-mail at hstuart@ci.banning.ca.us.

4.3 **FORMAT AND CONTENT**

Proposals shall be printed on 8 1/2" X 11" paper, single sided in a 10 point Arial font and be limited to 25 pages excluding the cover letter, resumes and any appended information.

Proposals should address the following items in order of appearance:

Cover letter

The cover letter shall be provided which explains the supplier's interest in the project. The letter shall contain name/address/phone number of the person who will serve as the supplier's principal contact person.

Qualifications of Supplier

Provide names, titles and responsibilities of key personnel who will be responsible for the handling the purchase and delivery of equipment.

References

Give at least three (3) references of comparable purchases and equipment delivery provided to agencies similar in size and scope, including at least three (3) references for purchases and deliveries completed during the past two years. Include the name and organization, a brief summary of the technical specifications of supplied equipment including cost as well as the name and telephone number of a responsible contact person.

Fee Proposal: One set in a separate sealed envelope

The Fee Schedule in a separate envelope shall be broken down on separate sheet as follows:

- A "Not to Exceed" amount for all equipment, training, and warranty (complete attached bid schedule as shown in Exhibit "A").

4.4 PROPOSAL EVALUATIONS

Proposals will be evaluated based on the following criteria:

- Responsiveness to the RFP.
- Supplier qualifications and equipment.
- Results of reference checks.
- Proposal Fee.

Exhibit "A"

Bid Schedule

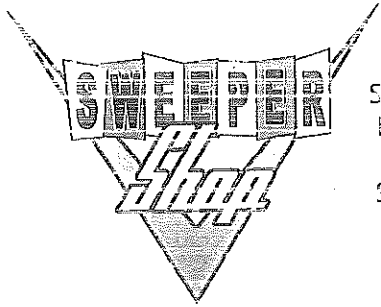
BID SCHEDULE I - CNG STREET SWEEPER

ITEM NO	DESCRIPTION OF ITEM	TOTAL UNIT PRICE
1.	NEW CNG STREET SWEEPER	

TOTAL BID AMOUNT IN FIGURES - SCHEDULE I: \$ _____
 (Bid Item No.'s 1 through 14)

TOTAL BID AMOUNT IN WORDS - SCHEDULE I: _____
 (Bid Item No.'s 1 through 14)

Per Bid Spec, Page 11, Item 4.3, Formal pricing is provided in the enclosed envelope labeled "Fee Proposal"



Sweeper Shop is a Factory Authorized dealer for Schwarze Industries family of street sweepers and the NiteHawk line of parking lot and industrial sweepers.

Our Dime 800 288 7933

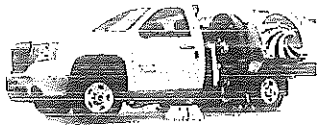
Phone 909 920 4557

Fax 909 920 4558

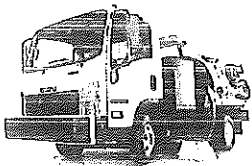
Sweeper Shop has you covered for all your sweeping equipment needs. Here is our current new equipment offerings:

Email support@sweepershop.com

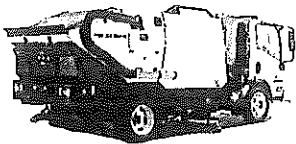
Web sweepershop.com



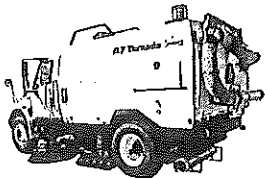
NiteHawk Osprey: This low profile sweeper integrates a single engine sweeper design utilizing a hydraulic drive to power sweeping functions. The Osprey has a 2-Cubic Yard high dump hopper with an overall height of 6'4". Available with a left gutter broom, stainless hopper and various chassis. Customizable to your specific operation.



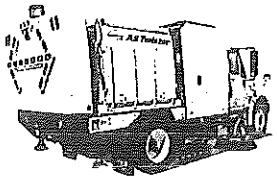
NiteHawk Raptor: Available in Diesel, Gas, or CNG, the NiteHawk Raptor is the original high power single engine hydraulic sweeper. Unit includes a 4-yard hopper, 81-inch sweeping head and is available with dual gutter brooms. Exceptional performance, quiet operation with a low operating cost. Customizable to your specific operation.



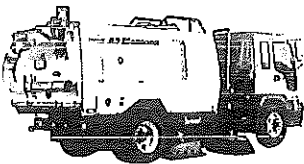
Schwarze A4 Storm: A heavy duty chassis mounted regenerative air street sweeper. Twin engine design with a 4-yard hopper and available with dual steering, dual brooms, hopper shroud, and various lighting packages. AQMD PM-10 Rule 1186 Certified. No CDL required. Customizable to your specific operation.



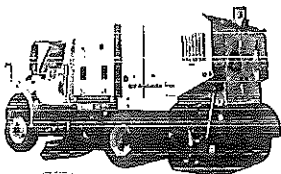
Schwarze A7 Tornado: A heavy duty chassis mounted regenerative air street sweeper. Twin engine design with an large 8.4-yard hopper. A municipal and construction powerhouse, the A7 is a leader in the industry. Available in Diesel, and CNG. The A7 is AQMD PM-10 Rule 1186 and 1186.1 Certified. Customizable to your specific operation.



Schwarze A8 Twister: Based on the proven A7 platform, the A8 Twister offers a variable height high dump hopper. A municipal and construction powerhouse, the A8 is a leader in the industry. Available in Diesel, and CNG. The A8 is AQMD PM-10 Rule 1186 and 1186.1 Certified. Customizable to your specific operation.



Schwarze A9 Monsoon: With a 9.6-yard hopper, the A9 offers superior debris capacity. Unit includes a full size rear dump door. A municipal and construction powerhouse, the A9 is a leader in the industry. Available in Diesel, and CNG. The A8 is AQMD PM-10 Rule 1186 and 1186.1 Certified. Customizable to your specific operation.



Schwarze M6 Avalanche: The M6 mechanical broom sweeper is available in both single and dual engine models. Chassis mounted with a 5-yard high dump hopper, superior power and performance and available in Diesel or CNG powered chassis. The M6 is AQMD PM-10 Rule 1186 and 1186.1 Certified. Customizable to your specific operation.



Sweeper Shop | 1884 Woodlawn | Upland | California | 91786

PO BOX 339 Claremont California 91711



The People You Know. The Products You Trust.

A7 Tornado™

- 8.4 Cubic Yard Hopper
- Rule 1186 AQMD Certified
- Regenerative Air Sweeping
- Whisper Wheel™ Fan System
- Schwarze Sweeps-in-Reverse™
- DC Auxiliary Hydraulic Pump



**Sweeper shown with optional equipment*



QUALITY • PERFORMANCE • PUBLIC SAFETY
VALUE • CUSTOMER SUPPORT

800-879-7933

www.schwarze.com

340

A7 Tornado™

AMERICAN BUILT-
AMERICAN MADE

**Bolt in Pressure & Transition
Tubes:** Ease of maintenance
(reduced cost of ownership)

Whisper Wheel™ Fan System:
70% quieter, uses 20% less
fuel and 7% more powerful
than an open face fan design

**Abrasion Resistant Steel
in Critical Wear Areas:**
Longer life expectancy
equates to reduced cost
of ownership

Four Point Protection™: Optional
stainless steel hopper package for
long lasting performance

**Optional Equipment: Gutter Broom
Extension Override™:** Increases the
variety of applications, while
eliminating the need for a center broom

Saw tooth Screens: Increased
screen surface area creates more
productivity, eliminates the need
for a screen vibrator, lower cost
of operation

**Optional Equipment: Mechanic-
Pneumatic Powerhead (broom
assist head), in-cab tilt controls
for gutter brooms**

Financing Available

Noise Level:
Reduced operator
stress and increased
ability to operate in
noise sensitive areas

PM 10 Certified:
Meets AQMD 1186
requirements to pick
up and contain harmful
particulates

Optional Equipment:
One to three remote cameras
with in-cab video monitor and
sound suppression system

**8.4 Cubic Yard Hopper
Capacity:** Increased
hopper capacity equates
to increased production
and less dumps

90"x36" Sweeping Head:
Increased productivity
with a larger area of
influence (quicker
transfer, no bulldozing)

Optional Equipment:
8' auxiliary hand hose, extra 350
gallon polyethylene water tank

Sweeps in Reverse™:
Eliminates the need for
the operator to raise the
sweeping head to reverse

Standard 12V DC Hydraulic Pump:
Able to raise and lower the sweeping
head without use of a/c engine

Warranty Support: Schwabe people are on duty to
support you and your equipment.

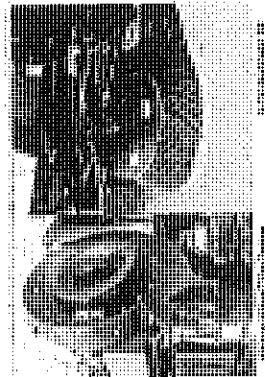
Schwabe regenerative air sweepers are guaranteed to be free
from defects due to faulty materials and/or workmanship for
a period of 12 months, or 1200 hours. Liability is limited to
replacement of defective parts at factory or authorized dealer.
The standard warranties of the chassis and sweeper engine
manufacturer shall apply.

Parts Availability: Schwabe original equipment
parts are available when you need them.

Trusted Dealers: Trusted dealers will support
your before and after-purchase needs.

Empowered and Responsive: Schwabe People
are valued for their commitment to our future.

Schwabe Products: Engineered for enhanced
sweeping performance and low ownership cost.



John A. Schwabe, President, Schwabe Industries, Inc.

Sweeping Path

Pickup Head Only	90" (2,286mm)
Pickup Head and one gutter broom	117" (2,972mm)
Pickup Head and two gutter brooms	144" (3,658mm)

Chassis

Mounts on various chassis to meet requirements

Sweeper Body

Construction	Welded 10-gauge steel plate with 3/16 steel hopper floor
Safety Prop	Dual steel bars located under body

Instrumentation

Sweeper Engine	Tachometer, hourmeter, voltmeter, temperature gauge, oil pressure gauge
----------------	---

Standard Engine

Model / Type	4045T In-line 4 cylinder
Aspiration	Turbo-charged diesel
Manufacturer	John Deere
Displacement	275 cu. in. (4.5L)
Brake Horsepower	115HP (86KW) @ 2400 RPM (opt. 140 HP)
Torque	317ft-lb (430Nm) @1500RPM
Air Cleaner	Precleaner: Centrifugal type; Air Cleaner: Dry type with safety element
Oil Filter	Full-flow / Spin on
Stroke	5.00" (127mm)
Bore	4.20" (106mm)
Compression Ratio	19.0 to 1
Safety Shutdown	Three-point automatic
Throttle Control	Electronic

Electrical System

Voltage	12 Volt
Sweeper Engine Alternator	65 Amperes

Dust Control System

Type	High Pressure / Low volume
Capacity	250 Gallon (946 L) (600 gallon on cab-over chassis)
Tank Construction	Polyethylene
Filter	200 mesh, cleanable
Fill Diameter	2.5" (63.5mm)
Fill Hose	25 foot (7620mm)

Dust Control System cont'd

Controls	Electric; in-cab
Nozzles	2 on each broom 5 around suction head 2 inside suction nozzle 2 on front axle 2 inside hopper in-cab
Water Level Gauge	

Blower System

Type	Closed-face radial
Drive	Direct via 5 groove, banded power belt
Construction	Hardox Steel to 1.5 grams or less on 2 sides
Diameter	32.75" (832mm)
Housing Lining	Bolt-in corded rubber
Mounting	2 regreaseable sealed bearings
Vacuum Enhancer	For heavy / light material in-cab indicator

Pickup Head

Type	Dual chambered full-width blast orifice
Operating Direction	Forward and reverse
Suspension	Adjustable spring balanced
Length	90" (2,286mm)
Pressure Hose Diameter	14" (355.6mm)
Suction Hose Diameter	14" (355.6mm)
Hose Construction	3/8" (9.5mm) wire-reinforced molded rubber
Head Area	3,240 sq. in. (20,904cm ²)
Controls	Hydraulic raise and lower
Skids	Double wide tungsten carbide
Construction	Abrasion-resistant steel inlet and outlet transitions

Paint

One coat of sealer / primer and two coats of Dupont Imron Elite polyurethane in standard white color

Side Brooms

Type	Vertical steel digger
Location	Right, Left, forward of pickup head
Diameter	44" (1117.60 mm)
Drive	Hydraulic
Suspension	Torque-sensing spring
Wear Adjustment	Automatic
Pressure	Manual
Speed	Variable, non-reversing
Segments	5 each side, disposable
Tilt Angle Adjustment	Manual with optional in-cab controls

Debris Hopper

Volumetric Capacity	8.4 cubic yards (6.4 cu. meters)
Useable Capacity	7.0 cubic yards (5.4 cu. meters)
Dump Angle	53 degrees
Floor Angle	3 degrees
Lifting	Twin hydraulic cylinders
Hopper Dump Door	Open/close/lock hydraulically
Inspection Doors	1 on each side of hopper
Screens	Sawtooth Drop Down
Design	

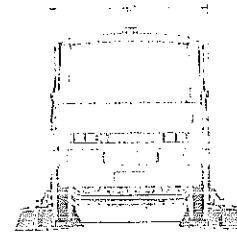
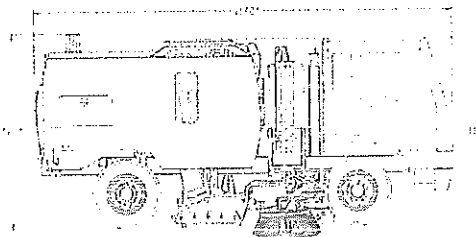
Hydraulic System

Type	Dual output 2 section
Pump Capacity	6.5 gpm @1800RPM (24.6L / min.) per section for 13.0gpm total
Drive	Direct gear
Maximum Pressure	2500psi (173 bar)
Reservoir	25 gallons (94 liters)
Filter	10 micron, spin on
Protection	Pressure relief valve
Controls	Electro-hydraulic

Auxiliary Hydraulic System

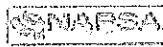
Type	Gear type, driven by electric motor
Function	Raise/lower hopper, open/close hopper door, raise/lower brooms and pickup head

NOTE: Specifications are subject to change without notice



Model shown with optional equipment. Design and specifications subject to change without notice. Specifications may vary depending on chassis type.

Affiliates



Schwarze Industries, Inc.
1055 Jordan Road
Huntsville, AL 35811
Central phone: 256-851-1200



BID SCHEDULE I - CNG STREET SWEEPER

ITEM NO	DESCRIPTION OF ITEM	TOTAL UNIT PRICE
1.	NEW CNG STREET SWEEPER	\$298,760.00

TOTAL BID AMOUNT IN FIGURES - SCHEDULE I: \$ See below
 (Bid Item No.'s 1 through 14)

TOTAL BID AMOUNT IN WORDS - SCHEDULE I: See below
 (Bid Item No.'s 1 through 14)

Complete Street Sweeper, As Specified: \$272,000.00 (T)
 Freight and Delivery: \$ 5,000.00 (NT)
 Factory Training: \$ 00.00
 Sales Tax, 8.0%: \$ 21,760.00
 Unit Total: \$298,760.00

Two hundred ninety-eight thousand, seven hundred sixty and 0/100 dollars.

[Handwritten signature]
 10-20-95

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HAAKER Equipment Company of La Verne, CA



October 21, 2015

City of Banning
99 E. Ramsey St.
Banning CA 92220



RE: Subject: Street Sweeper BID "Cover Letter"

Main Contact - Haaker Equipment Company:
Matthew Woods 909-630-4759 mattw@haaker.com
2070 N. White Ave. La Verne, CA 91750

The intention of Haaker Equipment Company is to bid a street sweeper that will not only meet the required specifications, but exceed the specifications in several areas.

Haaker Equipment Company has been in business since 1972. We have been one of the largest Elgin Street Sweeper dealers since 1984. We are currently located in La Verne, CA on a 3.5 acre site. We have approximately 47,000 sq. ft. of an indoor service center. Haaker Equipment has both in house service technicians and mobile technicians to repair and service your street sweepers. We have 82 employees in three locations. Our La Verne facility is our headquarters and approximately 65 team members report to this location daily. We have approximately 20 service technicians and have approximately 3 million dollars in parts inventory stock to help support our customers. Haaker Equipment is owned by Cindy Haaker, Ed Haaker and Randy Blackman. We are a family owned business that provides a safe and healthy environment to work in. We continue to provide supreme health care, 401 and employee benefits to all our employees and have for over 20 years.

References:

#1 Customer Name and Contact Info: City of Imperial – Jackie Loper – 760-355-3336

Equipment Description:
CNG Crosswind

Date Equipment Purchased and Delivery
Ordered 7/22/13 Delivered 5/19/14

#2 Customer Name and Contact Info: City of Clovis – Kendall Cook – 559-324-2671

Equipment Description:
CNG Crosswind

Date Equipment Purchased and Deliver
Ordered 7/23/15 – Currently on order

#3 Customer Name and Contact Info: City of Shafter – Michael James – 661-746-5002

Equipment Description:
CNG Crosswind

Date Equipment Purchased and Delivery
Ordered 9/16/15 – Currently on order

Expected Delivery Date: 240-340 Days

Sincerely,

A handwritten signature in black ink that reads "Matthew Woods". The signature is fluid and cursive, with a long horizontal stroke at the end.

Matthew Woods
V.P. Sales
909-630-4759
mattw@haaker.com

Request for Proposals (RFP)
Purchase of a CNG Street Sweeper



Responses Due:
City of Banning
Public Works Department
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3130

October, 2015

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1.0 INTRODUCTION

1.1 PROJECT DESCRIPTION AND OBJECTIVES

The City of Banning (City) is soliciting proposals from qualified companies to supply the City of Banning with a Street Sweeper that meets City specifications and all Federal, State and Local regulatory compliance requirements.

1.2 BACKGROUND INFORMATION

The City of Banning, incorporated in 1913, covers approximately 23.2 square miles located in the San Geronio Pass area of Riverside County, approximately 30 miles east of the cities of San Bernardino and Riverside. The 2014 U.S. Census Bureau American Community Survey recorded a population of 30,325 for the City of Banning.

The City of Banning provides street sweeping services for its businesses and residence which includes the cleaning and clearing of trash and debris from streets and gutters. These crucial services are intended to be provided for public streets throughout the City on a continuous basis upon purchase of a street sweeper.

2.0 TECHNICAL SPECIFICATIONS

The technical specifications for the purchase of a street sweeper include truck chassis; power unit; compressor natural gas package; dust separator hopper; hydraulic system; blower; pick-up head; dust control system; operating controls; manual and training support; paint; optional equipment; service and support for the purchase of a street sweeper identified in this Request for Proposals ("RFP").

It is the responsibility of the Supplier to ensure that City specifications are met, as well as, all Federal, State and Local regulatory compliance requirements. The City of Banning reserves the right to accept or reject any or all proposals. These specifications and scope of services shall become part of the contract agreement.

2.1 TRUCK CHASSIS

- a) 8.9 L Engine – 300 HP @ 2100 RPM, 860 lb-ft Torque @1300 RPM, CARB approved.
- b) 176" Wheelbase; 110" Cab to Axle (approximate)
- c) Allison 3500 RDS-P Automatic Transmission (Electronic) w/PTO Provision, Push Button
- d) 12,000 lb. Front Axle w/12,000 lb. Front Springs

- e) 21,000 lb. Rear Axle, Single Speed (6.14 ratio)
- f) 23,000 Rear Variable Rate Multi-Leaf Springs w/Leaf Spring Helper
- g) Oil Wheel Seals – Front & Rear
- h) Front Dust Shields
- i) Integral Power Assisted Steering w/Cruise Control, 18" Steering wheel, dual gauges
- j) Air Brakes, Cam Type, Q-Plus w/18.7 CFM Air Compressor – Air Tanks mounted between rails
- k) Anti-Lock Brake System, Automatic Slack Adjusters & Front Shock Absorbers
- l) Adjustable, High Back Air Seats - Driver and Passenger Vinyl w/Cloth Inserts
- m) (2) Batteries – Group 31, 12 volt, 1850 CCA Total Maintenance Free
- n) Alternator - 160 Amp
- o) AM/FM Stereo Radio w/CD player, Weather band and Clock
- p) (6) 11Rx22.5 14 Ply Tubeless Radial Tires - Duals in Rear
- q) (6) 10 Hole Disc Wheels - 22.5 x 8.25, Hub Piloted (Painted White)
- r) Tinted Glass
- s) 12V Power Supply, in dash
- t) External Grab Handles – Left & Right w/standard Interior Grab Handles
- u) Mirrors – Remote Controlled Electric Western type with 8" convex mirrors; Left & Right fender mounted
- v) 8" convex mirrors.
- w) Electric Intermittent Windshield Wipers with Washers
- x) Dual Gauges: Voltmeter, Coolant Temperature, Oil Pressure, Tachometer, Hour Meter, Transmission

AS SPECIFIED

- y) Temperature, Electronic Tachometer
- z) Frame – 11/32" x 3-1/2" x 10-15/16" Steel; 120,000 PSI
- aa) CNG Fuel Tank – behind cab with Methane Detection System
- bb) Air Conditioner, Heater, Defroster
- cc) Right Hand Inboard Frame Mounted Horizontal Catalytic Converter /Muffler
- dd) Dual Steering w/Dual Gauge Package.
- ee) Color: White

2.2 POWER UNIT

- a) The sweeper power unit shall be a CNG fueled, water-cooled industrial engine. Piston displacement shall not be less than 350 cubic inch (5.7L) developing not less than 98HP @ 2500RPM on CNG. Engine shall be 4 cycle, 4" bore and 3.48" stroke.
- b) Cylinder construction shall be bored block type.
- c) Spin-on replacement type oil filter.
- d) 12-volt ignition, electric starter and minimum 90-amp alternator with charge indicator gauge mounted on control console in cab.
- e) Unit shall have an automatic shutdown system when coolant temperature is too high, coolant level is too low or oil pressure is too low.
- f) Unit shall share batteries with chassis engine.
- g) Unit shall have a replaceable element, heavy duty dry type air cleaner.
- h) Variable speed governor shall be used to control engine speed.
- i) Turbo charged auxiliary not acceptable due to increased fuel consumption and accelerated engine wear at high RPM.

2.3 COMPRESSED NATURAL GAS PACKAGE

- a) The sweeper equipment shall utilize a multi stage regulator with a mixer for compressed natural gas. The fuel management system shall be comprised of an electronic closed loop air/fuel control and safety shut off or equivalent.

- b) The CNG cylinders (four each 15.9" dia. X 75" L [1960 SCF @ 3600 PSI each] full composite-wrapped 20 year aluminum cylinders) shall have an approximate total capacity of 59.4 diesel gallon equivalent and shall be shared with the truck engine.

2.4 DUST SEPARATOR

- a) Separation of the dirt and refuse from the air stream shall be accomplished within the hopper by means of a multipass cylindrical centrifugal dust separator with a minimum size of 20" diameter and 61" width. The separator shall be designed so that it will not plug with normally encountered debris.
- b) The dust separator shall have a minimum 24" x 61" curved, easy to open door allowing inspection and cleaning of the interior. The door shall be made with an abrasion resistant bonded rubber lining material for long life.
- c) The entire dust separator inlet area shall be lined with a bolt-in replaceable, wear resistant rubber liner for long life.
- d) A 61" x 84" steel screen of not less than 13 gauge shall be provided to allow air to move freely from the hopper into the centrifugal dust separator.
- e) Filters and baffles not acceptable due to increased cost of replacement and cleaning.

2.5 HOPPER

- a) Hopper size shall be approximately seven and three tenths (7.3) cubic yard volumetric measurement with an operating load capacity of not less than 6 cubic yards.
- b) Dumping shall be accomplished by means of hydraulically actuated cylinders attached to a rear door which shall have a minimum opening of 84" x 44" with a raker bar moving inside hopper as door is opened and closed to dump debris behind the rear wheels.
- c) Hydraulic cylinder movement shall be controlled with the use of an electric toggle switch located on the side of the hopper so discharging of debris may be viewed during dumping for maximum safety.
- d) The hopper floor shall have a minimum of 22-degree slope.
- e) Hopper door shall be opened & closed hydraulically and held in the closed position by means of a lock valve located in the hydraulic dump circuit.
- f) An inspection door (9.75" x 29") shall be provided on both left and right side of the hopper for easy viewing inside hopper and insertion of large debris.

- g) Hopper shall be maintained airtight through use of rubber seals on all doors and openings.
- h) An amber high powered strobe light with minimum 2,300,000+ candle power, a minimum input of 23 Joules, and 60 flashes per minute shall be mounted on the rear of the hopper roof. The strobe light shall have a protective limb guard.
- i) Two (2) work lights shall be mounted at the rear of the hopper to illuminate the dump area.

2.6 HYDRAULIC SYSTEM

- a) The hydraulic system shall be adequate for use within the design requirements of the sweeper. The system shall include a minimum 25 gallon reservoir, sight gauge, temperature gauge, 80 mesh suction strainer, spin-on replaceable full flow oil filter, hydraulic cylinders, gutter broom drive motors, control valves, relief valves, oil cooler, hydraulic hoses and standard fittings.
- b) The hydraulic pump shall be belt driven by the auxiliary engine.
- c) Pressure shall be 2500 PSI for gutter brooms and 1500 PSI for pick-up head and dump door.

2.7 BLOWER

- a) Heavy-duty die cast, wear resistant high strength aluminum alloy turbine type open face blower balanced within 4 grams shall be provided to create air pressure and suction.
- b) Blower wheel shall be covered with wear resistant rubber for long life.
- c) Blower shall be mounted on self-aligning anti-friction bearings, sealed and lubricated for life. If bearings are not sealed then an automatic lube system must be furnished.
- d) Blower shall be driven from PTO off auxiliary engine by heavy-duty power belt, which shall be adjustable for tension.
- e) Blower housing shall be a bolt on design and shall be lined with a bolt-in wear resistant, replaceable rubber liner for long life.
- f) Blower shall not exceed 3000 RPM to insure smooth efficient performance.

2.8 PICK-UP HEAD

- a) A spring balanced all steel fabricated pick up head with maximum length and width of 87" x 41" shall be provided.
- b) The pick-up head shall have a separate upper and lower chamber where pressurized air is blasted from upper chamber through an elongated blast orifice to street surface.
- c) Blast orifice flange shall be of bolt-on design so that flange is easily replaced and shall have adjustment mechanism so that blast orifice gap is easily adjusted without removing pick-up head from sweeper.
- d) Pick-up head shall have a 14" (minimum) diameter pressure inlet ring located on left side of pick-up head.
- e) A 14" diameter (minimum) pressure hose attached between pick-up head and blower housing shall be provided.
- f) A bolt-in pressure inlet ring with turning vanes shall be provided for efficient performance and easy service.
- g) A 14" diameter (minimum) suction hose, attached to a quick disconnect transition at the hopper, shall extend down to the right side of the pick-up head and shall be attached to the pick-up head suction nozzle ring which shall be constructed of ¼" steel.
- h) Suction hose shall have a minimum 3/8" wall construction for long life.
- i) Pick-up head shall be equipped with 2" wide adjustable side mounted integral alloy steel and carbide runners for maximum pick up ability and long life. Skid runners to be warranted for 2 years/2,000 hours prorated.
- j) Pick-up head shall be raised and lowered hydraulically by a single switch on the control panel.
- k) Pressure inlet ring shall be equipped with an adjustable pressure relief for optimum leaf and light debris sweeping; control shall be mounted inside cab.

2.9 DUST CONTROL WATER SYSTEM

- a) Water tank(s) shall be 220-gallon capacity, constructed of recyclable polyethylene for strength and puncture resistance. Tank shall be 100% rustproof. Tank shall be of bolt-in design for easy removal. Tank shall have a water level sight gauge.
- b) Water from tank to be filtered by 80 mesh cleanable filter located between tank and water pump.

- c) 12V electric motor driven pump delivering minimum of 5.0 GPM with a 25 PSI system relief pressure and with an electric solid state liquid level sensor to automatically shut off pump and turn on low water warning lamp when water is depleted.
- d) Electric solenoid water control valves shall be cab controlled. Spray system shall include spray nozzles to be located as follows: minimum of 4 on outside of pick-up head; 2 for each gutter broom; 1 inside hopper. Water nozzles to be located on outside of pick-up head and suction tube for easy inspection and superior dust control.
- e) Water tank shall have anti-siphon/anti-pressure filler neck with air gap.
- f) Flexible 20-foot (minimum) long water fill hose with 2-1/2" coupling for filling water reservoir and hose storage rack shall be provided. Water fill hose shall include a stainless 100 mesh cleanable filter.

2.10 OPERATING CONTROLS

- a) All operating controls for sweeper shall be mounted inside truck cab and readily accessible to operator in either right or left driving position. Dump control can be mounted on the outside.
- b) All main electrical systems, i.e. ignition, lights, hydraulic and water shall be separately fused to isolate electrical problems to fused area and speed service.
- c) Auxiliary engine controls and gauges shall be mounted on console panel and consist of, but not limited to, ignition switch, linear actuated throttle, oil pressure gauge, water temperature gage, volt meter and tachometer.
- d) Sweeper controls, meters and gauges shall consist of, but not limited to, right gutter broom-left gutter broom, pick-up head, beacon or strobe light, water system, and work light lighted paddle type switches, low water light, hour meter and leaf pressure switch.
- e) All external wiring, harnesses and terminations shall be of a sealed, weather-tight design utilizing heat-shrinkable components. Additionally, where feasible, all connectors shall utilize solid, cold-formed, nickel-plated copper alloy contacts with gas-tight crimps.
- f) Dump control shall consist of a single weatherproof toggle switch located on the exterior of sweeper just above the left side fender well.

2.11 MANUALS/TRAINING/SUPPORT

- a) The bidder shall supply one sweeper operator and one sweeper parts and service manual and one set on CD with each unit.

- b) Manufacturer shall have available certifiable training course for complete maintenance and operation of sweeper. Manufacturer must have scheduled a minimum of 25 training courses per year for convenience of customers scheduling.
- c) Bidder shall also provide on-sight training for sweeper operation and general maintenance.
- d) Bidder shall provide operator instruction/safety/maintenance procedures on CD with the unit.

2.12 PAINT – COLOR

The entire unit shall be painted with manufactures standard white paint applied over a suitable primer. Pick-up head, gutter brooms and truck frame shall be painted black unless otherwise approved.

2.13 ADDITIONAL EQUIPMENT FOR SWEEPER AND CHASSIS

- a) Abrasion Protection Package: Standard hoper screen with hopper baffle curtains; protective hopper wall liners; suction nozzle liner; pressure wear pads; heavy duty pressure hose.
- b) Auxiliary Hydraulic System: Electrically operates hydraulic system without auxiliary engine (for raising gutter broom, pick-up head and dumping hopper)
- c) Dump Switch In Cab: Additional dump switch on control panel to activate dump operation from inside cab.
- d) Floodlights: Two Rear Floodlights For Rear Visibility
- e) Gutter Broom Tilt Adjuster: In cab control allows operator to manipulate pitch of vertical diggers to compensate for changing curb line depths/angles (both sides)
- f) Drop down gutter brooms: In cab control allows the operator to drop the gutter brooms in front of the pick-up head for packed on heavy debris pick up and swing out for standard curb sweeping applications
- g) Hopper Load Indicators: Sensors with audible and visual indicators in cab that signals full load.
- h) Hydraulic Level/Temp Shut Down System.
- i) Low Emissions Package: AQMD Rule 1186 compliant (includes high capacity dust separator, high output water, hopper baffle curtains and modified pick-up head water).

- j) Reverse Pick-Up Head System: Allows unit to back up without damage to pick-up head.
- k) "Light Bar – Amber, SAE Class 1, 55" long".
- l) "Traffic Directing Light (Arrow Stick) – Whelen TACF85LH, SAE Class 1 (44" long)".
- m) "Truck Chassis Manuals for Parts and Service".
- n) Broom assisted pick-up head – an on demand hydraulically driven broom mounted inside the pick-up head for removal of heavy debris applications
- o) Back-up camera – back up camera mounted in the rear and suction side of the pick-up head for safely reversing the unit and seeing debris entering into the pick-up head

2.14 SERVICE AND SUPPORT

- a) On-site service and warranty support shall be provided by the sweeper supplier.
- b) Sweeper supplier will provide a guaranteed service and warranty response time of 16 business hours at the unit's location (within Southern California).
- c) A parts warehouse must be provided within Southern California stocking all normal wear items.
- d) Sweeper supplier will provide free technical support.
- e) Sweeper supplier will provide free administration reports.
- f) Vendor will supply a dedicated account manager for customer support to be on call for assistance 24/7.

3.0 SUPPLIER QUALIFICATIONS

3.1 QUALIFICATIONS AND UNDERSTANDING

Each Supplier must provide the following information about their company so the City can evaluate the Supplier's stability and ability to support the commitments set forth in response to the RFP. It is imperative the Supplier's proposal fully address all aspects of the RFP. The proposal must provide the City Staff with clearly expressed information concerning the Proposer's understanding of the City's specific requirements.

The Supplier shall outline their company's (or team's) background, including:

- How long the company has been in business, plus a brief description of the company history, size and organization.
- Supplier qualifications are defined demonstrating the ability to meet technical specifications as defined in the RFP which is accompanied by a statement of understanding.

3.2 REFERENCES

The Supplier shall supply a minimum of 3 references from agencies who have made similar purchases. Each reference shall contain:

- Client name and contact information
- Equipment description
- Date of equipment purchase and delivery

3.3 SCHEDULE

The Supplier shall provide a tentative equipment delivery schedule.

4.0 PROPOSAL SUBMISSION

4.1 RFP TIME SCHEDULE

- | | |
|----------------------------------|--------------------------|
| • Request for Proposal Available | Tues., October 6, 2015 |
| • Inquiry Deadline | Wed., October 14, 2015 |
| • Proposals Due | Thurs., October 22, 2015 |
| • Final Selection | Thurs., October 29, 2015 |
| • City Council Recommendation | Tues., November 10, 2015 |
| • Notice to Proceed (Tentative) | Tues., December 8, 2015 |

4.2 NUMBER OF COPIES AND DELIVERY

Four (4) copies of the proposal shall be submitted to the following address:

City of Banning
City Clerk's Office
99 E. Ramsey Street
P.O. Box 998
Banning, CA 92220

The proposal title, Supplier name and deadline information shall be clearly identified on the submission package and cover page. Submission deadline is Thursday, October 22, 2015 by 5:00 p.m. Proposals submitted after that time shall not be considered. All questions regarding the technical specifications shall be submitted to Holly Stuart, Management Analyst at the address above or via e-mail at hstuart@ci.banning.ca.us.

4.3 **FORMAT AND CONTENT**

Proposals shall be printed on 8 ½" X 11" paper, single sided in a 10 point Arial font and be limited to 25 pages excluding the cover letter, resumes and any appended information.

Proposals should address the following items in order of appearance:

Cover letter

The cover letter shall be provided which explains the supplier's interest in the project. The letter shall contain name/address/phone number of the person who will serve as the supplier's principal contact person.

Qualifications of Supplier

Provide names, titles and responsibilities of key personnel who will be responsible for the handling the purchase and delivery of equipment.

References

Give at least three (3) references of comparable purchases and equipment delivery provided to agencies similar in size and scope, including at least three (3) references for purchases and deliveries completed during the past two years. Include the name and organization, a brief summary of the technical specifications of supplied equipment including cost as well as the name and telephone number of a responsible contact person.

Fee Proposal: One set in a separate sealed envelope

The Fee Schedule in a separate envelope shall be broken down on separate sheet as follows:

- A "Not to Exceed" amount for all equipment, training, and warranty (complete attached bid schedule as shown in Exhibit "A").

4.4 PROPOSAL EVALUATIONS

Proposals will be evaluated based on the following criteria:

- Responsiveness to the RFP.
- Supplier qualifications and equipment.
- Results of reference checks.
- Proposal Fee.

BID SCHEDULE 1 - CNG STREET SWEEPER

ITEM NO	DESCRIPTION OF ITEM	TOTAL UNIT PRICE
1.	NEW CNG STREET SWEEPER	300,293.00 plus sales tax

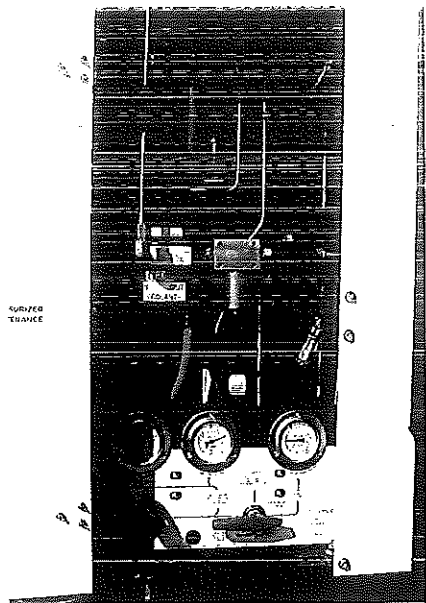
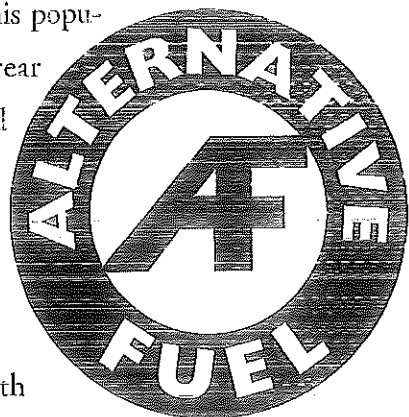
TOTAL BID AMOUNT IN FIGURES - SCHEDULE 1: \$ 300,293.00
 (Bid Item No.'s 1 through 14)

TOTAL BID AMOUNT IN WORDS - SCHEDULE 1: Three hundred thousand, two hundred ninety three
 (Bid Item No.'s 1 through 14) dollars. Plus sales tax.

Low Emissions - Highly Economical - Extremely Quiet

The Elgin Crosswind is now available powered by Compressed Natural Gas (CNG). This popular four wheel regenerative air sweeper features a wide 12 ft. sweeping path and a rear dump 8 cubic yard hopper. The alternative fuel dual engine Crosswind is mounted on a commercial UD 3300 cab-over chassis powered by the Cummins BG230 engine, the first commercially available six-liter natural gas engine that is capable of meeting the

ultra-low emitting vehicle (ULEV) standards. The sweeper is powered by a General Motors 5.7 L V8 engine which allows for excellent fuel economy with an impressive power to weight ratio. The engines share three 3600 psi composite reinforced cylinder fuel tanks. CNG is an alternative fuel that is economical, abundant in supply and produces approximately 10% of the pollutants normally emitted by traditional gasoline or diesel engines. The combination of the Elgin Crosswind and clean burning CNG fueled engines are an environmentally sound solution to your sweeping needs.



For more information or a demonstration, please contact your local Elgin dealer.

The Elgin Crosswind Series J CNG



*Shown with optional 4 tank system

Sweep System—Power

Engine
 Make General Motors
 Type V8 Cylinder
 Displacement 350 cu. in. (5.7 L)
 Horsepower 115hp @ 2450 RPM
 Peak Torque 279 ft./lbs. @ 1500 RPM
 Oil Capacity 5 qts.

Instrumentation
 Rocker switches in central console gauges:
 Tachometer, hour meter, oil pressure, fuel,
 voltmeter, coolant temperature, spray water level
 gauge, hopper up, hopper rear door open, full
 load indicator

Memory Sweep Sweep resume feature

Truck—Power

Engine
 Make Cummins BG230 Natural Gas,
 Turbocharged
 Type In-line, 6 cylinder
 Displacement 359 cu. in. (5.9 L)
 Horsepower 230 hp (172 kw) @ 2800 RPM
 Peak Torque 500 ft./lbs. (618NM) @ 1600 RPM
 Bore & Stroke 4.02 x 4.72 (102 x 120 mm)
 Compression Ratio 10.5:1
 Oil Capacity 4.0 U.S. gals. (15 L)
 Coolant Capacity 10.5 U.S. qts. (9.9 L)
 Air/Fuel Regulation Cummins Electronic
 Control System
 Ignition Cummins Electronic High Energy System

Sweep System—Components

General Specifications
 Sweeping path:
 Pickup Head only
 90 in (2,286 mm)
 Pickup Head & one Side Broom
 117 in (2,971 mm)
 Pickup Head & two Side Brooms
 144 in (3,658 mm)
 Travel speed Up to highway speed

Blower
 Drive Direct 5-groove banded power belt with
 automatic adjusting idler pulley
 Speed 3400 RPM
 Blower Rating 20,000 CFM (567 m³/min)
 Blower Construction abrasion resistant steel
 Blower Housing 10 gauge (3.4 min) Steel,
 rubber lined for extended wear

Pickup Head
 Length 90 in (2,286 mm)
 Head Area Approx. 2,700 in² (17,420 cm²)
 Hose Diameters
 Pressure 14 in (355 mm)
 Suction 12 3/4 in (324 mm)
 Control Hydraulic raising and lowering
 Vacuum Enhancer Electrical, in-cab control
 Hose Connection Quick disconnect type near
 pickup head at lower area of suction hose
 Hose Construction Flexible rubber steel
 reinforced

Available Enhancements

Auxiliary Hydraulic System	Hand-held Litter Hose
In Cab Controlled Side Broom Tilt	Front Spray Bar
Rotating Beacon or Strobe Light	Right-side Hopper
Light Guard	Inspection Door
Wandering Hose 8 in (203 mm) diameter, 12 ft (3658 mm) long, hydraulic power assisted, boom supported	Left-side Hopper
Automatic Lubrication System	Inspection Door
Rear Flood Light(s)	Lifeline® Hopper
	Lining
	Hopper Deluxe Washout
	Centerbrook
	Hydraulic operated
	Aluminum
	Side Broom
	4 Tank CNG System

Side Broom
 Diameter 42 in (1067 mm)
 Disc Construction Steel plate
 Speed Constant
 Drive Hydraulic motor, protected by relief valve
 Mounting Free floating trailing arm
 Motion Pneumatically inward/outward, raised/
 lowered
 Adjustment Inward/outward, forward/backward
 Digging Pressure/wear control pneumatic in cab
 Sweep Position Fully extended or in front of
 pickup head
 Type Segment set disposable

Debris Hopper
 Volumetric Capacity 8 yd³ (6 m³)
 Dump Angle 42 degrees
 Floor Angle 10 degrees
 Dust Separator Self-cleaning, centrifugal
 Lifting Hydraulic, two-stage telescoping
 cylinder
 Hopper Dump Door Hydraulic open/close and
 lock/unlock
 Hopper Dumping Control Hydraulic levers on
 right side of unit
 Hopper Screens Hinged, quick release, steel

Electrical System
 Voltage 12 volt
 Sweeper Battery Rating 1000CCA
 Sweeper Engine Alternator 105 amperes

Paint

High Pressure
 Washdown with
 24 in hand lance,
 30 ft hose
 Extended Warranty

Your Elgin Dealer is:

HAAKER EQUIPMENT COMPANY
 Superior Municipal Equipment
 2070 N. White Ave., La Verne, CA 91750
 (909) 598-2706 www.haaker.com

Hydraulic System
 Hydraulic Pump Powers hydraulic motors on
 side brooms and activates hopper dump cycle
 and pickup head.
 Hydraulic Pump Capacity 7.7 GPM (29 LPM)
 @ 2500 RPM
 Hydraulic Pump Drive Direct Gear
 Reservoir Capacity 23 gal (87 L)
 Filter 10 micron, spin-on type

Spray Water System
 Water Tank Construction Polyethylene
 Water Tank Capacity 240 gal (908 L)
 Fill Hose 16 ft 8 in (5,080 mm)
 Pump Type Diaphragm with run-dry capability
 with HI or LO selectable pump speeds
 Pump Capacity 8 GPM (30 LPM)
 Pump Pressure 40 PSI (2.7 bar)
 Spray Nozzles Total of 16 (21, with optional
 centerbroom)
 Quick release brass for ease of cleaning or
 service.
 7 in pickup head (12 if with centerbroom)
 3 in suction tube
 6 (3 each) side brooms
 Controls On-off switches in-cab
 Filter 100 mesh, cleanable
 Fittings Prestomatic Push-To-Lok type with
 thermoplastic tubing

Chassis

Mounted on a
 UD 3300 or M2
 Chassis. Contact
 your Elgin dealer for
 detailed specifications.

Warranty

Sweeper
 1 year parts and labor
 Engine
 Consult Factory



Effective 3/10. P/N 0705311-B
 Some photos shown with optional equipment
 Specifications subject to change without notice

Exhibit “D”
MSRC Grant Letter

RECEIVED SEP 14 2015

21865 Copley Drive
Diamond Bar
CA 91765
909.396.3269
fax 909.396.3682

September 11, 2015

Arturo Vela
Acting Public Works Director
City of Banning
99 E Ramsey St
Banning, CA 92220

Subject: MSRC Proposal #PA2015-11-20
Funding for the Purchase of 1 Heavy-Duty Natural Gas Vehicle

Dear Mr. Vela:

The South Coast Air Quality Management District Governing Board approved funding for your project on September 4, 2015. Congratulations on the success of your MSRC proposal and subsequent award of funds in the amount of \$30,000.

MSRC staff will contact you with a contract detailing how work, payments, reports, etc., will occur. Generally, you should not start work until a contract has been executed. Any costs incurred prior to contract execution shall be incurred solely at your own risk.

If you have any questions regarding this award of funds or the process that will take place, please contact me at (909) 396-3269.

I look forward to working with you.

Sincerely,



Cynthia Ravenstein
MSRC Contracts Administrator
cynthia@cleantransportationfunding.org

CITY COUNCIL AGENDA

Date: November 10, 2015

To: Honorable Mayor and City Council

From: Fred Mason, Electric Utility Director

Subject: Resolution No. 2015-100, Awarding the Contract for the Electric Utility Cost of Service Analysis and Rate Design and Rejecting All Other Proposals

RECOMMENDATION: Adopt City Council Resolution No. 2015-100 awarding the contract for the Electric Utility Cost of Service Analysis and Rate Design to Leidos Engineering, LLC, in the amount not to exceed \$57,000.00, and reject all other proposals.

JUSTIFICATION: It is essential that the Electric Utility have a Cost of Service Analysis (“COSA”) performed to ensure that revenue requirements are being met, rates are just and reasonable, and that no subsidies exist between customer classes.

BACKGROUND: Electric Utility rates are intended to be just and reasonable, and be a reflection of the cost to provide the service to the end-use retail customer, with no subsidies between customer classes. However, changes in the electric utility industry have impacts on the utility’s operating costs, which can affect revenue recovery. In addition, changes in customer demographics can also have an effect on cost allocation. Because of this, it is essential for utilities to have periodic COSA’s performed to ensure rates remain just and reasonable between customer classes, and that both fixed and variable costs are being recovered through rates appropriately. The last COSA for the Electric Utility was completed in 2007. There have been significant changes in the industry since that time which have had a direct impact on cost allocation and revenue recovery – most significantly the rapid expansion of distributed generation (rooftop solar), but also the push for electric vehicles, and changes in the Utility’s power resources. Therefore the Utility determined that it was necessary to have a COSA done to update and validate the relevant data.

On September 18 and 25, 2015, the City advertised Request for Proposals in a variety of publications and websites, the RFP is attached for your reference as Exhibit “A”. On October 13 the Utility received five (5) proposals, which are attached for your reference as Exhibit “B”. The Electric Utility Director and the Power Resource & Revenue Administrator evaluated the proposals utilizing the following criteria:

1. Cost of Service Analysis and Rate Design experience most closely related to the Utility’s needs and requirements.
2. Qualifications and resumes, along with availability of staff assigned.
3. References for similar work recently completed (within past five years).

4. Responsiveness to the Request for Proposal.
5. Knowledge of applicable City, State, and Federal laws and regulations.
6. Methodology or approach to the scope of work.
7. Not-to-Exceed Price and/or Schedule of Fees & Hourly Charges

The following list includes the firms that submitted proposals in alphabetical order, with the base proposed price included. Some proposals included travel and out-of-pocket expenses in the base price, while others indicated that those would be charged in addition to the base price. However the price shown here is just the base price. The specific proposals will be discussed in more detail later in this report:

EES Consulting, \$69,000
Finley Engineering, \$44,280
Leidos Engineering, LLC, \$57,000
Utility Financial Solutions, LLC, \$67,000
Willdan Financial Services, \$63,355

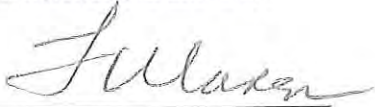
After carefully reviewing each proposal, based on all of the criteria listed above, the review panel selected Leidos Engineering, LLC as the firm that best meets the needs of the City. The following will describe the concerns or issues that the review panel had with the other four proposals. *EES Consulting* had the experience and ability to meet the Utility's requirements, but they had the highest base price and all out-of-pocket expenses would be billed in addition to the \$69,000 base, with no cap indicated on those expenses. Based on their proposal, *Finley Engineering* did not have any actual COSA experience, with minimal electric utility experience. In addition, they had no experience with California laws and regulations related to the electric industry. *Utility Financial Solutions* had a high base price (\$67,000) which did not include travel expenses. Based on their proposal, they did not display an adequate understanding of the Utility's needs with regard to the RFP. In addition, they appear to have limited COSA experience. *Willdan Financial Services* had limited COSA experience, with no electric utility experience in California. Based on their proposal, it appears that all their electric utility rate experience has come from the recent (2015) acquisition of a Texas based consulting firm.

Leidos Engineering, LLC ("Leidos") formerly known as SAIC and RW Beck, was a clear choice for a variety of reasons. Their base price of \$57,000 was the lowest of the four firms that actually had COSA experience, and it included travel expenses. They have extensive experience performing COSA and Rate Design activities for California utilities, and a thorough understanding of California laws and regulatory issues. In addition, the company has done a significant amount of work for the Banning Electric Utility, including the design and project management for the construction of the Sunset Substation, and project management of the Downtown Underground Project. They also have designed and will provide the project management of the upgrades to the Alola and Airport substations. Leidos (as RW Beck) prepared the Utility's 10-Year Master Plan and Power Supply Plan, which gives them a thorough understanding of the Utility's overall operations.

Because of Leidos' in-depth knowledge of the City's Electric Utility system and extensive experience with COSA and Rate Design for other utilities located in California, Staff is recommending that the City Council award the proposed contract for consultant services between the City of Banning and Leidos Engineering, LLC, in the amount not-to-exceed fifty-seven thousand dollars (\$57,000.00). The Electric Utility Director and City Attorney's office will work with Leidos to execute the required documents to effectuate said agreement.

FISCAL DATA: Funds to cover this project have been budgeted and are available in account 670-7000-473.33-11, Professional Services.

RECOMMENDED BY:



Fred Mason,
Electric Utility Director

APPROVED BY:



Alex Diaz,
Acting City Manager

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RESOLUTION NO. 2015-100

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AWARDING THE CONTRACT FOR THE ELECTRIC UTILITY COST OF SERVICE ANALYSIS AND RATE DESIGN AND REJECTING ALL OTHER PROPOSALS

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, it is essential that the Utility ensures that revenue requirements are being met, rates are just and reasonable, and that no subsidies exist between customer classes; and

WHEREAS, the Utility's most recent Cost of Service Analysis was completed in 2007 and the Utility wishes to update and validate the relevant data; and

WHEREAS, Staff advertised Request for Proposals (included as Exhibit "A") and received five proposals for the "Electric Cost of Service Analysis and Rate Design" (included as Exhibit "B"); and

WHEREAS, Staff evaluated the proposals and determined that Leidos Engineering, LLC, had the most qualified and responsive proposal; and

WHEREAS, Funds are available in account 670-7000-473.33-11 to cover this project;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution No. 2015-100, awarding the contract for the Electric Utility Cost of Service Analysis and Rate Design, in the amount not-to-exceed \$57,000.00, to Leidos Engineering, LLC, and rejecting all other proposals.

SECTION 2. The Acting City Manager is authorized to execute the contract agreements for the Electric Utility Cost of Service Analysis and Rate Design.

PASSED, ADOPTED AND APPROVED this 10th day of November 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

APPROVED AS TO FORM
AND LEGAL CONTENT:

Lona N. Laymon, City Attorney
Aleshire and Wynder, LLP

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-100 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 10th day of November 2015 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California

Exhibit “A”

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REQUEST FOR PROPOSAL

FOR

ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Issue Date:

FRIDAY, SEPTEMBER 18, 2015

Proposal Due:

TUESDAY, OCTOBER 13, 2015 by 3:00PM (PST)

Issued By:

CITY OF Banning
ELECTRIC UTILITY DEPARTMENT
176 E. Lincoln Street
Banning, Ca 92220



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1. INSTRUCTIONS TO PROPOSERS

1.1. DESCRIPTION OF WORK

This Request for Proposal (RFP) is issued by the City of Banning, through its Electric Utility Department, (COB) to seek Proposals (individual a "Proposal" and collectively, "Proposals") for consulting services to prepare and complete an **Electric Cost of Service Analysis and Rate Design Project** ("Project") as more specifically described herein.

1.2. PROPOSED SCHEDULE FOR PROCUREMENT

The following is the solicitation schedule for Proposers:

EVENT DESCRIPTION	DATE/DEADLINE
Issue Request for Proposal (RFP)	FRIDAY, SEPTEMBER 18, 2015
Written Questions Due	MONDAY, OCTOBER 5, 2015 BY 3:00PM
RPU's Response to Written Questions	WEDNESDAY, OCTOBER 7, 2015 BY 3:00PM
Proposal Due	TUESDAY, OCTOBER 13, 2015 BY 3:00PM

COB reserves the right to alter the dates shown above.

1.3. OBTAINING PROPOSAL DOCUMENTS

Proposal documents are included herein and will be available at 176. E. Lincoln Street, Banning, Ca 92220 OR for via electronic mail by request.

1.4. PROPOSAL DUE DATE

Proposals must be received on **Tuesday, October 13, 2015 by 3:00PM (Pacific Standard Time)**. Proposals must be prepared and submitted in accordance with the instructions included herein and all Proposal documents including appendices and addenda. Proposals shall be marked **"ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN"** and submitted via electronic mail to CYoung@ci.banning.ca.us OR hardcopy to 176 E. Lincoln St., Banning, Ca, 92220. The evaluation committee later will meet to review all proposals submitted.

A Proposal is late if COB receives it after the deadline stated above. COB will reject a late Proposal without evaluation. No exceptions will be granted regardless of reason or circumstance.

COB will not be responsible for any liability claims or costs incurred by the Proposer in the preparation or submission of Proposals.

COB reserves the right to accept or reject all Proposals, to waive any irregularity in a Proposal, and to make a selection as may best serve the interest of COB. All Proposals become the property of COB once

they are submitted, and copies of the Proposals and materials will be returned only if requested and at the Proposers' expense.

COB reserves the right to withdraw the RFP, to reject a specific proposal for noncompliance within the RFP provisions, reject all proposals or not award a contract at any time because of unforeseen circumstances or if it is determined to be in the best interest of the City.

All proposals become the property of COB. Final disposition will be made according to the policies thereof, including the right to reject all proposals.

1.5. INQUIRIES

All requests for clarifications, changes, exceptions, deviations to the terms and conditions set forth in this RFP should be submitted in writing (via electronic mail) to:

Mrs. Carla Young
Management Analyst
Phone: 951-922-3262
Email: CYoung@ci.banning.ca.us

The final day for the receipt of questions from the Proposer shall be by 3:00PM on Monday, October 5, 2015 (Pacific Standard Time). To ensure fairness and avoid misunderstandings, **all communications must be in written format** and addressed **only** to the individual set forth above. Any verbal communications will not be considered or responded to. Written communications should be submitted via e-mail to the address provided above. All questions received by the due date will be logged and reviewed and if required, a response will be emailed in return to all. **Any communications, whether written or verbal, except as otherwise allowed under this RFP, with any Electric Utility member or City staff other than the individual indicated above, prior to award of a contract by the City of Banning Electric Utility, is strictly prohibited and the Proposer shall be disqualified from consideration.**

No interpretations of the meaning of the pre-proposal documents will be made to any Proposer orally. All requests for such interpretations shall be made in writing to the above person by electronic mail.

1.6. PROPOSAL DOCUMENTS

Proposals should provide a straightforward and concise presentation adequate to satisfy the requirements of this RFP. The Proposer in its proposal should emphasize a clear understanding of the project and the necessary resources to perform the intended work.

1.7. ADDENDA

COB reserves the right to amend the RFP. Any amendments to the RFP shall be described in written addenda. Notification of the addenda will be distributed to all prospective Proposers officially known to have received the RFP.

Failure of any prospective Proposer to receive the notification or addenda shall not relieve the Proposer from any obligation under the RFP therein. All addenda issued shall become part of the RFP.

2. GENERAL PROVISIONS

2.1. CONTRACT TERMS

Contractual terms applicable to Consultant and any or all sub-consultant(s) shall include:

- A. Not-to-exceed price for services.
- B. Business Tax Registration requirements.
- C. Liability insurance requirements including:
 - a. Commercial General and Umbrella
 - b. Business Auto and Commercial Umbrella
- D. Workers' Compensation and Employers Liability Insurance requirements.
- E. Errors and Omissions Professional Liability.
- F. Scope of Work
- G. Completion schedule
- H. Schedule of fees estimate with spreadsheet breakdown by main and sub-task groups with labor-hour estimates. (Include individuals' name, hourly rate and negotiated billing-rate multiplier)
- I. Substitution of key personnel without prior written approval by the COB shall be grounds for termination of the Contract.

See **APPENDIX A "Sample Insurance Requirements"** for specific limits on insurance requirements. PLEASE BE ADVISED THAT THE TERMS OF THE SAMPLE INSURANCE REQUIREMENTS ARE NON-NEGOTIABLE AND THE CITY RESERVES THE RIGHT TO REJECT ANY PROPOSAL CONTAINING EXCEPTIONS TO THE SAMPLE INSURANCE REQUIREMENTS AND/OR ANY PROVISION THEREIN

2.2. PUBLIC RECORDS

All Proposals submitted in response to this RFP become the property of COB and under the Public Records Act (Government Code § 6250 et. seq.) are public records, and as such may be subject to public review prior to the City's approval of an agreement with a successful Proposer.

If a Proposer claims a privilege against public disclosure for trade secret or other proprietary information, such information must be clearly identified in the Proposal. Personal information should be labeled as confidential and will remain so. Note that under California law, price proposal to a public agency is not a trade secret.

3. PROPOSAL CONTENT AND SUBMITTAL

3.1. PROPOSAL FORMAT

The Proposal shall contain concise written material that enables a clear understanding and evaluation of both the capabilities of the Proposer and the characteristics and benefits of the Proposal. Legibility, clarity, and completeness of the Proposal are essential.

An 8.5 inch by 11-inch format is required for typed submissions. Submittals must be submitted electronically via PDF or hard copy. Each section, including appendices, exhibits, and forms, must be

clearly labeled. Printed lines may be single-spaced with the type font and size being no smaller than 11 point (except the tables, figures and schedule may use 10-point font.). Pages may be printed double-sided. Proposals shall be written in the English language using English units and measurements.

3.2. PROPOSAL CONTENTS AND ORGANIZATION

The Proposal shall include the following sections:

3.2.1. COVER LETTER

Each Proposer shall submit a maximum two-page cover letter including the name and address of the organization submitting the Proposal; whether the organization is an individual, partnership, corporation or joint venture; and the name, address and telephone number of the authorized representative for the organization.

3.2.2. WORK PLAN

Proposer shall describe the approach to completing the tasks specified in the Scope of Work herein. The approach to the work plan shall be of such detail to demonstrate the Proposer's ability to accomplish the project objectives and overall schedule, including the following:

- Sequentially outline the activities that would be undertaken in completing the tasks and specify who would perform each task.
- Identify methods that the Proposer will use to ensure quality control as well as budget and schedule control for the project.
- Identify any special issues or problems that are likely to be encountered in this project and how the Proposer would address them.
- Proposer is encouraged to propose enhancements or procedural or technical innovations to the Scope of Work that do not materially deviate from the objectives or required content of the project.

3.2.3. PROJECT SCHEDULE

A project schedule shall be generated and submitted. The Project Schedule shall be updated as needed and submitted to COB for review (see Section 4.4.1). The Proposer shall specify the methodology they plan to use for scheduling and monitoring the progress of the Work. The Project Schedule shall be agreed upon prior to the execution of the Agreement.

3.2.4. PROJECT EXPERIENCE

- A. Proposer shall have a minimum of five (5) years of direct experience in Electric Cost of Service Analysis and Rate Design.
- B. Provide a list and description of similar projects within the last 3 years.
- C. References and contact information from previous similar projects shall be provided.

3.2.5. KEY PROJECT PERSONNEL

Proposer shall provide resumes for key personnel and any sub consultants outlining relevant experience.

3.2.6. PRICE PROPOSAL

As part of the price proposal, the Proposer shall submit proposed pricing to provide the services identified in this RFP. The Proposer will be compensated for the services on an hourly price basis. The Proposer's total compensation for the performance of the work under this agreement shall not exceed the "Project Total Price" indicated on the Price Proposal Form as per Appendix B, in attachments, unless approved by a formal change order. The awarded contractor must quickly identify a Change in Scope prior to encumbering costs. If a change is necessitated, no work is to be done until a formal Change Order is issued by COB.

3.2.7. CONDITIONS, ASSUMPTIONS AND EXCEPTIONS

Proposer must identify all conditions, assumptions and exceptions to, or deviations from the requirements of the RFP, segregating "technical" exceptions from "contractual" exceptions. If the Proposal does not fully comply with the instructions and rules contained in the RFP and Contract Documents, it may be disqualified.

3.3. PROPOSAL SUBMISSION

Proposer shall submit electronic copy of complete Proposal via electronic mail to CYoung@ci.banning.ca.us OR hardcopy at 176 E. Lincoln St., Banning, Ca 92220. Proposals must be addressed as specified in Section 1.4.

Proposals received after the deadline may be rejected.

3.4. COST OF PREPARING PROPOSAL

Proposers assume any and all costs associated with submitting a response to this RFP, as well as for the costs associated with conducting any studies or obtaining any necessary approvals or permits for the Project.

3.5. DISQUALIFICATION

Each Proposer shall be solely responsible for any consequences, including disqualification of its Proposal, which may result from the Proposer's failure to follow the instructions in this RFP. The Proposer is also responsible for ensuring its Proposal is received as required by this RFP. A Proposer's failure to respond to all information requested in this RFP or to provide any requested information may result in a determination by COB, in its sole discretion, that a Proposer is non-responsive, and therefore disqualified from further consideration.

In addition to the evaluation process described in Section 5, COB may consider Proposals non-responsive and the Proposer disqualified for the following reasons:

- The Proposal is not submitted in the format specified in this RFP or is illegible.
- The Proposal contains any omission, erasures, alterations, unauthorized additions, or other irregularities of any kind.
- Any mandatory portion of the Proposal is conditioned.

4. GENERAL PROJECT DESCRIPTION AND SCOPE OF WORK

4.1. GENERAL PROJECT DESCRIPTION

COB Electric Utility Department is soliciting proposals for consulting services to prepare and complete a cost of service analysis (COSA), review electric utility rate trends, and develop retail rate design options for the Electric Utility.

BACKGROUND

Established in 1922, COB is a municipally-owned electric utility governed by the five-member City Council that provides high quality, reliable services to nearly 12,000 metered electric customers throughout the City of Banning. COB is committed to increased use of renewable energy resources and energy efficiency practices that help reduce environmental impacts within the City of Banning and the State of California.

ELECTRIC FACTS AND SYSTEM DATA

- Established in 1922
- Service Area Population approximately 30,000
- Service Area Size (square miles) 22
- Statistical Data- 2014
 - Number of customers at year end
 - Residential- 10,822
 - Commercial- 1,010
 - Industrial- 5
 - Other- 121
 - Total 11,958
 - Kilowatt-hour sales
 - Residential – 67,691,775
 - Commercial- 50,268,815
 - Industrial- 20,931,775
 - Other- 6,102,063
 - Total- 144,994,428
 - Average annual kWh per residential customer- 6,500
 - Average price (cents/kWh) per residential customer- ¢18.0
 - Debt service coverage ratio- 1.99
 - Employees- 27
- System Data:
 - Transmission lines (circuit miles) – 10
 - Distribution lines (circuit miles) – 145
 - Number of substations – 6
 - Historical peak (megawatts)- 47.6
 - 2006

4.2. SCOPE OF WORK

COB anticipates that the Project will consist of the following phases and that the results of each phase will be reviewed with COB personnel prior to initiating work on the next phase. COB expects each phase to be the basis for the next. COB welcomes other approaches with the understanding that the overall goals will be met by such proposal. The anticipated Project phases of work are:

- I. Cost of Service Analysis at Current Rates**
- II. Electric Utility Rate Trends Study**
- III. Rate Design Recommendation**

PHASE I. Cost of Service Analysis at Current Rates

- A. Develop a comprehensive, flexible, user-friendly model for use in preparing the COSA. The model should be developed in Microsoft Excel or have the ability for outputs and/or inputs to be in an Excel-compatible format. The model must address the functionalization and classification of costs. The model would preferably allow for rate adjustments based upon changes in energy sales forecasts, customer growth, other operating and non-operating revenues, operating costs, capital improvement program plans and funding, and debt service payments, while maintaining necessary reserve levels and guidelines, days cash on hand, debt service coverage ratio, and other financial metrics.
- B. Analyze existing customer groups and available historical load research data for all existing customer groups; propose additions or deletions of customer groups, as appropriate.
 - Review COB's latest electric COSA (2007 with consultant) and cost allocation assumptions and methodologies for appropriateness. Provide recommendations and rationale for any changes to assumptions and methodologies.
 - Determine the following:
 - Load factors
 - Coincident peak demand data
 - Non-coincident peak demand data
 - Where load data is unavailable or incomplete, develop recommended assumptions for each customer class.
- C. Conduct the COSA on an embedded cost basis; however, a marginal cost analysis may also be considered for the development of new rates described in this Scope of Work.
- D. The COSA methodology employed should clearly identify the following, if applicable:
 - Revenue requirements for Fiscal Year (FY) 2017 – FY2026 using actuals for FY2015 and adopted budgets or projections provided by COB staff for FY2017 – FY2026. Calculate revenue requirements using both the utility basis and cash basis and explain the differences and arguments for and against the methods;
 - Rationale for allocating fixed and variable costs;
 - Classification of costs by production, transmission, and distribution including the identification of fixed vs. variable;
 - Allocation of costs between the customer classes, customer charges, demand, energy, and special categories;
 - Customer cost weighting factors including associated rationale;

- Load factors and coincidence factors (if not available consider availability of generic or regional data);
 - Costs associated with distributed generation, such as net-metered solar customers;
 - Revenues received from each class compared to the cost of service;
 - Tiering of rates and seasonal rates, including associated rationale
- E. Develop a fair and equitable allocation of costs to the various classes of service in compliance with Proposition 26 (as codified in Article XIII C, section 1(e) of the California Constitution) and also:
- Provide flexibility in COSA to add a new customer class or individual contract customer.

DELIVERABLES: Provide the Excel model including spreadsheets used in the analysis and a written report summarizing COB's revenue requirement by customer class. The consultant will train COB staff on updating the model with the expectation that COB staff will continue to update the model annually. The Consultant shall conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions. The Consultant shall be available to present final report to the City of Banning Council.

PHASE II. Electric Utility Rate Trends Study

The rate study should include an evaluation and analysis of emerging or expected future rate structures, technologies, and trends that might impact or influence future rate structures, including how electricity is priced for the electric utility industry as a whole, and how those influences might affect, or apply, to COB. The discussion of these alternative rate structures and emerging technologies should include associated known or potential risks. Costs to offer alternative rates and costs to serve customers should be addressed, including how generation, transmission, and distribution drive real-time costs.

- A. The required review of rate trends shall cover:
1. An overview of trends impacting how electricity is priced, including:
 - General approaches to electricity pricing will address: a) embedded cost pricing, b) marginal cost pricing, c) market-based pricing, and d) other alternative methods if applicable
 - Methods of pricing electricity to and from customer-sited distributed generation to mitigate cross-class subsidies
 - Pricing methodologies for electric vehicles (EV's) including on-site customer charging and public charging stations
 - Relationship between generation, transmission, and distribution cost impacts
 - Fixed vs. variable revenues and expenses
 - Conservation
 - Energy Efficiency
 - Energy Storage
 - Utility and customer owned technology
 - Low income rate programs

2. An overview of rate structures used by municipal and investor owned electric utilities to implement identified pricing approaches. This overview shall include a matrix summary of qualitative results broken out by rate class identifying the pros and cons for how each rate structure would impact COB in the short, mid, and long term, such as:
 - COB's current rate structures
 - Cost adjustments (regulatory costs or power costs)
 - Increased or decreased fixed charges
 - Residential and small commercial demand charges
 - Best practices in large and small commercial rates that promote business growth
 - EV rates utilizing TOU and/or a second EV meter
 - EV public charging stations
 - Standby Charge
 - Net Metering Rates
 - Time of Use pricing (TOU) for all commercial and residential customers
 - Unbundling of charges to reflect costs and cost components
 - Real Time Pricing
 - Street lighting system cost allocation and rates including LED's
 - Seasonal rates
 - Tiered rates

The list is not exhaustive and can be augmented as needed in the proposal.

- B. The review of rate trends shall address:
 1. Customer acceptance of new rate structures
 2. The change in customer usage pattern expected from implementation of the rate structure
 3. Description of the technology that enables these pricing models to be implemented
 4. Cost to the customer of implementing required technology
 5. Cost to the utility of implementing the required technology
 6. Barriers to offering the proposed rates
 7. Qualitative and/or quantitative risks to the utility of rate implementation
 8. Qualitative and/or quantitative costs and benefits of the various pricing models from the perspective of the utility

DELIVERABLES: Provide a written report evaluating emerging or expected rate structures, technologies, and trends that might impact or influence future rate structures, including how electricity is priced for the electric industry as a whole, and how those influences might affect, or apply, to COB. The report will include a matrix of the evaluated technologies, trends, and rate structures followed by columns containing the evaluation criteria and a matrix of recommendations of short, mid, and long term actions for each rate alternative. The Consultant shall conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions, and to discuss next steps. The Consultant shall be available to present findings to the City Council if requested.

PHASE III. Rate Design Recommendation

Discuss which trends are pertinent and applicable to COB. The discussion should include the rationale and assumptions, with supporting documentation, underpinning any conclusions or recommendations presented in the final report. In general, provide an implementation path from current rates and allocations to the development and implementation of the potential new rate alternatives that are identified. Any recommended changes must be compliant with Proposition 26. Proposed changes should address the following:

1. Consider the level of existing rates, social and economic factors of the community, expenses incurred in providing the service to the different customer classes and the general policies and objectives of COB.
2. Identify revenues to be generated from fixed and variable charges compared to fixed and variable costs by customer class.
3. Ensure that projected revenues from rates are adequate to cover the projected revenue requirement.
4. Using COB's ten year pro forma financial model, develop a ten year pro forma financial model identifying revenue requirements and revenue from rates by customer class. Consider overall reserve requirements, days cash on hand, debt service coverage, and other financial metrics.
 - Include analysis and pros/cons of rate stabilization reserve
 - Appropriate level and rate impacts
5. Address the bill impact of representative customers in each customer class.
6. For each rate design proposal, the Consultant shall provide a sampling of a minimum of 3 usage patterns per classification showing the difference in bills under the present and proposed rate designs, by fiscal year for the proposed period(s) of adjustment. The comparison will also include similar bills for customers served by neighboring and similar electric utilities in Southern California.
7. Determine the fiscal impacts of the following:
 - Renewable energy portfolio requirements, current status of compliance and future purchases as may be necessary
 - Compliance with reserve balances, days cash on hand, and debt coverage requirements
 - GHG regulations
 - Distributed Generation
 - Electric Vehicle program

DELIVERABLES: Provide a written report detailing the Consultant's findings and recommendations. The Consultant shall conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions, and to discuss next steps. A copy of the report in Microsoft Word is also required. The Excel spreadsheet shall also be provided with the ability to make modifications in inputs and assumptions. The consultant will train COB staff on updating the model with the expectation that COB staff will continue to update the model annually. After review by staff, the Consultant shall attend meetings, make presentations, and answer questions for the City Council regarding the results of the study, as needed. It is expected that a series of public meetings may be scheduled to inform and educate customers and other stakeholders of the benefits of the recommended rate design. The Consultant shall attend, make presentations and answer questions at up to five (5) of these meetings in an effort to obtain input and final approval for recommended rate adjustments.

4.3. ELEMENTS OF THE WORK

4.3.1. PROJECT MANAGEMENT:

The project scope of work will include project management. Project management is required to complete the project analysis and studies within scope, budget and schedule which includes monthly status reports, project control, document control, cost control, change order control, and project kick-off meeting. The consultant project manager and appropriate COB staff shall take part of bi-weekly meetings to review progress and address project issues.

4.3.2. CONFIDENTIALITY OF PROJECT INFORMATION:

The selected consulting firm and its staff working for COB on this Project will be required to keep confidential all information they learn about COB's electric facilities and electronic systems. Disclosure of any information gathered as a part of the Project has potential to pose a significant risk to public health and safety. During the Project, the Consultant should make provisions to secure all Project records and destroy all drafts. After the Project, the Consultant will be expected to return to COB or destroy all documents obtained from COB or generated during the course of this Project.

4.3.3. TRAINING:

The Consultant shall train COB staff to update, maintain, and analyze the Electric Utility cost of service analysis and rate design models.

4.4. PROJECT DELIVERABLES

4.4.1. PROJECT SCHEDULE

The following is the target schedule for the Project RFP process, subject to change at COB's sole discretion as defined herein:

➤ RFP issued	September 18, 2015
➤ Deadline for Clarification Questions	October 5, 2015
➤ RPU Issues Responses to Clarification Questions	October 7, 2015
➤ Deadline for Submittal of Proposals	October 13, 2015
➤ Consultant Selection	Oct - Nov 2015
➤ Execution and Award of Contract	November 10, 2015

4.4.2. COB FURNISHED SERVICES

COB will be available to answer the Consultant's questions regarding the project during all phases of the work. COB will provide copies (electronic or printed – at COB option) of previous relevant reports, personnel lists and other pertinent information necessary to complete the project.

4.4.3. REPORTS

The Consultant shall submit five (5) copies of the Draft COSA, Rate Trends Study, and Rate Design Recommendations for review and comment by COB.

Subsequently, the Consultant shall prepare the Final report including the COSA, Rate Trends Study and Rate Design Recommendations and provide five (5) copies to COB in addition to a digital copy.

5. EVALUATION AND SELECTION PROCESS

COB intends to select the Proposer that offers the best value to COB based on the criteria outlined herein. The intent of COB in this evaluation process is to create a fair and uniform basis for the evaluation of the Proposals in compliance with all legal requirements governing this procurement.

The Proposal evaluation process will include an initial review of each Proposal for responsiveness and pass-fail criteria, and best-value determination. The process may include a request for Proposal revisions, interviews, and a negotiations phase with the selected Proposer(s). The evaluation and selection process is subject to modification by COB, in its sole discretion.

COB will rank and select proposals that qualify based on a weighted score of the following three categories: Consultant Qualifications, Specifics of the Proposal, and Cost Effectiveness.

Consultant Qualifications (35% of Total Score):

- Team leadership and technical qualifications; the consultant's lead and key personnel that will be assigned to the project including professional work history, education, and respective roles and responsibilities.
- Depth and breadth of consultant and team experience.
- Knowledge of emerging future rate structures, technologies, and trends.
- Demonstrated capability on similar projects, including satisfaction results.
- Review of references from customers of similar studies.

Specifics of the Proposal (35% of Total Score):

Proposed approach and methodology for conducting the work, including:

- Professional and technical quality
- Comprehensiveness & Completeness
- Benefit to COB
- Ability to meet schedule
- Quality and flexibility of Excel model

Cost Effectiveness (30% of Total Score):

- Overall cost effectiveness of approach
- Total project cost range and not-to-exceed cost
- Individual Work Phase not-to-exceed costs
- Individual team member hourly rates

COB, at its discretion, may select two (2) or more short listed consultants to participate in an oral interview process. If conducted, COB will establish the date, time, and place for such interview.

COB will rank the consultants and recommend the Proposer to be selected for the Project based upon their performance at the interview and/or their written response to this RFP. Final fee negotiations will take place with the selected Proposer based on the proposed scope of work.

If an agreement cannot be negotiated within the budgeted amount for the Project, the negotiations with the designated Proposer will be terminated, in writing, and negotiations will be initiated with the next qualified Consultant.

Once negotiations are complete with the selected Consultant, the agreement will be prepared by COB and forwarded to the Consultant for execution and return to the City. After review and approval of the contract documents as to form by the City Attorney, the contract will be scheduled for execution by COB. The Consultant will be notified after execution of the contract documents.

5.1. PAYMENTS

Invoices referencing the purchase order number may be submitted electronically OR by electronic mail to Carla Young at CYoung@ci.banning.ca.us.

Consultant's invoice(s) shall include the following:

- A. Project name and Banning's Purchase Order number.
- B. Individual's name, title, number of hours, hourly rate, and total fee for each task and subtask.
- C. An itemization and explanation of expenses paid during the invoice period; copies of outside services invoices shall be attached.
- D. The invoice should reflect by Task the following: Task authorization, cumulative previous invoiced, current invoice, and remaining amount available.
- E. A brief report on the past month's progress describing the amount of work completed on each task and sub-task.
- F. A brief report outlining the next month's planned work.
- G. Summary table showing percent work completed vs. percent billed for each task and subtask. Consultant shall not exceed the established fees for any of the tasks and subtasks authorized and no transfer of fees among tasks or subtasks will be allowed without written approval by COB. In addition, percent billed for each task and subtask shall not exceed percent work completed.

Appendices

Appendix A

INSURANCE

A. Insurance Requirements. Consultant shall provide and maintain insurance, acceptable to the City, in full force and effect throughout the term of this Agreement, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Consultant shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

- (1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).
- (2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.
- (3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the Consultant and all risks to such persons under this Agreement.
- (4) Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 3 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 3-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

2. Minimum Limits of Insurance. Consultant shall maintain limits of insurance no less than:

- (1) General Liability: \$1,000,000 general aggregate for bodily injury, personal injury and property damage.
- (2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage. A combined single limit policy with aggregate limits in an amount of not less than \$2,000,000 shall be considered equivalent to the said required minimum limits set forth above.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of not less than \$1,000,000 per accident.

(4) Professional Liability: \$1,000,000 per occurrence.

B. Other Provisions. Insurance policies required by this Agreement shall contain the following provisions:

1. All Policies. Each insurance policy required by this Agreement shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either party to this Agreement, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to City.

2. General Liability and Automobile Liability Coverages.

(1) City, and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises owned, occupied or used by Consultant ; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, or employees.

(2) Consultant's insurance coverage shall be primary insurance with respect to City, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self insurance maintained by City, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, Consultant's insurance.

(3) Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to City, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against City, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by Consultant.

C. Other Requirements. Consultant agrees to deposit with City, at or before the effective date of this contract, certificates of insurance necessary to satisfy City that the insurance provisions of this contract have been complied with. The City Attorney may require that Consultant furnish City with copies of original endorsements effecting coverage required by this Section. The certificates and

endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. Consultant shall furnish certificates and endorsements from each subcontractor identical to those Consultant provides.

2. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit Consultant's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.

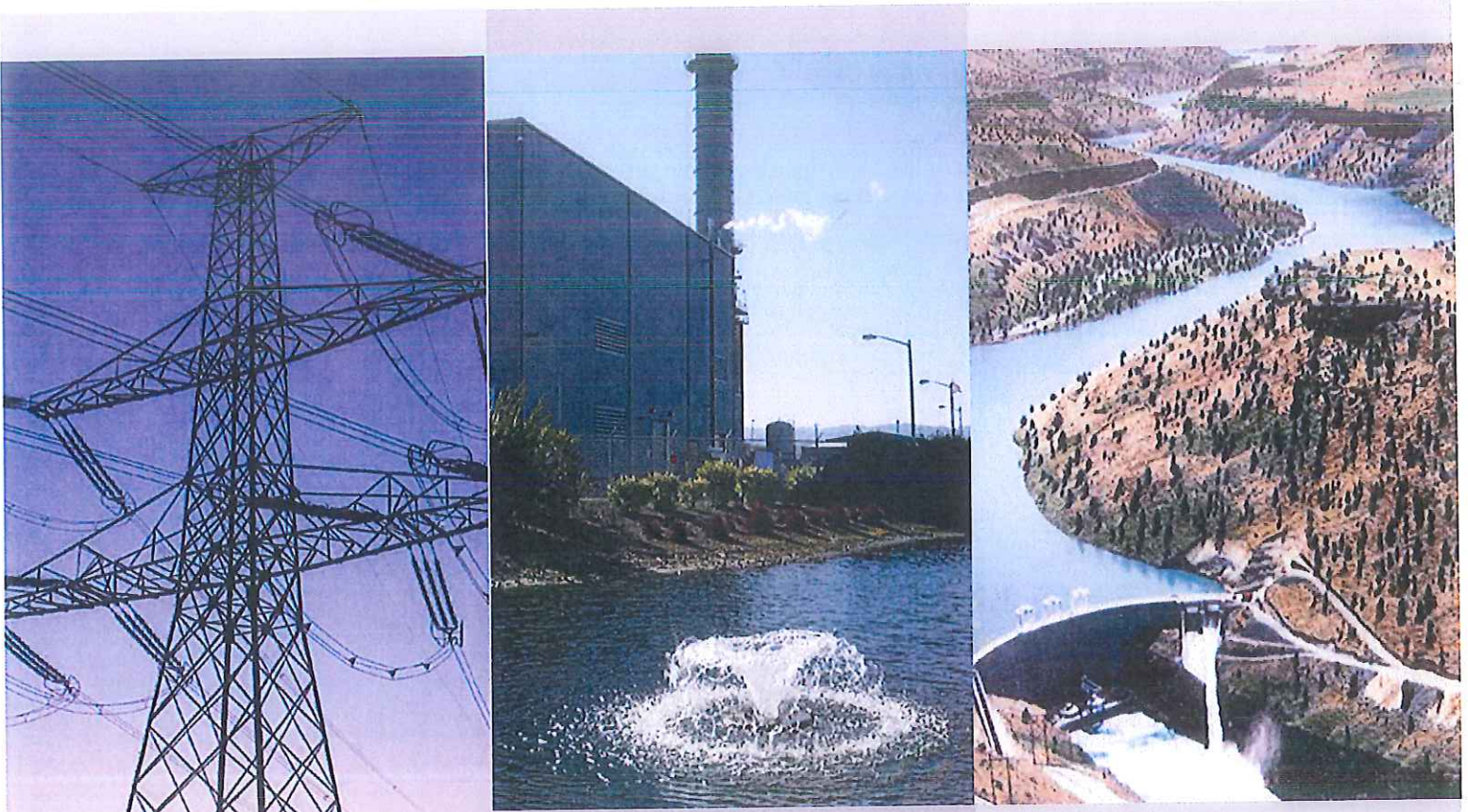
Exhibit “B”

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City of Banning
Electric Utility Rate Department

**Proposal for Electric Cost of Service
and Rate Design Project**

October 2015



EES Consulting

570 Kirkland Way, Suite 100
Kirkland, Washington 98033

Telephone: (425) 889-2700

www.eesconsulting.com



October 12, 2015

Mrs. Carla Young, Management Analyst
City of Banning
176 E. Lincoln Street
Banning, California 92220

SUBJECT: Proposal to Prepare an Electric Cost of Service Analysis and Rate Design Project

Dear Mrs. Young:

EES Consulting, Inc. (EES) is pleased to submit this proposal to the City of Banning (City) to prepare an electric cost of service analysis and rate design project.

EES is uniquely qualified to assist the City in this project for the following reasons:

- EES is a multidisciplinary firm with extensive economic, engineering and financial analysis qualifications in the areas of cost of service and rate design. In addition, our staff has expertise in the areas of conservation, resource planning, capital budgeting, load forecasting, customer service and the standard uniform system of accounts that will provide additional expertise that is useful in developing fair and equitable utility rates. EES's ability to apply hard engineering principles to what is sometimes viewed incorrectly as a "financial analysis" is unique with EES.
- We have provided assistance to electric and water utilities for over 35 years related to developing revenue requirements, performing cost of service analysis, and designing rates. Over this timeframe, we have performed over 500 revenue requirement, cost of service and rate design studies for our utility clientele. This quantity and proximity of revenue requirement, cost of service and rate design engagements is unique.
- As technical rate experts for over 35 years, EES staff has assisted utilities and regulatory bodies with financial planning, revenue requirements, cost of service and rate design. As expert witnesses, EES staff has provided detailed examinations of functionalization, classification and allocation methods utilized in COSA studies in over 250 adjudicated

570 Kirkland Way, Suite 100
Kirkland, Washington 98033

Telephone: 425 889-2700

Facsimile: 425 889-2725

A registered professional engineering corporation with offices in
Kirkland, WA and Portland, OR

Mrs. Carla Young
October 12, 2015
Page 2

proceedings. This extensive experience as recognized experts before elected officials, public utility commissioners and courts of law is also unique.

- The senior staff at EES are widely known as competent instructors in the areas of capital budgeting, cost of service, rate design, financial management and overall utility operations. We teach a number of courses and workshops on these subjects. These classes are taught on behalf of the Northwest Public Power Association (NWPPA), Washington PUD Association, American Public Power Association (APPA), American Water Works Association (AWWA) and the California Municipal Utilities Association (CMUA). Teaching these classes and serving on national associations, keeps EES staff exposed to current utility issues and provides a broad base of experience from which to give the City advice. Again, this experience with teaching rate design principles and interacting with hundreds of utilities in the process of teaching is unique within EES.
- EES is a corporation located at 570 Kirkland Way, Suite 100, Kirkland, WA 98033. Gary Saleba is the President, saleba@eesconsulting.com, (425) 889-2700, ext. 206.

I look forward to working with the City on this interesting project and hope to hear back from you in the near future.

Very truly yours,



Anne Falcon
Senior Associate

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Work Plan

EES Consulting, Inc. (EES) is pleased to submit this proposal to the City of Banning (City) to perform an electric utility cost of service and rate design study.

The setting of electric utility rates that are “fair, just and reasonable” is a complex process. This process is directed, however, by “generally accepted methodologies” that can be used as a guide in developing the City’s electric rates. At the same time, there are often a number of regulatory requirements, financial principles and guidelines that must be taken into consideration during this process. Therefore, the setting of electric rates is an integration of these generally accepted methodologies, regulations, any related financial policies and specific considerations from the City.

Because the process is complex, EES believes it is important for a utility to consider the long term objectives and policies that should be reflected in rates prior to proceeding with a rate study. Applying a longer term view, when setting rates, can mitigate impacts to customers and the utility. If significant rate adjustments are needed, EES often recommends that the adjustments are implemented over several years to mitigate the potential impacts.

A COSA study allocates the costs of providing utility service to the various customer classes served by the utility based upon the cost-causal relationship associated with specific expense items. This approach is taken to develop a fair and equitable designation of costs to each customer class, where customers pay for the costs that they incur. Because the majority of costs are not incurred by any one type of customer, the COSA becomes an exercise in spreading joint and common costs among the various classes using factors appropriate to each type of expense.

One of the biggest rate issues today is how to evolve rates given the changes occurring in the industry. Average use continues to decline over time and the rapid influx of distributed generation warrant utilities to review their rate setting principles and rate designs. Across the board increases or increases to just the variable rate are popular approaches to increasing revenues. However, these methods will need to change in order for utilities to stay on top of the changing consumption characteristics as they do not reflect the high fixed costs of the utility.

Navigating rate policies regarding distributed generation and energy efficiency can be a tricky exercise. There are many strategies from unbundling rates, high fixed charges, minimum bills, TOU rates, review of tiered rates, demand charges for all customers, etc. EES Consulting has explored all these options for our clients that are struggling with recovering the fixed costs of the utility system.

Project Management

- Our experience working on cost of service and rate studies for numerous publicly-owned utilities has shown us that the key to success is a well-conceived, carefully controlled management/communications plan that emphasizes leadership, responsiveness, communication, and accountability. For this Project clearly defined communication protocols and roles and responsibilities is critical.
- EES's project management approach involves detailed planning of the content and flow of all tasks and work activities and timely, consistent decision-making. Our primary goal is to deliver a work product that meets the City's needs, has been produced efficiently, and represents a technically sound document.
- The most crucial activities – those that will dictate the success or failure of a project – are planned during the kickoff phase. We will work with City staff to prepare a solid work plan and schedule, a communication protocol, and a clear path to project delivery during this kickoff phase. EES will provide City staff with monthly updates of the project progression and EES senior staff is always available to answer questions or provide additional support as needed.

Detailed Scope of Service

In order to accomplish this project successfully, it is necessary to develop a detailed scope of services at the beginning. This helps clarify both the needs of the City and the approach to be used by EES to ensure that the client receives the desired study results. The proposed scope of work is based on the RFP and our experience providing cost of service and rate design studies; however, EES is flexible in its approach and can modify the scope of work as needed.

There are three phases to this project:

Phase I: Cost of Service Analysis at Current Rates

Phase II: Electric Rate Trends Study

Phase III: Rate Design Recommendation

The work plan for each of these phases are described below:

Phase I: Cost of Service Analysis at Current Rates

■ Subtask 1 – Initial Project Meeting

Objective: To determine the scope of work, and the utility's policy goals and objectives.

The first action for the project will be a kickoff meeting where City staff and EES meet to discuss overall project objective, expectations and deliverables. Key assumptions that will be used in the development of rate design will be discussed and a method for obtaining the necessary data will be developed.

1. Key issues and changes identified by the utility from the most recent COSA, and the project goals and objectives will be determined during an initial project kickoff meeting. In addition, communication protocols will be outlined and clarified to ensure a quick response to any requests by the City.
2. A review of the most recent COSA and key issues and recommended changes will be discussed with City staff. The City's most recent COSA assumptions and methodology will be reviewed and possible modifications will be suggested as appropriate.
3. Assist the City staff in developing an overall cost allocation and rate philosophy.

■ Subtask 2 – Data Collection

Objective: Gather the necessary data to perform the Cost of Service model and analysis.

EES will accumulate the necessary data and evaluate current and alternative rate structures.

1. A data request will be provided to the utility and a process to obtain the information necessary to complete the study will be developed.
2. A review of the appropriate number of rate classes, based on the character of service provided, will be completed to ensure the proper rate classes are being considered.
3. An analysis of the existing customer groups and available load research data will be performed. EES will review the City's customer classes and its retail rate objectives as well as review load data, customer class characteristics, and impacts of customers on the distribution system. EES, working with staff, will develop an agreed-upon list of customer classes to be used in the model. Load factors, non-coincident factors and coincident factors will be developed based on available data and industry sources.
4. Work with City staff to understand the City's resource mix and develop detailed power supply costs data to identify the cost causation rationale for TOU rates, tiered rates, demand rates, generation buyback value, net-metering impacts, etc.
5. EES has developed an embedded cost of service model consisting of a multi-year forecast period. The model is transparent and costs remain "unbundled" throughout the analysis. This enables utility staff and other reviewers to follow each cost item throughout the process of functionalization, classification and allocation. The model allows for up to 25 customer classes. Our cost of service model represents state-of-the-art software and will be given to the City at no additional cost if EES is selected for this project. The detail model description is provided in Appendix A.

■ Subtask 3 – Cost of Service Study

Objective: Identify the current and projected revenues and expenses for the utility's electric system. Build the City's COSA model. Determine an equitable allocation of the

annual revenue requirement to the various customer classes using generally accepted cost allocation methods.

EES will determine the revenue requirements for FY 2017-2026 and calculate the revenue requirements using cash basis. A key concept in this process is the “cost causation” nature of each expense incurred by the utility. While a ten year revenue requirement will be developed, it is anticipated that the COSA and rate design will be done for only one year at a time.

We will then compare revenues received from each class to the cost of service and recommend an overall average rate adjustment target and adjustments required for each rate class.

1. The model will be set up using both a cash basis and accrual basis revenue requirement.
2. As stated in the RFP, the test period for the study will be FY 2017 with a forecast for nine additional years; however, we are flexible on the test period for this engagement. The historic year will be FY 2015.
3. The City’s load and customer forecast for the utility will be reviewed and incorporated into the COSA model.
4. The utility’s financial records will be analyzed to evaluate the current and budgeted system revenues from current rates and resources available to finance the forecast revenue requirement for the desired test period.
5. The impact of projected revenues and expenses on the utility’s debt-related financial ratios will be determined.
6. The cost of power supply and transmission expenses, other operation and maintenance expenses, taxes, debt service expenses, capital improvements funded from revenues, reserve fund requirements and all other necessary costs associated with the operation of the utility’s system will be analyzed to determine the annual revenue requirement for each year of the study period.
7. Projected revenues will be compared to the annual revenue requirement (total expenses) to identify the need for a rate adjustment to existing monthly rates and charges. If necessary, a plan can be developed to phase-in rate changes over time, should large adjustments be required.
8. Costs will be functionalized by itemizing plant investments and related expenses by the following functions: production, transmission, distribution, customer services, and administrative and general (A&G).

9. Costs will be classified to determine whether each individual plant investment or cost was incurred to meet a customer's demand, energy or customer related need. EES will consult with the City planning engineers to ensure cost-causation for each function is proper.
10. Costs will be allocated to the utility's rate classes by developing allocation factors based on customer information, historic load data and projected usage by rate class. Where data is not available, industry standard data from EES will be applied. A review of the planning, design, and operational data for the system will be used to determine the facilities in place and how each rate class benefits from and uses these facilities. Some costs may be directly assigned to a specific rate class where appropriate.
11. Customer weighting factors will be based on level of effort estimates and actual cost data where available.
12. Marginal costing analysis will be discussed with City staff to determine if it is applicable to cost allocation or rate design.
13. Because, the EES model functionalize, classify and allocate rate base as well as expenses, the model provides information needed to determine the average share by rate class of distribution costs paid through rates. That information can then be used to develop connection fees for residential and some commercial classes. For large commercial and industrial customers, the connection fee studies are more typically determined based on an expected revenues basis.
14. Average unit costs by functional category will be provided based on the allocated costs and billing determinants developed for each rate class. Unit costs will be presented for energy (¢/kWh), demand (\$/kW), and customer related (\$/Customer/Mo.) charges for each customer class. The average unit costs represent cost of service rates and can be used as an input in the rate setting process.
15. Any subsidies that may exist between rate classes will be identified in this task and addressed before starting any rate design. Prop 26 considerations will be discussed and coordinated with the City's legal team. Depending on the load data available to the City, it is important to recognize that a COSA study is not an exact science and the results are often within 5%-10% of true cost of service.

Deliverables

- Draft cost of service model showing allocations of costs to customer classes.
- Draft Cost of Service Report for review by Staff
- COSA model training to City staff

Phase II: Electric Utility Rate Trends Study

■ Subtask 4 – Review of Electric Utility Rate Trends

Objective: Review current and future electric rate structures, technologies, and trends that might influence the City's rate structures.

1. Provide a discussion on how electricity is priced including embedded cost pricing, marginal pricing, market pricing, etc.
2. Discuss rates and payments for Distributed Generation and the impact on cross-class subsidizes.
3. Discuss pricing trends and options for Electric Vehicle charging, both public charging stations and customer site charging.
4. Discuss fixed versus variable costs and the impact of energy efficiency, conservation, customer owned generation, storage, etc.
5. Discuss low income policy options
6. Review current rate structures used by municipal and investor-owned electric utilities and their revenues and customer impact.
7. EES will address the following rate design options, in addition to any others identified by the City:
 - The City's current rate structure
 - Time-of-Use
 - Seasonal rates
 - Fixed and Time-Based Demand Charges
 - Customer (or fixed) charges (including tiered charges)
 - Minimum Bills
 - Cost Adjustments (power or regulatory costs)
 - Decoupling
 - Redefining and/or Reducing Number of Residential Tiers
 - Critical Peak Pricing
 - Best practices in non-residential rates design to promote growth
 - Incentives or Separate Rates for EV Charging and Storage
 - Standby charges
 - Net Metering & Feed-in tariffs
 - Rate unbundling
 - Real time pricing

8. For each of these options, EES will describe the rate structure, the potential impact to customers, the pros and cons of the design, the expected change in usage patterns from the design, costs to utility and customer of implementing design, potential risks, and a discussion of how the design could impact the City.

Deliverables

- A draft report evaluating emerging or expected rate structures, technologies and trends that may impact the City's future rate structures. The report will include a matrix of the evaluated rate structures, technologies and trends followed by columns containing the evaluation criteria and a matrix of recommendations of short, mid and long term actions for each rate alternative
- Once the City staff has reviewed the report, comments will be incorporated into the final report.

Phase III: Rate Design Recommendation

■ Subtask 5 – Rate Design

Objective: Develop rate options using a variety of approaches, ranging from the current rate design to strict COSA based rates. While average unit costs provide the cost basis for setting rates, other criteria will also be considered in designing rate options. EES will implement rate designs for each customer class incorporating recommendations from Subtask 4.

1. Different rate options based upon the goals and objectives identified by the utility will be analyzed.
2. Proposed rates for energy (¢/kWh), demand (\$/kW), and customer related (\$/Customer/Mo.) charges will be provided for each customer class for the COSA test period.
3. Alternative rate designs including changing the inclining blocks, time of use, seasonal, residential demand rates, electric vehicles impacts, minimum bill and other appropriate charges may be developed, if desired. The pros and cons of each option will be discussed with City staff and documented in the final report.
4. Customer bill comparisons for a sample group for each rate schedule will be developed to determine the rate impacts on different customers for different rate alternatives. New rate proposals will also be compared to other neighboring electric utilities to compare the relative rate competitiveness of the utility to other local utilities.

5. Based on the COSA results and the City's 10 year proforma financial model, 10 year proforma results comparing costs and revenues by class will be developed. In addition, financial metrics will be included.
6. Scenario analysis capabilities will be included in the modeling.

Deliverables

- Rate design report summarizing the existing and proposed rates and bill comparisons for residential and non-residential customers.
- The final rate design model will be provided to the City and training provided.

■ Subtask 6 – Final Report and Model

Objective: Draft reports with the results of the cost of service analysis, rate trends study and rate design will be provided after the preliminary studies are finalized. In addition, EES will meet with City staff to review and discuss the results and receive feedback on the analysis and results. Once staff has reviewed the reports, comments will be incorporated and a final report will be provided to the City.

In addition, EES will provide training on the COSA and rate design model as well as provide model documentation.

Deliverables

- Final cost of service model in Excel format
- Final rate design model in Excel format
- Model documentation and training session.
- Electronic copy of comprehensive final report.

■ Subtask 7 – Workshops, Meetings and Public Hearings

Objective: EES will present results and make recommendations to the City's management staff and policymakers, as desired. Included in the estimated budget is one kick-off meeting and two additional planning meetings on-site to meet with staff. Additional meeting have not been included in the budget, but any additional meetings are billed on a time and materials basis.

Project Schedule

At EES, primary responsibility for cost control is assigned to the Project Manager for individual projects. It is the Project Manager's responsibility to establish project budgets, track project costs and take corrective action if necessary to correct any problems. EES's electronic timesheet system is linked to the accounting system to facilitate early identification of project costs and enable corrective action, if necessary, as early as possible. Project Managers have access to the accounting information that tracks project costs vs. project budgets. Project budgets are entered into the accounting system at the start of each project through the Project Setup memo sent from the Project Manager to the accounting system.

EES has staff available to begin work on this project immediately. The proposed schedule assumes the study will begin November 10, 2015, following the City's notice to proceed. A preliminary schedule to complete the work is provided below.

Task	November	December	January	February	March
Phase I—Cost of Service Analysis at Current Rates					
Subtask 1: Initial Project Meeting					
Subtask 2: Data Collection					
Subtask 3: Cost of Service Study					
Phase II—Electric Utility Rate Trends					
Subtask 4—Review of Electric Utility					
Phase III—Rate Design Recommendations					
Subtask 5: Rate Design					
Subtask 6: Final Report and Modeling					X
Subtask 7: Workshops/Meetings	X			X	X

Project Experience

EES is recognized throughout North America for its expertise in cost of service and rate setting. Consulting services in this arena are provided under the umbrella of strategic planning. Strategic planning involves the assessment of current market conditions in order to define an action plan to ensure future success. Given the pace of change in the energy industries today, strategic planning has become a continuous process.

EES offers a variety of services to its diverse clients: rate and cost-of-service studies, strategic planning, integrated resource planning, regulatory analysis, comprehensive planning, design and construction engineering, expert witness testimony, general management consulting services, and review/development of capital budgets.

Our broad base of clients includes public utilities and industrial companies located throughout North America, with a focus on utility operations. EES has a track record of success in arenas where the results of a particular evaluation or analysis may have far reaching effects on the viability of an organization and the local community. EES is very proud to provide service to our clients on time and within budget. We bill based on hours worked so if the level of effort is less than projected, EES only bills based on the actual hours.

EES works with our clients to meet their needs. For many of our clients we develop the full COSA and rate study with minimal requirements on our client staff. For other clients, the COSA and rate study is a product of close cooperation and much of the analysis is performed by client staff. A small subset of our clients, prefer to take the EES COSA model and perform their own study with review and research from EES Consulting staff. Others, such as the Cities of Roseville and Tacoma, have developed their own COSA model in-house, and EES Staff is on hand to review and comment on the model and results, as well as, perform research and supporting analysis.

EES has assisted public utility clients in meeting the challenges of evolving competitive, regulatory and technical environments for over 35 years. We have a proven track record of success in arenas where the results of a particular project may have far reaching effects on the viability of an organization and/or the local community.

The following summarizes examples of work performed by EES, particularly for those clients for whom we have completed recent financial planning and cost of service and rate studies.

City of Tacoma, Washington

Mr. Larry Nyquist, (253) 502-8227, LNyquist@ci.tacoma.wa.us

EES has worked on COSA and rate related matters for the City of Tacoma's electric utility since early 2000. EES staff was hired to review Tacoma's internally developed COSA study, provide cost allocation expert support, participate in negotiations with large industrial customers, and review appropriate functionalization, classification and allocation methodology. In addition, EES staff has reviewed data, transitioned Tacoma's COSA model from Lotus to Excel, and analyzed

the dispatch of Tacoma's hydro resources and purchase contracts to determine the appropriate generation classification methodology. EES assisted with developing new retail rates based on the cost of service analysis results and goals of Tacoma. Anne Falcon and Gail Tabone are the main consultants providing support to Tacoma.

Lewis County PUD, Washington

Mr. Bob Geddes, (360) 748-9261, bobg@lcpud.org

EES performed a cost of service and rate design study for Lewis County PUD as part of its ongoing efforts to maintain fiscally prudent and fair rates for its electric utility customers. This report discussed the data inputs, assumptions and results that were part of developing the rate study.

Anchorage Municipal Power & Light (ML&P), Alaska

Ms. Anna Henderson, (907) 263-5889, HendersonAC@ci.anchorage.ak.us

EES prepared an Integrated Resource Plan (IRP) for ML&P in 2002 to assist ML&P with the evaluation of capital spending throughout ML&P, covering transmission and distribution, generation, SCADA systems, use of dual fuels, and other related areas. Subsequent to the 2002 IRP, two large "step" increases in system electrical load occurred due to the addition of loads from two military bases. These increases altered the optimum configuration of generating units developed in the 2002 IRP that would be required to meet future load growth, and therefore it was decided in 2004 to update the generation section of the 2002 IRP.

City of Glendale, California

Mr. David Davis, (818) 548-2869, DDavis@ci.glendale.ca.us

EES was retained by the City of Glendale to perform a comprehensive electric cost of service and rate study. The COSA study explored several revenue requirement options and resulting rate increases needed. In addition, power cost adjustments, net metering issues and unbundling of costs were discussed. Anne Falcon was the project manager for this project and Amber Nyquist developed the revenue requirement model, performed the cost of service and assisted the utility with rate design options.

Moreno Valley Utilities, California

Ms. Jeanette Olko, (951) 413-3502, jeannetteo@moval.org

The City of Moreno Valley Electric Utility (MVU) retained EES to perform their first electric cost of service and rate study. As a new utility, this study was the first step in developing ongoing financial policies to ensure a sound future for the utility. The study compared allocated costs to SCE's current rates to determine if MVU would need to transition away from SCE rates. In addition, MVU was interested in exploring a new economic development policy that strongly encouraged commercial development in the service area. Anne Falcon and Kelly Tarp were the primary staff on this project.

City of Roseville, California

Ms. Joanna Cucchi, (916) 746-1609, JCucchi@roseville.ca.us

Roseville Electric retained EES to review the utility's electric cost of service and rate study as part of its ongoing efforts to maintain fiscally prudent and fair rates for its electric customers. The purpose was to discuss and review Roseville Electric's allocation methodology and provide comments and recommendations to Roseville staff relating to the COSA and rate design. Anne Falcon was the primary consultant for this project.

Key Project Personnel

EES is a registered professional engineering and management consulting firm with offices in Kirkland, WA and Portland, OR. The company's clients are found primarily in the western U.S. and Canada. Our professional staff members have backgrounds in the areas of economics, finance, financial analysis, engineering, public administration, operations, research and corporate management. Our contact person, corporate address and phone number are noted below:

Company:	EES Consulting, Inc.
President:	Gary S. Saleba
Company Address:	570 Kirkland Way, Suite 100 Kirkland, Washington 98033
Telephone Number:	425-889-2700
Facsimile Number:	425-889-2725
Legal Status of the Consultant:	C corporation registered in the State of Washington
Year Entity was Established:	1996
Federal Employer ID #:	91-1739563
WA Uniform Business ID (BUI):	601-744-923

Proposed Staff

EES has a large diversified staff of senior consultants experienced in the areas of revenue requirement, cost of service and rate design analysis. EES proposes that overall project management for this project will be performed by Anne Falcon. Ms. Falcon has over 20 years of experience managing projects concerning cost of service and rate analyses, financial planning and regulatory proceedings for electric, water, wastewater, and natural gas utilities. She recently worked on a COSA review for Roseville Electric, and was the project manager for the COSA projects performed for Moreno Valley Electric Utility and the City of Glendale.

Gary Saleba, President

As both a management and strategic planning consultant, Mr. Saleba is a principal and president of EES. He provides overall quality control and insight for comprehensive financial, rates and power supply planning studies. As a founding member of EES, Mr. Saleba has over 35 years of experience with electric, natural gas, water, wastewater, telecommunication, and disposal utilities. He has overseen more than 500 cost of service and rate design studies. He also has taught Northwest Public Power Association, American Public Power Association and American Water Works Association cost of service and rate design schools. Finally, Mr. Saleba has apprised virtually all of EES's clients in how to deal with fundamental changes in the energy and natural resource industries. These changes include increased competition, more emphasis on public input in major decision making, and strategic planning under an uncertain future.

Anne Falcon, Senior Associate

Anne Falcon's primary responsibility with EES includes providing project management and technical support for all types of economic studies. Ms. Falcon has over 20 years' experience in managing projects concerning cost of service and rate analyses, financial planning and regulatory proceedings for electric, water, wastewater, and natural gas utilities. Her area of expertise includes restructuring, strategic planning, forecasting, unbundled cost-of-service studies, optimization research and specialized statistical studies.

Through her research and analysis of the current state of the industry, she has assisted many west coast clients in preparing for the changes that are taking place. Ms. Falcon's work with utilities has included developing unbundled rates, average embedded and marginal cost-of-service studies, analysis of stranded costs, development of customer choice and conservation programs, market-based and green rate designs.

Ms. Falcon, who has a graduate degree from Stanford in operation research, also provides technical assistance for EES's clients by applying modeling techniques for our client needs. This includes modeling in the following areas: dispatch modeling, least-cost planning, load forecasting, demand-side management studies, and cost of service studies.

Steve Andersen, Manager, Project Evaluations

Mr. Andersen is responsible for providing economic analysis for electric utility clients and for analysis of issues related to power transmission and scheduling. Since joining EES, Mr. Andersen has been involved in monitoring Bonneville Power Administration (BPA) rates and contract activities and analyzing their long-term impact on clients. He has experience working with BPA rates and penalties as they apply to all BPA contract customers. He is familiar with Pacific Northwest energy markets and how they function on a daily basis. Mr. Andersen is also responsible for managing resource feasibility studies and integrated resource plans.

Gail Tabone, Senior Associate

Ms. Tabone has applied her skills in cost of service analysis, integrated resource planning, resource evaluation, load forecasting, economic feasibility studies, conservation planning, and surveys in the many work products related to financial and power supply planning. A strong educational background combined with over 20 years of experience in the utility industry provide her with the skills to assess the needs of the client, to develop an approach to meet the need, provide the expertise necessary to conduct the economic analysis, and to make recommendations on future actions. Ms. Tabone has a bachelor's and master's degree in economics.

Amber Nyquist, Project Manager

Amber Nyquist provides analytical expertise for EES in support of economic and financial studies. Ms. Nyquist's background includes research in electric utilities and rates and also intensive

analytical work and forecasting in various fields. She also brings to EES knowledge in mergers and acquisitions among other competition theory and practices. Ms. Nyquist assists in Integrated Resource Planning for small and large utilities. Specifically she analyzes and models conservation and other demand side management resources. In addition to resource planning, she uses her background in econometrics and data analysis to collect quality data and develop load forecasts. Also, she utilizes her research skills to amass current utility information, support survey projects, and to prepare presentation and reference material.

Chelsea Wright, Senior Analyst

Ms. Wright provides research and analyses to support strategic planning and decision making in the electric power industry. She brings experience and perspective to EES from her previous work with the Bonneville Power Administration and as an analyst with a people's utility district. In particular, Ms. Wright has experience with helping Washington electric utilities comply with I-937 Conservation Potential Assessments. She has a working knowledge of NWPCC methodologies and regularly participates in RTF meetings, to provide clients with current and comprehensive information to support strategic planning for I-937 compliance. Other areas of experience include strategic program planning, performance management, resource analysis and green power program design. Ms. Wright has an M.B.A. from Willamette University and a B.A. from the University of Oregon.

Price Proposal

Fee Estimates

EES charges the following hourly billing rates. The fee estimates for this project have been developed on the basis of the following billing rates:

President	\$200
Senior Associate	195
Manager	190
Senior Project Manager	185
Project Manager	180
Senior Analyst/Engineer	175
Analyst/Engineer	170
Senior Administrative Assistant	120

Based upon the above hourly billing rates and proposed scope of work, the following labor fee budget is estimated for the scope of services presented.

Estimated Budget	
Phase I – Cost of Service Analysis at Current Rates	Budget
Subtask 1 – Initial Project Meeting	\$ 2,000
Subtask 2 – Data Collection	\$ 6,000
Subtask 3 – Cost of Service Study	\$30,000
Phase II – Electric Utility Rate Trends Study	
Subtask 4 – Review of Electric Utility Rate Trends	\$15,000
Phase III – Rate Design Recommendations	
Subtask 5 – Rate Design	\$10,000
Subtask 6 – Final Report and Model	\$ 1,000
Subtask 7 – Workshops, Meetings and Public Hearings (3 meetings on-site)	\$ 5,000
TOTAL	\$69,000

EES bills based on actual hours worked. If the level of effort required is less than projected, it will be reflected in the final cost.

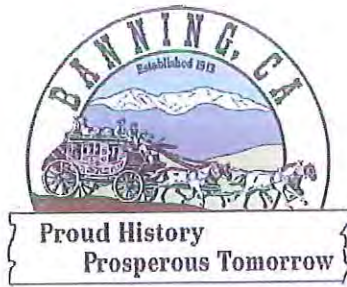
Out-of-pocket expenses will be billed separately at their actual cost to EES. If the scope of services is modified, EES will discuss any required changes to the budget prior to proceeding with additional work.

The above quoted fees will remain in effect until December 31, 2016.

Conditions, Assumptions and Exceptions

EES accepts the conditions and assumptions noted in the RFP, and has no exceptions or deviations from the requirements of the RFP.

Appendix A



CITY OF BANNING REQUEST FOR PROPOSALS (RFP)

Electric Cost of Service Analysis and Rate Design

DUE DATE/TIME:

October 13, 2015 at 3:00pm PST

**City of Banning
Electric Utility Department
176 E. Lincoln Street
Banning, Ca 92220
Attn: Mrs. Carla Young
Management Analyst
Email: CYoung@ci.banning.ca.us
(951) 922-3262**

RESPONSE FROM:

**Finley Engineering Co., Inc.
104 E. 11th Street – PO Box 148
Lamar, Missouri 64759
(417) 682-5531**

CONFIDENTIAL



October 13, 2015

City of Banning
Electric Utility Department
176 E. Lincoln Street
Banning, Ca 92220

Attn: Mrs. Carla Young
Management Analyst

Email: CYoung@ci.banning.ca.us

**Re: Response to Request for Proposal
Electric Cost of Service Analysis and Rate Design**

Dear Mrs. Young:

Thank you for the opportunity to provide a response to the Request for Proposal for an Electric Cost of Service Analysis and Rate Design for the City of Banning Electric Utility Department.

Finley understands that the scope of this project is to review the City's current revenue and rate allocations in which to provide an Electric Cost of Service Analysis and provide recommendations for rate design.

Finley Engineering Company, Inc. established in 1953 in Lamar, Missouri, is a multi-disciplined organization offering professional engineering to include: distribution design, substation design, system planning, cost of service analysis and rate design, transmission design, project management, smart grid, CAD/GPS mapping, surveying, environmental and right-of-way services to the electric utility, gas, communications and related industries. Finley was originally established as a partnership but has transitioned to an employee owned Sub Chapter S-Corp operated by a Board of Directors comprised of internal Principals and outside Directors.

Both the management and professional staff of Finley have extensive experienced backgrounds in service to public, private, and governmental organizations. In addition to its Primary Lamar, Missouri, office, Finley has permanent offices located in Bismarck, North Dakota; Slayton, Minnesota; Johnston, Iowa; Lexington, Kentucky, Omaha, Nebraska; Minneapolis, Minnesota; Springfield, Illinois; and Overland Park, Kansas.

Finley Engineering's Lamar Energy Division is Finley's responsible office and all work will be performed out of Finley's Lamar, Missouri office. Technical, price, and/or contract questions concerning this response should be directed to:

Mr. Phillip Carroll, P.E.
Vice President - Energy Division
Finley Engineering Co., Inc.
104 E 11th Street
PO Box 148

Lamar, Missouri 64759
417-681-5308 Office
417-682-3220 Fax
417-262-0335 Cell
p.carroll@fecinc.com
<http://www.fecinc.com/about/leadership-team>

Finley Engineering Co., Inc. has addressed all requirements set forth by the City in the accompanying response. Our designated Project Principal, Phillip Carroll, has extensive experience managing system planning, load flow studies, cost service analysis and rate studies, and all phases of electric distribution and substation design projects for municipal electric utilities. Mr. Carroll will provide a senior management commitment by Finley that all participants on our Team will perform their scope of work to the satisfaction of the City.

Please feel free to contact me at (417) 681-5308 at your convenience for any questions concerning this response to the City's RFP.

Regards

Finley Engineering Co., Inc.

A handwritten signature in cursive script that reads "Phillip Carroll". The signature is written in dark ink and is positioned above the printed name and title.

Phillip Carroll, P.E.
Vice President

WORK PLAN

WORK PLAN

The scope of this project is to review City of Banning Electric Utility Department's (COB) current revenue and rate allocations in which to provide recommendations for rate design. COB has prided itself on its rates and distribution of residential and commercial customers.

Finley understands that the Project will consist of the following phases and that the results of each phase will be reviewed with COB personnel prior to initiating work on the next phase. Finley understands that each phase is the basis for the next. The anticipated Project phases of work are:

- I. Cost of Service Analysis at Current Rates
- II. Electric Utility Rate Trends Study
- III. Rate Design Recommendation

To remain financially sound, COB's electric rates must produce sufficient revenues to cover the cost of providing electric service and to permit the continued replacement and expansion of its facilities. These expenditures are commonly referred to as "revenue requirements" and consist of normal operating expenses, capital improvements and additions, and non-operating expenses.

The Finley Team provides engineering services in California under a State of California Certificate of Authorization No. 1971106. Our designated Project Principal, Phillip Carroll, California P.E. No. 71061, has extensive experience managing system planning, load flow studies, cost of service and rate studies, and all phases of electric distribution and substation design projects. Mr. Carroll will provide a senior management commitment by Finley that all participants on our Team will perform their scope of work to the satisfaction of COB within the term of the proposed schedule. He will be available at any time for questions or concerns that COB may have about the project.

Michael Socha will serve as a Senior Project Advisor who will provide direction and review of the analysis and processes used for the Cost of Service Analysis, Trends Study, and Rate Design Recommendation.

Jeremy Mather, Senior Project Engineer, will perform the analysis and studies for the elements of the Cost of Service Analysis, Trends Study, and Rate Design Recommendation. He is be a single point of contact with COB for the project's technical flow.

Cost of Service Analysis at Current Rates

The first step in the Cost of Service analysis process will be for the Finley Team to meet with COB's management, engineering, and operations staff to establish the analysis period; set milestone dates for information exchange and target completion date; and, discuss and refine the scope of work and expectations.

Periodically, a utility must examine its current and forecasted revenues and expenses to verify that the total revenue, including interest earnings and miscellaneous income is sufficient to cover all revenue requirements. This part of the study compares projected income earned from revenues at existing rates to the expenses expected to be incurred in serving customers during the Study Period.

The Finley Team will meet with COB's staff to identify and review the necessary data to conduct the analysis, including, but not limited to, general ledger data, Power Supplier invoices, financial and statistical reports, load forecast studies, and board reports. After collection and receipt of existing system data, the Finley Team will begin its Cost of Service Analysis at Current Rates.

Firstly, the Finley Team will develop a comprehensive, flexible, user-friendly model for use in preparing the COSA. The model will be developed in Microsoft Excel with the ability for outputs

and/or inputs to be in an Excel-compatible format. The model will address the functionalization and classification of costs and allow for rate adjustments based upon changes in energy sales forecasts, customer growth, other operating and non-operating revenues, operating costs, capital improvement program plans and funding, and debt service payments, while maintaining necessary reserve levels and guidelines, days cash on hand, debt service coverage ratio, and other financial metrics.

The Finley Team will collaborate with COB staff members and analyze existing customer groups and available historical load research data for all existing customer groups; propose additions or deletions of customer groups, as appropriate. This analysis will include a review of COB's 2007 electric COSA and cost allocation assumptions and methodologies for appropriateness. Recommendations and rationale for any changes to assumptions and methodologies will be provided and integrated into the analysis as appropriate. The analysis will determine load factors, coincident peak demand data, and non-coincident peak demand data. Where load data is unavailable or incomplete, the Finley Team will develop recommended assumptions for each customer class.

The COSA will be conducted on an embedded cost basis; however, a marginal cost analysis may also be considered for the development of new rates. The Finley Team's COSA methodology employed will clearly identify the following, if applicable:

- a. Revenue requirements for Fiscal Year (FY) 2017 – FY2026 using actuals for FY2015 and adopted budgets or projections provided by COB staff for FY2017 – FY2026. Calculate revenue requirements using both the utility basis and cash basis and explain the differences and arguments for and against the methods;
- b. Rationale for allocating fixed and variable costs;
- c. Classification of costs by production, transmission, and distribution including the identification of fixed vs. variable;
- d. Allocation of costs between the customer classes, customer charges, demand, energy, and special categories;
- e. Customer cost weighting factors including associated rationale;
- f. Load factors and coincidence factors (if not available consider availability of generic or regional data);
- g. Costs associated with distributed generation, such as net-metered solar customers;
- h. Revenues received from each class compared to the cost of service;
- i. Tiering of rates and seasonal rates, including associated rationale.

The COSA will develop a fair and equitable allocation of costs to the various classes of service in compliance with Proposition 26 (as codified in Article XIII C, section 1(e) of the California Constitution) and also provide flexibility in COSA to add a new customer class or individual contract customer.

DELIVERABLES: Provide the Excel model including spreadsheets used in the analysis and a written report summarizing COB's revenue requirement by customer class. The Finley Team will train COB staff on updating the model with the expectation that COB staff will continue to update the model annually. The Finley Team will conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions. The Finley Team will be available to present final report to the City of Banning Council.

Electric Utility Rate Trends Study

The Electric Utility Rate Trends Study will include an evaluation and analysis of emerging or expected future rate structures, technologies, and trends that might impact or influence future rate structures, including how electricity is priced for the electric utility industry as a whole, and how

those influences might affect, or apply, to COB. The Finley Team will provide a discussion of these alternative rate structures and emerging technologies including associated known or potential risks. The discussion will provide costs to offer alternative rates and costs to serve customers, including how generation, transmission, and distribution drive real-time costs.

The Finley Team will collaborate with COB staff members and conduct a review of utility rate trends and an overview of trends impacting how electricity is priced, including:

- a. General approaches to electricity pricing will address: a) embedded cost pricing, b) marginal cost pricing, c) market-based pricing, and d) other alternative methods if applicable
- b. Methods of pricing electricity to and from customer-sited distributed generation to mitigate cross-class subsidies
- c. Pricing methodologies for electric vehicles (EV's) including on-site customer charging and public charging stations
- d. Relationship between generation, transmission, and distribution cost impacts
- e. Fixed vs. variable revenues and expenses
- f. Conservation
- g. Energy Efficiency
- h. Energy Storage
- i. Utility and customer owned technology
- j. Low income rate programs

The Finley Team will provide an overview of rate structures used by municipal and investor-owned electric utilities to implement identified pricing approaches. The overview will include a matrix summary of qualitative results broken out by rate class identifying the pros and cons for how each rate structure would impact COB in the short, mid, and long term, including but not limited to:

- a. COB's current rate structures
- b. Cost adjustments (regulatory costs or power costs)
- c. Increased or decreased fixed charges
- d. Residential and small commercial demand charges
- e. Best practices in large and small commercial rates that promote business growth
- f. EV rates utilizing TOU and/or a second EV meter
- g. EV public charging stations
- h. Standby Charge
- i. Net Metering Rates
- j. Time of Use pricing (TOU) for all commercial and residential customers
- k. Unbundling of charges to reflect costs and cost components
- l. Real Time Pricing
- m. Street lighting system cost allocation and rates including LED's
- n. Seasonal rates
- o. Tiered rates

The Finley Team's review of rate trends will depend upon close collaboration with COB staff and will address:

- a. Customer acceptance of new rate structures
- b. The change in customer usage pattern expected from implementation of the rate structure
- c. Description of the technology that enables these pricing models to be implemented
- d. Cost to the customer of implementing required technology
- e. Cost to the utility of implementing the required technology
- f. Barriers to offering the proposed rates

- g. Qualitative and/or quantitative risks to the utility of rate implementation
- h. Qualitative and/or quantitative costs and benefits of the various pricing models from the perspective of the utility

DELIVERABLES: The Finley Team will provide a written report evaluating emerging or expected rate structures, technologies, and trends that might impact or influence future rate structures, including how electricity is priced for the electric industry as a whole, and how those influences might affect, or apply, to COB. The report will include a matrix of the evaluated technologies, trends, and rate structures followed by columns containing the evaluation criteria and a matrix of recommendations of short, mid, and long term actions for each rate alternative. The Finley Team will conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions, and to discuss next steps. The Finley Team will be available to present findings to the City Council if requested.

Rate Design Recommendation

Finally, the Finley Team will provide its Rate Design Recommendation including a discussion of which trends are pertinent and applicable to COB. The discussion will include the rationale and assumptions, with supporting documentation, underpinning any conclusions or recommendations presented in the final report. The Finley Team will provide an implementation path from current rates and allocations to the development and implementation of the potential new rate alternatives that are identified. Any recommended changes will be compliant with Proposition 26. The proposed changes will address the following:

1. Consider the level of existing rates, social and economic factors of the community, expenses incurred in providing the service to the different customer classes and the general policies and objectives of COB.
2. Identify revenues to be generated from fixed and variable charges compared to fixed and variable costs by customer class.
3. Ensure that projected revenues from rates are adequate to cover the projected revenue requirement.
4. Using COB's ten year pro forma financial model, develop a ten year pro forma financial model identifying revenue requirements and revenue from rates by customer class. Consider overall reserve requirements, days cash on hand, debt service coverage, and other financial metrics.
5. Include analysis and pros/cons of rate stabilization reserve
6. Appropriate level and rate impacts
7. Address the bill impact of representative customers in each customer class.
8. For each rate design proposal, the Consultant shall provide a sampling of a minimum of 3 usage patterns per classification showing the difference in bills under the present and proposed rate designs, by fiscal year for the proposed period(s) of adjustment. The comparison will also include similar bills for customers served by neighboring and similar electric utilities in Southern California.
9. Determine the fiscal impacts of the following:
 10. Renewable energy portfolio requirements, current status of compliance and future purchases as may be necessary
 11. Compliance with reserve balances, days cash on hand, and debt coverage requirements
 12. GHG regulations
 13. Distributed Generation
 14. Electric Vehicle program

DELIVERABLES: The Final Report will detail the Finley Team findings and recommendations. The Finley Team will conduct a meeting with COB staff to review and discuss the report, to allow

an opportunity for feedback and revisions, and to discuss next steps. The Final Report will be prepared in Microsoft Word accompanied by an Excel spreadsheet with the ability to make modifications in inputs and assumptions.

The Finley Team will train COB staff on updating the model with the expectation that COB staff will continue to update the model annually. After review by staff, the Consultant will attend meetings, make presentations, and answer questions for the City Council regarding the results of the study, as needed. It is expected that a series of public meetings may be scheduled to inform and educate customers and other stakeholders of the benefits of the recommended rate design. The Finley Team will attend, make presentations and answer questions at up to five (5) of these meetings in an effort to obtain input and final approval for recommended rate adjustments.

PROJECT MANAGEMENT AND DELIVERY PROCESS

The Finley Team believes in establishing solid lines of communication with COB staff to ensure efficient and effective flow of information. This greatly facilitates the process of project completion and the overall satisfaction of the completed product. In that regard, in addition to the kick-off meeting sufficient reporting and progress updates are delivered so that COB is fully apprised of project status and any hurdles encountered along the way. We are not inclined to schedule meetings for the sake of meetings; however, there are times that face to face interaction will clear through outstanding issues more effectively.

We anticipate meeting with COB staff at about the 90% complete status of each project phase to preliminarily review results and discuss with COB staff to ensure uniformity of thought and direction.

The project scope of work will include project management. Project management is required to complete the project analysis and studies within scope, budget and schedule which includes monthly status reports, project control, document control, cost control, change order control, and project kick-off meeting. The Finley Team members and appropriate COB staff will take part of bi-weekly meetings to review progress and address project issues.

The Final Report will be completed, bound, sealed and delivered to COB. The final form will be both hard copy and electronic copy. The Finley Team will present the Final Report's findings and recommendations to COB Management and Board.

The Finley Team will train COB staff to update, maintain, and analyze the Electric Utility cost of service analysis and rate design models.

PROJECT SCHEDULE



PROJECT EXPERIENCE

PROJECT EXPERIENCE

Firm Background

Finley Engineering Company, Inc. established in 1953 in Lamar, Missouri, is a multi-disciplined organization offering professional engineering to include: distribution design, substation design, system planning, transmission design, project management, smart grid, CAD/GPS mapping, surveying, environmental and right-of-way services to the electric utility, gas, communications and related industries. Finley was originally established as a partnership but has transitioned to an employee owned Sub Chapter S-Corp operated by a Board of Directors comprised of internal Principals and outside Directors.

Both the management and professional staff of Finley have extensive experienced backgrounds in service to public, private, and governmental organizations. In addition to its Primary Lamar, Missouri, office, Finley has permanent offices located in Bismarck, North Dakota; Slayton, Minnesota; Johnston, Iowa; Lexington, Kentucky, Omaha, Nebraska; Minneapolis, Minnesota; Springfield, Illinois; and Overland Park, Kansas.

Overall Company Experience

At Finley, our Engineering Project Approach is we understand the importance of the qualifications and experience of the personnel assigned for the execution of project tasks. Technical and management personnel offer a unique capability through specialized experience of over 60 years in all phases of distribution design, substation design, system planning, rate design, transmission design, project management, smart grid, CAD/GPS mapping, surveying, environmental and right-of-way services. Through this experience, technical and management personnel have become intimately familiar with the requirements, standards, and chronological sequence of all elements of project design and execution, as well as, the dependence and interrelationship of all project stages. This knowledge is particularly important in the identification of critical issues, situational constraints, the evaluation of viable alternatives, and the implementation of alternatives or mitigating measures to successfully complete the project.

Strong, detail-oriented project management at Finley monitors costs and the timely delivery of all projects. We assign competent and experienced technical, professional, and right-of-way staff throughout the life of the projects. To ensure the highest standards and levels of performance, our on-site management has the responsibility for monitoring personnel, methodologies, and schedule compliance. Our goal is that each project be delivered on-time and within the pre-determined budget, while meeting the engineering and construction requirements, satisfying the needs of local customers, and being environmentally acceptable.

Finley takes pride in maintaining a high standard of quality with regard to all of its projects and we guarantee that same high standard will be applied to COB's project. We fully understand that our success in this project is dependent on your satisfaction and we will make every effort to ensure that common goal.

In addition to the specific experience, knowledge, and skills defined in this proposal, Finley offers COB a distinct commitment to professional standards and a forward thinking perspective that we believe is unique in the industry. This perspective is grounded in our strong understanding and longstanding history in working with municipal electric systems, RUS and investor owned utilities as demonstrated in our extensive project lists.

The Finley Team offers the following distinct advantages to COB:

- Electric Power Experience – Finley has a significant amount of experience working on electric power projects for municipal and RUS utilities throughout the United States including system studies and long-range system planning.

Each of these projects was expansive and required a multiple-discipline team approach. Many of the Finley staff members were involved with these projects and are proposed for this project team.

- Competitive Price/Cost Effective Solutions – Finley's project management team will monitor the status of work and Finley Team Members with proven abilities will efficiently achieve the project's objective. Our Team is uniquely qualified to successfully complete the Project with the greatest overall value to COB.
- Comprehensive Project Approach – Based on the depth of experience of all of our Team members, we have outlined a Work Plan that clearly demonstrates our understanding of every aspect of this project.
- Strategic Solutions – Our proposed approach is based on current experience with municipal and RUS electric utilities in Missouri and throughout the United States. The creativity and thoroughness of our processes, developed through first-hand knowledge of system design and analysis, load flow analysis, short circuit studies and analysis, distribution design, and construction issues, will ensure the success of system analysis for COB.
- Experienced Project Principal and Project Manager – The Finley Team provides engineering services in Missouri under a State of Missouri Certificate of Authorization No. E-1044-D. Our designated Project Principal, Michael Socha, P.E. No. 025436, has extensive experience managing system planning, load flow studies, rate studies, and all phases of electric distribution and substation design projects. Mr. Socha will provide a senior management commitment by Finley that all participants on the Finley Team will perform the scope of work to the satisfaction of COB. Finley's Project Manager, Jeremy Mather, will provide a single point of contact for all project related scheduling, contractual matters, project management and review.
- Fully Qualified Project Team – The Finley Team brings together the strongest combination of expertise and resources for all phases of electric distribution and substation design and has the proven ability to successfully manage large projects.

We are confident that this proposal clearly demonstrates that the Finley Team is uniquely qualified to provide all the professional services required to fully support COB on this challenging and exciting project.

Jeremy Mather, Finley's Project Manager, will work closely with COB and the Finley Team to ensure that project deliverables meet COB's expectations for content, quality and schedule. They will ensure that open communication is maintained between all team participants and with COB to keep everyone apprised of progress on milestones and deliverables.

Finley's core business philosophy includes a foundation built on strong project management expertise, processes, and tools for effective project controls. The Finley Project Team is staffed with project management professionals who have extensive experience in managing projects of varying degrees of complexity but whose constant goals include quality, budgetary conformance, and schedule adherence.

REFERENCES

Reference 1: Doniphan Electric Cost of Service & Rate Design

Doniphan Electric Cooperative

PO box 699

Troy, KS 66087

Point of Contact

Arlan Mitchell

(660) 874-4100

Scope of Project:

Reviewed Cooperative operations and cost allocation to utility plant accounts for recommendations of rates for proper cost recovery to meet capital and maintenance requirements while satisfying reserve and capital credit needs.

Reference 2: City of Nixa Solar Array Feasibility Study

City of Nixa

715 W Mt Vernon Street

PO Box 395

Nixa, MO 65714

Point of Contact

Doug Colvin

dcolvin@nixa.com

Direct Line: (417) 724-5670

Scope of Project:

Finley prepared an integration plan review of a proposed distributed generation project and provided engineering and plans preparation; system planning; system coordination studies; standards and specification writing; and rate analysis. CFC Cost of service software Timeframe 2011-2012 with retail rate changes effective 2013.

Reference 3: Cost Allocation & Repair, Continuing Property Records

Northeast Missouri Rural Telephone Company

PO Box 98

718 S West Street

Green City, MO 63545

Point of Contact

Michele Gillespie

(660) 874-4100

Email: mvan@nemr.net

Scope of Project:

Reviewed and balanced the outside plant work orders with the general ledger, separated and allocated costs according to type and function of cable replaced, repaired or placed with the work order.

Reference 4: Cost Allocations for Continuing Property Records

Home Telephone Company

PO Box 215

501 N Douglas

St. Jacob, IL 62281

Point of Contact

Robert Butler

(618) 644-3356

Email: rbutler@hometel.com

Scope of Project:

Prepared correcting journal entries to obtain a balanced general ledger with the central office continuing property records.

Reference 5: Annual Continuing Property Records Reconciliation.

Totah Telephone Company, Inc.

PO Box 300

101 S. Ochelata St.

Ochelata, OK 74051

Point of Contact

Keith Watson

(918) 535-2208

Email: kewatson@totelcsi.com

Scope of Project:

Analyzed corrected 2012 and 2013 work orders received in 2015 to determine the corrective actions required to update the outside plant continuing property records.

Reference 6: Downtown Electric Planning and Revitalization Study

Board of Public Utilities

Kansas City, Kansas

6742 Riverview Ave.

Kansas City, Kansas, 66102

Point of Contact

Patrick J. Morrill, Director of Electrical Engineering

pmorrill@bpu.com

Direct Line: (913) 573-9523

Scope of Project:

Finley Engineering performed engineering analysis and economic justification of electric infrastructure to evaluate the most cost effective balance of underground and overhead feeders within the Phase I Project Area (downtown KCK) to identify existing load distribution throughout the area and potential load growth over a 10 year study period.

From this study capital planning was incorporated to fund the renewal project to mitigate any debt accumulation.

KEY PROJECT PERSONNEL

RESUMES

KEY PROJECT PERSONNEL AND RESUMES

Experience of the Finley Team for this work will consist of individuals covering a broad range of experience:

Team Member	Project Responsibility	Total Years of Experience	Total Years with Finley
Phillip Carroll, P.E.	Vice President, Energy Division	29	14
Mike Socha, P.E.	Senior Project Advisor	28	10
Jeremy Mather	Utility Rates & Records Coordinator	15	1

Resumes of Key Personnel follow:

Phillip Carroll

Vice President, P.E.

Phillip Carroll, Vice President of the Energy Division for Finley Engineering, has been providing engineering expertise to the electric utility industry since 1987. Managing multimillion dollar projects around the country, Carroll has been responsible for the design of distribution and transmission lines, material specifications, contract administration, final acceptance and close-outs.

In addition, Carroll has been directly involved in and managed routing, right-of-way and environmental coordination, line design, foundation design, duct-bank design, material specifications, contract administration, and project management for steel, wood, and concrete transmission lines up to 345 kV and underground and overhead distribution lines up to 34.5 kV.

Prior to joining Finley, Carroll worked at the St. Joseph Light and Power Company/Aquila, a Midwest investor-owned electric utility. His experience there included transmission and distribution areas, which included design and construction of projects ranging in size from 12 kV to 345 kV, in both rural and urban environments.

Project Experience

Mr. Carroll has been responsible for both the design and implementation of numerous distribution and transmission projects. While at Aquila (formerly St. Joseph Light & Power) Mr. Carroll project managed 15 & 34.5 kV feeder projects, both overhead and underground in duct systems. Along with routine relocations for road projects and rebuilds due to aging and maintenance Mr. Carroll is versed in specification and contracts for construction.

Transmission projects cover voltages of 69, 115, 161, 230, and 345 kV on wood, steel and concrete structures. Experiences include single pole wood, steel, and concrete, H-frame wood and steel, and self-supporting steel designs. Mr. Carroll is accomplished in soils analysis interpretation and foundation design. Structure configurations range from the traditional and RUS designs to compact for urban routing and low EMF designs.

Most recently, Mr. Carroll designed a conversion of an existing 69 kV wood RUS transmission line to a single pole concrete pole with davit and suspension construction, 20 miles in length in the hurricane prone area of Port O'Connor, Texas. This project included the evaluation and foundation recommendations across many marshy and poor soil areas. A 161 kV single pole self-supporting steel line in the City of St. Joseph, Missouri, to loop a 161 kV to 34.5/12,470 station in the



Specialization

Electrical Engineering,
Transmission and Distribution
Design, Project Management

Education

M.B.A. – NW Missouri State
University, Maryville, MO
B.S. – Engineering Technology,
Missouri Western State
University, St. Joseph, MO

Professional Registration – PE

Arizona	California
Minnesota	Montana
Nebraska	Nevada
New Mexico	North Dakota
Oklahoma	Oregon
Pennsylvania	Texas
Washington	Wisconsin

Professional Associations

American Society of Civil
Engineers
Institute of Electrical and
Electronic Engineers
National Society of Professional
Engineers

Office Location

9120 W 135th St, Ste 203
Overland Park, KS 66221
913-601-3518 Office
PO Box 148, 104 E 11th St



industrial park district. This project included approximately 1.5 miles of double circuit 345/161 kV H-frame construction. Other recent projects include the relocation of approximately 14 miles of 34.5 kV line in Osborne County, Kansas, for a road improvement project; 5 miles of 34.5 kV in Argonia, Kansas, to vacate a flood prone area; 34.5 kV with 12 kV underbuild urban projects for Aquila in St. Joseph, Missouri.

Mr. Carroll has experience in line routing and public information forums and has served in condemnation proceedings. He is versed in the permitting requirements of the various state agencies in Missouri, Kansas, and Texas. He is also well versed in NESC, RUS, and ASCE Transmission Tower requirements in the design and construction of distribution and transmission facilities.

Michael Socha, P.E.

Director Business Development-Energy Division

Michael Socha is a Director of Business Development responsible for transmission, substation and distribution projects for Finley's Energy Division. He has more than 27 years of experience in electrical distribution design, transmission, generation, purchasing, demand side management, contract management, utility pricing, cost-of-service, marketing, emergency restoration plans, and cost reduction strategies.

Prior to becoming a Manager at Finley, he served as General Manager for Southwest Central Rural Electric Cooperative, Engineering Manager and Engineering/Construction and Operations Manager at Florida Power, and Director of Electric Utilities with the City of Bedford and Project Engineer for Commonwealth Edison.

Project Experience

Mr. Socha's experience includes the preparation of electric cost of service studies and retail rate review. He lobbied for electric companies, cost reduction strategies, union negotiations, reinforcement work including 4 kV to 12 kV conversions, Fort Bliss military base CAB project, government military housing URD designs, reliability studies, joint use/asset management, construction work plans, underground network design, distribution automation design and emergency restoration activities and hurricane readiness procedures.

Socha also developed safety awareness plans and relocated electric facilities. He testified at the PUC and State Senate subcommittee on distribution territorial disputes, giving a deposition and testifying in safety related matters. In addition, he has prepared multi-million dollar budgets, load forecasts, prepared revenue, sales and peak demand forecasts, and prepared economic and financial studies for multiple utilities.

Experiences Include the Following:

- 4 kV/15 kV conversions
- 15 kV Manhole/Duct bank design drainage areas
- 15 kV overhead distribution design
- 600 A switchgear design
- 15 kV underground distribution design
- 69 kV relocation/design
- Cost of Service studies
- Retail rate design
- 34.5 kV overhead distribution & sub-transmission design



Specialization

Electrical Engineering,
Transmission and Substation
Design, Distribution, Retail Rate
Review, Cost of Service Studies,
Underground Design, Contract
Administration

Education

M.B.A. Rockford College,
Rockford, IL
B.S. Electrical Engineering, Iowa
State University, Ames, IA

Professional Registration – PE

Arkansas	Connecticut
Florida	
Iowa	Kansas
Missouri	Nebraska

Professional Associations

Institute of Electrical and
Electronic Engineers
Missouri Society of Professional
Engineers
IEEE - Pace Chairman for SW
Chapter

Office Location

PO Box 148, 104 E 11th St
Lamar, MO 64744
417-682-5531 Office
417-262-1070 Cell

Jeremy Mather

Utility Rates & Records Coordinator

Jeremy Mather joined Finley Engineering in the fall of 2014 as Utility Rates & Records Coordinator at the Finley corporate headquarters located in Lamar, MO. His primary responsibility is to assist clients in Continuing Property Records, cost of service rate analysis, and financing package compilation; including coordinating with outside consultants, lending institutions and governmental agencies and to control costs as part of the management of each project, ensuring that costs are kept in line with the original budget for our clients.



Specialization

Utility rates and records expert providing financial analysis, project management and regulatory guidance.

Education

Missouri Southern State University, Masters in Accountancy (graduation in 2015); Bachelor of Science in Business Administration, Accounting, Economics & Finance Majors.

Crowder College, Associate in Arts, General Studies; Associate in Applied Science, Marketing & Management

Office Location

Lamar, MO

In his position, Mr. Mather provides coordination, project and process management for all utility rates and records; capital construction financing considerations, cost of service and rate analysis, regulatory considerations and Continuing Property Records (CPR's). Additionally, Mr. Mather works with the Finley team to establish project objectives, policies, procedures and performance standards and works as a Finley liaison with clients and fellow Finley associates. Mr. Mather monitors and manages to ensure projects are completed on schedule and within budget and should the need arise, he investigates potentially serious situations and implements corrective measures.

Mr. Mather began his career in the financial sector over 15 years ago and has amassed great expertise in all aspects of accounting, financial management and business administration. His prior experience melds into Finley's broadband and energy disciplines to present clients with greater resources from one company.

In 2015, Mr. Mather will earn his Masters in Accountancy from Missouri Southern State.

Occupational Experience

ACCOUNTING MANAGER: JOPLIN FAMILY Y, JOPLIN, MO

Responsibilities included managing the accounting practices for the company and ensuring accuracy of all figures, calculations and postings. In addition, managed procedures and budget development utilizing revenue projections, expense tracking and prior financial data.

CAMPUS DIRECTOR: VATTEROTT COLLEGE, JOPLIN, MO

Leadership duties included managing activity and performance of student recruitment, enrollment, retention initiatives, fiscal and budget; providing guidance in hiring and evaluation processes for academic and non-academic staff while leading, guiding and coaching mid-level management. Developed campus budgets and ensured campus operational objective were achieved on a regular basis while overseeing the overall appearance and administrative operation of the campus. Ensured overall campus regulatory compliance; reviewed and managed services to support student needs; coordinated operations of campus academic and educational services.

CAMPUS ACCOUNTANT: VATTEROTT COLLEGE, JOPLIN, MO

Controlled and maintained inventory and purchases with an established purchase order system, addressed changes to policies and procedures with documentation in accounting and other departments, prepared and maintained accounts payable and receivable, reconciled accounts receivable and inventory.

STAFF ACCOUNTANT: CHOICE SOURCE, INC. NEOSHO, MO

Responsibilities included researching and implementing changes in information technologies; drafting and maintaining payroll and payroll reports, creating and organizing simple IRA Plan for employees, preparing and maintaining accounts payable and receivable, managing cash flow, reconciling bank and credit card statements, preparing consolidated financial statements for eight companies

STAFF ACCOUNTANT: MYERS, BAKER, RIFE & DENHAM CPAS, CARTHAGE, MO

Duties included preparing numerous types of tax returns, drafting end of the year adjusted trial balances for commercial clients, preparing and maintaining payroll and payroll reports, preparing and maintaining accounts payable, crafting corporate, private and organizational financial statements.

PRICE PROPOSAL

PRICE PROPOSAL

Task	Labor Hours	Rate	Cost	Expenses
Review 2007 COSA for modifications, additions, and deletions of existing rate classes.	24	\$95.00	\$2,280.00	
Initial Kick-Off Meeting and receive and organize necessary data to perform COSA Study; Includes classification and allocation of costs to appropriate plant accounts and/or customer class.	32	\$115.00	\$3,680.00	\$1,200.00
Perform COSA study, includes reviewing costing data for appropriate plant accounts and/or customer class, also reviewing power supply data, demand charges, and other energy or customer related need.	60	\$95.00	\$5,700.00	
COSA study COB Staff meeting and COB staff training	24	\$115.00	\$2,760.00	\$1,200.00
Electric Utility Rate Trends Study, an evaluation and analysis of emerging or expected future rate structures, technologies, and trends that might impact or influence future rate structures,	40	\$95.00	\$3,800.00	
Electric Utility Rate Trends study COB Staff meeting and COB staff training.	24	\$115.00	\$2,760.00	\$1,200.00
Rate Design Recommendations, make recommendations of rates, both fixed charges and unit rates to meet COB revenue requirements.	40	\$95.00	\$3,800.00	
Rate Design Recommendations COB Staff meeting and COB staff training.	16	\$115.00	\$1,840.00	\$1,200.00
Deliver final report to COB with separate Executive Summary and all documentation in support of findings and recommendations contained in the final Cost of Service Analysis.	20	\$95.00	\$1,900.00	
City Council presentation of recommended Rate Design.	24	\$115.00	\$2,760.00	\$1,200.00
Public meeting participation and presentation of recommended Rate Design. (Up to 5 meetings)	40	\$115.00	\$4,600.00	\$2,400.00
Total Labor Hours / Cost	192		\$35,880.00	\$8,400.00

NOT-TO-EXCEED FEE

The estimated not-to exceed labor cost is **\$44,280.00**

FEE SCHEDULE/HOURLY RATES

Job Title	Bill Rate
Administrative Assistant	\$55.00
Engineering Assistant	\$65.00
Drafting/Autocad Tech	\$65.00
Project Rep/Designer	\$80.00
Sr. Project Rep/Designer	\$95.00
Utility Rates & Records Coordinator	\$95.00
Project Manager/Engineer	\$115.00
Lead Engineer	\$115.00
Senior Engineer	\$135.00
Principal Engineer	\$150.00
Lodging	Cost + 10%
Meals, Misc. Expense	Cost + 10%

CONDITIONS, ASSUMPTIONS AND EXCEPTIONS

CONDITIONS, ASSUMPTIONS AND EXCEPTIONS

Finley Engineering Co., Inc. has reviewed COB's RFP and has no exclusions nor additions to the scope.

Finley Engineering Co., Inc. maintains insurance coverages in conformance with the City of Banning's insurance requirements.

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION

The Finley Team currently uses the following utility design and analysis tools:

- Autodesk Infrastructure Design Suite - 2015
- Autodesk Utility Design - 2015;
- Milsoft Windmill 8.1.3;
- Milsoft Light Table 8.1.3;
- ASPEN OneLiner
- ESRI ArcMAP 10.2
- MathCAD
- Microsoft Office Suite (Word, Excel, Outlook, PowerPoint, Publisher, Access, Visio)
- Microsoft Project
- CFC Cost of Service Software

Project man-hours are entered into our Deltek Vision on-line financial and man-hour tracking system, which is task-specific via work breakdown structure (WBS) codes and real-time based, so that daily information on man-hours per person per task is readily available to assist the project manager in controlling man-hours and project costs. Finley monitors the overall managed task project schedule and budget performance, which can include earned value analysis, using our project engineering progress report.

The project team routinely uses Microsoft Project integrated with Vision as a scheduling tool for large projects and/or for periodic reporting of numerous tasks. We often provide direct schedule input to our clients for inclusion in their project status monitoring system.

Finley will establish a secure FTP site for file transfers to and from COB.

We are confident that this proposal clearly demonstrates that the Finley Team is uniquely qualified to provide all the professional services required to fully support COB on this challenging and exciting project.

Quality Control and Quality Assurance:

The statement "You cannot manage what you cannot measure," is a small statement that speaks volumes. It is similar to stating the sure method to plan to fail is to fail to plan. We view performance measurement in like fashion. Presently we employ internally a mechanism whereby engineers and technicians track hours on a project by project basis to not only manage the amount of time spent on particular projects, but to establish a history to compare to on future projects of like scope. This enables us to have a benchmark whereby to determine if a certain project needs high quality time to address difficult or outstanding issues. This performance measurement also gives us an opportunity to establish goals and milestones to ensure the project stays on track.

We would also propose to institute a feedback mechanism that would measure man-hour and project costs to establish quantifiable benchmarks to measure future activities. We understand this is sensitive information and would have to be treated with confidentiality. We feel strongly that it is incumbent upon the engineers and technicians to provide a product that is well thought out and thoroughly planned. Too many times projects are planned with little thought given to how the engineering data will be used, and if there are things which can be done to facilitate the analysis and reporting.

The Finley Team pledges to make every effort to support COB in striving to be a World Class Organization. In our efforts for continual and rapid improvement, we see Benchmarking as an excellent tool in encouraging our employees to meet competitive challenges and establishing milestone targets. Specific areas of concentration are quality, quick response, flexibility, and cost.

Goals pertaining to timeliness of deliverables, amount of rework, and turnaround time would be established with best in class operations in mind. It is simply not good enough to match these milestones, but to consistently beat and improve upon them. Our practice is to look not only within the electric power industry for examples, but outside as well. We are not content to model the behavior of others within the industry but to question which processes may improve the overall product. We have found from experience that by simply reducing cycle time, the amount of time a project spends in our hands, has multiple effects. Not only does it better meet the demands of the client, but it also reduces the potential for errors. With fewer individuals involved there is less chance for misunderstandings or omissions. Furthermore, as an individual completes the work, it is not allowed to lie around and the details of the job remain fresh on the mind of the engineer. Therefore, the engineer is not constantly trying to get back up to speed on the project, thus reducing the chance of an error or omission. This is done by a concentrated effort by our project managers and staff in remaining focused and channeling efforts toward productive activities.

The Finley Team supports the ideas and philosophies of a Total Quality Management approach to projects and designs. Our approach revolves around four basic principles: customer satisfaction, continuous improvement, worker empowerment, and leadership. The goal is zero defects and no re-work in a timely and reasonable fashion. This is accomplished through the efforts outlined above in Performance Measurement and Benchmarking. A simple breakdown of how this is achieved can be stated as follows: The front line of responsibility resides with the design engineers and technicians to ensure that the information gathered and design elements are both accurate and pertinent. The finished product will be reviewed by a Senior Engineer and a Project Manager to ensure conformance to predetermined, applicable COB standards and applicable codes and standards.

Project Management

The Finley Team's core business philosophy includes a foundation built on strong project management expertise, processes and tools for effective project controls. Our Project Team is staffed with project management professionals who have extensive experience in managing projects of varying degrees of complexity but whose constant goals include quality, budgetary conformance, and schedule adherence.

Project man-hours are entered into our Deltek Vision on-line financial and man-hour tracking system, which is task-specific via work breakdown structure (WBS) codes and real-time based, so that daily information on man-hours per person per task is readily available to assist the project manager in controlling man-hours and project costs. Finley monitors the overall managed task project schedule and budget performance, which can include earned value analysis, using our project engineering progress report.

The project team routinely uses Microsoft Project integrated with Vision as a scheduling tool for large projects and/or for periodic reporting of numerous tasks. We often provide direct schedule input to our clients for inclusion in their project status monitoring system.

Our Project Manager will monitor the activities of each team member and track progress of each activity against the schedule. During each reporting period, the schedule will be updated to show the status of each activity. When there are any indications that an activity is not proceeding according to the schedule, the Project Manager will work with the appropriate team members to evaluate alternatives to recover any slippage. The Project Manager will also keep the utility advised of information and/or decisions that are required for the work to remain on schedule.

The Project Manager will submit a summary report to COB on a bi-weekly basis. Particular emphasis will be given to critical activities. Open action items will be listed and any major

milestones scheduled to occur within the next two weeks will be discussed. Each month, a formal progress report will be prepared that will:

- Summarize activities completed during the month.
- Update the schedule, flag any deviations and describe corrective actions.
- Itemize expenditures to date against the project budgets with analysis of budget variances.
- Give a look ahead of activities planned for the next month.

ADDENDUMS

City of Banning
Electric Utility
176 E. Lincoln St.
Banning, Ca 92220

ADDENDUM NO.1

to
Requests for Proposals
For

ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Date: September 22, 2015

TO: All Prospective Bidders:

This Addendum No. 1 forms a part of the Contract Documents and modifies the original Contract Documents. The Bidders shall execute the Certification contained here on the Addendum No. 1, and shall attach this Addendum and Certification to the Bid Proposal and submit it with the Bid Proposal Package. **Failure to attach Addendum and Certification shall be grounds for rejection of the Bid.**

Any and all reference to Appendix B is deleted in its entirety.

Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

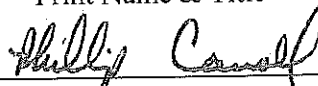
Finley Engineering Co., Inc

Contractor

Phillip Carroll, P.E.

Vice President

Print Name & Title



Signature

Date: October 13, 2015

City of Banning
Electric Utility
176 E. Lincoln St.
Banning, Ca 92220

ADDENDUM NO. 2

to
Requests for Proposals
For

ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Date: October 7, 2015

TO: All Prospective Bidders:

This Addendum No. 2 forms a part of the Contract Documents and modifies the original Contract Documents. The Bidders shall execute the Certification contained here on the Addendum No. 2, and shall attach this Addendum and Certification to the Bid Proposal and submit it with the Bid Proposal Package. **Failure to attach Addendum and Certification shall be grounds for rejection of the Bid.**

RFIs

1. Does the City own any power generation stations?
The City directly owns two small Hydro Generation units. Additionally, the City owns a 20 MW portion of San Juan Unit 3 Generating Station, and approximately 2 MW of capacity of the three Palo Verde Nuclear units, through purchase agreements with the Southern California Public Power Authority (SCPPA). The City also has several long-term power purchase agreements.
2. How many substations the City have?
The City currently has 6 substations
3. Does the City own the transmission and distribution lines?
Yes, the City owns its 34kV transmission and 4kV and 12kV distribution lines.
4. Does the City have a SCADA system?
No
5. Does the City have an estimated and/or allocated budget for the purposes of this Study?
Yes. However, that number can be adjusted based on the results of the RFP.
6. Can the City describe the type of hourly load data it has by its customer class?
No. The City does not have hourly load data by customer class.
7. Can the City provide a description of what is driving the need for this Study?
With the increase in Distributed Generation, the City is looking at its Revenue Requirements and ensuring that they are being met. The City is contemplating restructuring its rates to delineate how it

recovers Fixed versus Variable costs. The City also wants to ensure that no cross-subsidies exist between customer classes.

8. What is the reason for conducting this electric cost of service and rate design project now?
See answer to #7
9. When was the last electric cost of service and rate design project performed?
The last study was completed in 2007
10. Who performed the last electric cost of service and rate design project and what was the cost?
Navigant Consulting. \$24,460.00
11. What is the budget for this electric cost of service and rate design project?
See answer to #5
12. What is the City's desired timeframe for completing the Project?
March 31, 2016

Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

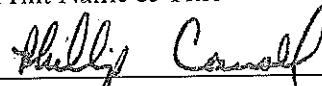
Finley Engineering Co., Inc

Contractor

Phillip Carroll, P.E.

Vice President

Print Name & Title



Signature

Date: October 13, 2015

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CITY OF BANNING ELECTRIC UTILITY DEPARTMENT

Electric Cost of Service Analysis and Rate Design

PROPOSAL | OCTOBER 2015



October 13, 2015



Mrs. Carla Young
Management Analyst
176 E. Lincoln Street
Banning, CA 92220
Via e-mail: CYoung@ci.banning.ca.us

Subject: Request for Proposal – Electric Cost of Service Analysis and Rate Design

Dear Mrs. Young:

Leidos Engineering, LLC (Leidos) is pleased to present our response to the request for proposals (RFP) for Electric Utility Cost of Service Analysis and Rate Design Project (Project) for the City of Banning's Electric Utilities Department (COB or the City). Building on our current and previous work for the City, this Project will help position COB to maintain its competitive, forward looking and financially secure electric utility for years to come. Ensuring the long-term success of municipal electric utilities is one of our most important achievements in our over 70-year history in the industry, beginning with our predecessor companies R.W. Beck and SAIC.

The City faces increased cost pressure as a result of increased distributed solar generation and the need to address fixed costs recovery through changes to its variable cost recovery mechanisms. We also recognize the challenges the COB faces in providing cost based services under Proposition 26 mandates and the desire to eliminate cross-class subsidies. Our project approach identifies specific issues that are often encountered during cost of service and rate design projects and our solutions to not only address these issues, but provide benefits and value to COB.

We are distinguished from the competition by our expertise in distribution and transmission planning, design and engineering, utility technologies and applications, and financial and management acumen. We offer the vast resources of a nationally recognized company through the close working relationship of the proposed project manager. We provide a full suite of services that aligns the cost of service and rate design deliverables with COB objectives and goals in all areas of utility operations.

Authorized Representative Contact:

Bidder. Leidos Engineering, LLC, a limited liability company
Headquarters. 9400 N. Broadway, Suite 300, Oklahoma City, OK 73114
Lead Contact. Scott H. Burnham
Mailing Address. 1801 California Street, Suite 2800, Denver, CO 80202
Phone Number. 303.299.5342

Mrs. Young
October 13, 2015
Page 2

We appreciate the opportunity to provide our proposal and look forward to working with you and your team. Should you have any questions or require additional information, please contact me directly at 303.299.5342 or Scott.H.Burnham@leidos.com.

Sincerely,



Scott Burnham
Managing Director



Steven Rupp
Client Liaison

Table of Contents

Letter of Transmittal

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SECTION 1

Work Plan

Project Understanding

The City of Banning (COB) electric utility continues to face difficult challenges related to changes in the U.S. and regional energy policy, utility costs and customer behavior. While COB has negotiated renewable energy contracts that are projected to decrease operating costs in the future (to replace energy from the impending closure of San Juan Unit #3), the growing impact from distributed solar generation cannot be ignored. Additionally, while the COB has committed to the increase use of renewable energy resources and energy efficiency practices to reduce environmental impacts within the community, further mandates from the State of California must be considered in the development of the Cost of Service Analysis (COSA) and resulting rate design recommendations. As these changes occur, it is important for COB to continue with its efforts to align its retail electricity rates and rate structures to address these challenges, remain competitive to other utilities and to ensure the long-term financial stability of the utility.

Distributed solar generation continues to pose an issue to utilities across California, as the Net Energy Metering (NEM) legislation is designed to facilitate its growth. The City of Banning's NEM customers, while a relatively small portion of its total load, result in a fixed cost recovery subsidy provided by non-solar customers. As distributed solar costs continue to come down, the prospect for COB to reach its NEM 2.0 threshold will become a reality. This Project will investigate potential equitable solutions for both existing and future NEM customers. Proposition 26 will also be a critical element of this Project, as the requirements for cost-based rates is applied to all customer classes. Our COSA will provide defensible results based on industry accepted principles and methodologies that can stand up to the stiffest scrutiny.

Project Approach

Our Project Management is the cornerstone to our entire project approach and is based on three key principles; collaborative, informative and responsive. Our collaborative approach seeks utility input and involvement throughout the entire process. We provide sound expertise that is informative and responsive to our client's needs. We are confident we will deliver results that will align with COB's policies and goals to provide a solid and defensible foundation for the resulting rate decisions.

We have provided our Project Approach below which lays out our detailed COSA (Phase I), our plan to provide a review of industry rate trends (Phase II), and subsequent rate design recommendations (Phase III). Through our experience we have found it is important to have a deliberate process to evaluate rate and rate structure alternatives, including seeking input from

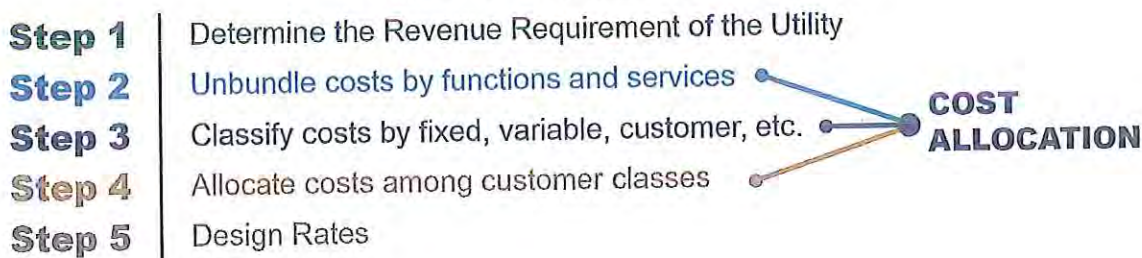
stakeholder groups to determine the best way forward. Our proposal will provide a framework for that process and result in rate recommendations that reflect the concerns of the City of Banning community.

Our approach is centered on providing value to COB. This value will be provided by leveraging our regional knowledge, applying our expertise and developing recommendations that are both defensible and equitable. There are several issues and challenges we expect to encounter during the execution of this Project. Throughout this section, we have identified several of these issues and proposed solutions to COB. We are active in the Southern California region, conducting an in-depth analysis for the neighboring Riverside Public Utilities (RPU), as well as recently completing a public outreach assignment for Los Angeles Department of Water and Power (LADWP). We will utilize information obtained during these and other in-state assignments, to provide California-focused solutions that will benefit COB for this Project.

We teach a semi-annual cost of service and rate design class, via EUCI, a national conference organization, that focuses on the principles of cost causation, allocation and rate development. We will bring our experiences from these EUCI rate courses to add value to COB during this Project. We stand behind our rate analysis and recommendations; from all of our collective experiences, we will provide value to COB by creating solutions that can be defended before City Council and outside parties. The following provides a summary of the work to be accomplished by phase for this Project; where applicable we have identified specific examples of how our approach will provide value and benefit to COB.

We propose to generally follow the steps in Figure 1-1 and as outlined in the following series of tasks. Steps 1-4 will be accomplished in Phase I and Step 5 will be accomplished in Phases II and III. Integral to the completion of Phase I will be the development of a comprehensive, flexible, user-friendly model that will be tailored to the reporting and recordkeeping practices of COB.

Figure 1-1. Electric Ratemaking Process



Project Management

Project management will be an important part of this Project. Our project management approach will be led by Mr. Scott Burnham, located in our Denver office. Mr. Burnham has over 17 years'

experience working with utilities and will ultimately be responsible for ensuring the quality and timing of the deliverables of the entire Project. Mr. Burnham will develop monthly status reports, establish a process for project, document and cost control, as well as be responsible for reducing the need for change orders throughout the Project. Additionally, Mr. Burnham will be responsible for the development of materials for the initial kick-off meeting and establishing a bi-weekly conference call with the COB team to review progress and address project issues.

Phase I: Electric System Cost of Service Analysis at Current Rates

The first phase of the proposed Project is to conduct the COSA utilizing the existing COB rate structure. We have developed a series of tasks designed to complete this phase of the Project; Task 1 includes the initial project kick-off meeting, Task 2 focuses on the analysis of the COB data, and Task 3 is the creation and delivery of a subsequent report. Phase I will utilize the financial data provided by COB and establish the foundation for the underlying cost causation by rate class. **One challenge we typically encounter is aligning the various utility department and staff with the goals of the Project. Our solution to this is to facilitate a workshop with internal stakeholders of the utility to explain the theory and practice of electric rate making, as discussed in Task 1 below.** The end result of Phase I will be a series of unbundled rates by rate class that reflect the costs to provide service.

Task 1: Initial Project Meeting and Preliminary Analysis

Immediately upon receiving notice to proceed, a data request will be submitted to COB seeking cost accounting data, system operating statistics, operating budgets and forecasts, and customer usage characteristics and summary statistics from customer bills. The basis for the Project will be COB's 2015 audited financial data. The financial data will be adjusted based on adopted budget and COB projections for FY2017–FY2026. Additionally, Leidos

will review COB's latest electric COSA (2007) including cost allocation methodologies and other assumptions, and provide suggested changes or modifications to existing assumptions or allocation procedures as they relate to the COB's need to implement rate structures changes.

Within two weeks of notice to proceed, an initial project meeting will be held with appropriate COB management and staff to clarify project goals and objectives. This meeting will serve to identify roles and responsibilities, introduce the Leidos and COB project team, establish communication protocols, identify potential project-related issues, review data needs, and confirm the project schedule. A summary of action items and project decisions resulting from this meeting will be provided by Leidos after the meeting.

We propose to conduct a 2-hour workshop for COB management and staff to review the cost of service and rates process concurrent with the visit for the initial project meeting. We have found

BENEFIT TO COB

Leidos' history of teaching Cost of Service/Rate Design classes and California rate experience will provide COB insight, information, and expertise from start to finish

this approach beneficial to the success of these studies, as it explains the rationale behind why we are asking for certain data and how the data will be used during our analysis. It is also critical, given the importance of a project of this nature that all members of the COB and Leidos team are on the "same page" from the beginning of the Project. Our workshop will be based on the EUCI Cost of Service / Rate Design classes we teach and will be designed to facilitate a common understanding of the Project process.

Task 2: Cost of Service Analysis

Develop COSA Model

Utilizing Leidos' current Microsoft Excel based COSA model (COSA Model or Model) template, we will custom design a comprehensive, flexible, user-friendly model to meet the needs of this Project. The COSA Model will be tailored to include a format matching COB's current accounting reporting system and its unique customer classes. The model template is setup in a format that is consistent with the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts; however, we will work with COB to determine a suitable alternative if FERC data is not available.

The Model will address the functionalization, classification and allocation of the Test Year revenue requirements. The Model is designed to be an intuitive and easily adjustable tool that allows COB staff to make real-time changes in allocation choices to see how those decisions impact overall COSA results as well as specific customer class costs of service. The Model also incorporates the ability to make quick adjustments to operating costs, customer growth rates, capital programs, revenue forecasts, debt service and reserves policy goals in developing the revenue requirement. Critical metrics regarding COB's financial condition, including bond-reserve requirements, day's cash on hand (or working capital), debt service coverage ratios, and others, will be included in the Model to ensure the projected revenue requirement is meeting COB's financial objectives.

Develop Key Assumptions

In our experience with similar projects, we have found that inconsistent or missing data often becomes an issue at critical junctures during the study process. Our solution to this data issue is to develop assumptions based on our regional experiences, industry data, and extrapolation from other COB or external data sources. Leidos will utilize the data obtained to develop a solid understanding of COB's existing customer class load profiles to serve as a basis for unique rate classes and their allocated costs. Our approach includes analyzing existing customer class usage characteristics and reviewing available historical load research data to support proposed customer or rate class additions or deletions as appropriate.

A key driver to be developed is each customer class' contribution to the system peak demand (coincident peak or CP) as well as each class non-coincident demand (or NCP). These values drive the majority of the fixed cost allocation in a typical utility. There are a variety of methods and sources to obtain this data, including load research, load sampling plans and/or load data

from other utilities. An alternative is to review published data from the Open EI, a government sponsored on-line data organization specific for the region. Analysis of this data may be supported by our understanding of class loads in the region from our previous experience. We will work with COB to determine an appropriate way forward to developing the demand contribution assumptions for this Project. In doing so, we will review COB's most recent electric COSA, class cost allocations and methodologies for appropriateness.

Revenue Requirement Development

Leidos will work with COB to develop a total revenue requirement for the provision of retail electric service, defined as the total system costs recoverable through rates for FY2017–FY2026. As indicated, we will utilize FY2015 audited financial data as the base year assumptions, and the FY2017–FY2026 adopted budget and projections as the basis for developing the Test Year revenue requirements.

The development of the Test Year revenue requirement will include projections of future expenses (known and measurable changes to base year assumptions), as developed in collaboration with COB, which may include the inclusion of the impacts of applicable new policy goals or objectives (such as investments in energy efficiency programs). The Test Year will quantify impacts to the bottom line of COB and the resulting overall system impact on ratepayers (average system change).

BENEFIT TO COB

We will leverage information and understanding from our southern California assignments for use in the Cost of Service and Rate Design study.

Leidos will use the cash basis as the primary approach to determining the revenue requirement in accordance the standard approach utilized by municipal utilities. We will also develop an estimate based on the “utility basis” accounting method, which is the standard approach utilized by investor-owned and cooperative utilities. Leidos will work with COB to develop appropriate assumptions and data for the utility basis and explain the relative advantages and disadvantages for each approach.

Functionalization of Test Year Revenue Requirements

Primary functional categories for this effort may include production, transmission, distribution, customer service, and other direct and indirect costs as applicable to COB. A series of allocation factors specific to COB will be developed that align costs causation to the appropriate function for electric utility costs that support all the functional elements of the utility. Capital expenses and debt service will be functionalized by determining the appropriate contribution to each function.

Classification of Test Year Revenue Requirements

The costs associated with the functional elements will be classified by their underlying cost causation. In addition to determining the nature of each cost (e.g., fixed or variable), this

process will identify the associated cost classifications including demand-related (capacity), energy-related (commodity), customer-related, and revenue-related. For the distribution and customer service functions, certain costs are directly influenced by the number of customers (customer-related), and some are related to demand. We will utilize either a minimum system study or a zero-intercept method, or appropriate assumptions, to determine this classification.

Allocation of Costs to Customer Classes

Customer-related allocation factors will be developed utilizing industry accepted methodology, reflecting cost causation and including customer weighting and direct assignment. Leidos will work with COB to identify any new customer classes to be included as a separate classification in the COSA. Each of these cost classifications will be used to assess the embedded unit costs (\$/kW, \$/kWh, \$/customer) of serving each customer class. The overall goal of the COSA will be to fairly and equitably allocate costs to the various classes of services using industry accepted practices and methodologies.

Embedded / Marginal Cost Analysis

The cost allocation method will be based on an embedded or average cost basis, which is the standard approach for most utilities. However, the analysis will also be designed to support a marginal cost application, such as to support incremental rates and potential rate structure changes. **Often, the development of marginal costs can be a challenge for utilities with limited resources; our solution is to utilize our engineering expertise in production, transmission, distribution and customer service to provide insight into incremental cost analysis.** Leidos will work with COB to determine specific applications for marginal cost analysis in the cost of service analysis.

Our approach will be consistent with industry accepted practices (such as those identified in the National Association of Regulatory Utility Commissioners' [NARUC] *Electric Utility Cost Allocation Manual* and similarly published American Public Power Association [APPA] guidance). Additionally, we will identify and incorporate existing and potential California rules and regulations as they apply to COB and the COSA/Rate Design process, specifically Proposition 26 and its mandate of cost based rates.

BENEFIT TO COB

Leidos distribution and production engineers will provide insight into incremental costs analysis for the purposes of marginal cost rate design.

Task 3: Develop Report and Present Findings

Develop Written Report

Leidos will prepare a written report summarizing the analysis performed and the results of the COSA portion of the Project. The report will include a detailed review of the revenue requirement; cost functionalization, classification and allocation process. The report will detail the supporting rationale for the methodology employed, including a discussion regarding the allocation of fixed versus variable costs and the impacts those choices have on the cost of

service by customer class. COB management and staff will provide feedback and comments, which will be incorporated into the final COSA report, as appropriate. Leidos will also deliver a final Excel-based COSA Model to COB management and staff for their future use and consideration.

Upon completion of the draft COSA report, Leidos will conduct an on-site meeting with COB staff to present findings and recommendations. Leidos will be available to present the final COSA results to the City Council.

Training for COB Staff on COSA Model

Leidos recognizes that some users find the advanced techniques often used in Microsoft Excel-based modeling challenging. Our COSA Model has been designed to be user friendly, with drop down menus and easy to understand navigation tools and can be used by those with an intermediate level of Microsoft Excel knowledge.

Throughout the COSA development, the COB project manager (and team) will have ample opportunities to review subsequent draft version of the Model during the regularly scheduled conference calls (supported by web-based presentations). This will ensure that through each step of the Model development, the COB team is aware of changes made and how to modify or edit to reflect updates or changes to assumptions, sales or usage data, and other variables which directly affect the results of the COSA.

At the completion of Phase I, and in conjunction with the presentation of Phase I results, Leidos will conduct an on-site training session focusing on the COSA Model and its functions to provide the understanding such that COB management and staff can update it in the future.

Phase I Deliverables:

- ① › Kick-off meeting / on-site workshop
- › COSA Model and supporting worksheets
- › Final written COSA report
- ② › On-site presentation to COB staff
- › On-site training on use and modification of COSA Model
- › Available to present results to City Council as requested

Phase II: Electric Utility Rate Trends

The Rate Trends study phase will include an evaluation and analysis of emerging rate structures; technologies and trends that might impact or influence future rate structures, including how electricity is priced as a whole; and how those influences affect, or apply to, COB. This phase includes the development of rate research for issues faced by COB and neighboring utilities (Task 1), the compilation and synthesis of the data (Task 2) and the development of a written report which details the findings (Task 3). **A challenge to development of this rate**

trends report will be identifying the short, mid- and long-term implications to COB. Our solution to this challenge will be to work with COB's financial and technical planners to determine an appropriate roadmap of possibilities that will serve as the foundation for the quantification of customer impacts.

Task 1: Research

Leidos will research current rate offerings of other municipal electric utilities, investor-owned utilities and cooperative utilities to identify and categorize different types of rate structures for each major rate classification including residential, commercial, and large commercial/industrial. A key underpinning of the research will be to understand how the general approach to pricing electricity is accomplished at other utilities. Specifically the review of rate trends will cover the following:

- › Embedded cost pricing
- › Marginal cost pricing
- › Market-based pricing
- › Alternative pricing methods
- › Customer-sited distributed generation
- › Electric vehicle (EV) pricing
- › Relationship between generation, transmission, and distribution cost impacts
- › Fixed vs. variable revenues and expenses
- › Conservation
- › Energy efficiency
- › Energy storage
- › Utility- and customer-owned technology
- › Low-income rate programs

Task 2: Compilation of Information

Leidos will assemble the data gathered in Task 1 to generate a summary of the rate structures and rates for use in the evaluation of alternative rate designs and their applicability to COB. This overview will include a report that summarizes each rate design structure and a narrative description describing the attributes of the rate design, goals of the pricing methodology, and how it could impact COB if it were implemented. The report will include a matrix summary of the qualitative results categorized by rate class identifying the relative advantages / disadvantages for how each rate structure would impact COB in the short term (defined as within the next year), mid-term (two to five years out), and long term (beyond five years), considering the following:



- › COB's current rate structure
- › Cost adjustments (regulatory or power costs)
- › Increased or decreased fixed charges
- › Residential and small commercial demand charges
- › Best practices in large and small commercial rates that promote business growth
- › EV rate utilizing time-of-use (TOU) pricing and/or a second EV meter
- › EV public charging stations
- › Standby charge
- › Net metering rates
- › TOU pricing for all commercial and residential customers
- › Unbundling of charges to reflect costs and cost components
- › Real time pricing
- › Street lighting system cost allocation and rates, including LEDs
- › Seasonal rates
- › Tiered rates

In developing the matrix Leidos and COB will determine which rate structures will be included in the matrix and for which further analysis will be performed. Leidos will utilize existing work products and other "in-house" resources to meet the needs of this Project.

Task 3: Written Report

Leidos will prepare a written report summarizing the analysis performed and the results of the research conducted for Phase 2. The report will include a summary of the different rate alternatives identified and a description of the impacts these rates would have on COB. The

report will detail the supporting rational for the "short-listed" alternatives that will be analyzed during Phase III (Rate Recommendations).

A critical element to any proposed rate or rate structure changes is customer acceptance and anticipation of any changes in customer behavior as a result of those changes. Additionally, COB must consider the technological requirements to implement rate structure changes, including those requirements that the customer may need to acquire. Implementation hurdles must be considered before rate changes are adopted. Leidos will conduct a qualitative and quantitative cost/benefit assessment of the proposed rate and/or rate structure changes.

After delivering an on-line presentation for the findings to COB staff, a draft and final report and rates matrix will be prepared. The written report will address the impacts of the identified rate alternatives such as:

- › Customer acceptance of new rate structures
- › The change in customer usage pattern expected from implementation of the rate structure
- › Description of the technology that enables theses pricing models to be implemented
- › Cost to the customer of implementing required technology
- › Cost to the utility of implementing the required technology
- › Barriers to offering the proposed rates
- › Qualitative and/or quantitative risks to the utility of rate implementation
- › Qualitative and/or quantitative costs and benefits of the various pricing models from the perspective of the utility.

Phase II Deliverables:

- › On-line presentation of Rate Trends research
- › Written draft/final report evaluating emerging rate structures
- › Rates matrix applicable to COB
- › Available to present results to City Council as requested

Phase III: Rate Design Recommendation

The COSA results and the findings from the Phase II research will be utilized as the basis for the proposed rate design options that will be further evaluated during Phase III. An implementation path from current rates will be developed and will focus on the emerging rate trends that are pertinent to COB. Our recommendations will include the rationale and assumptions used to validate the rate design recommendations and will also consider current technology limitations and planned future investments. **A challenge typically encountered with rate design recommendations is lack of stakeholder input to the process: our solution proposes a minimum of one stakeholder engagement meeting to facilitate understanding and feedback to rate design options.**

Task 1: Stakeholder Engagement Meeting

We propose a procedural innovation to the Scope of Work in the RFP that we believe will enhance the rate design process and add a benefit to COB.

COB should consider some type of stakeholder engagement process at this point of the Project. This will allow COB to communicate to its customers the findings of the COSA and rate trends study prior to the development of rate design. A facilitated stakeholder engagement process will be designed to solicit feedback from customer group representatives on proposed rate and rate structure changes. By incorporating stakeholder feedback into the rate design process, COB can confidently reflect the concerns of the citizens of Banning in their community owned utility.

Leidos proposes to facilitate a stakeholder meeting, with the COB team, in a forum to be decided, to discuss the COSA findings and how the results of the rate trends review may be implemented for COB's existing and future rates. Leidos will work with COB to develop appropriate materials, including presentations and handouts, prior to this public meeting. Solicited feedback from this meeting will be utilized to develop rate recommendations for Council approval. COB may consider additional stakeholder meetings to continue its efforts to educate and inform its customers of potential changes they may see on their utility bill in the future (see optional Task 7 – Additional Public Meetings, below)

Task 2: Revenue Adequacy Test

Considering the level of existing rates, social and economic factors of the Banning community, and the expenses incurred by COB in providing services to its customers, a revenue adequacy test will be performed to determine the level of rate revenue generated compared to the revenue requirement of COB. Included in this analysis will be the identification of revenues to be generated from fixed and variable charges as compared to the fixed and variable costs of the utility at each customer class.

Task 3: 10-year Financial Pro Forma Model

Utilizing input from COB's 10-year pro forma financial projections, Leidos will develop a financial model to identify revenue requirements and projections of revenue by customer class. This model will directly correlate to the COSA Model, and will consider COB financial goals including reserve requirements, day of cash on hand, debt service coverage requirements, and other metrics critical to the success of COB. This model will provide the anticipated financing activities for COB's future system investments and how they will impact the Test Year revenue requirement (either through rates or debt service from bond financing, or some combination thereof).

Task 4: Bill Impact Analysis

Leidos will prepare a bill impact analysis that will include rate comparisons using a minimum of three usage patterns for each customer class or rate where changes are recommended showing the difference in bills under the present and proposed rate designs, by fiscal year for the proposed period of adjustment. The comparison will show the effects of both making revenue-neutral changes to the existing rate structure and the effect of any recommended rate increase strategies if applicable. In the event alternative rate designs are recommended, rate comparisons will be developed to illustrate the effect on each customer class affected. All rate recommendations will be made in consideration of meeting projected operations and maintenance, administrative, debt service, capital outlay and reserves expenses, as well as existing and planned bond covenants or other financial goals of COB. This will include consideration of existing and projected NEM customers served by COB.

BENEFIT TO COB

Leidos has developed a Comparative Rate Analysis Tool™ to equitably and fairly compare impacts from proposed rates and rate structures, both internally and externally. We will utilize this existing tool to analyze COB's recommended rate changes.

Task 5: Fiscal Impact Analysis

An analysis of the fiscal impacts of any proposed rate change will be conducted to identify and quantify the potential impact on COB. Specifically, this analysis will include:

- › Renewable energy portfolio requirements, current status of compliance and future purchases as may be necessary
- › Capital projects funding requirements
- › Compliance with reserve balances, days cash on hand, and debt coverage requirements
- › Greenhouse gas regulations
- › Distributed generation, including NEM and future NEM 2.0 customers
- › EV program costs/impacts

Task 6: Written Report

At the conclusion of Phase III, Leidos will prepare a draft written report documenting the results of the rate design recommendations. The results of Phase III will be presented to COB staff and management for review. Feedback and comments will be incorporated, as appropriate, into a final written report. Leidos will be available to present the final results to COB staff and/or the City Council at the conclusion of Phase III.

Optional Task 7 – Additional Public Meetings

At the conclusion of Phase III, or earlier, and at the discretion of COB, Leidos will be available to participate in a series of public meetings to inform and educate customers on the results of the Project and the proposed recommendations. During these meetings Leidos will facilitate public involvement, answer questions, and make presentations. These public meetings have been

developed as an optional task and are excluded from the total not-to-exceed price estimate developed for this Project (see Section 5)

Phase III Deliverables:

- › Facilitated stakeholder meeting / presentation with appropriate materials
- › Written report detailing findings and recommendations (Microsoft Word format)
- › Rate design recommendations and analysis (Microsoft Excel format)
- › Meeting with COB staff to discuss the results and allow an opportunity for feedback
- › Available to present to the City Council as requested

Summary of Proposed Meetings

Phase I

- › Phase I kick-off meeting, COSA / Rate Design 2-hour workshop (2 consultants)
- › Presentation of final report to COB, COSA Model training (1 consultant)
- › Available to present COSA findings to City Council (1 consultant), if requested*

Phase II

- › Phase II kick-off meeting (conducted via web based meeting)
- › Presentation of final report to COB (conducted via web based meeting)
- › Presentation of rate design recommendations to COB (1 consultant)*

Phase III

- › Presentation to stakeholder group (1 or 2 consultants)
- › Phase III kick-off meeting (conducted via web based meeting)
- › Presentation of rate design recommendations to COB (conducted via web based meeting)
- › Available to present COSA findings to City Council (1 consultant), if requested*

Optional Services – Additional Public Meetings

- › Additional community discussions and presentations - 4 meetings TBD (1 or 2 consultants)

Additional Services

Additional services can be provided subject to a mutually agreeable adjustment to the Scope of Services, schedule, and fee. Examples of these services include making additional presentations, performing additional analyses, and attending additional meetings. These services will be provided at Leidos' standard billing rates.

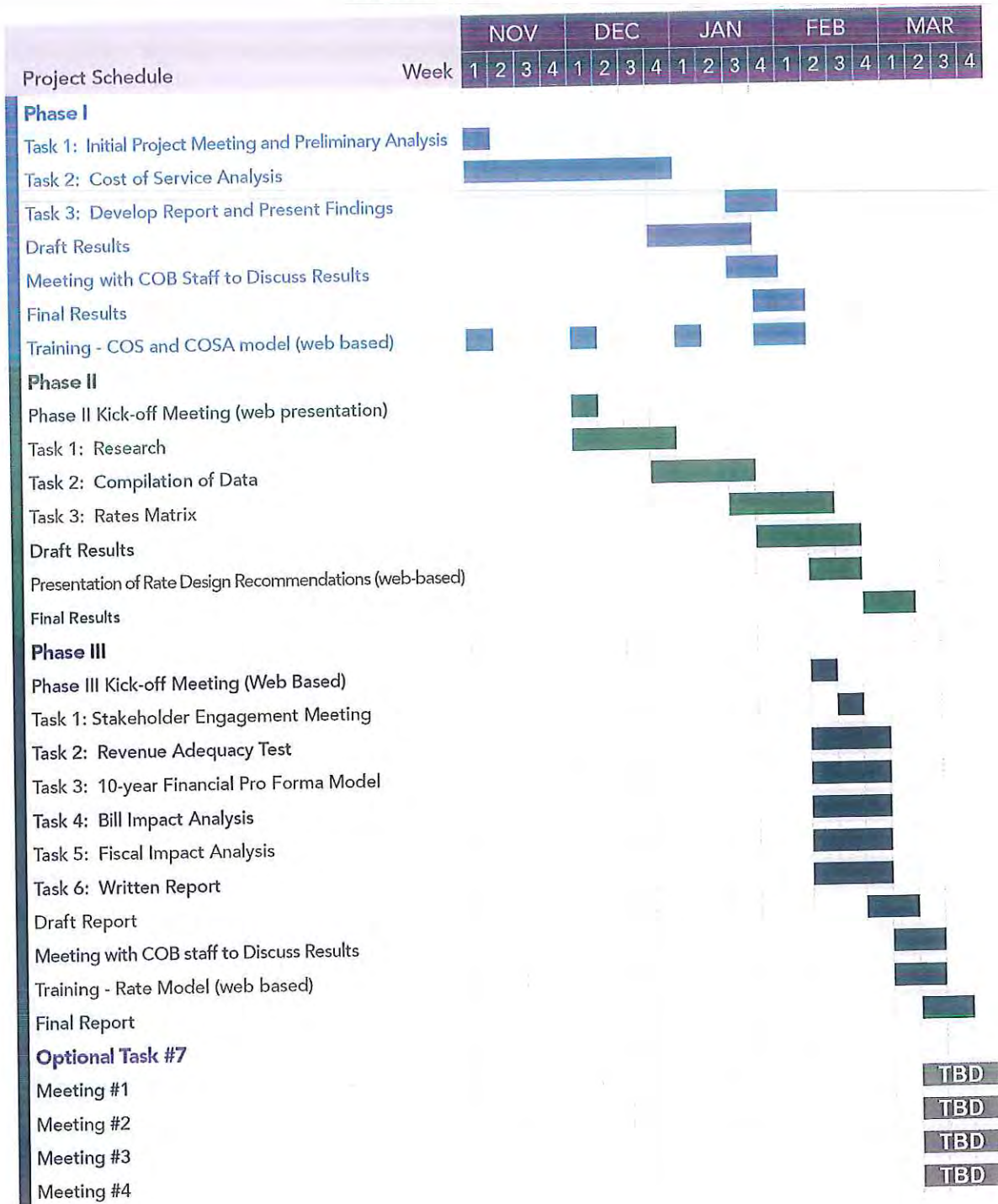
***Note:** Members of the Leidos team are available to present findings of each phase of the Project to the Banning City Council, as requested by COB. The cost for these meetings has not been included in the total not to exceed cost provided in Section 5 of this proposal. However, if selected, Leidos will work with the COB to determine an appropriate cost estimate or substitution of a proposed on-site meeting as described herein.

SECTION 2

Project Schedule

We propose to begin work on Phase II prior to the completion of Phase I, which will allow for more time to complete Phase III, Rate Design Recommendations. The end result of Phase II is a white paper describing alternative rate design approaches being utilized across the country. In our opinion, the start of this phase of work can begin prior to the completion of the Phase I Cost of Service Analysis. This approach is based on our recent experience in performing similar studies for utilities across the country. It is our intention to complete Phase I and Phase II at the same time and review the results of both phases of work with COB management and staff prior to beginning Phase III.

Figure 2-1. Proposed Schedule



Project Experience

Leidos' Cost of Service and Rate Design Experience

Leidos has prepared electric cost of service and rate studies for more than 70 years and has an established reputation for conducting rates and economics studies. Our approach utilizes current rate setting methodologies, including short-range financial planning, to determine revenue requirements, allocate unbundled COS to customer classes, determine rates of return, and design rates.

Leidos has 70 years of experience in preparing Electric Cost of Service and Rate Design studies

We work closely with utility management in the development and design of rates that balance the policy directives and goals of the utility and minimize potential impacts on ratepayers. In addition, our approach and methodology follow industry best practices and regulatory standards. Our work often facilitates the acceptance of resulting rates by a community's constituents, utility commission, and other interested parties.

Knowledge of Emerging Trends in Electric Rates

For a decade, we have conducted biannual cost of service and rate design workshops for EUCI, a leading energy industry training organization. These four-day workshops, which usually take place in San Diego and Chicago, serve to introduce concepts based on real-world experiences, and include hands-on exercises that are based on our proprietary COSA/Rate Design model. While our course is provided at a high level, the concepts and strategies discussed are directly applicable to COB's COSA/Rate Design Study. The courses include a review of various approaches to cost of service and rate design and are typically well attended by representatives from public power, investor-owned, and cooperative utilities.

As shown in Figure 3-1 below, we have strong analytical experience with a majority of the emerging rate trends in the electric utility industry in prosecuting similar work for clients across the country.

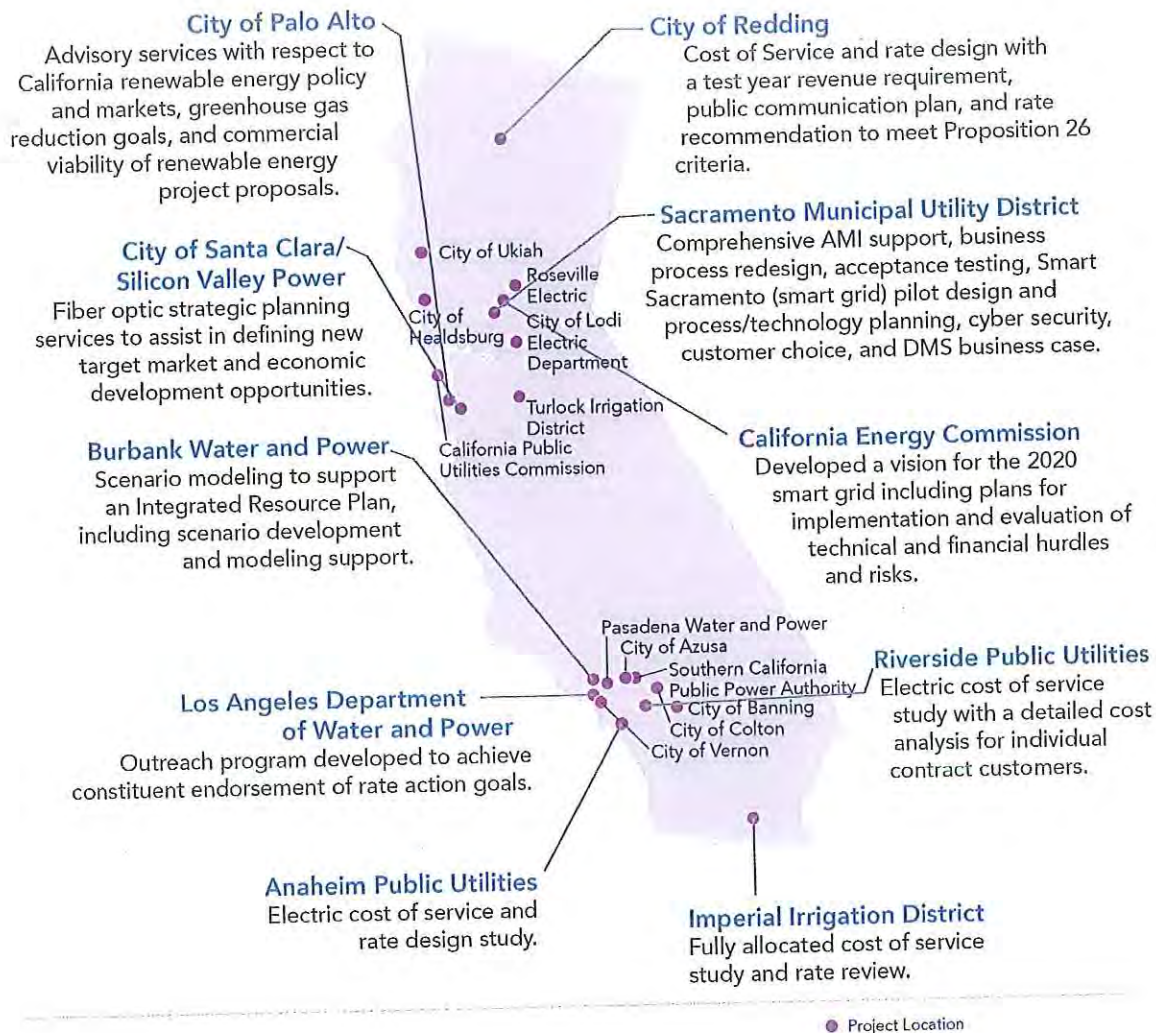
Figure 3-1. Leidos Recent Project Experience with Emerging Rate Trends

Cost of Service and Rate Design Experience	Fixed vs. Variable Cost Recovery	Time-of-Use Rates	Small and Large Customer Transition	Distributed Generation Integration	Net Metering / Feed-in Tariffs	Seasonal Rates	On/Off Peak Pricing	T&D Wires Charges	Alternative Rate Structure Implementation	DSM or Curtailment Rates	Power Cost Adjustment Factor
Redding Electric Utility	✓		✓	✓	✓			✓	✓		
South Carolina Public Service Authority (Santee Cooper)	✓	✓	✓		✓		✓			✓	
Farmington Electric Utility	✓			✓						✓	✓
Frankfort Electric Plant Board	✓		✓						✓		✓
Los Angeles Department of Water and Power (LADWP)	✓			✓							
Virgin Islands Water and Power Authority	✓		✓		✓	✓			✓		
City of Ocala, Florida	✓					✓					
City of Tallahassee, Florida	✓	✓							✓		
Los Alamos County Department of Public Utilities	✓			✓		✓					
Princeton Electric Plant Board	✓		✓					✓	✓		✓
EUCI Rate Course	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

California Energy Policy and Markets Experience

The experience California municipal utility market depicted in Figure 3-2 represents a deep breadth of understanding and knowledge in many aspects of utility operations and management. Leidos delivers recommendations and guidance supporting financial stability and customer satisfaction through thoughtful and actionable recommendations that help achieve utilities' strategic goals. Further, the satisfaction of our California clients is a testament to our capabilities in municipal utility consulting and our commitment to serving the needs of our customers in the state.

Figure 3-2. Relevant California Experience



References

Leidos is proud of the long-term relationships we have developed with our clients. We encourage COB to contact the following representative professional references who can speak to our ability to exceed project objectives while maintaining budget and schedule. We have built our reputation by providing clients with solutions based on sound engineering principles, economic feasibility, and innovative thinking delivered on time and within budget.

Our referenced projects relate to the services described in the RFP to provide COB with a comprehensive understanding of our approach and experience.

Leidos would be pleased to furnish additional references upon request.

LEIDOS REFERENCE #1

City of Redding, California
Cost of Service and Utility Rate Design

Mark Haddad
Financial Manager

mhaddad@ci.redding.ca.us
(530) 339-7383

Date Completed: June 2015

Project Manager: Scott Burnham

Leidos was retained by Redding Electric Utility (REU) to conduct a Cost of Service analysis and subsequent rate design for its customers. The City of Redding owns and operates REU, which is a vertically integrated electric utility that serves the citizens of Redding, CA. This assignment included the creation of a Test Year revenue requirement and development of defensible cost allocation methodology to apply the utility costs equitably to its customer classes. REU was actively involved in a lawsuit related to **Proposition 26** and Leidos project team members worked closely with REU attorneys, staff and city management to coordinate a successful public communication plan and rate recommendation that met the restrictions and criteria laid out by Proposition 26. Challenges to the project included considerations of **Proposition 26** (relative to the in-lieu-of-tax payment) and concerns over potential inter-class subsidies. Additionally, REU sought guidance for potential rate design / rate structure alternatives. At the request of REU, Leidos also facilitated a citizen's advisory group / stakeholder engagement process to solicit input into the development of the retail rate design plan and to provide a roadmap for developing a community sponsored rate plan that took into account the views of citizen advocacy groups, representatives of the solar industry, large customer and key accounts.

LEIDOS REFERENCE #2**South Carolina Public Service Authority (Santee Cooper), South Carolina
Cost of Service Studies and Electric Rates Review****Traci Grant, Group Leader –
Pricing and Competitive Issues**tjgrant@santeecooper.com

(843) 761-8000, Ext. 5091

Date Completed: Ongoing**Project Manager:** Scott Burnham

Leidos has provided rate and financing, generation expansion, and other technical services support to Santee Cooper since 1972. Recently, Leidos was retained to provide a review of new service offerings (rates), new rate designs, and financial policy revisions, including development of a demand response buy back tariff (for interruptible customers), the development of a new form of energy service to industrial customers, and assistance with the development of Distributed Generation rate rider. Leidos provided assistance with the development of the 2015 Rate Study, including our review of Santee Cooper's revenue requirement, cost allocation methods, and proof of revenue analysis. This assignment included presenting the utility's rate recommendations and working with the utility's Industrial Customer Association to develop new rates as appropriate.

LEIDOS REFERENCE #3**Farmington Electric Utility System (FEUS), New Mexico
Cost of Service and Rate Design Study****Sue Nipper
Utility Business Operations
Manager**snipper@fmrn.org

(505) 599-8311

Date Completed: August 2015**Project Manager:** Scott Burnham

As part of FEUS' Cost of Service and Rate Design Study, Leidos provided a review of existing and projected generation, transmission, and distribution expenses, including the development of a capital reserve fund. Our analysis reviewed cash reserve policy and rebased the Power Cost Adjustment rate rider to reflect current cost estimates. A three-year Test Year revenue requirement was developed based on Capital Improvement Plan and existing load data. The project utilized an existing analysis previously developed for the client. A comparison to regional rates and rate structures was provided by FEUS and reviewed for inclusion in the study presentation and report.

Leidos has also recently worked with FEUS to develop a rate for distributed solar. The new solar rate was developed by leveraging load and sub-hourly solar production data, and was designed to balance FEUS' objectives of controlling issues of under-recovery of fixed costs from a solar customer while offering a rate that reflects a policy-based acknowledgement of the value of solar generation to FEUS.

LEIDOS REFERENCE #4**Riverside Public Utilities, California
Electric Cost of Service and Rate Design Study**

Brian Seinturier
Finance/Rates Manager
BSeinturier@riversideca.gov
 (951) 826-2215

Date Completed: On-Going

Project Manager: Scott Burnham

To help address the City of Riverside's changes in the U.S. and regional energy policy, costs and customer behavior, Leidos will provide a Cost of Service Analysis and Rate Design Study that will recognize and incorporate solutions to challenges from both regulatory mandates and customer choice. The project will support RPU's own progressive policies to address specific issues with fixed cost recovery, integrating distributed generation, increased conservation/energy efficiency efforts, and existing and future environmental legislation. As these changes occur, RPU will continue with its efforts to align its retail electricity rates and rate structures to overcome these challenges, remain competitive to other utilities and to ensure the long-term financial stability of the utility.

LEIDOS REFERENCE #5**Los Angeles Department of Water and Power (LADWP), California
Stakeholder Engagement to Support New Rates**

Joseph Ramallo
Communications Director
joseph.ramallo@ladwp.com
 (216) 367-1361

Date Completed: 2015

Project Manager: Scott Burnham

Leidos assisted the utility in communicating with and educating its customers regarding a proposed change in rate structure and rate increase. Leidos developed a public outreach plan including core messaging to guide both internal and external communication. Additionally, Leidos developed content for stakeholder collateral materials.

Additional Project Experience in the Past Three Years

The following paragraphs describe cost of service and rate design projects Leidos has completed within the past three years.

Development of a Solar Rate (NEM 2.0 in California)

Turlock Irrigation District (TID), California

Leidos provided analytical support for Turlock Irrigation District's (TID) efforts to reform its solar rate offering in response to meeting California state-mandated cap on net metering within its service territory. Leidos provided insight into the development of cost and operational profiles for photovoltaic (PV) systems in the region, and analyzed the impacts of customers installing PV from the perspective of the utility (fixed cost recovery) and the customer (bill savings and payback) under different rate scenarios. This analysis was used to inform a solar rate proposal that included a new "Time-of-Use" component, as well as a demand charge for PV

customers. Leidos provided comments on materials, as well as in-person presentations to the TID Board members and the public Board meetings. The staff recommendations were accepted by TID's Board in December, 2014.

COS and Rate Design

Virgin Islands Water and Power Authority, U.S. Virgin Islands

Leidos has provided engineering and consulting services to the Virgin Islands Water and Power Authority for over 30 years. The Authority owns and operates an electric generation and distribution system and a potable water supply and distribution system serving customers on the islands of St. Thomas, St. John, and St. Croix. The most recent electric cost of service study was completed in 2014, based on expert witness testimony filed by Leidos in the 2012–2013 Electric Rate Case before the Virgin Islands Public Services Commission. A cost of service model was developed and load data was analyzed from feeders on each island to estimate the contribution to the system peak load for each customer class. Test year revenue requirements were allocated to each customer class, and the results of the cost of service study were presented to the Authority.

Electric Rate Studies

City of Ocala, Florida

Leidos prepared the most recent Electric Rate Study for the City of Ocala in 2014. The study included projected revenue requirements, development of class allocation factors, an allocated COS study, and development of proposed rates. Included in the study was a review of the Bulk Power Cost Adjustment, in which historical calculations were reviewed, and the projected level of the adjustment was determined. Also included in the evaluation was a review of the amount to be included in the base and a review of the true-up calculations of the adjustment. Leidos presented the results of the cost of service studies at public meetings of the City Commission and customer groups.

Electric Rate Studies

City of Tallahassee, Florida

Leidos completed its most recent electric rate study for the City of Tallahassee in 2014. Since 1966, Leidos has provided consulting services to the City of Tallahassee in the areas of utility cost of service, rate design, and finance. The City owns and operates a municipal electric generation, transmission, and distribution system; natural gas distribution system; potable water supply and distribution system; wastewater collection treatment, and disposal system; and stormwater management system. The City provides utility services to customers located inside the City limits and in surrounding unincorporated urban areas. For over 30 years, Leidos' services have included advice, counsel, direction, and training for preparation of cost of service studies; cost-based rate design using generally accepted ratemaking practices from the Federal Energy Regulatory Commission (FERC), National Association of Regulatory Utility Commissioners (NARUC), state public service commissions, and American Water Works

Association guidelines; impact fee development recognizing industry practices, regulatory guidelines, and judicial rulings; and design of cost-based rates and system charges for fire protection services and customer requested services. Leidos participated in public hearings and meetings and prepared revenue bond certificates.

2014 Electric Utility Cost of Service Analysis and Rate Design

Los Alamos County Department of Public Utilities (DPU), New Mexico

Leidos was retained by DPU to conduct an Electric Utility Cost of Service Analysis and Rate Study. Among the goals of this study was DPU's desire to move towards full implementation of cost-based rates. This assignment included creation of a Test Year revenue requirement and development of a defensible cost allocation methodology for assigning utility costs to customer classes. Leidos analyzed feeder data to determine allocation factors for various residential and commercial customer classes, developed cost-based rates and then worked closely with DPU to determine the achievable level of rate increase by customer class to conform to public policy goals and to avoid undue rate shock. In addition, the rate design included creation of a power cost adjustment charge, development of wires charges for distributed generation, and derivation of rate riders for remote and remote off-system loads. Leidos presented study results to the Board of Public Utilities and County Council and supported a public hearing.

Cost of Service and Rate Design, Ongoing rate support

Princeton Electric Plant Board (EPB), Kentucky

Princeton Electric Plant Board is a municipal electric utility servicing customers in and around the city of Princeton, Kentucky. Leidos assisted Princeton EPB with its decision to leave the Tennessee Valley Authority and form its own power agency with another Eastern Kentucky city. Since 2010, Leidos has assisted Princeton EPB with cost of service and rate studies, the administration of monthly power cost adjustment support and ongoing rate and cost of service related issues.

Scenario Modeling for 20-Year Integrated Resource Plan

City of Burbank Water and Power, California

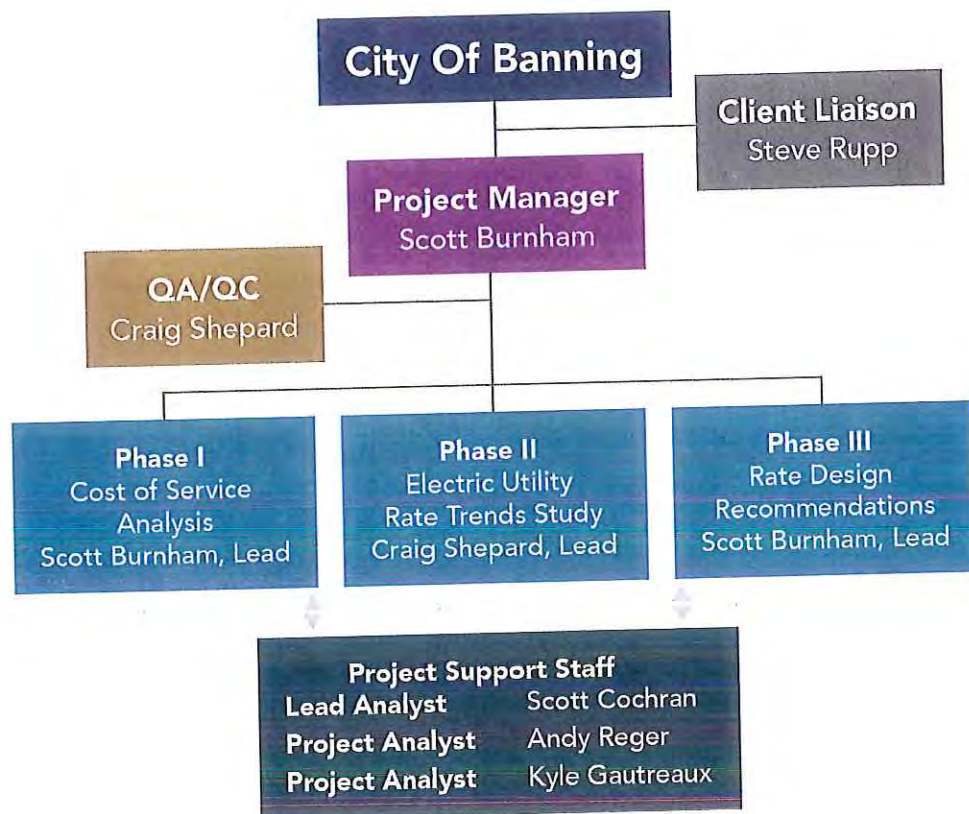
Leidos assisted BWP in developing a new 20-year Integrated Resource Plan (IRP) covering the years 2014 through 2034. As the IRP process progressed, Leidos collaborated with BWP system planners to identify a number of factors affecting its resource plan, some shared among most utilities and some unique to Burbank. To ensure the IRP systematically accounts for these factors, Leidos provided scenario development and modeling support that systematically included existing California regulations and future policy constraints. A primary task in this engagement entailed production cost modeling for a base-case model of the BWP system, as well as several alternative scenarios that incorporate these future policy and other system level issues. Leidos and BWP evaluated the specific impacts of the policy issues on the modeling analysis.

Key Project Personnel

Organizational Chart

We understand the analytical, technical, and strategic aspects of performing this work and have a successful track record making sure results align with our clients' goals, as well as regulatory requirements. Our team's expertise will benefit COB due to our deep knowledge of the industry, familiarity with similar projects for municipal utilities, and decades of experience. Our organization chart shown in Figure 4-1 represents the anticipated operating structure for project coordination with COB.

Figure 4-1. Leidos Team Organization



Team Structure

Leidos has assembled a cohesive team of specialists who have decades of experience providing financial and economic consulting services for community-owned utilities across the U.S. and leveraging subject matter expertise in rate design and COS development. We have identified a separate Phase II lead in order to ensure that the schedule can be met. Our intent is to begin Phase II prior to the conclusion of Phase I and coincide with the completion of each phase prior to starting Phase III, as illustrated in our proposed schedule in Section 2. We believe this approach will allow the individual phase leads to work concurrently in the timeframe stated.

Leidos can rapidly deploy our resources and subject matter experts in distribution design/ planning, energy markets, smart grid, energy consulting and technical analysis to meet any challenge that arises during the course of the study.

The Leidos team will be led by an individual with significant knowledge of municipal utilities, the issues COB faces, and the development of reports through collaborative, inclusive processes. We will apply an integrated project delivery approach, in which our team members communicate frequently, think critically, and contribute openly to the study that will result in a succinct plan for COB and its stakeholders. Finally, our proposed project team members have worked closely together on numerous similar engagements with a track record of success.

The Leidos team includes the position of Client Liaison, which will be performed by Mr. Steve Rupp. Mr. Rupp is very familiar with COB's recent efforts to update its distribution system infrastructure. As Client Liaison, Mr. Rupp's role will be to advocate for COB within the project team. This method will be utilized to ensure quality control, as well as budget and schedule control for the project. Any member of the COB team will be able to contact Mr. Rupp if they believe that the project is experiencing unreasonable budgetary or executional risks that are not being properly addressed by the Leidos Project Manager.

Full resumes for our proposed team can be found in Appendix B.

Figure 4-2. Relevant Experience of the Proposed Project Team

Proposed Team Members/ Roles/Education	Summary of Qualifications
<p>Scott H. Burnham Role: Project Manager; Phase I and Phase III Lead Education: Masters of Public Affairs from Indiana University M.S. from Indiana University M.B.A. (Finance) from the University of Colorado B.S. from Texas A&M University</p>	<ul style="list-style-type: none"> > Offers more than 17 years of experience in consulting for utilities > Project manager of studies regarding the rates and financial analysis of utilities > Areas of expertise include financial and statistical analysis and their applications to utility rate studies and utility planning > Leads semi-annual EUCI COS / Rate Design course > Recent similar client engagements include: Redding Electric Utility (CA), Virgin Islands Water and Power Authority, South Carolina Public Service Authority (Santee Cooper), Austin Energy (TX), Farmington Electric Utility System (NM), Lafayette Consolidated Government (LA), and Fort Collins Utilities (CO)
<p>Steve Rupp Role: Client Liaison Education: B.S. in Electrical Engineering from California State University – Sacramento</p>	<ul style="list-style-type: none"> > Offers more than 30 years of experience in consulting for utilities > Extensively experienced achieving customer satisfaction, communicating complex issues to boards and councils, and meeting customer expectations > Broad-based experience including assignments with electric utilities, energy consulting and power system construction industries > Recent similar engagements in California include: City of Riverside, Pasadena Water and Power, City of Roseville, Redding Electric Utility
<p>Craig R. Shepard Role: Phase II Lead, QA/QC Education: M.B.A. from the University of Central Florida M.S. in Mathematics from the University of Florida B.A. in Mathematics from Emory University (Magna Cum Laude)</p>	<ul style="list-style-type: none"> > Offers more than 30 years of experience in consulting for utilities > Prepares studies regarding the rates and financial analysis of utilities > Areas of expertise include financial and statistical analysis and their applications to utility rate studies and utility planning > Recent similar client engagements include: Virgin Islands Water and Power Authority, Reedy Creek Improvement District, South Carolina Public Service Authority (Santee Cooper), and the cities of Tallahassee, Ocala, New Smyrna Beach, Bartow, and Lakeland, Florida

Proposed Team Members/ Roles/Education	Summary of Qualifications
<p>Scott Cochran Role: Lead Analyst</p> <p>Education: M.B.A. from Belmont University B.S. in Business Administration from Auburn University</p> <p>Professional Certification: Certified Accredited Senior Appraiser (ASA), American Society of Appraisers</p>	<ul style="list-style-type: none"> > Offers more than eight years of experience in finance and project management > Provides valuations and appraisals, rate design, and COS studies for electric, gas, and water utilities > Served multiple roles working for utility management, Boards, City Councils, attorneys, and end-users providing detailed analyses for each client > Recent similar client engagements include: Farmington Electric Utility System; Harrison Rural Electric Membership Cooperative; Cities of Litchfield, Minnesota, and St. Charles, Illinois; Frankfort Electric & Water Plant Board; Madisonville Municipal Water & Light Department
<p>Andrew Reger Role: Project Analyst</p> <p>Education: M.B.A. (Finance/Energy) from the University of Denver B.A. from the University of Colorado</p>	<ul style="list-style-type: none"> > Provided advice in the development of demand allocators for multiple COS analyses around the U.S. > Brings extensive expertise in distributed generation markets, especially rooftop PV > Recent experience in cost of service and rate design for a California client (Redding Electric Utility) > Recent similar client engagements include: Redding Electric Utility, U.S. Virgin Islands Water and Power Authority, Los Alamos Department of Public Utilities (NM), Farmington Electric Utility System (NM), South Carolina Public Service Authority (Santee Cooper)
<p>Kyle Gautreaux Role: Project Analyst</p> <p>Education: M.B.A. from Louisiana State University B.S. in Biological Engineering from Louisiana State University</p>	<ul style="list-style-type: none"> > Developed dynamic models that facilitate improved budgetary and operational forecasting > Completed market studies that enhanced understanding of the current and future business climate within the oil and gas, petrochemical, and specialty chemical marketplaces > Supported the development of pro forma budgetary projections, cash flow statements, feasibility studies, supported environmental impact statements, and technology evaluations > Recent similar client engagements include: Redding Electric Utility, California, South Carolina Public Service Authority (Santee Cooper); Genesis Solar, LLC, California; Kent County Department of Public Works, Michigan; Lancaster County Solid Waste Management Authority, Pennsylvania; and Dixie Green, LLC, Alabama

SECTION 5

Price Proposal

Table 5-1 sets forth Leidos' not-to-exceed fee of \$57,000, by phase. The table includes the personnel assigned to each task, hourly rates, and the number of hours budgeted per task. Also shown are the estimated travel expenses. No other non-travel related, reasonable reimbursable expenses are anticipated as part of this Project. To reduce the total cost of the Project we are proposing to hold the Phase II and III kick off meetings via teleconference and/or web presentation, and utilize web-based presentations where appropriate during the project. Web presentations or project status calls can be scheduled at any time throughout the engagement. As part of the proposed project management, bi-weekly conference calls will be scheduled during the completion of each phase to maintain communication and control of project costs and deliverables.

Table 5-1. Leidos Not-to-Exceed Fee Breakdown

Task Description	Burnham ¹	Cochran ²	Gaultreau/ Reger	Shepard	Admin Support	Total Hours	Cost ³
Hourly Rate	\$250	\$150	\$135	\$200	\$90		
Phase I	34	67	40		8	147	\$25,000
Phase II	8		37	12	8	57	\$10,000
Phase III	16	40	55		8	119	\$18,000
Total Labor Hours	56	107	132	12	24	333	
Total Labor Cost							\$53,000
Travel Expenses (at cost)							\$4,000
Total Not-to-Exceed Fee ⁴							\$57,000
Additional 4 Public Meetings (Optional)							\$10,000

NOTES:

1. Hours include three onsite meetings and/or presentations
2. Hours include two onsite meetings and/or presentations
3. Values may not add due to rounding

*Total of four meetings included in budget. Additional meetings can be arranged as additional services. Depending on time and schedule meetings/presentations may be attended by one or more members of project team

Fee Schedule/Staff Hourly Rates

A schedule of Leidos hourly rates for all personnel classifications that may be utilized in this Project is provided in Table 5-2.

Table 5-2. Leidos Labor Rate Schedule

Classification	Hourly Rate
Managing Consultant	\$250
Senior Consultant	\$200
Lead Analyst	\$150
Project Analyst	\$135
Administrative Support	\$90

SECTION 6

Conditions, Assumptions and Exceptions

Contractual Conditions, Assumptions and Exceptions

Leidos has no issues with the terms contained in the RFP or contract.

Technical Conditions, Assumptions and Exceptions

Leidos proposes an alteration to the proposed scope and work plan in section 4.2 of the Scope of Work, specifically, "COB anticipates that the project will consist of the following phases and the results of each phase will be reviewed with COB personal prior to initiation of work on the next phase. COB expects each phase to be the basis for the next."

Leidos instead proposes to perform Phase I and Phase II concurrently, but both phases will be completed and the results reviewed with COB staff prior to beginning Phase III. In our opinion, Phase II does not need to rely on Phase I results, and executing the two phases concurrently can shift time to the critical third phase of the project. If COB objects to this alteration, Leidos can perform the phases as indicated in the RFP.

Additionally, Leidos proposes an alteration to the proposed scope and work plan in Section 4.2 of the Scope of Work, specifically, Phase III "The consultant shall attend, make presentations and answer questions at up to five (5) meetings in an effort to obtain input and final approval for recommended rate adjustments." As discussed in Section 1 Work Plan, Leidos proposes to conduct one stakeholder engagement meeting/presentation and has included an additional four meetings as optional services to be scheduled at COB's request. This modification was made to keep the overall project budget cost down. If COB objects to this modification, Leidos can conduct all five meetings requested for a revised not-to-exceed fee.

APPENDIX A

Received Addenda

City of Banning
Electric Utility
176 E. Lincoln St.
Banning, Ca 92220

ADDENDUM NO.1

to
Requests for Proposals
For

ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Date: September 22, 2015

TO: All Prospective Bidders:

This Addendum No. 1 forms a part of the Contract Documents and modifies the original Contract Documents. The Bidders shall execute the Certification contained here on the Addendum No. 1, and shall attach this Addendum and Certification to the Bid Proposal and submit it with the Bid Proposal Package. **Failure to attach Addendum and Certification shall be grounds for rejection of the Bid.**

Any and all reference to Appendix B is deleted in its entirety.

Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

Leides Engineering, LLC
Contractor
Scott Bernham, Managing Director
Print Name & Title
[Signature]
Signature
Date: 10/9/15

City of Banning
Electric Utility
176 E. Lincoln St.
Banning, Ca 92220

ADDENDUM NO. 2

to
Requests for Proposals
For

ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Date: October 7, 2015

TO: All Prospective Bidders:

This Addendum No. 2 forms a part of the Contract Documents and modifies the original Contract Documents. The Bidders shall execute the Certification contained here on the Addendum No. 2, and shall attach this Addendum and Certification to the Bid Proposal and submit it with the Bid Proposal Package. **Failure to attach Addendum and Certification shall be grounds for rejection of the Bid.**

RFIs

1. Does the City own any power generation stations?
The City directly owns two small Hydro Generation units. Additionally, the City owns a 20 MW portion of San Juan Unit 3 Generating Station, and approximately 2 MW of capacity of the three Palo Verde Nuclear units, through purchase agreements with the Southern California Public Power Authority (SCPPA). The City also has several long-term power purchase agreements.
2. How many substations the City have?
The City currently has 6 substations
3. Does the City own the transmission and distribution lines?
Yes, the City owns its 34kV transmission and 4kV and 12kV distribution lines.
4. Does the City have a SCADA system?
No
5. Does the City have an estimated and/or allocated budget for the purposes of this Study?
Yes. However, that number can be adjusted based on the results of the RFP.
6. Can the City describe the type of hourly load data it has by its customer class?
No. The City does not have hourly load data by customer class.
7. Can the City provide a description of what is driving the need for this Study?
With the increase in Distributed Generation, the City is looking at its Revenue Requirements and ensuring that they are being met. The City is contemplating restructuring its rates to delineate how it

recovers Fixed versus Variable costs. The City also wants to ensure that no cross-subsidies exist between customer classes.

8. What is the reason for conducting this electric cost of service and rate design project now?
See answer to #7
9. When was the last electric cost of service and rate design project performed?
The last study was completed in 2007
10. Who performed the last electric cost of service and rate design project and what was the cost?
Navigant Consulting. \$24,460.00
11. What is the budget for this electric cost of service and rate design project?
See answer to #5
12. What is the City's desired timeframe for completing the Project?
March 31, 2016

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Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

Leidos Engineering, LLC
Contractor
Scott Burnham, Managing Director
Print Name & Title
[Signature]
Signature
Date: 10/9/15

APPENDIX B

Key Personnel Resumes

Scott H. Burnham

PROJECT MANAGER

Mr. Burnham offers 17 years of experience in the areas of financial feasibility, cost-of-service (COS) analysis, asset valuation, and restructuring for electric utilities. He conducts acquisition, privatization, and competitive assessments which includes financial analysis and evaluation. His project responsibilities have included financial analyses, asset appraisals and evaluations, and project management.

Mr. Burnham develops financial models that provide clients with an assessment of the impacts associated with various technical and financial feasibility alternatives. These analyses include impacts to projected net operating results from potential financings, investments, and other client actions. His efforts have involved assessing public versus private utility ownership, developing sales and revenue summaries, analyzing utility investment options, and reviewing power price trends.

In addition, Mr. Burnham develops and reviews pro forma financial models to determine projected revenue and costs associated with various projects and financing approaches for a variety of power generation facilities. These financial models focus on the development of debt service coverage ratios and other applicable financial metrics within the terms of a proposed financing effort. These models and associated reports are relied upon to assess investment decisions within the capital markets.

EDUCATION

- › Master of Public Affairs and Master of Science, Indiana University
- › M.B.A. in Finance, University of Colorado
- › Bachelor of Science, Texas A&M University

PROFESSIONAL REGISTRATIONS/ CERTIFICATIONS

- › American Society of Appraisers (ASA Candidate)

AREAS OF EXPERTISE

- › Retail Rate and COS Studies
- › Unbundled Cost Analysis
- › Rates Negotiation
- › Economic Evaluation
- › Feasibility Studies and Financial Analyses

PROJECT EXPERIENCE

Cost-of-Service and Rate Design

Riverside Electric Utility (RPU), California

Mr. Burnham is the project manager for the COS and Rate Design project currently underway for RPU. This project includes the creation of a detailed COS/Rate Design model, the development of a Rate Trends Study whitepaper and the recommendation of retail rates / rate structures. RPU is committed to innovative and progressive rates to meet the needs of its customers and is deploying AMI metering for selected customers to facilitate the development of its financial and technical objectives. This project is anticipated to be completed in April, 2016.

Cost-of-Service and Rate Design

Redding Electric Utility (REU), California

Mr. Burnham was the project manager for the recent assignment to develop COS and Rate Design for REU. This project includes the creation of a Test Year revenue requirement, and development of defensible cost allocation

methodology to apply to REU's customer classes. Additionally, this project includes facilitating a citizen's advisory group/stakeholder process to solicit input into the rate design. This project was completed in June 2015.

Cost-of-Service and Rate Design

South Carolina Public Service Authority (Santee Cooper)

Mr. Burnham managed the two-year effort and led development of specific rate and rate programs for the industrial customer base served by Santee Cooper. This included the development of interruptible rate offerings that provided a benefit to both the industrial customer and Santee Cooper.

Cost-of-Service and Rate Development

Farmington Electric Utility System (FEUS), New Mexico

Mr. Burnham developed a COS for electric retail service and a subsequent rate design for ratepayers. The project required re-classification of various large energy users within the system from contract rates to tariff rates, as well as the presentation of proposed rates before the City Council. Mr. Burnham was responsible for leading the analysis and development of the presentations and draft reports.

Electric Cost-of-Service Study and Rate Case

Virgin Islands Water and Power Authority (VIWAPA), U.S. Virgin Islands

Mr. Burnham developed a revenue requirement and fully allocated COS model to determine retail rate structures. Mr. Burnham determined fixed cost allocation by customer class from detailed feeder analysis, provided testimony support of revenue requirement in a litigated hearing process, and developed testimony to support utility response for Feed-In Tariff program. Mr. Burnham was also responsible for development of the associated summary report.

Cost-of-Service/Rate Design

Combined Utilities - Lafayette Consolidated Government, Louisiana

Mr. Burnham provided a COS analysis and proposed retail rate design for the combined utilities, electric, water, and wastewater. The project required the assignment of utility costs including proposed capital improvements to the various retail rate classes within each utility. Mr. Burnham served as the project manager and also assisted in the development of the electric COS analysis and subsequent electric rate design.

Utility Rate Study/Cost-of-Service

Austin Energy (AE), Texas

Leidos provided a COS and rate design study to assist AE in developing and adopting new utility rates. This effort may include the development of time-differentiated (time-of-use) retail rates. Mr. Burnham provided support for the COS and rate design study, which includes preparation of COS methodologies unbundling approaches, cost classification techniques, cost allocation methods, and rate design alternatives.

Solar Future Arizona Operating Impacts and Valuation Study

Arizona Public Service Company (APS), Arizona

Leidos provided methodology and analysis to determine the value associated with various distributed solar technologies. The study incorporated a stakeholder facilitation process, as well as technical and financial analysis associated with the distribution, transmission, and generation functions of the utility. As deputy project manager, Mr. Burnham assisted in managing the project and developing the draft and final report, which was filed with the state regulatory agency.

Steven Rupp

CLIENT LIAISON

Steve Rupp develops and leads project teams providing management consulting and engineering services to the electric utility industry. He brings 30 years of experience in planning, engineering, design, construction, and operations and maintenance (O&M) of electric power systems, including the production, transmission, and distribution of electric energy and the economics of power marketing.

Mr. Rupp has led large project teams in the development of highly complex electric system master plans that address issues such as the impacts of distributed generation on transmission and distribution systems; managing diverse stakeholder groups to reach consensus on issues and strategies affecting the utility industry; and managing the engineering design and construction of electric transmission and distribution system projects. His experience is broad-based and includes assignments with electric utilities, energy consulting, and power system construction industries.

He has participated in the development of power system plans for investor and customer-owned utilities, including the development of transmission system plans and integrated resource plans. Mr. Rupp is extensively experienced with power system analysis, load forecasting, production cost simulation, and security constrained economic dispatch.

EDUCATION

- › B.S. in Electrical Engineering, California State University-Sacramento

PROJECT EXPERIENCE

Strategic Technology Roadmap

Riverside Public Utilities, California

Client Liaison. Mr. Rupp works with the Leidos project team and the utility's executive management team to develop a 10-year strategic plan addressing the role of operations technology. Developing a clear vision and strategies to achieve that vision are essential tasks that Mr. Rupp supports. As an experienced facilitator, he helps managers and staff capture their unique perspectives of the organization and relationships with the City's IT and HR departments. He also identifies strengths, weaknesses, opportunities, and threats while developing a shared vision for the role of operations technologies.

Redding Electric Utility Strategic Plan

Redding Electric Utility (REU), California

Client Liaison. Mr. Rupp is working with the staff and management of REU to develop a strategic plan for addressing significant challenges facing the utility. The team has developed a vision, mission, and set of core values to guide the development and implementation of strategies and tactics for an effective and sustainable workforce, implementing information and operating technologies that provide value to customers, and designing and implementing financial policies to secure the utility's financial strength.

Electric Distribution System Master Plan

Riverside Public Utilities, California

Client Liaison. Leidos collaborated with Riverside Public Utilities (RPU) to develop a

comprehensive long-range Electric System Master Plan for the electric delivery system to address infrastructure replacement, organization effectiveness, and long range system and financial planning.

Additionally, our firm conducted an organizational review focusing on engineering, operations, and planning functions of RPU, centered on the integration of information systems, strategies for knowledge retention, staff development, business process improvement, and human resources development to implement the Master Plan.

Roadmap to the 2020 Smart Grid for Publicly Owned Utilities

California Energy Commission

Project Manager. Mr. Rupp worked with 13 of California's consumer-owned utilities to develop a long-range roadmap for the implementation of smart grid technologies. The resulting roadmap defines a wide range of smart grid technologies, including advanced metering, distribution automation, demand response, outage management, and electric vehicle integration. The roadmap also characterizes the economic and operating benefits to consumers and lays out a range of plans for potential pace and scope of deployment.

**Electric Distribution System Master Plan
*Pasadena Water and Power Department,
California***

Project Manager. Mr. Rupp analyzed performance objectives for the Department through 2020. The objectives included achieving adequate system capacity to meet service demand, maintaining service reliability, and maximizing resources and business opportunities. Operating and maintaining the distribution system safely, efficiently,

and conforming to regulatory requirements was also important to the City. The City faced specific challenges due to its aging infrastructure, the growth requiring additional and reliable capacity, and a lack of organizational preparedness to address the next 20 years. For each challenge, Leidos provided a careful analysis of solutions and a plan that combined the solutions into a logical and progressive guide for making decisions over the next two decades. Mr. Rupp was involved in all facets of the year-long Master Plan development and is working closely with the City to implement the recommended improvements.

City of Palo Alto Utilities Organizational Assessment

Palo Alto, California

Client Liaison. Mr. Rupp worked with a team to develop a comprehensive review of the organization and operating performance of the City of Palo Alto's electric, water, wastewater, natural gas and fiber utilities. Working closely with City's Chief Financial Officer and the Utilities General Manager, the Leidos team completed a complete assessment of the organization's strategic plan, organizational structure, operating performance, culture, and best practices. The year-long effort led to a set of recommendations to build on the utility's success to address future operating threats and uncertainties.

**City of Roseville Organizational Assessment
*Roseville, California***

Client Liaison. Leidos developed a structure for a four-year audit cycle that will be the framework for all departments within the City and conducted operational performance reviews of Roseville Electric, the Environmental Utilities Department, and the Utility Exploration Center.

Craig R. Shepard

PHASE II LEAD AND QUALITY ASSURANCE/QUALITY CONTROL

Mr. Shepard brings 35 years of experience in consulting for utilities. He performs studies regarding rates and financial analysis for utilities. He has participated in the development of economic forecasting models of electric, water, and gas usage requirements. His expertise includes financial and statistical analysis and their applications to utility rate studies and utility planning. This includes rate studies (cost-of-service [COS], revenue requirements, and rate design); financial analysis (feasibility studies, forecasting, and bond financing); and forecasting.

EDUCATION

- › M.B.A., University of Central Florida
- › M.S. in Mathematics, University of Florida
- › B.A. in Mathematics, Emory University

AREAS OF EXPERTISE

- › Cost-of-service
- › Rate studies
- › Rate design
- › Revenue requirements
- › Feasibility studies
- › Bond financing
- › Financial analysis
- › Forecasting

PROJECT EXPERIENCE

Rate Studies

Mr. Shepard has coordinated and participated in electric, gas, water, and wastewater retail rate studies for municipal utilities and electric cooperatives, rate cases involving wholesale rates of investor-owned utilities and cooperatives, and intervention

in other utility filings. He has prepared COS models for many of the investor-owned, municipal, and cooperative utilities in the Southeast. In the area of rate design, Mr. Shepard develops innovative rates including time-of-use rates, high load factor large power rates, and hours-use demand rates. He also prepares analyses of bill frequency data for developing rates. Mr. Shepard has been responsible for preparing exhibits and testimony before the Federal Energy Regulatory Commission, the Nuclear Regulatory Commission, the U.S. District Courts, and state commissions.

Financial Analysis

Mr. Shepard has coordinated and participated in projects involving the economic analysis of demand-side and supply-side alternatives including various firm power purchase options, potential ownership of nuclear and coal-fired generating units, power pools, demand-side management programs, and cogeneration projects. He has participated in engineering studies regarding the economic assessment of proposed ownership interest in complex bulk power supply projects for municipal joint action agencies (JAA).

Mr. Shepard has prepared long-range cost projections for numerous utilities in the Southeast. He supervises the preparation of forecasts of customers and usage requirements for electric, water, wastewater, solid waste, and gas utilities. He develops econometric models and forecasts of customers and sales for municipal and cooperative clients, as well as municipal

JAAAs. Mr. Shepard has performed statistical analyses of population projections and incorporated such population studies into projections of service area demands.

Mr. Shepard also prepares consulting engineers' reports prepared in support of tax-exempt revenue bond issues for publicly owned utilities. His financing experience includes detailed analysis of historical financial data and costs and the preparation of projections of utility sales and revenues, cost of operations and maintenance, and the analyses required for the sale of bonds.

Utility Rate Studies

City of Tallahassee, Florida

Since 1996, Mr. Shepard has participated in comprehensive electric, gas, water, and wastewater rate studies for the City of Tallahassee. Electric rate studies were completed in 1996, 2000, 2006, 2011, 2013, and 2014. The electric rate studies address the City of Tallahassee's rates and charges for electric service to more than 100,000 customers.

Electric Rate Studies

City of Ocala, Florida

Mr. Shepard was the project manager for the 2008 and 2011 electric rate studies for the City of Ocala and was the project manager for the 2013-2014 electric rate study.

Utility Rate Studies

Utilities Commission, City of New Smyrna Beach, Florida

Mr. Shepard was the project manager for the 2012 comprehensive rate study for the electric, water, wastewater, and reclaimed water systems.

Electric Rate Studies

City of Bartow, Florida

Mr. Shepard was the project manager for the 2009 electric rate study for the City of Bartow and was also the project manager for the 2011 electric rate study.

Electric Rate Study

City of Lakeland, Florida

Mr. Shepard had a significant role in the electric rate study for the City of Lakeland

Electric Rate Study

City of Mount Dora, Florida

Mr. Shepard had a major role in the electric rate study for the City of Mount Dora.

Cost-of-Service and Rate Design

South Carolina Public Service Authority (Santee Cooper)

Mr. Shepard was lead analyst for the 2012 electric rate study as part of the two-year effort involving developing specific rate and rate programs for the industrial customer base served by Santee Cooper. This included development of interruptible rate offerings that provided a benefit to both the industrial customer and Santee Cooper.

Electric Cost-of-Service Study

Virgin Islands Water and Power Authority, U.S. Virgin Islands

Mr. Shepard was lead analyst for the 2013 electric COS study. He updated COS model to reflect filed testimony from the electric rate case, analyzed load data from feeders on each island to estimate the contribution to the system peak load for each customer class, and allocated costs from the test year revenue requirements to each customer class.

Scott J. Cochran, ASA

LEAD ANALYST

A project analyst with Leidos, Mr. Cochran brings more than 12 years of experience in finance and project management. He provides cost-of-service (COS) studies, rate design, and valuation/appraisal services for electric, gas, and water utility clients. Mr. Cochran also develops sales/demand forecasts and prepares economic feasibility studies for clients by making acquisition and project implementation decisions. In addition, he has served as a lead analyst for numerous valuation analyses of utility distribution systems, renewable and fossil-fueled power generation projects, and utility related machinery and technical equipment.

Mr. Cochran has served in multiple roles working for utility management, boards, city councils, attorneys, and end-users. He provides detailed analyses for each client, including a determination of the required revenue, creating a COS model for each project and providing a study report which includes a rate design recommendation for each customer class.

Mr. Cochran has attended courses, including "Cost-of-Service Techniques for Electric Utilities" and "Introduction to Rate Design for Electric Utilities" hosted by Electric Utility Consultants, Inc. (EUCI), a leading provider of education for the energy industry.

EDUCATION

- › M.B.A., Belmont University
- › B.S. in Business Administration, Finance, Auburn University

PROFESSIONAL REGISTRATIONS/ CERTIFICATIONS

- › Accredited Senior Appraiser (ASA), American Society of Appraisers

AREAS OF EXPERTISE

- › Cost-of-service studies
- › Rate design
- › Management and financial consulting
- › Valuation studies
- › Appraisals

PROFESSIONAL EXPERIENCE

Cost-of-Service and Rate Design

Redding Electric Utility (REU), California

Mr. Cochran is the lead analyst for an ongoing assignment to develop COS and Rate Design for REU. This project includes the creation of a Test Year revenue requirement and development of defensible cost allocation methodology to apply to REU's customer classes. Mr. Cochran has also participated in the citizen's advisory group/stakeholder process to solicit input into the rate design recommendations, presented COS concepts and results to REU management and staff as well as members of the city staff, and performed research into new and alternative rate design structures. This project is expected to be completed in June 2015.

Cost-of-Service Study

City of Saint Charles, Illinois

Project Manager. Mr. Cochran led a project team in the development of a fully allocated COS study for the City's water, sewer, and electric systems. This analysis also included a study to determine the appropriate

allocation of shared overhead expenses; implementation of fixed customer charges for each system; the design of large customer rates; and the evaluation of rate class selection criteria, applications, and impact of individual customers. The project culminated in the City adopting the three year rate plan as recommended by Leidos for each system.

Cost-of-Service and Rate Design
Farmington Electric Utility System (FEUS), New Mexico

Lead Analyst. As lead analyst for this project, Mr. Cochran assisted in the development of FEUS's 2013 COS study. The project team developed a test-year revenue requirements projection that included generation, transmission, distribution, and customer-related expenses. Leidos also provided recommendations related to FEUS's power cost adjustment methodology and rates.

Cost-of-Service and Rate Design
State of Utah Department of Public Utilities, Utah
Financial Analyst. As lead analyst for this project, Mr. Cochran assisted in the review of Rocky Mountain Power's 2008 and 2009 general rate cases for the state of Utah. The project team evaluated and provided recommendations related to COS and rate design on behalf of Utah's Department of Public Utilities.

Cost-of-Service Study and Rate Design
Frankfort Electric & Water Plant Board (FEWPB), Kentucky
Project Manager. Mr. Cochran led a project team in the preparation of an electric system COS and rate study for FEWPB. The project consisted of determining revenue requirements for the utility, then allocating the COS to the appropriate customer class.

Rates and Regulatory Assistance
Guam Power Authority (GPA), Guam
Financial Analyst. As a project team analyst for GPA's 2013 general rates case, Mr. Cochran assisted in the development of GPA's financial management plan, the review of the revenue requirements development, and the development of a multi-year revenue requirements forecast.

Cost-of-Service Study
City of Litchfield, Minnesota
Project Manager. Mr. Cochran led a project team in the preparation of this electric system COS study. The project consisted of determining revenue requirements for the utility, then allocating the COS to the appropriate customer class.

Cost-of-Service Study and Rate Design
Madisonville Municipal Water & Light Department, Kentucky
Project Manager. Mr. Cochran prepared an evaluation of large power billing data for use in developing comparative rate guidelines. With this information, the client was able to identify areas for improving the existing large power rate structure. He also performed a comprehensive COS study related to wholesale power increases and general operation and maintenance expense increases.

Additional Cost-of-Service and Rate Design Project Experience:

- › Barbourville Utility Commission (KY)
- › Princeton Electric Plant Board (KY)
- › City of Williamstown (KY)
- › Harrison Rural Electric Membership Cooperative (REMC), (IN)
- › Clark County REMC (IN)
- › Jackson County REMC (IN)
- › South Carolina Public Service Authority
- › Caney Fork Electric Cooperative (TN)

Andrew J. Reger

PROJECT ANALYST

Mr. Reger is an analyst in Leidos' Resource and Technology Strategy practice with four years of experience in the energy industry. His work at Leidos has focused on cost-of-service (COS) and rate design, distributed generation market analysis, integrated resource planning, and load forecasting for utility clients across the U.S. Mr. Reger has an M.B.A. with a concentration in Finance and Energy, and prior to Leidos worked with the Markets and Policy group of the National Renewable Energy Laboratory (NREL). At NREL, Mr. Reger conducted a comprehensive analysis of best practices in utility solar program administration, maintained a website of information on voluntary green power market developments for the U.S. Department of Energy (DOE), and conducted analyses on the integration challenges posed by increasing variable renewable generation in the developed and developing world. At the University of Denver, Mr. Reger focused his studies on corporate finance, financial modeling, investment valuation, and on energy market analysis and project development.

EDUCATION

- › M.B.A. Finance/Energy, University of Denver
- › Bachelor of Arts, University of Colorado

AREAS OF EXPERTISE

- › Cost-of-Service and Rate Design
- › Distributed Solar Market Analysis
- › Renewable Integration
- › Energy Asset Valuation and Appraisal
- › Financial Modeling

PROJECT EXPERIENCE

Utility Cost-of-Service and Rate Study Redding Electric Utility (REU), California

As part of Leidos' ongoing COS and rate design work with the City of Redding, Mr. Reger redesigned Leidos' internal standard COS model to improve usability and the display of analytical results. Additionally, Mr. Reger developed an analysis to estimate load data for each of REU's customer classes to serve as the basis for allocating REU's demand-driven costs to each customer class.

Cost-of-Service and Rate Design South Carolina Public Service Authority (Santee Cooper)

As part of Leidos' ongoing COS and rate consulting with Santee Cooper, Mr. Reger has provided extensive review and provided design input for Santee Cooper's COS model. Mr. Reger also worked with Santee Cooper to design a new spreadsheet-based rate design tool specifically to address COS issues for a specific group of Santee Cooper's customers.

Utility Cost-of-Service and Rate Study Los Alamos Department of Public Utilities, New Mexico

As part of Leidos' development of a COS and rate study, Mr. Reger provided modeling expertise to analyze distribution feeder load data to calculate class contribution to coincident and non-coincident peak.

Utility Rate Study/Cost-of-Service
Farmington Electric Utility System (FEUS), New Mexico

Mr. Reger provided FEUS with a COS and rate design analysis to assist in developing and adopting new retail electric rates. He provided modeling expertise to support the development of a rate recommendation and presentation to the City Council, which would represent the first rate change for the utility in 32 years.

Utility Rate Study/Cost-of-Service
Virgin Islands Water and Power Authority (VIWAPA), U.S. Virgin Islands

Leidos has provided VIWAPA with consulting services to develop revenue requirements to address shortfalls in projected revenue for 2014 test year. Mr. Reger developed a spreadsheet-based analytical tool designed to analyze feeder SCADA data to support the appropriate allocation of VIWAPA's demand-related costs to each customer class.

Utility Distributed Generation (DG) Market Analysis and Strategic Advice on Service Roll-Out
Confidential Investor-Owned Utility Client

Leidos developed a strategy to roll out a service offering focused around distributed energy resources for this utility client. Mr. Reger provided extensive distributed generation market analysis including compiling multiple capital and operating cost assumptions for DG and storage technologies, and compiling a database of retail electric rates around the U.S. to derive a comprehensive DG parity analysis. Mr. Reger also developed three proprietary software-based modeling tools to be used in a continued DG market assessment and to support future strategy alterations or developments.

Utility Rate Study/Cost-of-Service
Corbin Utilities Commission, Kentucky

Mr. Reger provided Corbin Utilities Commission with a COS and rate design analysis to aid in the development of new electric, water, and sewer rates. Mr. Reger provided modeling expertise to assist in the development of a written report proposing rate recommendations to Corbin Utilities Commission.

Distributed Solar Market Analysis
Virgin Islands Water and Power Authority, U.S. Virgin Islands

Mr. Reger provided an analysis of proposed Feed-In Tariff (FIT) legislation, which would mandate 15 MW of solar to be installed in VIWAPA's service territory. Mr. Reger provided an analysis of the legislation as compared to solar incentive programs around the U.S., and a financial analysis from the perspective of VIWAPA and a solar developer participating in the program. Mr. Reger also provided a line-by-line critique of the proposed FIT to support the preparation of testimony by VIWAPA in response to the legislation.

PROFESSIONAL EXPERIENCE PRIOR TO LEIDOS

Technical Report - Distributed Solar Incentive Programs: Recent Experience and Best Practices for Design and Implementation - NREL

Mr. Reger compiled a thorough dataset cataloging the solar programs of most of the country's largest investor-owned and municipal utilities and conducted interviews with program administrators, solar industry groups, and solar installers to distill a set of best practices in administering a utility solar program.

Kyle A. Gautreaux

PROJECT ANALYST

Mr. Gautreaux offers three years of experience in the areas of strategic planning, dynamic planning, and market analysis in the utility, oil and gas, and independent power production industries. He has developed dynamic models that facilitate improved budgetary and operational forecasting. He has also completed market studies that enhance understanding of the current and future business climate within the oil and gas, petrochemical, and specialty chemical marketplaces.

Mr. Gautreaux's broader background encompasses engineering and business advising for a consumer-owned utility, an energy consultant, and a leading developer, manufacturer, and marketer of complex chemicals and services. Mr. Gautreaux has supported the development, design and construction, and operation of generation assets, including solar, biomass, and natural gas turbine facilities. He has supported the development of pro forma budgetary projections, cash flow statements, feasibility studies, supported environmental impact statements, and technology evaluations.

EDUCATION

- › Master of Business Administration, Louisiana State University
- › B.S. in Biological Engineering, Louisiana State University

AREAS OF EXPERTISE

- › Strategic Planning
- › Dynamic Modeling
- › Market Analysis

PROJECT EXPERIENCE

Cost of Service and Rate Design

Redding Electric Utility (REU), California

Mr. Gautreaux provided analytical support to the project team by using cost allocation methodologies in the creation of a Test Year revenue requirement for REU. Currently, Mr. Gautreaux is providing further analysis into rate design alternatives including understanding the impact of rate structures on specific customer classes. This project is expected to be completed in June 2015.

Distributed Generation (DG) Market Study and Implementation Strategy

Black Hills Energy Group (BHEG), Colorado

Mr. Gautreaux assisted in the creation of a dynamic analytical toolset that allowed BHEG to assess its current DG marketplace and target those customers that would benefit most from this technology. In addition, Mr. Gautreaux assisted with the preparation of reports and presentations to communicate the findings of the market analysis along with the implementation of a DG strategy.

Integrated Resource Plan

Commonwealth Utilities Corporation (CUC), Saipan

Mr. Gautreaux assisted with the creation of a request for information (RFI) and a request for proposals (RFP) for the CUC. This project ultimately includes an integrated resource planning initiative to understand CUC's current / future power requirements and how best to serve the people of Saipan.

Demand Side Management (DSM) Analysis
Guam Power Authority (GPA), Guam

Mr. Gautreaux provided analytical support by researching the current DSM options to island utilities. This research was used in the creation of a report outlining GPA's current DSM options and how best to implement the programs.

Heat Collector Element (HCE) Replacement Study
Acciona Energy, Nevada

Mr. Gautreaux created a cost benefit model to compare six different tube alternatives for replacement at Nevada Solar One a 75 MW solar thermal plant. The model took into account both short term and long term impacts including production losses, shipping times / costs, and contractor installation costs. The analysis provided insight to the client to make the optimal business decision based on a number of changing factors.

Sunnyside Cogeneration Facility Operating Budget Reviews
Sunnyside Cogeneration Associates (Exelon), Utah

Mr. Gautreaux assessed annual operations budget submitted for a waste coal power generation facility. He compiled both actual values and pro forma projections to understand the financial and operating condition. The analysis provided insight into the future outlook of the facility and recommendations were offered to improve future financial planning.

Planta Termosolar de Extremadura Reliability Testing
NextEra, Spain

Mr. Gautreaux analyzed minute and hourly data concerning the actual power output of a 100 MW solar thermal trough project with thermal energy storage. Hourly typical meteorological and solar expected model

data was also taken into account for comparison purposes. The analysis was done to ensure that the borrower would meet its reliability guarantee for the upcoming commissioning period.

Lomellina Energia RDF Project
ABN AMRO Bank, Milan, Italy

Mr. Gautreaux conducted a quarterly analysis of the operations at a 400 tpd waste-to-energy power generation facility. The review analyzed quarterly production data, outage and reduced load figures, environmental compliance metrics, and safety statistics. These actual figures were compared against the expected performance of the plant and a recommendation was given for improving the current state of operations.

Genesis Solar Construction Monitoring
Genesis Solar, LLC (NextEra Energy Resources), California

Mr. Gautreaux was responsible for completing several monthly construction monitoring reports for a 250 MW solar power tower generation facility. The report took into account data reflecting the current state of the project including engineering, construction, commissioning, and procurement activities. The current schedule, financial budget, and safety statistics were also analyzed to see if they aligned with the current credit agreement between the lender and borrower.

Laser Diode Market Review
Albemarle Corporation, Louisiana

Mr. Gautreaux researched the current status of metal organic technologies to minimize the Albemarle's risk in entering the market to supply advanced, metal organic materials to enhance electronic display luminosity.

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**THE CITY OF BANNING, CA
ELECTRIC UTILITY DEPARTMENT**

**PROPOSAL FOR
ELECTRIC COST OF SERVICE ANALYSIS**

AND

RATE DESIGN PROJECT

October 13th, 2015

3:00PM



**Main Company location:
Utility Financial Solutions, LLC
185 Sun Meadow Court
Holland, MI USA 49424
(616) 393-9722
Fax (888) 501-0998**

Submitted Respectfully by:
Mark Beauchamp, CPA, CMA, MBA
President, Utility Financial Solutions
mbeauchamp@ufsweb.com
(616) 393-9722



October 13, 2015

Mrs. Carla Young, Management Analyst
Electric Utility Department
176 E. Lincoln St.
Banning, CA 92220
CYoung@ci.banning.ca.us

Dear Mrs. Young:

Utility Financial Solutions, LLC (UFS) is pleased to submit a Proposal to provide an Electric Cost of Service, Financial Projection, Presentation (optional) and Rate Design for the City of Banning, CA (COB). The proposed methodology provides a systematic, balanced and thorough analysis of the cost of service and rate design options available to address the key questions facing COB.

Over the last decade, UFS has set the standard in independent financial analysis and cost of service/rate design for Publicly-Owned Utilities. The information in our Proposal is based on our prior experience in completing utility rate studies for municipal utilities around the nation including many in California. UFS is an international consulting firm providing electric cost of service and financial studies to over 300 municipal electric utilities. Our staff consists of course instructors for electric cost of service & financial planning for the American Public Power Association, National Association of Regulatory Commissioners and Municipal Finance Officers Associations. **We are familiar with all laws and regulations regarding electric cost of service and rate design in California and have extensive experience in solar and net metering requirements.**

Utility Financial Solutions (UFS) will provide you with the highest quality service within an agreed-upon timeframe and has the personnel available to meet your needs. We would like to be a resource to you for many years in the future. Our success is dependent on the quality and timeliness of the services provided to utilities. We are committed to COB's complete satisfaction. Our prior experience in providing the requested services allows us to conduct a cost effective and efficient rate study.



Mrs. Young
Page Two

Our proposal includes completion of the following tasks:

- Development of Cost of Service
- Unbundling study
- Rate design study for one year
- Development of long-term financial plan
- Debt service compliance
- Identification of minimum cash reserves levels for the utility
- Development of Power Cost Adjustments
- Available for Presentation to Management and Board of Commissioners

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at 616-393-9722.

Sincerely,

A handwritten signature in black ink, which appears to read "Mark Beauchamp", is written over a horizontal line.

Mark Beauchamp, President, CPA, CMA, MBA

Utility Financial Solutions, LLC

185 Sun Meadow Ct

Holland MI 49424

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(616) 393-9722

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ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



UNDERSTANDING OF PROJECT REQUIREMENTS

The UFS electric cost of service, unbundling study, financial projection and rate design study proposed work plan is consistent with established methodologies and a summary of the project deliverables is listed below:

1. Five Year Financial Projection (Plan)

- Determine revenue requirements based on fully allocated cost method; including direct and indirect costs
- Develop a long-term financial plan with rate track that incorporates future capital improvements and debt service
- Coverage requirements with projected bond covenants
 - a) Standard coverage as listed on bond covenants
 - b) Fixed cost coverage ratio as reviewed by Bond Rating Agencies
- Identify amount and timing of potential future debt issuances
- Develop minimum cash reserve levels
 - a) Working Capital Requirements
 - b) Capital Improvements
 - c) Impact of Catastrophic Events
 - d) Risk factors related to power supply costs and power cost recover mechanism within rate
- Project cash reserves

2. Cost of Service Study

- **Customer Usage Profiles**
 - Customer usage profiles will be developed and accumulated from monthly billing statistics
 - Load profile data will be developed using substation load data, AMI, or UFS studies from nearby electric utilities
- Identify the cost to provide service to each customer class including:
 - Monthly Customer Charge
 - Energy Charge
 - Demand Charge
- **Unbundling Study**
 - Identify the cost to provide distribution, power supply, and customer-related services to each rate class

3. Rate Design

- Develop rates to adequately fund utility operations, capital costs, and bonded debt
- Analyze effects of implementing changes to the current rate structure on customers based on varying levels of usage



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



UNDERSTANDING OF PROJECT REQUIREMENTS

4. Development of Power Cost Adjustment

- Reviewing various methods and potential monthly variations and impacts on customers
- Work with Management and Council on development of method most appropriate for COB.

5. Presentation of study results

- Presentation of Results to Management and the Board of Commissioners Our approach to this project was developed to meet the objectives of COB and our prior experience in preparing electric cost of service studies for publicly-owned utilities around the nation. Our proposed work plan is designed to meet the requirements and methodologies established by the American Public Power Association and the National Association of Regulatory Commissioners.

6. Other services as listed in RFP and included in the discussion below

To meet the objectives we propose the following approach to the project. The proposed work plan will be finalized during initial meeting with management.

The City of Banning History and Project Requirements

The City of Banning is a municipally-owned electric utility established in 1922. Providing service to approximately 12,000 electric customers, COB is striving to increase the use of renewable energy resources and promote energy efficiency, while still adequately covering their expenses. The City is requesting a comprehensive electric cost of service and retail rate design study. Our proposal is designed to meet the following objectives:

- Develop a long-term financial plan to identify current and projected rate adjustments and assist the utility in identifying the amount and timing of future rate adjustments. The financial projection will include development of the following targets:
 - 1) Minimum level of cash reserve will be developed and compared with projected cash balances
 - 2) Projected debt coverage ratios will be calculated and compared with targeted debt coverage ratios
 - 3) Targeted operating income (rate of return) will be developed for each year of the projection period and compared with projected operating income
- Determine the cost of providing electric service to each class of customer.
- The utility rates will be unbundled and the following determined:
 - 1) Charges to each customer class for power supply broken down by demand, energy and season.
 - 2) Charges to each customer class based on level of service off the distribution system. The charges will include secondary, primary, sub-transmission and transmission voltage levels.
 - 3) Monthly customer charges to each customer class.
- Review utility rate classes and recommend additional rate classes or alternative rate forms for existing customer classes.
- Present results of study to management, Board of Directors and be available for additional presentations if requested
- Design electric rates for rate changes. Price includes a retail rate design for one year for the current rate classes.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



UNDERSTANDING OF PROJECT REQUIREMENTS

Our approach to this project was developed to meet the objectives of COB and is based on our prior experience preparing electric cost of service studies for publicly-owned utilities in Michigan and around the nation. Our proposed work plan is designed to meet the requirements and methodologies established in the industry. The following section of our proposal is the Proposed Work Plan and includes the following sections:

- Preliminary Tasks to Complete Study
- Development of Electric Cost of Service Model
- Development of Unbundled Electric Rates
- Development of Long-Term Financial Models
- Development of Long-Term Rate Track
- Development of Rate Designs to meet financial and social objectives of the City
- Reports
- Meetings and Presentations
- Deliverables



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Phase I. Cost of Service Analysis at Current Rates

- A. Develop a comprehensive, flexible, user-friendly model for use in preparing the COSA. The model should be developed in Microsoft Excel or have the ability for outputs and/or inputs to be in an Excel-compatible format. The model must address the functionalization and classification of costs. The model would preferably allow for rate adjustments based upon changes in energy sales forecasts, customer growth, other operating and non-operating revenues, operating costs, capital improvement program plans and funding, and debt service payments, while maintaining necessary reserve levels and guidelines, days cash on hand, debt service coverage ratio, and other financial metrics.*

All COSA models used by UFS are developed and prepared in Microsoft Excel®. UFS will develop an excel model consistent with the City of Banning's chart of accounts, customer classes, and load research data. The model will be used to project and allocate expenses among current and potentially new customer rate classes of the utility. Note, the model is proprietary of UFS and if given, is for internal use only by Client. Calculations, formulas, results and any other analysis or information cannot be guaranteed with client use.

Preliminary Tasks

Review of Relevant Reports

Review of certain reports is necessary to ensure the models are established to fit the specific requirements of Banning Electric Utility. Listed below are examples of reports to obtain and review.

- Yearly financial, operating, and maintenance reports including fixed assets reports
- Outstanding bond issues and specific bond covenants
- Rate schedules and any special contracts
- Billing Statistics by rate class
- Specific information on the distribution system to complete a minimum system analysis

Collect and Verify Data

Meeting with utility management is critical to ensuring the final reports will meet the objectives of the Banning Electric Utility and the information request prepared by Utility Financial Solutions is understood. The specific objectives of the meeting will be to:

- Identify and clarify the scope of services and specific expectations of management
- Review billing system capabilities for providing the information necessary for the cost of service analysis.
We will complete one revenue proof to reconcile revenues received compared with calculated revenues from billing system.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

- Review chart of accounts and determine strengths and weaknesses and its consistency with utility accounting practices
- Discuss with management the strengths and weaknesses of determining utility revenue requirements using a utility basis vs. cash basis
- Discuss power supply operations and recent or anticipated changes in operations
- Review of transmission charges
- Additions or losses of major customers

Preparation of Data Request

Based on discussion with management and staff, we will prepare an information request that will include the necessary information to complete the study. Listed below are specific reports that will be requested:

- Customer billing and usage statistics by month for latest fiscal year
- Monthly production statistics from electric department
- Trial balances for latest two years
- Audited financial statements for the latest three years
- Debt service schedules
- Current work-in-process
- Future capital improvement plan (typically a five year plan is requested, if available)
- Power Supply

Develop Test Year Sales and Power Requirements

Through review of historical sales, we will project future energy sales, number of customers, billing demands and revenue derived from projected sales. We will work with staff to estimate power supply expenses to meet projected energy and monthly demands. As part of this process, we will discuss with staff potential changes in power supply operations, distribution operations, and transmission charges.

Develop Test Year Revenue Requirements

Revenue requirements and the cost of service analysis will be completed on the embedded cost of service basis using a base year adjusted for known changes in expenses. Listed below are specific tasks that will be completed:

- **Expenses**
We will review expenses over the past three years and discuss with management significant changes and exclude any non-recurring expenses from the test year projection.
- **Power Supply Projection**
Power Supply costs typically represent over 70% of an electric utilities total revenue requirement. We will work with Utility staff to estimate power supply costs based on the projected monthly loads.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

- **Debt Service**
Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis. The long-term financial plan will compare results with any requirements specified in the bond ordinance.
- **Capital Improvement Plan**
We will request the projected capital improvement plan, if available, and incorporate the plan into the cost of service and long-term financial plan
- **Rate of Return**
We will discuss with management appropriate rates of return based on industry standards and the specific requirements of the City of Banning.
- **Minimum Cash Reserves**
We will calculate the appropriate minimum cash reserves considering operating expenses, historical rate base and COB's capital improvement plan.

Development of Customer Class Demands and Allocation Factors

- B. Analyze existing customer groups and available historical load research data for all existing customer groups; propose additions or deletions of customer groups, as appropriate.*
- i. Review COB's latest electric COSA (2007 with consultant) and cost allocation assumptions and methodologies for appropriateness. Provide recommendations and rationale for any changes to assumptions and methodologies.*

The cost of service will allocate revenue requirements to each class based on cost causation and the load research information used in the study. Costs are isolated by customer class and by season to identify the appropriate seasonal rate differential. The rates will be broken down based on power supply cost (energy and demand), distribution cost (kWh for energy only metered customers and demand for demand metered customers), and customer cost (per customer) and other as needed (city contribution). The result of the cost of service study will identify the cost to provide service to each class and compare with the projected revenues from each class.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Load Profile Information

Load profile information identifies how customers use electricity at various times of the day and is critical to ensure the cost of service study is accurate and defensible. We will analyze information from the following sources:

- Electronic meters installed on time of use and other customers
- Load research information available from other sources
- Analysis of substation feeders
- Utilize our data base of existing load research obtained from other utilities in California

Development of Allocators

The load profile information will be used to allocate expenses based on cost-causation and each class's contribution to the electric department's system peak. The allocators will be developed on a seasonal and annual basis and used to determine the following costs for each customer class.

- Power supply demand cost by time of day and season
- Power supply energy cost by time of day and season
- Distribution related costs for sub-transmission or transmission service
- Distribution related costs for primary metered customers
- Distribution related costs for secondary metered customers
- Customer related costs for each class of customers

System Losses

Losses can vary substantially depending on system loading and temperature. We will identify the system loss factor to use in the distribution rates. This will be done in one of two ways:

- If completed, we will use an existing system loss analysis.
- We will estimate the appropriate system loss factors during peak loss times through analysis of billing and usage data and applying engineering estimates to determine peak loss factors.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Prepare Cost of Service Analysis

Customer classes are typically established based on differences in load and usage patterns how customers use electricity dictates the cost of providing many of the utility services.

The cost of service portion of the model will determine the following:

- Rate adjustment necessary to meet rate of return requirements of utility
- Cost to serve each class compared with projected revenues
- Rate adjustment necessary for class to meet cost of service requirements
- Monthly customer charge by class
- Energy charges for each customer class
- Demand charge for demand metered customers

C. Analyze existing customer groups and available historical load research data for all existing customer groups; propose additions or deletions of customer groups, as appropriate.

- i. Review COB's latest electric COSA (2007 with consultant) and cost allocation assumptions and methodologies for appropriateness. Provide recommendations and rationale for any changes to assumptions and methodologies.*

The cost of service will allocate revenue requirements to each class based on cost causation and the load research information used in the study. Costs are isolated by customer class and by season to identify the appropriate seasonal rate differential. The rates will be broken down based on power supply cost (energy and demand), distribution cost (kWh for energy only metered customers and demand for demand metered customers), and customer cost (per customer) and other as needed (city contribution). The result of the cost of service study will identify the cost to provide service to each class and compare with the projected revenues from each class.

D. Conduct the COSA on an embedded cost basis; however, a marginal cost analysis may also be considered for the development of new rates described in this Scope of Work.

The cost of service study will be completed on an embedded cost of service basis. For rate design purposes marginal costs is needed to help ensure we are sending proper price signals to customers. Marginal cost will be considered in development of new or in modification of existing rate designs.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY

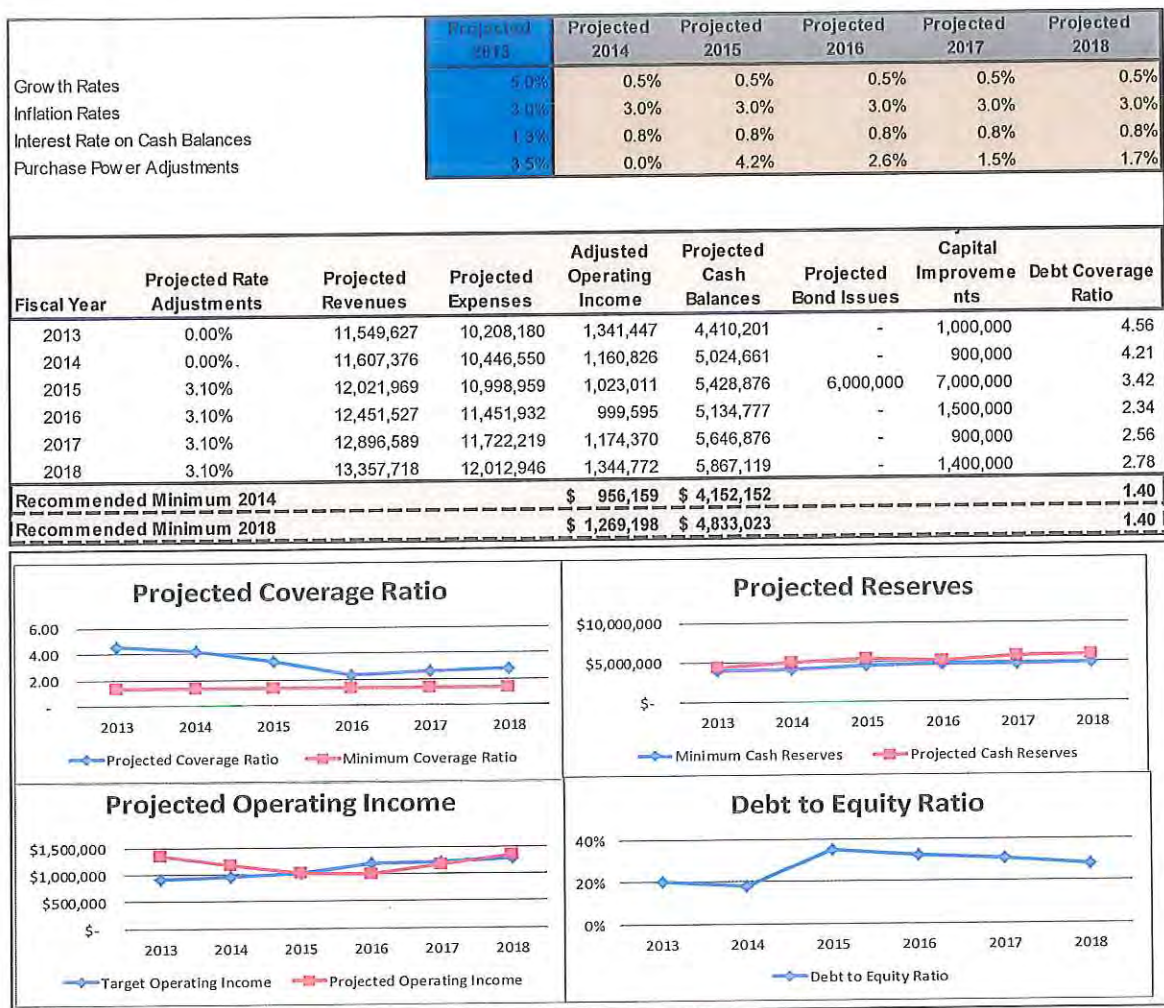


PROPOSED WORK PLAN

E. The COSA methodology employed should clearly identify the following, if applicable:

- i. Revenue requirements for Fiscal Year (FY) 2017 – FY2026 using actuals for FY2015 and adopted budgets or projections provided by COB staff for FY2017 – FY2026. Calculate revenue requirements using both the utility basis and cash basis and explain the differences and arguments for and against the methods;

Revenue requirements and the cost of service analysis will be completed on the embedded cost of service basis using a base year adjusted for known changes in expenses. The table on the next page is a summary financial projection used to develop a long term rate track and financial targets.





ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

ii. Rationale for allocating fixed and variable costs

Development of Allocators

The load profile information will be used to allocate expenses based on cost-causation and each class's contribution to the electric department's system peak. The allocators will be developed on a seasonal and annual basis and used to determine the following costs for each customer class.

- Power supply demand cost by time of day and season
- Power supply energy cost by time of day and season
- Distribution related costs for sub-transmission or transmission service
- Distribution related costs for primary metered customers
- Distribution related costs for secondary metered customers
- Customer related costs for each class of customers

iii. Classification of costs by production, transmission, and distribution including the identification of fixed vs. variable;

UFS develops allocation factors for each type of cost for allocation to the customer classes. A typical study includes the development of over 40 allocation factors to help ensure the study is defensible and costs are properly classified and functionalized to each customer class. The development of the cost of service study often uses allocation factors different than how customers are billed for the services.

A sample of the cost of service allocation section of the model is listed on the next two pages:



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Power Supply Classification & Allocation Example:

Account	Total	Classification	Function-Type	Function	Allocation
Power Supply					
Summer : Composite Charge Energy Direct MWL	4,860,781	PP-SummerVariable	Variable	PP-Summer	MWL Summer Energy
Summer : Composite Charge Energy Direct CSRM	4,379,867	PP-SummerVariable	Variable	PP-Summer	CSRM Summer Energy
Summer : Composite Charge Energy Direct ALC	560,663	PP-SummerVariable	Variable	PP-Summer	ALC Summer Energy
Winter : Composite Charge Energy Direct MWL	9,707,194	PP-WinterVariable	Variable	PP-Winter	MWL Winter Energy
Winter : Composite Charge Energy Direct CSRM	9,160,440	PP-WinterVariable	Variable	PP-Winter	CSRM Winter Energy
Winter : Composite Charge Energy Direct ALC	1,137,086	PP-WinterVariable	Variable	PP-Winter	ALC Winter Energy
Summer : Non-Slice Charge Energy Direct MWL	(913,806)	PP-SummerVariable	Variable	PP-Summer	MWL Summer Energy
Summer : Non-Slice Charge Energy Direct CSRM	(821,088)	PP-SummerVariable	Variable	PP-Summer	CSRM Summer Energy
Summer : Non-Slice Charge Energy Direct ALC	(105,305)	PP-SummerVariable	Variable	PP-Summer	ALC Summer Energy
Winter : Non-Slice Charge Energy Direct MWL	(1,499,831)	PP-WinterVariable	Variable	PP-Winter	MWL Winter Energy

Distribution Classification & Allocation Example

Account	Total	Classification	Function-Type	Function	Allocation
Op. Supervision & Engineering	557,916	DistributionAnnual	Annual	Distribution	NCP Max
Line and Station Expenses Demand	354,070	DistributionAnnual	Annual	Distribution	NCP Max
Line and Station Expenses Customer	39,341	DistCustomerCostsAnnual	Annual	DistCustomerCosts	Weighted Customers
Overhead Lines	-	DistributionAnnual	Annual	Distribution	NCP Max
Overhead Lines Demand	194,409	DistributionAnnual	Annual	Distribution	NCP Max
Overhead Lines Customer	194,409	DistCustomerCostsAnnual	Annual	DistCustomerCosts	Weighted Customers
Underground Lines	-	DistributionAnnual	Annual	Distribution	NCP Max
Underground Lines Demand	46,680	DistributionAnnual	Annual	Distribution	NCP Max
Underground Lines Customer	187,520	DistCustomerCostsAnnual	Annual	DistCustomerCosts	Weighted Customers
Street Lighting & Signal System	51,874	DirectAnnual	Annual	Direct	Street Lighting
Direct Customer Maint.	117,000	MarketingAnnual	Annual	Marketing	Energy Direct ALC
Meters	115,749	MeterO&MAnnual	Annual	MeterO&M	Meter O&M
Misc. Distribution - Operations	948,128	DistributionAnnual	Annual	Distribution	NCP Max
Maint. of Station Equipment	-	SubstationAnnual	Annual	Substation	NCP Max
Maint. of Station Equipment Demand	128,214	SubstationAnnual	Annual	Substation	NCP Substation
Maint. of Station Equipment Customer	14,246	StationCustomerCostsAnnual	Annual	StationCustomerCosts	Substation Weighting
Other - Inventory Adjustment	38,900	DistributionAnnual	Annual	Distribution	NCP Max



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Allocation Factor Sample development (Model contains over 40 allocators)

Customer Class	NCP				MWL		CSRM	ACL	MWL	CSRM	ACL
	NCP Max	Substation	NCP Sec	TCP-S	TCP-W	TCP-S	TCP-S	TCP-S	TCP-W	TCP-W	TCP-W
Residential	58%	44%	58%	34%	45%	45%	0%	0%	60%	0%	0%
General Service Non-Demand	4%	3%	4%	3%	3%	4%	0%	0%	4%	0%	0%
Cable TV Signal Booster and Filter Facilities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Irrigation - Small	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Radar Signs	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Signal Lights	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Rental Lighting	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Municipal Lighting	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Private Street Light Luminaires	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
General Service Demand	37%	28%	37%	38%	27%	50%	0%	0%	36%	0%	0%
Test Customer One - Cascade Steel	0%	22%	0%	22%	23%	0%	100%	0%	0%	100%	0%
Test Customer Two - Air Liquide	0%	2%	0%	3%	2%	0%	0%	100%	0%	0%	100%
Irrigation - Large	1%	1%	1%	0%	0%	1%	0%	0%	0%	0%	0%
Wheeling	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

DELIVERABLES: Provide the Excel model including spreadsheets used in the analysis and a written report summarizing COB's revenue requirement by customer class. The consultant will train COB staff on updating the model with the expectation that COB staff will continue to update the model annually. The Consultant shall conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions. The Consultant shall be available to present final report to the City of Banning Council.

Respective UFS models will be provided as required by client. Models, if provided, are for internal use only by Client. Calculations, formulas, results and any other analysis or information cannot be guaranteed with client use.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Phase II. Electric Utility Rate Trends Study

UFS has extensive electric cost of service experience and has provided electric rate services in 42 states and UFS personnel have taught at national and regional conferences on electric utility rate trends. The rate study will include an evaluation and analysis of emerging or expected future rate structures, technologies, and trends that might impact or influence future rate structures, including how electricity is priced for the electric utility industry as a whole, and how those influences might affect, or apply, to COB. The discussion of these alternative rate structures and emerging technologies will include associated known or potential risks.

A. This review will include the following:

1. An overview of trends impacting how electricity is priced, including:

- **General approaches to electricity pricing will address:**
- **a) embedded cost pricing, b) marginal cost pricing, c) market-based pricing, and d) other alternative methods if applicable**

- a) Short-term marginal costs – Typically defined as the costs to either purchase or produce the next kWh of power for each time period.
- b) Long-run marginal costs – Often defined as the cost to install the next unit of generation and prices are based on the construction costs, gas supply lines, operation & maintenance costs, and a the required generation reserves.
- c) Embedded costs – The cost of existing generation and purchase power contracts. The costs are isolated by time of day in our time of use development models.

- **Methods of pricing electricity to and from customer-sited distributed generation to mitigate cross-class subsidies**

Cross-subsidies exist when certain customer classes subsidize the electric costs of other customers. The rate study will identify if cross-subsidies exist and practical ways to reduce the subsidies. UFS will identify the cost of service charges compared with the projected current revenues for each class. Classes that indicate a lower % change than the total percentage change are providing subsidy to other customer classes, conversely customer classes with a higher % change than the total percentage are receiving subsidy. UFS will design rates to mitigate the cross-class subsidies.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

- *Pricing methodologies for electric vehicles (EV's) including on-site customer charging and public charging stations*

There is a momentum in the United States behind electric vehicles (EV) and its potential for mass adoption. Utility Financial Solutions will review the effectiveness of COB's current EV Rate and determine if customers' demands are balanced and operating costs are recovered. UFS will review the many considerations used when developing an EV rate methodology such as:

- Power Production Costs
- Time periods to use
- Distribution Cost Recovery
- Cost of Improvements needed including metering and customer specific improvements (Service lines to customers)
- Cost of system improvements required to handle the additional customer loads including line and system transformers
- Impact on existing rate payers to help ensure existing ratepayers are not harmed by the rates charged to EVs
- The social concerns to protect the environment through the use of cleaner technologies
- Management and City's concerns on promoting EVs
- How transmission costs impact the rates paid by EVs
- Should public charging stations be used for customers with EVs
- How much value the additional load will provide existing ratepayers and how this value can be used to cover a portion of the initial costs of system and metering improvements
- What pricing methodologies, time of use periods, and rules and regulations are being used or considered by other utilities

- *Relationship between generation, transmission, and distribution cost impacts*

Unbundled electric rates. The cost of providing electricity to customers consists of a number of components, including power generation, distribution, customer services, transmission, and payment in lieu of tax to the general fund. Electric unbundling identifies the cost of each component to assist the utility in preparing for electric restructuring and understanding its cost structure.

- *The rate design will address the recovery of fixed and variable revenues and expenses compared with cost of service results and how the rate design impacts:*
 - *Conservation*
 - *Energy Efficiency*
 - *Energy Storage*
 - *Utility and customer owned technology*
 - *Low income rate programs*



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

2. *An overview of rate structures used by municipal and investor-owned electric utilities to implement identified pricing approaches. This overview shall include a matrix summary of qualitative results broken out by rate class identifying the pros and cons for how each rate structure would impact COB in the short, mid, and long term.*

UFS will prepare a matrix on the positives and negatives of each rate structure and the technology COB will require in the short, mid and long term and how CPOB's rate structures can move over time to achieve the desired outcomes of COB. Current rate structures will be reviewed and compared with COS results. Proposed changes will be discussed with management and a plan identified to structure changes over time to minimize impact on customers and impact on the utilities revenue.

- *Cost adjustments (regulatory costs or power costs)*

Purchased Power Adjustments (PPA) are used by many municipal electric utilities to help ensure power costs are recovered from customers in a timely fashion. Power cost adjustments need to be developed considering the financial stability of the utility and the month to month impacts on customer bills that often leads to customer complaints. UFS has developed a number of alternative methods for power cost recovery that helps to ensure the utility recovers its costs in a timely fashion but limits the month to month fluctuations. We will assess any current power supply cost calculation, discuss alternatives and develop the most appropriate method for the City of COB. We will review and discuss the following considerations in the initial kickoff meeting:

- Do large fluctuations occur in power supply costs
- PPA's impact high load customers greater than lower load factor customers.
- Does the current bill include a PPA line item
- PPA can help improve bond ratings
- PPA helps prevent overcharging or undercharging customers
- PPA reduces the frequency of annual rate changes

A properly functioning PPA balances the risk of under-recovery of power costs with the potential fluctuations in the PPA charged to customers and each method has strengths and weaknesses. UFS in discussions with COB will review and recommend appropriate methodology for use by the electric department. Listed below are sample of PPA's we will review.

- Six and twelve month rolling average adjusted monthly
- Quarterly and semiannual adjustments
- Forecasted PPA with true up mechanism

The cost of service study will identify the potential increase in fixed charges to customers and will discuss with management movement toward increasing fixed charges.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

- *Residential and small commercial demand charges*

To start correcting the price signals and rate designs, the first step is identifying the ideal cost of service based rate structures for residential. The ideal rate structure can vary substantially between utilities and the table below is for a specific utility that purchases power supply.

Ideal Rate Structure (Not Practical?)

Cost Based Rate Design	Customer Rates	Billing Unit
Production Demand Coincident with System Peak	12.72	kW
Distribution Based on Customers Maximum Demand	2.19	kW
Energy Charge - On Peak	0.0462	kWh
Energy Charge - Off Peak	0.0423	kWh
Customer Charge	21.44	Month
PILOT	9.28%	Percent of Revenues

You can see the rate structure looks substantially different than many utilities current residential rate structure which typically consists of a monthly customer charge and an energy charge. Some utilities have started addressing the under-recovery by moving toward more cost based rate structures through increasing monthly customer charges and establishing residential demand charges. Although these are moving in the proper direction, as an industry we have a long way to go. Once the cost based rate structure is identified then movements can be made to make the rate structures practical to implement.

- *Standby Charge*

Customers owning generation facilities to serve internal customer's loads often request a standby rate to remain connected to the grid and purchase power from the utility when the generating unit is off line. This requires a standby charge that includes a distribution charge for facilities dedicated to the customer, and a reserve capacity in the distribution system. These costs are in addition to the actual power supply costs when the customer receives power. The cost of service study will identify the distribution charges needed for full recovery of the distribution investments for the standby customer. A number of billing alternatives exists that will be discussed with management including the following:

- 12-month demand ratchet
- kVa transformer capacity charge
- Contracted capacity amount



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



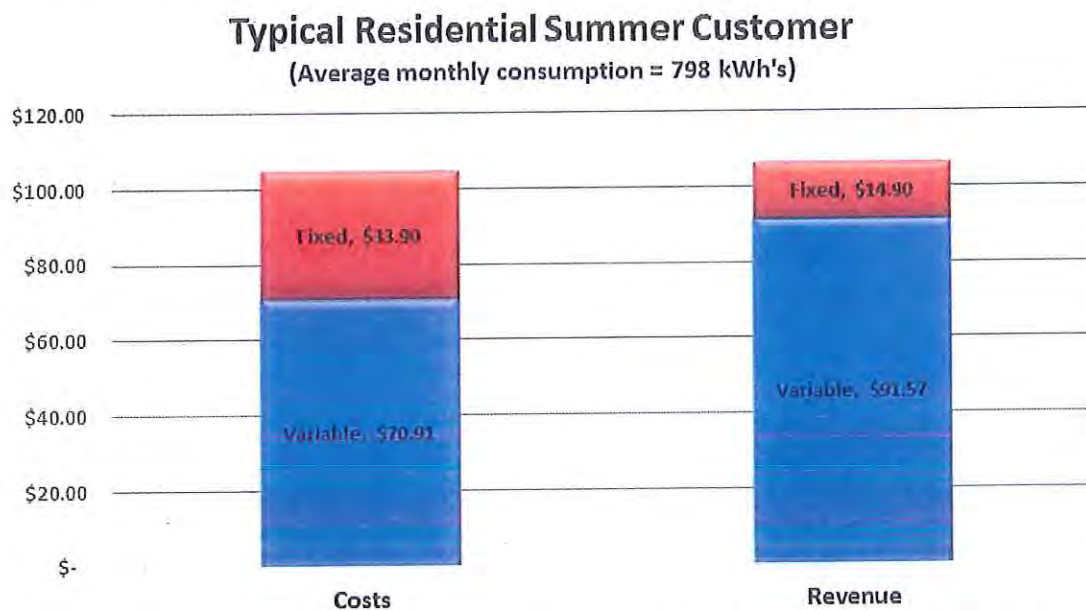
PROPOSED WORK PLAN

• Net Metering Rates

The growth of customer installed Photovoltaic (PV) may result in under-recovering the utilities' fixed costs due to inappropriately structured residential rates. Many utilities face the following residential rate structure issues:

1. Customer charges have historically been held low
2. Many states require net metering customers with renewables rather than pricing on avoided costs
3. Inverted block rate structures that shift fixed cost recovery to outer rate blocks
4. Metering and billing limitations
5. Historical practices of recovering fixed costs in the energy component of the rate

These issues have resulted in unstable revenue recovery and under-recovery of costs from customers installing distributed generation. This also causes cost shifts and subsidies. The rate structures may artificially over-value or under-value distributed generation. The graph below shows fixed and variable recovery for a typical residential customer using 798 kWh's per month.



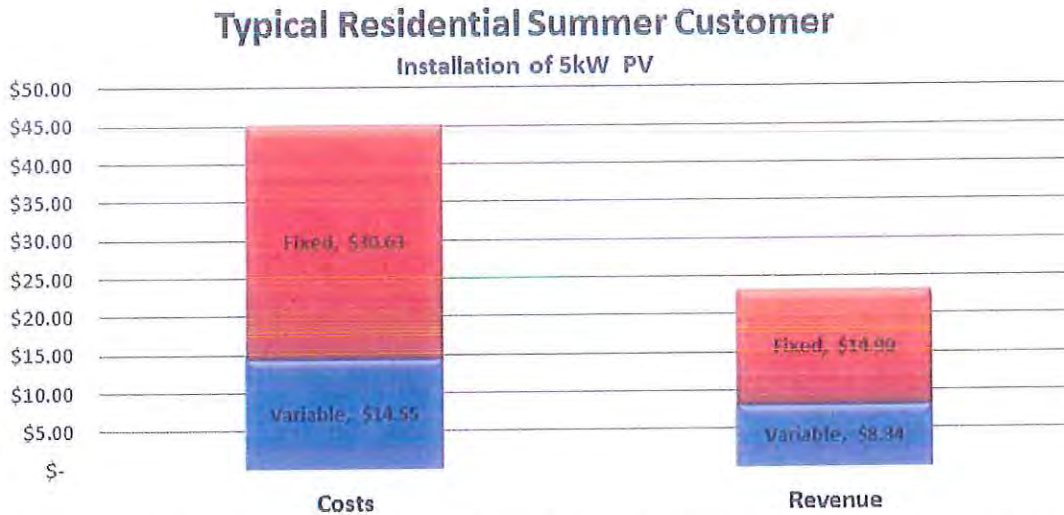
If the customer installed a 5kW PV generator producing 700 kWh's (Estimated production from a 5kW PV) the billed energy consumption is reduced to less than 100 kWh's. When the Utility applies its current rates to the remaining usage the revenues recovered from the customer are approximately \$23.00 however the cost to provide electricity to the customer is \$45.00. This occurs because residential rate structures do not align with costs.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN



For this utility the under-recovery occurs because distribution costs should be recovered through a demand charge and customer charges rather than through the energy (kWh) charge.

A variety of difficulties and limitations exist to correct the rate structure, although some are all easily correctable. They include:

- Limitation on metering & billing systems
- Education of the governing body & customers
- Opposition from interveners and special interest groups
- Past practices in rate designs
- Incorrect price signals sent by certain Joint Action Agencies



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

- *Time of Use pricing (TOU) for all commercial and residential customers*

Utility Financial Solutions has developed time of use rate structures for electric utilities with rates developed for all rate classes including residential, general service and large general service. The rate designs can take various forms depending on the cost structure of the utility, desired price signals and structure of rates. The cost structures are often established seasonally and reflect time periods usage and costs change. There are three methodologies used in the development of time of use rates. The methodology is dependent on the desired price signals and theory the utility chooses. The marginal cost theories are listed below:

- Short-term marginal costs – Typically defined as the costs to either purchase or produce the next kWh of power for each time period.
- Long-run marginal costs – Often defined as the cost to install the next unit of generation and prices are based on the construction costs, gas supply lines, operation & maintenance costs, and a the required generation reserves.
- Embedded costs – The cost of existing generation and purchase power contracts. The costs are isolated by time of day in our time of use development models.

Each of these methods has certain strengths and weaknesses and will be discussed with staff. Often we develop the time of use rates on each methodology to allow the utility to make an informed decision and choose the desired methodology.

Once power supply rates by hour are determined, the traditional cost of service study is used to identify the distribution and monthly customer charges and the actual retail time differentiated rates developed. If hourly load information is available we match the calculated time of use rates with the revenue generated by the existing rates to help prevent losses or increases in revenues for the utility.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

- *Unbundling of charges to reflect costs and cost components*

To obtain information for setting distribution rates for customers who elect customer choice, an electric unbundling study is required to isolate the revenue requirements into the various components to deliver electricity to customers. As part of the study we will unbundle the utility costs in the following manner.

1. Power supply cost broken down by billing parameters
2. Transmission-related costs for any transmission or sub transmission facilities owned
3. Distribution related costs for substation, distribution system, transformer, services, and meter operation and maintenance
4. Customer service costs for meter installation, meter reading, billing and collections, customer service and any direct cost for specific customer classes
5. Peak system losses estimated on a seasonal basis

Consistent with industry practices, we will conduct an analysis to isolate cost by customer class and identify the unbundled rate structures for each customer class to determine the following:

- Monthly Customer Charge
- Demand for Distribution and Power Supply
- Energy Charges
- Cost components broken down based on service level of each customer class. (i.e. primary, secondary, sub-transmission and transmission)
- Costs are further isolated and includes breakdowns by customer class separated as follows:
 - Distribution
 - Transmission
 - Substation
 - Transformer
 - Direct Costs
 - Meter O&M
 - Meter Reading
 - Customer Service
 - Billing
 - Power Supply by Resource
 - City Transfer Payments



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Table of Distribution Costs

Customer Class	Monthly Customer Charge	Distribution Rate	Billing Basis
Residential	12.28	0.011	kWh
Outdoor Area Lighting	2.14	0.010	kWh
Street Lighting	4.26	0.084	kWh
Commercial Service	25.00	4.17	KW
LGS - Primary	320.74	3.04	KW
LGS Secondary	495.10	3.29	KW

Table of Power Supply Cost by Season

Customer Class	Summer		Winter	
	Demand	Energy	Demand	Energy
Residential	0.025	0.042	0.019	0.043
Commercial Service	10.092	0.041	4.662	0.043
LGS - Primary	8.775	0.040	4.984	0.042
LGS Secondary	8.702	0.041	4.968	0.043



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

B. The review of rate trends shall address:

The table below is the specific rates to review and the analysis required to develop the rate.

	Included in Cost of Service Study	Time of Use Study	Contribution Margin Analysis	Rate Design	Street Lighting Study	Modifications to Cost of Service Study	Discussion on options to pursue
Review of Current Rate Structure	X						X
Are Cost adjustments mechanisms appropriate (regulatory and power costs)				X			
Should RPU Increased or decreased fixed charges	X						X
Are Residential and Small Commercial Demand Charges appropriate						X	
Best Practices to promote growth for large and small commercial customers			X				
Line extension policy review			X				
EV rates utilizing TOU and/or second EV meter				X			
EV public Charging stations				X			
Standby Charges	X						X
Net Metering Rates		X					
High Voltage Discounts	X						
Time of Use pricing for all commercial and residential components		X					
Power Factor cost recovery charges				X			
Unbundling of Charges to reflect costs and cost components	X						
Voluntary Green Pricing Programs							X
Decoupling							X
Feed in rate tariff							X
Community solar and energy storage							X
Real time pricing		X					X
Critical Peak Pricing							
Street lighting system cost allocation and rates including LED's					X		
Seasonal Rates	X						X
Tiered Rates	X			X			X
Coincident Peak Demand Rates		X					X

A main objective of the rate trends analysis is the plan to move rates toward desired objectives. The report will discuss the following and the plan to phase in over time using a matrix similar to below:



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

	Study Requirements			
	Short Term	Mid Term	Long Term	Study Requirements
Industry trends				
Technology requirements				
Financial Impacts and risks				
Operational Impacts and risks				
Billing System requirements				
Customer specific data requirements (i.e. Amperage, Transformer KVA, peak demand)				
Power Supply Risks				
Distribution Risks				
Transmission Risks				
Bond Rating Agencies				
Customer Acceptance				
Customer benefits				
Customer impact groups				
Economic Development of community				
Promotion of Energy Efficiency				
Technology Requirements				
Change in customer usage patterns from implementation				
Cost to Customer of implementing technology				
Cost to Utility of implementing technology				
Barriers to offering proposed rates				
Quantitative and/or qualitative risks to utility of rate implementation				
Qualitative and/or quantitative costs and benefits of the various pricing models from the perspective of the utility				



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

DELIVERABLES: *Provide a written report evaluating emerging or expected rate structures, technologies, and trends that might impact or influence future rate structures, including how electricity is priced for the electric industry as a whole, and how those influences might affect, or apply, to COB. The report will include a matrix of the evaluated technologies, trends, and rate structures followed by columns containing the evaluation criteria and a matrix of recommendations of short, mid, and long term actions for each rate alternative. The Consultant shall conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions, and to discuss next steps. The Consultant shall be available to present findings to the City Council if requested.*

UFS will comply with the stated deliverables for this phase of the project.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

Phase III. Rate Design Recommendation

UFS will develop rate design and recommendations in discussions with COB staff and City Council. We will discuss which trends are pertinent and applicable to COB and include rationale and assumptions. UFS will provide an implementation path from current rates and allocations to the development and implementation of the potential new rate alternatives that are identified. Any recommended changes will be compliant with Proposition 26. The proposed changes will address the following:

1. The social and economic factors of the community, expenses incurred in providing the service to the different customer classes and the general policies and objectives of COB.
2. The revenues to be generated from fixed and variable charges compared to fixed and variable costs by customer class.
3. The projected revenues from rates are adequate to cover the projected revenue requirement.
4. UFS will complete a 10 year pro forma financial model considering the overall reserve requirements, days cash on hand, debt service coverage, and other financial metrics. The analysis will discuss the pros/cons of rate stabilization reserve and the appropriate level and rate impacts

A financial projection will be constructed with summary outputs similar to the tables and output graphs on the next page.

	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Growth Rates	5.0%	0.5%	0.5%	0.5%	0.5%	0.5%
Inflation Rates	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Interest Rate on Cash Balances	1.3%	0.8%	0.8%	0.8%	0.8%	0.8%
Purchase Power Adjustments	1.5%	0.0%	4.2%	2.6%	1.5%	1.7%

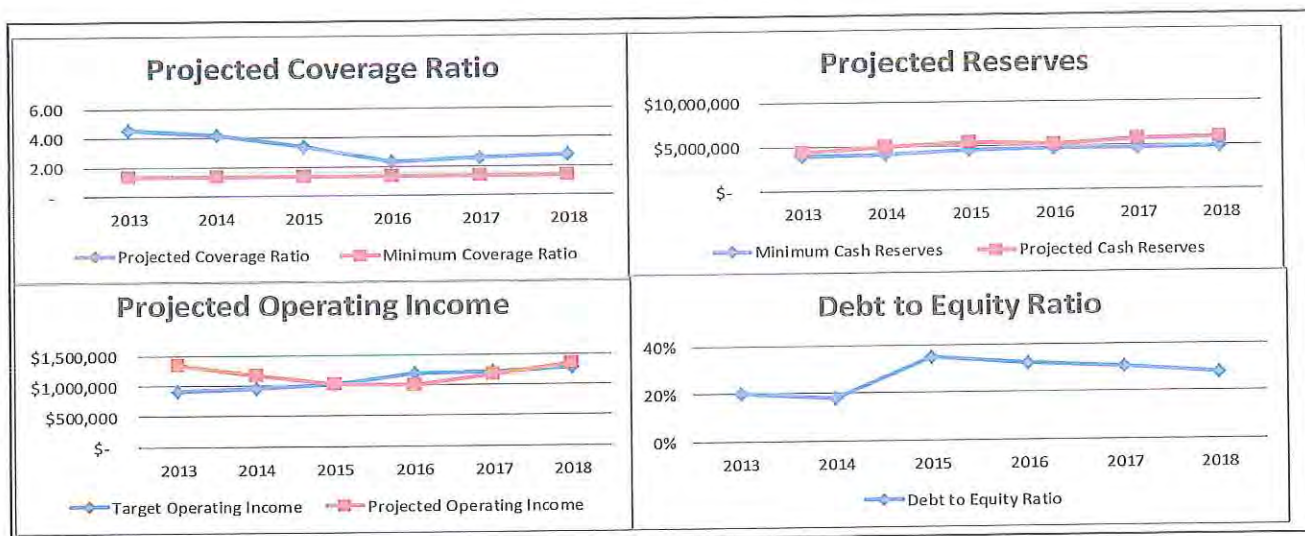
Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Projected Bond Issues	Capital Improvements	Debt Coverage Ratio
2013	0.00%	11,549,627	10,208,180	1,341,447	4,410,201	-	1,000,000	4.56
2014	0.00%	11,607,376	10,446,550	1,160,826	5,024,661	-	900,000	4.21
2015	3.10%	12,021,969	10,998,959	1,023,011	5,428,876	6,000,000	7,000,000	3.42
2016	3.10%	12,451,527	11,451,932	999,595	5,134,777	-	1,500,000	2.34
2017	3.10%	12,896,589	11,722,219	1,174,370	5,646,876	-	900,000	2.56
2018	3.10%	13,357,718	12,012,946	1,344,772	5,867,119	-	1,400,000	2.78
Recommended Minimum 2014				\$ 956,169	\$ 4,152,152			1.40
Recommended Minimum 2018				\$ 1,269,198	\$ 4,833,023			1.40



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN



The rate design will address the following:

- 1) Bill impacts of representative customers in each customer class.
- 2) For each rate design proposal, UFS will provide a sampling of a minimum of 3 usage patterns per classification showing the difference in bills under the present and proposed rate designs, by fiscal year for the proposed period(s) of adjustment. The comparison will also include similar bills for customers served by neighboring and similar electric utilities in Southern California.
- 3) UFS will determine the fiscal impacts of the following:
 - a. Renewable energy portfolio requirements, current status of compliance and future purchases as may be necessary
 - b. Compliance with reserve balances, days cash on hand, and debt coverage requirements
 - c. GHG regulations
 - d. Distributed Generation
 - e. Electric Vehicle program



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

DELIVERABLES: Provide a written report detailing the Consultant's findings and recommendations. The Consultant shall conduct a meeting with COB staff to review and discuss the report, to allow an opportunity for feedback and revisions, and to discuss next steps. A copy of the report in Microsoft Word is also required. The Excel spreadsheet shall also be provided with the ability to make modifications in inputs and assumptions. The consultant will train COB staff on updating the model with the expectation that COB staff will continue to update the model annually. After review by staff, the Consultant shall attend meetings, make presentations, and answer questions for the City Council regarding the results of the study, as needed. It is expected that a series of public meetings may be scheduled to inform and educate customers and other stakeholders of the benefits of the recommended rate design. The Consultant shall attend, make presentations and answer questions at up to five (5) of these meetings in an effort to obtain input and final approval for recommended rate adjustments.

UFS will comply with all listed deliverables.

UFS cost of service models are summarized to provide a long-term financial plan and electric cost of service/unbundling study into reports that are key in the financial stability of The City. Reports are completed within 30 days after the study is complete and include the following:

- **Executive Summary Report** – An overview that identifies the objectives, process and results of the rate study in a clear and concise format, the report includes graphs, charts, tables and recommendations
- **Full Report** – Includes all the detailed schedules developed to complete the study and includes the executive summary report
- **Rate Design Recommendation Report**– The rate design report is a separate module. To ensure efficiency and timeliness of the study the executive summary and the full detail report are provided to management for input into the rate design process. The rate design report includes the following:
 1. Comparison of the current and proposed rates
 2. Expected revenues generated from proposed rates
 3. Impact on customer classes at various usage levels or load factors within each rate class



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROPOSED WORK PLAN

PROJECT MANAGEMENT: *The project scope of work will include project management. Project management is required to complete the project analysis and studies within scope, budget and schedule which includes monthly status reports, project control, document control, cost control, change order control, and project kick-off meeting. The consultant project manager and appropriate COB staff shall take part of bi-weekly meetings to review progress and address project issues.*

The Project Manager for this study will be Mark Beauchamp, CPA, CMA, MBA President of Utility Financial Solutions. The Rate Manager will be Mike Johnson will and the staff assigned to this engagement will be Jillian Beauchamp. We will utilize others on specific tasks and will include Dan Kasbohm and Dawn Lund.

CONFIDENTIALITY OF PROJECT INFORMATION: *The selected consulting firm and its staff working for COB on this Project will be required to keep confidential all information they learn about COB's electric facilities and electronic systems. Disclosure of any information gathered as a part of the Project has potential to pose a significant risk to public health and safety. During the Project, the Consultant should make provisions to secure all Project records and destroy all drafts. After the Project, the Consultant will be expected to return to COB or destroy all documents obtained from COB or generated during the course of this Project.*

UFS ensures confidentiality of all Banning project information.

TRAINING: *The Consultant shall train COB staff to update, maintain, and analyze the Electric Utility cost of service analysis and rate design models.*

UFS agrees to train COB staff.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY

PROJECT SCHEDULE



Project Schedule

Task	Expected Completion – Twelve Weeks
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Models	Week Three – Five
Review and Development of Revenue Requirements	Week Six – Seven
Fieldwork	Week Eight
Cost of Service Analysis Component/Functional Costs	Week Nine
Cost based Rate Design and alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

COMPLETION OF THE PROJECT ON THE PROPOSED SCHEDULE IS DEPENDENT ON THE COOPERATION OF VARIOUS DEPARTMENTS
WITHIN THE UTILITY TO PREPARE THE INFORMATION REQUEST IN A TIMELY MANNER.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY

PROJECT EXPERIENCE



Utility Financial Solutions is best qualified to meet the needs of the City of Banning's Electric Utility. UFS has a long standing relationship and over 14 year history of assisting municipalities with cost of service and financial analysis for Electric utilities and are recognized experts in the utility field. Our group and the project team assigned to this engagement is composed of highly qualified, experienced, and knowledgeable professionals who remain current on all issues facing utilities. UFS has completed similar rate design studies. UFS's reputation has resulted in an industry leading status shown by our frequent request to instruct classes and speak at conferences around the nation, the number of rate studies we have completed.

UFS provides consulting services to assist publicly-owned utilities in meeting their strategic and financial objectives. Services are designed to ensure complete client satisfaction and a commitment that:

- Services will be completed in the agreed upon timeframe
- Services are delivered within budget for services requested
- Services provided will meet or exceed client expectations
- Services will be unbiased and independent recommendations provided to the utility

Our experience and commitment to publicly-owned utilities ensures that we understand the issues they face and can assist in providing a variety of services including:

- Electric cost of service and rate design
- Review of indirect cost allocations
- Fee and ancillary service charges
- Cost reduction strategies and benchmarking analysis for utilities
- Financial analysis and feasibility studies for offering telecommunication services
- Evaluating and developing policies and procedures
- Econometric forecasts of sales and load growth
- Utility valuation services
- Power supply negotiation and financial analysis

As a result of our specialized industry knowledge we are frequently called upon to share our experience with others in the industry. We have given presentations at regional and national seminars regarding electric pricing, electric restructuring, electric unbundling, telecommunications, and other issues. Some of our presentations are listed on the next page.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROJECT EXPERIENCE

Conference	Date	Organization
Electric Rate Trends	2013, 2014, 2015	American Public Power Association Business and Financial Workshop
Advanced Issues in Cost Allocation for Gas, Water and Electric	2011, 2012, 2013	National Association of Regulatory Utility Commissioners - Institute of Public
Retail Pricing of Electricity Public Service Commissioners	2011, 2012, 2013, 2014, 2015	National Association of Regulatory Utility Commissioners - Institute of Public
Wholesale Pricing of Electricity Public Service Commissioners	2011, 2012, 2013, 2014, 2015	National Association of Regulatory Utility Commissioners - Institute of Public
Basic Electric Cost of Service	2014, 2015	American Municipal Power (AMP)
Economic Development Rates to Attract Customers	2014, 2015	American Municipal Power (AMP) Special Economic Development Meeting
Electric Rates for Key Accounts	2014, 2015	Missouri Public Utility Alliance
Electric Rates that Reflect Utility Costs	2013, 2014, 2015	American Public Power Association Webinar Sessions
Electric Rates that Promote Energy Conservation	2013, 2014, 2015	American Public Power Association Webinar Sessions
Financial Planning for Board Members and City Council	2010, 2011, 2012, 2013, 2014, 2015	American Public Power Association National Conference
Coping with Financial Challenges in Periods of Declining Sales	2011, 2012	American Public Power Association National Conference
Time of Use Pricing - Power Supply	2011, 2012, 2013	American Public Power Association Webinar Sessions
Industry Rate Trends & Future Rate Structures	2011, 2014, 2015	American Public Rate Association National Conference
Overview of Utility Financial Operations for Boards	2011, 2012, 2013, 2014, 2015	American Public Rate Association National Conference
Determining Utility Revenue Requirements	2011, 2012, 2013, 2014, 2015	American Public Power Association Webinar Sessions
Rate Making for Utility Boards/Councils	2011, 2012, 2013, 2014, 2015	American Public Power Association Webinar Sessions
Cash Reserve Policies	2011, 2012, 2013, 2014, 2015	American Public Power Association Webinar Sessions
Smart Grid and New Rate Designs for the Future	2011	American Public Rate Association National Conference
Basic Electric Cost of Service	Annually 2010 to 2015	American Public Rate Association Education Institute
Financial Planning for Municipal Utilities	Annually 2003 to 2015	American Public Rate Association Education Institute
Advance Electric Cost of Service and Rate Design	Annually 2003 to 2015	American Public Rate Association Education Institute
Publing Policy Makers Understanding of Financial Planning	2005, 2006, 2007, 2009	American Public Rate Association National Conference
Pricing Energy Efficiency Programs and Impact on Customer Rates	2009	American Public Rate Association National Conference
Intermediate and Advanced Cost of Service	Min 3 times annually from 2006 to 2015	American Public Power Association
Utility Line Extension Policies	2011, 2012	American Public Power Association
Decoupling Electric Rates	2011	American Public Power Association
Working with Boards and Commissioners to Explain Rate Changes	2012	Heartland Electric Association
Development of Time of Use Electric Rates	2010, 2011, 2012	American Public Power Association
Financial Planning for Water Utilities	2010	Southeast Water Association
Conservation Pricing and Impact on Utility Rates	2010	American Public Power Association



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROJECT EXPERIENCE

Full Time Staff and Office Locations	
Main Office and Contact, Authorized to negotiate and bind contract:	Authorized to negotiate and bind contract:
Title: President Mark Beauchamp 185 Sun Meadow Ct Holland MI 49424 UFS – 14 Years Industry Experience – 33 years Phone 616-393-9722 Fax 888-501-0998 Cell 616-403-5450 mbeauchamp@ufswweb.com www.ufswweb.com	Title: Vice President Dawn Lund 604 S Lake St Leland MI 49654 UFS – 12 Years Industry Experience – 20 years Phone 231-256-0092 Fax 888-566-4430 Cell 231-218-9664 dlund@ufswweb.com www.ufswweb.com
Title: Senior Analyst Dan Kasbohm 14986 Sandstone Road Grand Haven MI 49417 UFS – 10 years Industry Experience – 10 years Phone 616-846-6464 Fax 888-499-6609 Cell 616-402-7045 dkasbohm@ufswweb.com www.ufswweb.com	Title: Senior Analyst Mike Johnson 4901 Hermsmeier Road Madison WI 53714 UFS – 3 Years Industry Experience - 20 years Phone 608-230-5849 Fax 888-809-9640 Cell 608-609-6279 mjohnson@ufswweb.com www.ufswweb.com



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROJECT EXPERIENCE

Similar Projects/References

1. Imperial Irrigation District, Electric Department

Contact: Belen Valenzuela, Interim Chief Financial Officer

Phone: (760) 482-3370

Email: bvalenzuela@iid.com

UFS started a cost of service study for IID in the winter of 2014 with rates approved by the Board of Directors in the fall. As part of the study UFS developed a long term financial plan, established financial targets related to revenue requirements, debt coverage and cash reserves. UFS implemented a modification to IID's current power cost adjustment and obtained approval for the rate increase. In addition the study developed rates for all customer classes, pole attachment rates consistent with the California requirements and training to the Board of Directors. UFS is currently working on revisions to the line extension and backbone fees charged to new customers.

- Develop a long-term financial plan to assist in identifying the amount and timing of future rate adjustments. The financial projection included development of the following targets:
 - 1) Debt Coverage Ratio
 - 2) Minimum Cash Reserves
 - 3) Target Operating Income
 - 4) Timing and amount of bond issuances
- Cost of providing electric service to each class of customer.
- Unbundle rates to determine:
 - 1) Charges to each customer class for power supply broken down by demand, energy and season.
 - 2) Charges to each customer class based on the voltage served for each customer and included secondary, primary, sub-transmission and transmission voltage levels.
 - 3) Monthly customer charges to each customer class
- Design electric rates
- Training on all cost of service, financial projection and rate design models
- Electric Line Extension Policy



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROJECT EXPERIENCE

2. Nashville Electric Service, Nashville, TN

Contact: Sylvia Smith, Budget & Rates Manager

Phone: 615 747-3761; Email: snsmith@nespower.com

Address: 1214 Church Street, Nashville TN 37246

- Develop a long-term financial plan to assist in identifying the amount and timing of future rate adjustments. The financial projection included development of financial targets:
- Cost of providing electric service to each class of customer.
- Unbundle rates to determine:
 - a. Charges to each customer class for power supply broken down by demand, energy and season.
 - b. Charges to each customer class based on the voltage served for each customer and included secondary, primary, sub-transmission and transmission voltage levels.
 - c. Monthly customer charges to each customer class
- Review utility rate classes and recommend additional rate classes or alternative rate forms for existing customer classes.
- Development of Time of Use Rates
- Design electric rates
- Training on all cost of service, financial projection and rate design models
- Electric Line Extension Policy

3. Rochester Public Utilities, Rochester, MN

Contact: Bryan Blom, CPA, CGMA, Manager-Finance & Accounting

Phone: 507.280.1616

Email: BBlom@RPU.ORG

Address: 4000 E River Road Northeast, Rochester, MN 55906

Services:

- Comprehensive electric cost of service study to identify the cost of providing service to each customer class of the electric department and compare the cost of service with the current revenues anticipated from each class of customers
- Develop electric vehicle charging stations rates
- Review ratchet clause percent, cost based ratchets and recommend modifications
- Review and discuss power factor adjustments
- Review customer classes for possible new classifications specifically large customers between 1,000 – 5,000 kW and above 5,000 kW
- Review Load Management Credits for Air Conditioning
- Review, analyze and develop time of use rates and the potential for a critical peak pricing mechanism
- Review street lighting charges and fees
- Develop Standby Charges
- Develop Economic Development Rates
- Review Line Extension Policy
- Unbundle the electric rates into the components necessary to identify rates for customers taking service at various service levels
- Survey of Five Area Utilities



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROJECT EXPERIENCE

4. Roseville Electric, Roseville CA

Contact: Philip McAvoy, Electric Rates & Financial Administrator

Phone: 916 774-5689; Email: PMcAvoy@roseville.ca.us

Review Roseville Electric's current rate structure and pricing.

- Evaluate and compare Roseville's current rate structures to standard and innovative public power rate practices.
- Recommend rate structure alternatives for Roseville Electric including options to:
 - Align fixed and variable expenses with customer, energy, and demand charges for every class;
 - Minimize cross class subsidies
 - Ensure appropriate pricing signals to customers.
- Review rate structure alternatives with Roseville Electric staff under various alternatives including:
 - Non-Seasonal Rate Designs
 - Seasonal Rate Designs
 - Inverted block rate design alternatives
 - Demand charges for all customer classes including residential
 - Impacts on customers with installed distributed generation
 - Impacts on residential and solar customers considering fixed costs alternatives to recover in monthly customer charge
- Identify the impacts on customers at various usage levels or load factors
- Develop and recommend pricing for new rate structures, in alignment with Roseville Electric's financial goals
- Develop and review Backbone Mitigation Fees

5. City of Shasta Lake, Electric Department

Contact: Tom Miller, Electric Utility Director

Phone: 530 275-7457; Email: Tom.Miller@ci.shasta-lake.ca.us

Services:

- Develop a long-term financial plan to assist in identifying the amount and timing of future rate adjustments. The financial projection included development of the following targets:
 - Cost of providing electric service to each class of customer.
 - Unbundle rates to determine:
 - Charges to each customer class for power supply broken down by demand, energy and season.
 - Charges to each customer class based on the voltage served for each customer and included secondary, primary, sub-transmission and transmission voltage levels.
 - Monthly customer charges to each customer class
 - Review utility rate classes and recommend additional rate classes or alternative rate forms for existing customer classes.
 - Present results of study to management and City Council
 - Design electric rates



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PROJECT EXPERIENCE

Other similar projects in California

Rancho Cucamonga, CA: Electric cost of service, financial projection, rate design. Project completed on time and within budget

Merced Irrigation District Merced CA: Electric cost of service, financial projection, rate design. Project completed within budget, due to changes in RPS requirement project completion was delayed by three months

Palo Alto, CA: Electric, Water, Wastewater, Fiber and Gas Utilities cost of service, financial projection & rate design. Initial project completed in 2005 with updates in 2007; 2009 and 2011. All projects were completed within budget but 2009 project completion was delayed due to changes in cost of service report to meet specifics requested by Palo Alto, the project completion was delayed by three months.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY

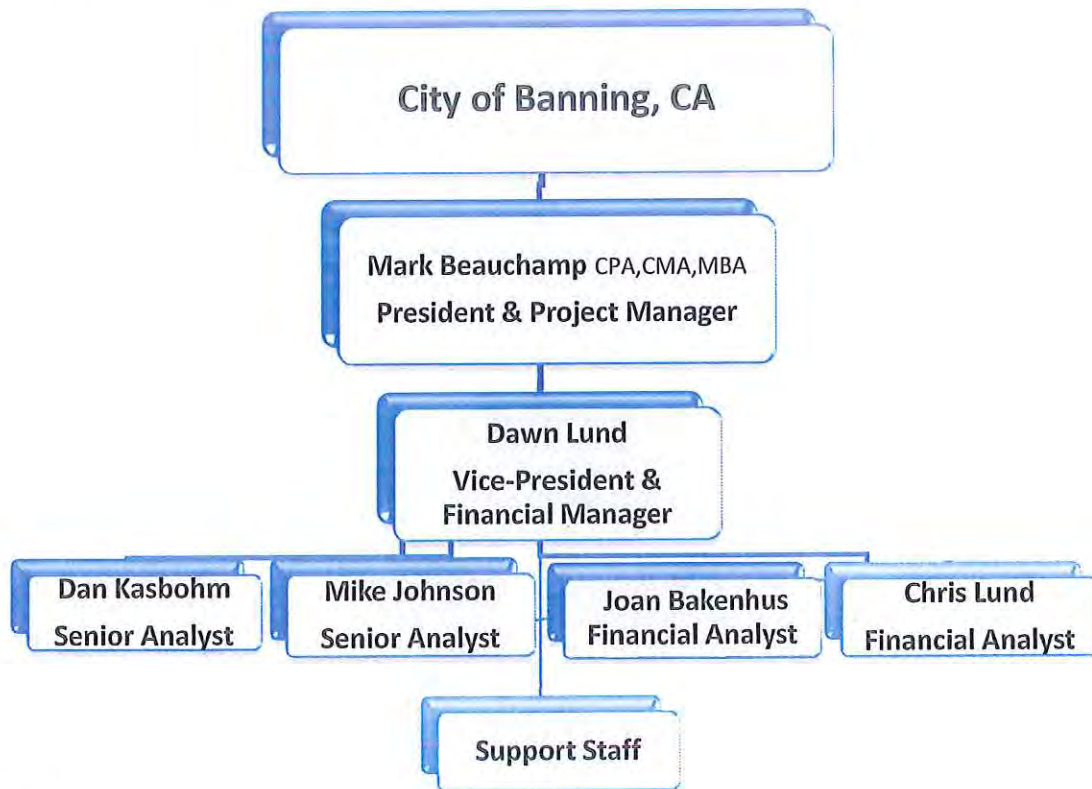


KEY PROJECT PERSONNEL

Proposed team members

UFS has put together a project team with the knowledge and experience to successfully meet your requirements and to deliver the report by the agreed upon time-frame. The team has over 100 years of combined experience performing similar studies for utilities. This provides COB with the experience to creatively solve financial and operational issues and help ensure financial stability in future years. The project team assigned has three team members located in Michigan plus support services out of Wisconsin and Nebraska locations. This team has completed cost of service, financial plans and rate design studies in 38 States, Guam and the Caribbean.

The personnel assigned to this engagement are listed below:



Staff Availability

Utility Financial Solutions has adequate staff available to complete the tasks in the timeline requested in the RFP. Listed below are resumes of the team members assigned to this engagement.



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



KEY PROJECT PERSONNEL

Mark Beauchamp, President, CPA, CMA, MBA

President, Utility Financial Solutions, LLC

mbeauchamp@ufswb.com - www.ufweb.com - 616-403-5450 mobile

Education

- AAS Water Purification Technology
- ABA Business Administration
- BBA Major – Accounting
- MBA Master's Degree in Business

Course Instructor

American Public Power Association (APPA)

- Advanced Cost of Service Course (Cash Basis & Utility Basis of Ratemaking)
- Intermediate Cost of Service (Cash Basis & Utility Basis of Ratemaking)
- Basic Cost of Service (Cash Basis and Utility Basis of Ratemaking)
- Financial Planning for Municipal Utilities
- Financial Planning for Board & Councils
- Financial Planning and Rate Setting for Managers (Part of Managers Certificate Program)

American Municipal Power (AMP)

- Financial Planning and Rate Designs for Electric Utilities

Expert Witness Service

- Detroit Edison vs. Ameritech – Provided expert witness services for Detroit Edison on development of Pole Attachment Rates for Ameritech
- Nebraska State Unicameral – Served as an expert witness before the state of Nebraska Unicameral on Proper rate setting and credits to provide customer installed renewable generation
- Dayton Power & Light – Provided expert witness services on pole attachment rates. Case was resolved prior to Court appearance
- Coldwater Board of Public Works – Provide expert witness services on rate challenge by large industrial customer. Case was dropped after deposition was provided
- Smethport PA – Provided deposition and responses to Pennsylvania Public Service Commission on Rate Filing for Smethport

License and Qualifications

- Class "A" license in sanitary sewer treatment from the State of Michigan
- (CPA) Certified Public Accountant – Wisconsin
- (CMA) Certified Management Accountant – Institute Certified Management Accountants

Course Instructor

Michigan State University

- Advanced Issues in Cost Allocation (Utility Basis of Rate Making)

- Retail Costing and Pricing of Electricity

- Wholesale Costing and Pricing of Electricity

Southwest American Water Works Association

Michigan Rural Water Association

- Cost of Service & Rate Making for Water Utilities

Michigan Finance Government Officers Association

- Cost of Service & Rate Making for Water & Wastewater Utilities

Industry Involvement

- Member of the American Public Power Association
- Member of the American Water Works Association
- Member of the Institute of Management Accountants
- Speaker at national conferences on Financial Planning for Municipal Utilities, Pricing for Water Utilities, Pricing Fiber Optic backbone systems, Unbundling Electric Rates, and Ways to Attract and Retain Customers
- Author of articles appearing in national magazines and newsletters regarding pricing fiber optics, unbundling electric rates, and designing water rates



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



KEY PROJECT PERSONNEL

Dawn Lund

Vice-President, Utility Financial Solutions, LLC
dlund@ufsweb.com - www.ufweb.com - 231-218-9664 mobile

Dawn has 19 years' experience pricing and marketing utility services for electric, water and sanitary sewer. Dawn has worked with UFS for over 10 years and previously worked with a large utility and held positions as Cost and Rate Specialist and Marketing and Communications Specialist. Dawn works with utilities across the country teaching financials concepts and is also the instructor for Financial Planning courses for American Public Power Association. She is also a regularly requested speaker for various regional and national organizations. Dawn has a Bachelors in Accounting and has the following experience:

- Completed electric water and wastewater cost of service and rate design studies for utilities across the country, Guam and the Caribbean
- Development of long-term sales and expense projections for electric, water, and sanitary sewer utilities
- Development of long-term financial plan and rate track for electric, water, and wastewater
- Development of electric rate designs to meet financial and social objectives of Utility
- Development of power (fuel) cost adjustments for electric utilities
- Development of connection charges for Water and Sewer utilities
- Review and recommend changes to ordinances related to utility operations
- Development of fees for utility services
- Business plan development for telecommunications and pricing of fiber services to customers
- Determining high strength surcharge rates for sanitary sewer treatment plants consistent with EPA requirements
- Determining appropriate allocations of overhead costs between utility services
- Development of marketing plans for utilities
- Development of special rates for electric utilities including Net Metering, Economic Development and Time of Use
- Determination of minimum cash reserve requirements for utilities
- Experienced in pricing electric line extension fees and system development charges
- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks
- Instructor for APPA's Financial Planning courses
- Monthly presentations to various organizations on topics such as: financial planning, Key financial targets, cash policies and how to explain rate increases to the end user, cost of services challenges and solutions



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



KEY PROJECT PERSONNEL

Mike Johnson, Financial Analyst

Mike joined Utility Financial Solutions in 2011 and has over 17 years' experience assisting utilities. He has a Higher National Diploma in Mechatronics (Combined Electrical/Mechanical Engineering). Mike is experienced in cost of service, rate making, financial/operational modeling, automation, electric utility operations, and power supply.

Mike's experience includes:

- Development of cost of service studies for electric, cable, gas, Water and Sewer utilities
- Forecasts utility revenue requirements
- Provides cost of services class allocations and rate making
- Develops utility financial analysis models
- Computes cost functionalization and allocation systems for designing and managing complex changes
- Evaluates data and system integration issues associated with new software implementations
- Provides market analysis, bidding and settlement processes analysis
- Prepared and testified on filings to Public Utility Commission

Joan Bakenhus, Financial Analyst

Joan has 15 years' experience working with municipal utilities and has a degree in Business Administration. Joan has worked as a Rate Analyst for one of the largest public power systems in the nation (Lincoln Electric System) and for Utility Financial Solutions since 2006. Joan is experienced in development of long-term financial plans, rate design models and cost of service studies for electric, water and wastewater utilities.

Joan's experience includes:

- Working with Utilities to identify information requirements to complete cost of service and financial plans
- Set up and develop utility revenue requirements, cost of service program and utility revenue proof
- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount and timing of rate adjustments
- Balancing and set up of models for development of cost of service and rate design for water, wastewater and electric utilities to determine commodity and customer charges
- Responsible for analysis, preparation and updating cost of service models for a number of electric, water and wastewater utilities
- Development of rate design models for electric, water and wastewater utilities
- Development of rate surveys
- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



KEY PROJECT PERSONNEL

Dan Kasbohm, Senior Analyst

Dan has 6 years' experience with Utility Financial Solutions. He has a degree in Engineering and has been employed in the automotive manufacturing industry for 16 years. Dan is experienced in development of time of use rates, load research data for electric utilities, long-term financial plans, power cost adjustment models, rate design models and cost of service studies for electric, cable, Water and Sewer utilities. Dan's experience includes:

- Development of cost of service studies for electric, cable, Water and Sewer utilities
- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount and timing of rate adjustments
- Managing professional, technical, and contract staff
- Balancing models for development of cost of service and rate design for water, wastewater and electric utilities to determine commodity charges and customer charges
- Assisted in developing econometric models and use of statistical analysis for forecasting
- Assisted in the development of rate design models
- Development of rate surveys for Utility Financial Solutions
- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models
- Development of electric TOU models to analyze large load data files
- Development of inclining bloc rate models to determine projected revenues with ability to adjust block size, fixed monthly rate, usage block rates and varying rates of elasticity
- Assist in the development of Power Cost Adjustment models to project and balance power costs with actual monthly billings
- Develop power cost projections
- Prepared filing to Public Utility Commission

Chris Lund, Business & Technology Consultant, Financial Analyst

Chris joined Utility Financial Solutions in 2011 and has over 20 years' experience working with Information Technology implementations and Management Consulting. He has a bachelor's degree in business administration and information technology. Chris is experienced in cost of service, rate making, financial/operational modeling, automation, water and wastewater studies, electric utility operations, and power supply.

Chris' experience includes:

- Development of financial models for electric, water and wastewater utilities
- Forecasts utility revenue requirements
- Computes cost functionalization and allocation systems
- Evaluates data and system integration issues associated with implementation of rate setting



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



PRICE PROPOSAL

UFS Fee Proposal

Prices, terms, and conditions are good for a period of 90 days from this date.

Payment will be made through submission of invoice which itemizes work performed. The table below is for consulting services only. *All travel expenses for on-site visits will be billed at actual out of pocket costs and are estimated at \$900 per visit per person.*

	Amount
Phase I Cost of Service	\$ 25,000
Phase II Electric Utility Rate Trends	20,000
Phase III Rate Designs	15,000
On site meeting and presentations (five)	7,000
Total Not to Exceed	\$ 67,000

Fees for Optional Services:

Optional services will be billed hourly as requested by RPU. The hourly rates are listed in the table below:

Mark Beauchamp	\$ 280.00
Dawn Lund	\$ 225.00
Mike Johnson	\$ 200.00
Dan Kasbohm	\$ 200.00
Chris Lund	\$ 150.00
Joan Bakenhus	\$ 130.00
Bobby Blank	\$ 103.00
Jillian Beauchamp	\$ 103.00



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



CONDITIONS, ASSUMPTIONS AND EXCEPTIONS

Utility Financial Solutions complies with all conditions, assumptions and expectations listed in the RFP



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY



ADDENDA

Addendum No.1

Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

Utility Financial Solutions

Contractor

Mark Beauchamp, President

Print Name & Title

Mark Beauchamp

Signature

Date: 09/22/15

Addendum No. 2

Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

Utility Financial Solutions

Contractor

Mark Beauchamp, President

Print Name & Title

Mark Beauchamp

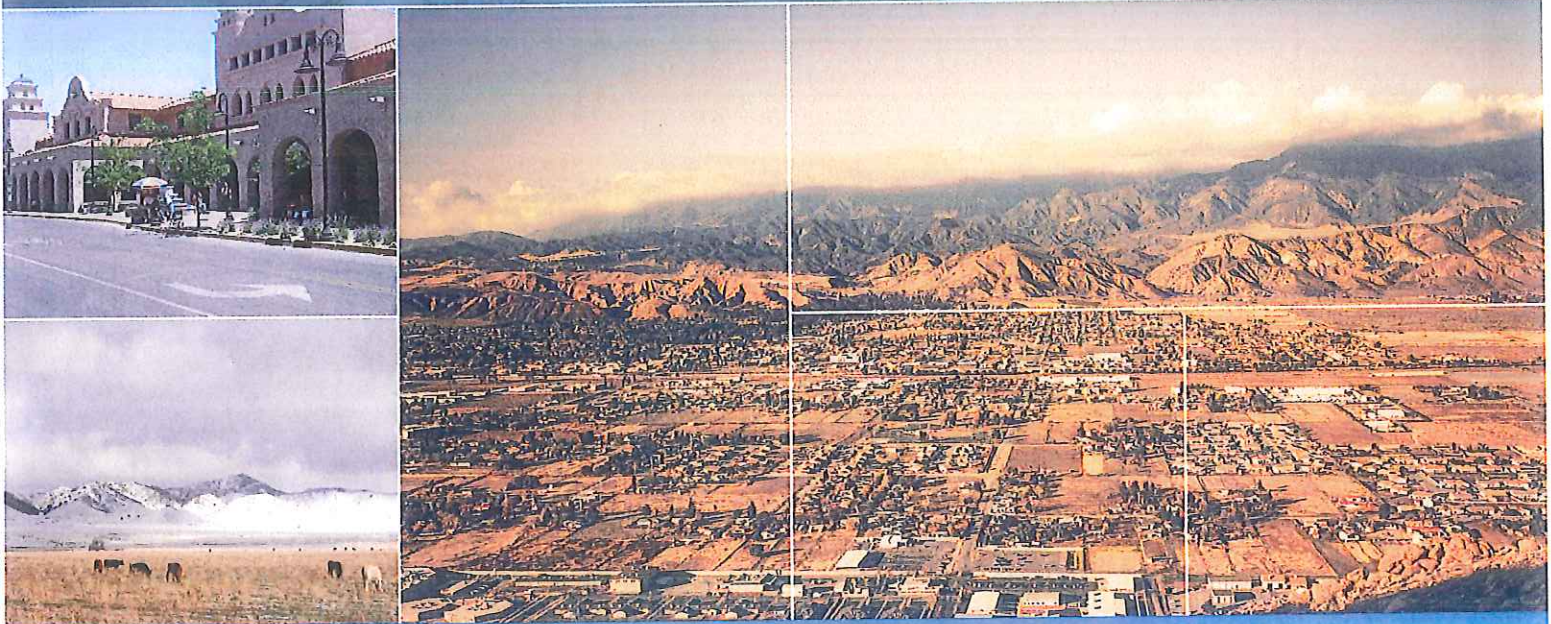
Signature

Date: 10/07/15

CITY OF BANNING

Proposal for

Electric Cost of Service Analysis and Rate Design Project



October 13, 2015

Mrs. Carla Young
Management Analyst
City of Banning – Electric Utility Department
176 East Lincoln Street
Banning, California 92220

Via Email:
cyoung@ci.banning.ca.us

Re: Request for Proposal – Electric Cost of Service Analysis and Rate Design Project

Dear Mrs. Young:

Willdan Financial Services (“Willdan”) is pleased to submit our proposal to the City of Banning, CA (“City”) to conduct an Electric Cost of Service Analysis and Rate Design Project (“Project”) in response to the City’s Request for Proposals (“RFP”), dated September 18, 2015. Willdan is uniquely qualified to conduct the Project and, if selected, looks forward to building upon its successful record supporting the City in current and prior engagements.

Willdan, a wholly-owned subsidiary of Willdan Group, Inc. (“WGI”), is one of the largest public sector financial consulting firms in the United States with a dedicated staff of over 60 consultants. Since its founding in 1988, Willdan Financial Services has assisted over 800 public agencies with myriad financial challenges such as: rate setting, strategic business planning, financial planning, and capital funding. WGI is a 50-year-old California company, publicly-owned, and traded on NASDAQ (ticker: WLDN). WGI currently employs over 600 individuals in Chicago, Dallas, Denver, New York City, Orlando, Phoenix, Seattle, and Washington, DC, and throughout California.

Like other electric industry participants, the City faces economic, technological, regulatory, and environmental challenges that impact its cost of serving customers, as well as its business paradigm. Technological advancements have transformed options for distributed generation and dynamic metering. State and Federal regulations have altered both the cost and anticipated sources of the City’s future power. Over the study horizon, power resource changes impacting the Project include retirement of San Juan Unit 3, capacity at the Puente Hills Landfill Gas-to-Energy facility, and the RE Astoria 2 Solar Project. Penetration of customer-installed solar resources will continue to grow, exacerbating cross subsidies from non-solar customers absent rate re-design. For example, the City’s current fixed customer charge—\$3/month for residential customers for example—does not recover the actual fixed cost incurred to serve a residential customer. Although the System Cost Adjustment Factor (“SCAF”) provides a level of cost recovery assurance, both the SCAF and customer charge depart from strict cost of service principles. The Project will support the City’s expressed desire to move toward cost-of-service based rates and, *to the extent feasible*, eliminate cross-subsidies between customer classes. In addition, the Project will take into account major cost drivers including changes in transmission costs, Cap & Trade allowances and operating and maintenance costs. Finally, the Project will explore industry trends in electric rate design to ensure proposed rate mechanisms align with emerging technologies such as Electric Vehicles and energy storage, efficiency and conservation, among others.

Willdan’s approach to electric rate studies will result in a tailored analysis of current utility rates, revenues, funds, capital and operational expenditures, debt commitments, miscellaneous charges, and other financial data. The baseline financial assessment is the basis for a forward-looking plan and development of rates and charges that ensure stable, sufficient funding for utility operations, target City policy, and reflect practical considerations. The analyses will culminate in a comprehensive financial management plan that projects system operating results for the next ten fiscal years. Using advanced financial modeling techniques and graphical interfaces Willdan’s dynamic and flexible financial (Microsoft Excel) model evaluates various operating and financial scenarios. *This interactive approach and dynamic modeling ensures that the Project Team can thoroughly explain how proposed rates and fees were developed, the numerous alternatives that were explored, and that the recommended approach is well-vetted, instilling confidence in Council members, elected officials, stakeholders, and the public.*

Our Project Team of senior consultants is highly qualified to perform the cost of service analysis and rate study for the City. Collectively, the Project Team possesses more than 109 years of experience and has prosecuted hundreds of governmental rate and financial projects for similar clients. Project Team members have provided expert witness testimony on a variety of rate and financial issues including revenue requirements, allocation methodologies, cost-of-service principles, and rate design mechanisms. The Willdan team offers the City the following advantages:

- ✓ **Project Understanding**—Willdan understands the City's three-phased Project approach and our assembled team has been selected to meet the unique requirements of each phase: cost of service analysis, electric utility industry rate trends study, and rate design recommendations.
- ✓ **Familiarity with the City of Banning**—Willdan has provided financial consulting services to the City for approximately five years. Willdan is currently conducting a water and wastewater rate study, previously completed a fiscal impact analysis for the Butterfield Specific Plan area, prepared continuing disclosure reports for outstanding bonds, and provides ongoing administration services for the City's Assessment District 2004-1. Willdan's proven record of success for the City demonstrates the level of professionalism and technical capability we will bring to this engagement. *Willdan will provide increased value to the City by leveraging our knowledge of the City's operations and key staff to facilitate cost-effective and efficient project execution, allowing us to focus more time and resources on analysis rather than data gathering.*
- ✓ **Expertise in Financial and Rate Modeling**—The Willdan team will: conduct a tailored analysis of the City's current electric rates and revenues, develop a comprehensive financial management plan, perform a cost of service analysis based on industry best practices, and propose innovative rate design solutions. Our model will carefully test financial scenarios, rate design and policy assumptions. Willdan delivers a powerful decision-making tool and aligns solutions and recommendations with the strategic direction of the City's utility.
- ✓ **Authorized Representatives**—Per the RFP request, contact information for Mr. Chris Fisher, Vice President, and Ms. Lisa Vedder, Project Manager, the designated authorized representatives of the company is provided below.

Willdan will develop a fair and equitable allocation methodology in compliance with Proposition 26 considerations.

Chris Fisher, Vice President - Group Manager

27368 Via Industria, Suite 200, Temecula, CA 92590

Tel #: (951) 587-3528; Fax # (951) 587-3510

Email: cfisher@willdan.com

Lisa Vedder, Project Manager

200 South Orange Ave, Suite 1550, Orlando FL 32801

Tel #: (407) 982-2756; Fax # (888) 326-6864

Email: lvedder@willdan.com

We greatly appreciate our on-going relationship with the City and are excited about this opportunity. To discuss any aspect of this submittal, or to arrange an interview, please contact Mr. Chris Fisher or Ms. Lisa Vedder directly.

Respectfully submitted,

WILLDAN FINANCIAL SERVICES



Chris Fisher
Vice President, Group Manager



Lisa Vedder
Principal Consultant, Project Manager

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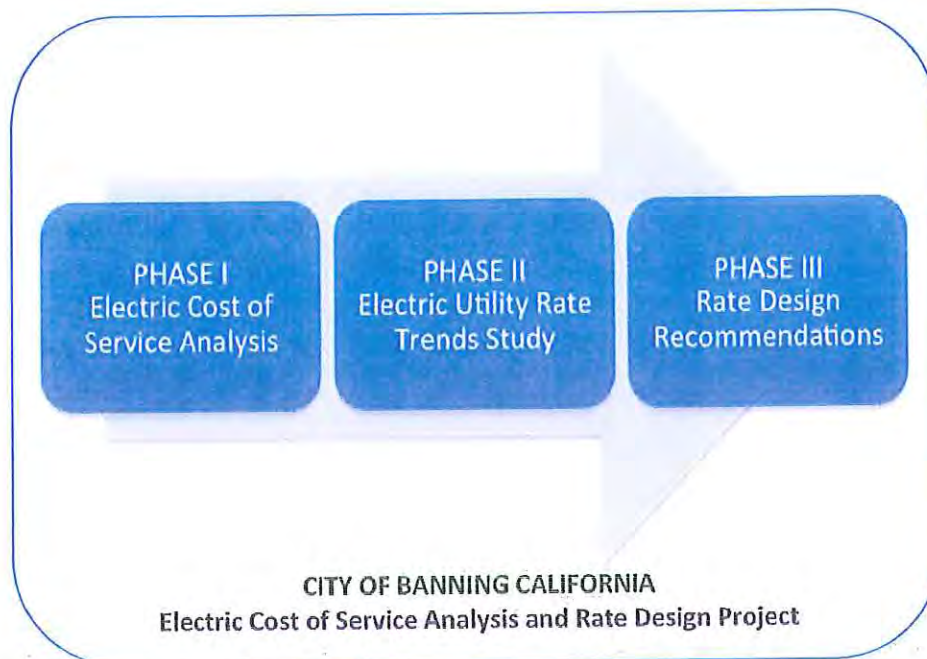
Work Plan

Willdan Financial Services ("Willdan") is pleased to submit our proposal to the City of Banning ("City") to conduct an Electric Cost of Service Analysis and Rate Design Project ("Project") in response to the City's Request for Proposals ("RFP"), dated September 18, 2015. Willdan is uniquely qualified to conduct the Project and, if selected, looks forward to building upon its successful record supporting the City in current and prior engagements. In accord with RFP requirements, this Proposal is organized as follows. Willdan's proposed Work Plan is followed by a project schedule. Project experience and key personnel are included in sections three and four. Our price proposal appears in the penultimate section and our proposal concludes with a listing of conditions, assumptions and exceptions. Willdan's Proposal fully complies with all RFP requirements.

Willdan's team of proven experts, detailed work plan, and state-of-art model will create an innovative and effective rate design that achieves Banning's policy goals while generating sufficient revenue.

Project Understanding

Willdan understands that the City is interested in professional consulting services associated with prosecuting an Electric Cost of Service Analysis and Rate Design Project. The Project will consist of three phases as illustrated in the figure below. The Project will provide the City with a comprehensive utility rate model that meets the requirements set forth in the City's RFP.



Willdan's analysis will incorporate impacts for:

- Renewable energy portfolios
- Reserve balances
- Greenhouse Gas Regulations
- Distributed Generation
- Electric Vehicles

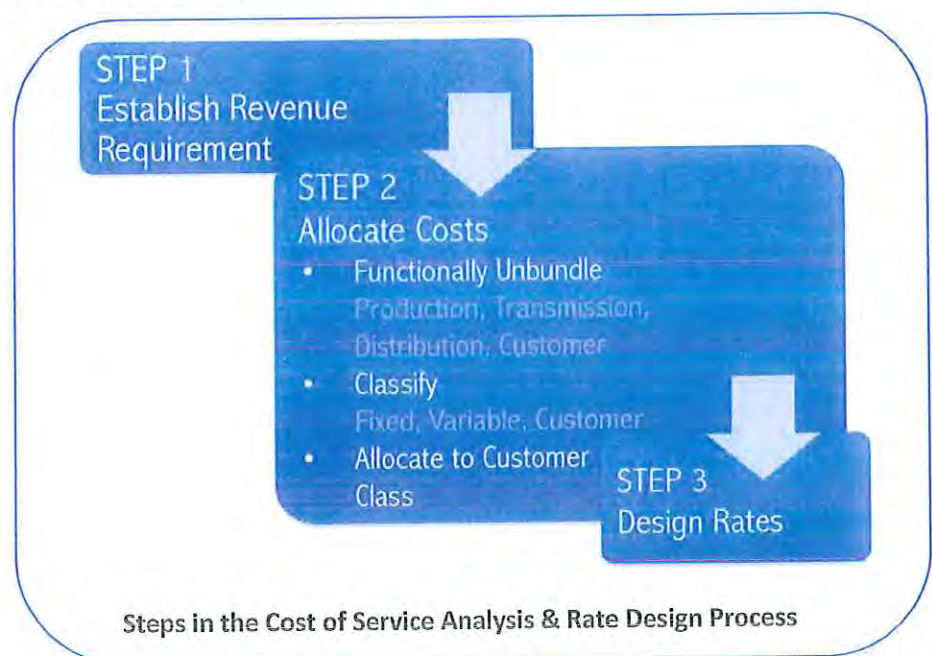
Like other electric industry participants, the City faces economic, technological, regulatory and environmental challenges that impact its cost of serving customers, as well as its business paradigm. Technological advancements have transformed options for distributed generation and dynamic metering. State and Federal regulations have altered both the cost and anticipated sources of the City's future power. Over the study horizon, power resource changes impacting the Project include retirement of San Juan Unit 3, capacity at the Puente Hills Landfill Gas-to-Energy facility, and the RE Astoria 2 Solar Project. Penetration of customer-installed solar resources will continue to grow exacerbating cross subsidies from non-solar customers absent rate re-design. For example, since the City's current fixed

customer charge—\$3/month for residential customers for example—does not recover the actual fixed cost incurred to serve a residential customer. Although the System Cost Adjustment Factor ("SCAF") provides a level of cost recovery assurance, both the SCAF and customer charge depart from strict cost of service principles. The Project will support the City's expressed desire to move toward cost-of-service based rates and, *to the extent feasible*, eliminate cross-subsidies between customer classes. In addition, the Project will take into account major cost drivers including changes in transmission costs, Cap & Trade allowances and operating and maintenance costs. Finally, the Project will explore industry trends in electric rate design to ensure proposed rate mechanisms align with emerging technologies such as Electric Vehicles and energy storage, efficiency and conservation, among others.

Project Approach

Willdan's project approach anticipates and encourages frequent and open communication between the City and Project Team. Experience has shown that open communications between the client and our team saves both time and money. Willdan commits to keep the City informed about Project status and areas where policy decisions and direction are needed. The Project Team will, to the extent practical, use existing financial and operational data to develop the requested rate studies and financial analyses resulting in rates that will fully recover the costs associated with providing these important services, and a plan for funding system improvements and expansions. In developing proposed rates, Willdan will use the three-step process illustrated below and rely on:

- Defensible cost-of-service and rate-making methodologies;
- Incorporation of the City's Capital Improvement Plan;
- Ten-year planning to maintain financial sustainability; and
- Consideration of other miscellaneous fees and revenue sources.



Scope of Services

Provided herein is a detailed description of the scope of work anticipated to complete the Electric Cost of Service Analysis ("COSA") and Rate Design Project. The proposed scope of work is intended to develop rates and a review process that will allow the City to accomplish the changes in rates and policies necessary to recover costs fairly and remain financially strong going forward.

PHASE I: Cost of Service Analysis at Current Rates

Task 1.1 – Data Collection and Review and Kick-off Meeting

The City will be provided with a list of data needed to prosecute the Project. The data request may include, but not be limited to, items such as financial and operating data, electric customer account and billing data, reports prepared by others, purchased power bills, sample bills by customer class and rate schedule, budgets, audits, capital improvement programs, official bond statements, debt service schedules, master plans, ordinances, previous rate studies, City codes and policy statements. The 2007 COSA prepared by Navigant Consulting will be reviewed as part of this effort. To minimize costs and facilitate the schedule requirements, it is envisioned that data will be provided in standard electronic formats (e.g., Microsoft® Excel and WORD documents). Project team members will review the data for completeness and to ensure a sufficient understanding of historical utility operations. The data collection and review process will be ongoing throughout the process as the need for additional information arises.

Upon contract execution, the Willdan team will schedule a kickoff meeting with the City to establish the project schedule and discuss data needs. Up to two Willdan team members will attend the kickoff meeting in-person; additional team members will participate via webinar. The meeting will be held to discuss project requirements, finalize project scheduling, establish communications protocols, establish the bi-weekly meeting schedule and reporting requirements, and receive overall project direction.

At no charge to the City, we propose to conduct a half-day workshop for management and staff to review the cost of service and rate design process concurrent with the project kick-off meeting. We have found this approach beneficial to the success of these studies. Educating involved parties in the rationale behind why we are asking for certain data and how the data will be used during our analysis results in improved outcomes. Team members understand how the disparate pieces of the COSA and rate study fit together. Given the relatively tight project schedule, this workshop ensures that all members of the Project team have a unified vision from the outset of the Project. Our workshop will be based on the Cost of Service and Rate Design classes conducted for EUCI (an industry conference organization) and other clients.

At no cost to the City, Willdan will conduct a mini COSA and rate design workshop concurrent with the kick-off meeting.

Task 1.2 – Load Projections

Willdan will prepare an end-user based load projection for the Test Year to be used as the basis for the establishment of the revenue requirements and rate design. The load projection will be based on review and analysis of historical growth trends in the City's customer base, by customer class, and historical average use per customer over the database collected. If desired by the City, a full load forecast will be prepared using regression analyses. Such additional analyses would be performed under a separate addendum. A full load forecast may only be needed if historical load data shows significant variances from year to year.

Willdan will request from the City historical load data by customer class. The City will identify any significant existing, planned, or terminated industrial or commercial loads to ensure the validity of future projections.

Willdan will perform a billing analysis using the customer statistics (demand, energy, customers) by rate class for the Test Year based on the detailed historical database, any known and measurable changes in the customer database, and impacts of load management, owned generating resources, and interruptible customers on the load projection.

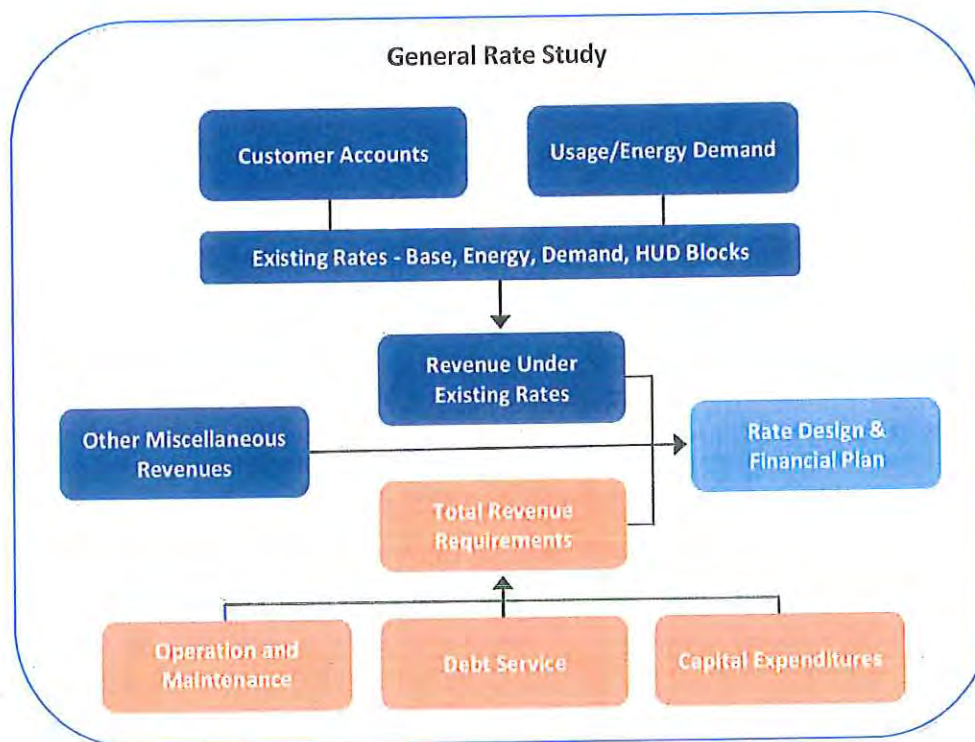
Potential
Phase I
Challenge:
Missing data
for determining
demand
allocators

**Willdan
Solution**

Estimating
proxies based on
industry data and
Willdan
experience with
similar clients

Task 1.3 – Revenue Requirement Analyses

The figure below illustrates the general rate study process. The electric system total revenue requirement will be developed by identifying all costs to be recovered from rates for the projection period or Test Year. The study period, or “Test Year,” to be used for the electric Retail Rate Study will be identified.



The current rates will be applied to the Test Year billing determinants (from Task 2) to determine expected revenue levels for the Test Year at current rate levels. This task will include the development of a computer spreadsheet model to summarize monthly billing determinants and revenues by rate classes.

The projected costs of generated and purchased power will be developed. The level of purchased power required will be based on the expected retail sales developed in Task 1.2 application of historical losses and other unmetered uses, and the resulting billing determinants pursuant to the City's power supply arrangements. The costs of power in the Test Year will be developed using the most recent rates applicable under the City's power supply arrangements, including any anticipated changes in the Test Year. Over the study horizon, power resource changes impacting the Project include retirement of San Juan Unit 3, capacity at the Puente Hills Landfill Gas-to-Energy facility, and the RE Astoria 2 Solar Project, among other regional, state, and national developments.

Willdan will establish projected revenue requirements for FY 2017-26 using FY2015 actuals and adopted projections provided by the City for FY2017-26. Revenue requirements will include all administrative and general expenses, expenses required to operate and maintain the System, debt service requirements, capital improvements to be funded from revenues, purchased power, payments in lieu of taxes, support of general fund operations, and other applicable factors that may be identified during this process. The revenue requirement will be developed from the City's operating and capital budgets for the Test Year and subsequent years of the 10-year projection period. General and administrative cost allocations to the Electric System will be incorporated into the revenue requirement. Willdan will independently develop the purchased power component of the revenue requirements as described above. The revenue requirements will be reviewed with City staff to discuss any necessary or desired modifications. Staff input will then be used to make any appropriate adjustments. The projections will be conducted on a cash and utility basis and will include, as appropriate, the following utility system requirements:

- Operation and Maintenance Expenses,
- Outlay for Routine Annual Capital Additions and Replacements, if applicable,
- Debt Service and Reserve Requirements on Existing and Anticipated Debt Instruments,
- Transfers to Fund Major Capital Improvement, and
- Other Expenditures and Transfers (e.g. Administrative Allocations, Renewal & Replacement, etc).

Task 1.4 – Allocated Cost of Service Analysis

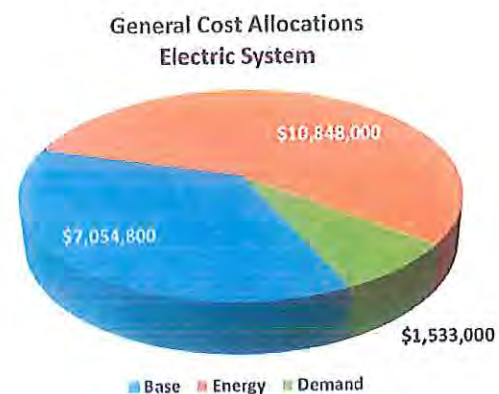
The Revenue Requirement developed under Task 3 will be allocated to the various rate classes in a manner that reflects the cost of providing electric service to each class. The cost allocation process will consist of the following steps:

- Functionalization of costs into unbundled cost categories (production, transmission, distribution and customer costs);
- Classification of costs based on cost causation (consumer, demand, energy, etc.);
- Allocation of costs among the rate classes, including distributed generation such as net-metered solar;
- Cost of service summary and revenue summary at present rates showing how existing rates compare with the costs of providing electric service to each customer class; and

Where possible, for each customer group, Willdan's analysis will determine:

- Load Factors
- Coincident peak demand
- Non-coincident peak demand

Where load data is not available, Willdan will develop defensible proxies.



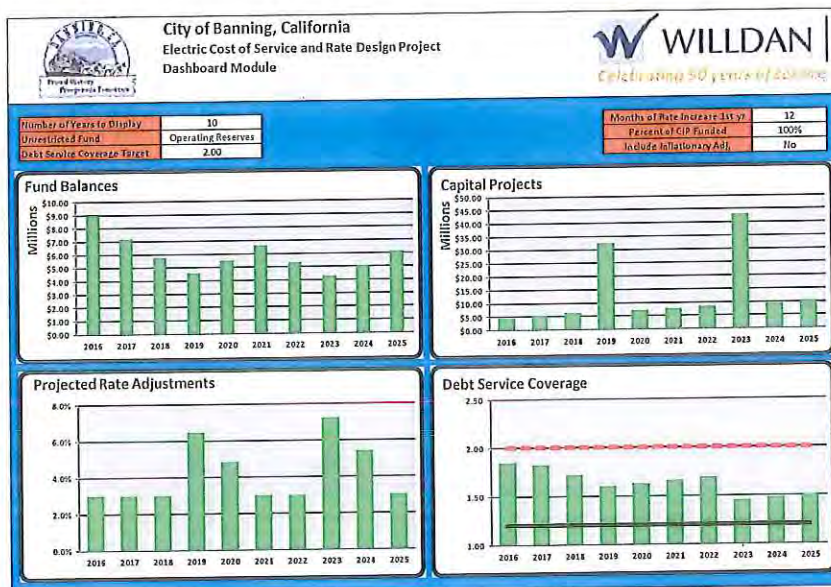
- Summary of the per unit rates that would be necessary to reach parity; i.e. rates that fully recover the class cost of service. Costs of service per unit will be presented such that new unbundled and/or decoupled rate design option's, demand billing for residential consumers, time-of-use pricing, net metering or other new or innovative rate design may be considered during the rate design and approval processes.

Willdan will conduct the COSA on an embedded cost basis, however where appropriate, marginal cost analysis may be used in design of new rate mechanisms under Phase III of the Project.

Willdan will use its Excel-based rate study model for establishing the revenue requirement and developing the unitized cost of service by customer class. Subsequent to careful development and validation of the baseline forecast, a series of alternative forecasts will be prepared, illustrating various results in the following general categories:

- **What if things turn out differently?** These alternatives will demonstrate the sensitivity of the forecast to the significant assumptions used. This results in a sound understanding of areas where a conservative forecast approach is warranted.
- **What happens when we try this?** This series of alternatives focuses on different financial management approaches. For example, use of different financing techniques such as capitalized interest, interim short-term financing, and capital appreciation bonds may be explored.
- **What can we do to make it better?** This approach to forecasting identifies the factors that may be causing significant rate increases in a given year and explores alternatives. For example, if a large capital project in a single year is the culprit, we would work with staff and the consulting engineers to determine whether this project could be phased or delayed.

Moreover, the rate design model can be used to explore the impact of various rate structures on bills for each customer class over the relevant consumption range. The figure at right provides a snapshot of Model dashboards. Upon completion of Phase I analytics, Willdan will conduct a one-day training for City staff. It is assumed that, if held in person, such training would coincide with a Council presentation or other budgeted meeting or will be conducted via webinar. For an additional fee, such training could be conducted on-site during a non-budgeted trip.



Task 1.5 – Project Management, Meetings and Reports

Over the course of Phase I execution, Willdan will meet bi-weekly with the City via web and teleconference to discuss progress and project status. Willdan has budgeted for two on-site trips during Phase I to attend the kick-off meeting and present final results to the City Council. Additional meetings will be held via webinar and teleconference. Willdan would be willing to support additional onsite meetings for an additional cost. Project management and administration efforts in support of the Project are included in this task. Preliminary draft analysis output will be prepared identifying the revenues, revenue requirements, debt service coverage, and any excess or deficiency at present rates for the electric system. The results of the preliminary analysis will be presented

to staff in order to obtain input on the level of increases, if required, that will be implemented. This task will be completed prior to completion of the cost of service analyses and rate design phases.

Upon completion of Phase I, Willdan will prepare a draft report summarizing analyses, assumptions, efforts and outcomes. Willdan will schedule a webinar to discuss the draft report with the City. Willdan will incorporate City feedback and revisions and finalize the report. The City will be provided with the final Phase I COSA report in electronic format as well as five (5) printed copies.

PHASE I DELIVERABLES

1. Kick-off Meeting
2. Bi-weekly Status Meetings
3. Excel COSA Model
4. Model Training
5. Phase I Report
6. Council Presentation

PHASE II: Electric Utility Rate Trends Study

Task 2.1 – Kick-off Meeting and Industry Research

Upon completion of Phase I, the Willdan team will schedule a kick-off meeting with the City for Phase II via webinar and teleconference. If the Phase II kick-off meeting can be scheduled during the same trip as the Phase I Council presentation, up to two Willdan team members will attend this meeting in person; additional team members will participate via webinar.

The Rate Trends Study will include an evaluation and analysis of emerging rate structures; technologies and trends that might impact or influence future rate structures, including how electricity is priced as a whole; and how those influences affect, or apply to the City.

Willdan will research current rate offerings of investor-owned utilities and other municipal electric utilities to identify and categorize different types of rate structures for each major rate classification including residential, commercial, and large commercial/industrial. A key underpinning of the research will be to understand how the general approach to pricing electricity is accomplished at other utilities.

Specifically the review of rate trends will cover the following:

- General approaches to electricity pricing including: embedded cost pricing, marginal cost pricing, market-based pricing, and alternative pricing methods as applicable;
- Customer-sited distributed generation pricing to mitigate cross-subsidies;
- Electric vehicle (EV) pricing including onsite and public charging stations;
- Relationship between generation, transmission, and distribution cost impacts;
- Fixed vs. variable revenues and expenses;
- Conservation;
- Energy efficiency;
- Energy storage;
- Utility- and customer-owned technology; and
- Low-income rate programs.

Willdan's Project Manager teaches Electric Cost of Service and Rate Design classes for industry recognized training institute, EUCI, ensuring the Project will reflect state-of-art techniques in COS and rate design.

Task 2.2: Compilation of Information

Willdan will assemble the data gathered in Task 2.1 to generate a summary of the rate structures and rates for use in the evaluation of alternative rate designs and their applicability to the City. This overview will include a report that summarizes each rate design structure and a narrative description describing the attributes of the rate design, goals of the pricing methodology, and how it could impact the City if it were implemented. The report will include a matrix summary of the qualitative results categorized by rate class identifying the relative advantages / disadvantages for how each rate structure would impact the City in the short term (defined as within the next year), mid-term (two to five years out), and long term (beyond five years), considering the following:

- The City's current rate structure;
- Cost adjustments (regulatory or power costs);
- Increased or decreased fixed charges;
- Residential and small commercial demand charges;
- Best practices in large and small commercial rates that promote business growth;
- EV rate utilizing time-of-use (TOU) pricing and/or a second EV meter;
- EV public charging stations;
- Standby charge;
- Net metering rates;
- TOU pricing for all commercial and residential customers;
- Unbundling of charges to reflect costs and cost components;
- Real-time pricing;
- Street lighting system cost allocation and rates, including LEDs;
- Seasonal rates; and
- Tiered rates.

Potential Phase II Challenge:
Identifying short, medium and long-term rate impacts

Willdan Solution

Estimating impact based on Willdan expertise in cutting edge rate design with similar clients

A critical element to any proposed rate or rate structure changes is customer acceptance and anticipation of any changes in customer behavior as a result of those changes. Additionally, the technological requirements to implement rate structure changes merits scrutiny, including those elements that the customer may need to acquire. Implementation hurdles must be considered before rate changes are adopted. The Rate Trends analysis will include a discussion of anticipated customer acceptance of new rate structures, the projected resulting impact on energy usage, the technology required for implementation and administration along with high level cost estimates for both the City and customer, barriers to implementation, risks and benefits associated with implementation on qualitative and quantitative bases.

Task 2.3 – Project Management, Meetings, and Reports

Over the course of Phase II execution, Willdan will meet bi-weekly with the City via web and teleconference to discuss progress and project status. Willdan has budgeted for no on-site trips during Phase II. Meetings will be held via webinar and teleconference. Willdan would be willing to support onsite meetings for an additional cost or if they are scheduled concurrently with a budgeted trip during Phases I or III. Project management and administration efforts in support of the Project are included in this task. Upon completion of Phase II, Willdan will prepare a draft report summarizing analyses, assumptions, efforts and outcomes. Willdan will schedule a webinar to discuss the draft report with the City. Willdan will incorporate City feedback and revisions and finalize the report. Willdan will provide the City final Phase II Electric Utility Rate Trends report in electronic format as well as five (5) printed copies.

PHASE II DELIVERABLES

- Kick-off Meeting
- Bi-weekly Status Meetings
- Rate Trends Matrix
- Phase II Report
- Council

PHASE III: Rate Design Recommendation

Task 3.1 – Kick-off Meeting and Industry Research

Upon completion of Phase II, the Willdan team will schedule a kick-off meeting with the City for Phase III via webinar and teleconference. If the Phase III kick-off meeting can be scheduled during a budgeted trip, up to two Willdan team members will attend this meeting in-person; additional team members will participate via webinar.

Task 3.2 – Design of Rates

The COSA results and the findings from Phase II research will be utilized as the basis for the proposed rate design options that will be further evaluated during Phase III. The objective of the resulting rate design plan will be to allow the City to move each customer class toward its respective cost of service (as appropriate) and include new or alternative rate structures to meet the technological and customer demands of a state of the art municipal electric utility while complying with the directives of Proposition 26. Retail rate structures, the prices charged to customer classes, will be developed to meet the overall system revenue targets based on the decisions made by the City after review of the preliminary System Overview. Rate design objectives will include, but not be limited to, fair and equitable distribution of all costs of service, simplicity, encouraging conservation and the efficient use of the system resources, administrative ease, enabling the utility to maintain competitive rates, and allowing for transition to appropriate rate structures without unreasonable short-term impacts on particular customer classes or customers with certain load characteristics. Time-of-use and demand rates for residential customers and other rate designs identified collaboratively with the City will be developed during the rate design phase.

Existing terms and conditions in electric rate schedules will be reviewed and any administrative, operational or competitive concerns will be identified and any differences will be discussed with City staff. Rate comparisons will be prepared, as necessary.

Preliminary rate alternatives will be designed based upon the results of Task 3 (Revenue Requirement Analyses) and the direction of the City after review of the preliminary System Overview. The development of a purchased power adjustment clause will be included, as desired by the City.

Task 3.3 – Revenue Adequacy Test

Considering the level of existing rates, social and economic factors of the community, and the expenses incurred in providing services to its customers, a revenue adequacy test will be performed to determine the level of rate revenue compared to the City's revenue requirement. Included in this analysis will be the identification of revenues to be generated from fixed and variable charges as compared to the fixed and variable costs of the utility at each customer class.

Task 3.4 – 10-year Financial Pro Forma Model

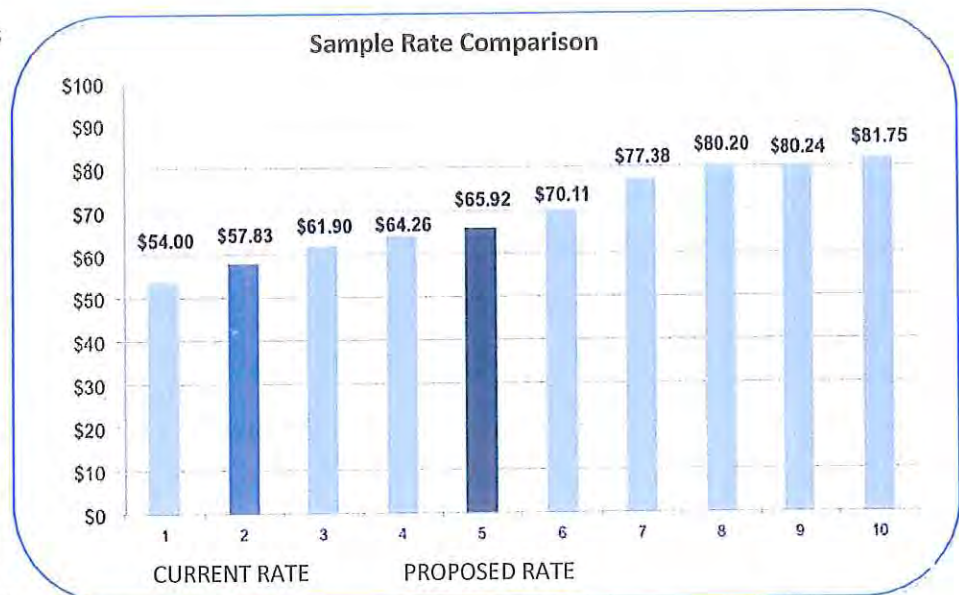
Utilizing input from the City, Willdan will develop a 10-year pro forma financial model to identify revenue requirements and projections of revenue by customer class. This model will directly correlate to the COSA Model, and will consider City financial goals including reserve requirements, day of cash on hand, debt service coverage requirements, and other metrics critical to success.

Task 3.5 – Bill Impact Analysis

Willdan will prepare a bill impact analysis that will include rate comparisons using a minimum of three usage patterns for each customer class or rate where changes are recommended showing the difference in bills under the present and proposed rate designs, by fiscal year for the proposed period of adjustment. The comparison will show the effects of both making revenue-neutral changes to the existing rate structure and the effect of any recommended rate increase strategies if applicable. In the event alternative rate designs are recommended, rate comparisons will be developed to illustrate the effect on each customer class affected. All rate recommendations will be made in consideration of meeting projected operations and maintenance, administrative, debt service, capital outlay and reserves expenses, as well as existing and planned bond covenants or other financial goals of the utility.

Willdan will compare the City's existing and proposed rates with up to six neighboring utilities assuming such rate data is publicly available. The analysis will include three rate classes at two levels of usage per rate class. Willdan will work with the City to define the rate classes and comparator utilities.

Willdan will prepare preliminary rate comparisons between present rates and preliminary proposed rates by usage levels and characteristics. Willdan will meet with City staff to review rate design alternatives and implications. Based on the policy decisions of the utility, the Test Year revenue requirement, customer classifications, rate design strategies and proposed rates will be finalized.



Task 3.6 – Fiscal Impact Analysis

An analysis of the fiscal impacts of any proposed rate change will be conducted to identify and quantify the potential impact on the City. Specifically, this analysis will include:

- Renewable energy portfolio requirements, current status of compliance and future purchases as may be necessary;
- Compliance with reserve balances, days cash on hand, and debt coverage requirements;
- Greenhouse gas regulations;
- Distributed generation; and
- EV program.

Upon completion of Phase I analytics, Willdan will conduct a one-day training for City staff. It is assumed that, if held in person, such training would coincide with another budgeted meeting or will be conducted via webinar. For an additional fee, such training could be conducted on-site during a non-budgeted trip. Willdan staff will train City staff on updating the model with the expectation that City staff will continue to update the model annually. However, it should be noted that Willdan is available to provide on-going assistance, if required.

Potential Phase III Challenge:
Estimating future consumption patterns by rate class under new rate structures

Willdan Solution

Use sampling, Willdan expertise with similar clients, and results of pilot studies

Task 3.7 – Project Management, Meetings, and Reports

Over the course of Phase III execution, Willdan will meet bi-weekly with the City via web and teleconference to discuss progress and project status. Meetings will be held via webinar and teleconference. Project management and administration efforts in support of the Project are included in this task.

At the completion of the Project, Willdan has included in the budget up to five onsite public meetings and/or Council presentations. Willdan would be willing to support additional onsite meetings for an additional cost or if scheduled concurrently with a budgeted trip.

Upon completion of Phase III, Willdan will prepare a draft Phase III report summarizing analyses, assumptions, efforts and outcomes. Willdan will schedule a webinar to discuss the draft report with the City. Willdan will incorporate City feedback and revisions and finalize the Project Report to include Phase I, II and III reports. Willdan will provide the City the Final Project report in electronic format as well as five (5) printed copies.

Proposed Quality Assurance Program (QA/QC)

At Willdan, we utilize a project management process that ensures projects are completed on time, within budget and, most importantly, yield results that match our clients' expectations. Our complete project management process has four primary principles common to successful projects:

1. **Define** the project to be completed. The Willdan Team will identify the project scope, set objectives, list potential constraints, document assumptions, choose a course of action and develop an effective communication plan.
2. **Plan** the project schedule. Ms. Vedder, in collaboration with Willdan's Project Team and City staff, will create an agreed upon timeline to meet the estimated project timeline. She will assign workload functions to appropriately qualified staff to ensure milestones are met, on time. Furthermore, the project team will meet bi-weekly to assess the status of the project and Ms. Vedder will direct existing and upcoming project tasks. These meetings ensure that staffing resources are well-matched to provide the highest quality of work product, high responsiveness to the City, and to keep the project on schedule. These meetings also provide a forum for applying the team's collective expertise to solving difficult analytical issues that arise in complex projects.
3. **Manage** the execution of the project. Ms. Vedder has been selected to fulfill the role of Project Manager due to her strong project management skills and 30 years of experience. She will be responsible for controlling the work in progress, providing feedback to the Willdan Team and City staff, and will be accountable to the City for meeting the schedule, budget and technical requirements of the project. Most importantly, Ms. Vedder will ensure constant collaboration and communication between City staff and the Willdan Team through frequent progress memorandums, conference calls and in-person meetings.
4. **Review** work products and deliverables through a structured quality assurance process involving up to three levels of review at the peer level, project manager level, and if necessary executive officer level. We have designed a formal and structured quality assurance system that will be utilized throughout the course of the project.

We have utilized these guiding principles for all of our firm's projects. The City can be assured that through the utilization of these principles, Ms. Vedder will ensure the project deliverables for the Electric Cost of Service Analysis and Rate Design Study will be of the highest quality and will be delivered on time and within the agreed upon budget.

Project Schedule

Based on the project tasks as set forth in the RFP, a project schedule has been developed showing the estimated timeline requirements for the completion of the electric rate study project. The timeline assumes that the project will begin in November of 2015. Please be assured that Willdan has the workforce availability and resources to begin the project immediately upon selection, and that the current workload will not detract from providing timely, high-quality services consistent with both industry standards and those required by the City. The estimated project timeline is illustrated below.

City of Banning – Project Schedule	Nov	Dec	Jan	Feb	Mar
PHASE I: Cost of Service Analysis at Current Rates					
PHASE II: Electric Utility Rate Trends Study					
PHASE III: Rate Design Recommendation					

Rate studies of this nature generally require active participation from City staff in order to meet the milestones identified in the RFP. Such participation required by the City includes timely collection of the necessary data, the ability to schedule meetings with City management and staff and, most importantly, providing policy direction for the project (both management and Council). It is anticipated that the City and Willdan team members will work cohesively and collaboratively to ensure the successful completion of all rate study projects.

Project Experience

This section outlines Willdan's firm background and project experience applicable to the City's Electric Cost of Service Analysis and Rate Design Project.

Firm Background

Willdan Financial Services is one of four operating divisions within Willdan Group, Inc. ("WGI"), which was founded in 1964 as an engineering firm working with local government. Today, WGI is a publicly-owned company traded on NASDAQ (ticker: WLDN). WGI provides technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has been a consistent industry leader in providing all aspects of municipal and infrastructure engineering, public works contracting, public financing, planning, building and safety, construction management, homeland security, and energy efficiency and sustainability services. At present, WGI employs over 600 individuals in Chicago, Dallas, Denver, New York City, Orlando, Phoenix, Seattle, and Washington, DC; and throughout California.



Founded in 1988, Willdan Financial Services is a wholly-owned subsidiary of WGI and is one of the largest public sector financial consulting firms in the United States. Since that time, we have assisted over 800 public agencies successfully address a broad range of financial challenges, such as financing the costs of growth and generating revenues to fund desired services. Willdan assists local public agencies by providing the following services:

- Utility Rate and Cost of Service Studies
- Debt Issuance Support
- Economic Development Plans and Strategies
- Feasibility studies
- Housing Development and Implementation Strategies
- Financial Consulting
- Real Estate Acquisition
- Wholesale Rate Analyses
- Strategic Financial Planning
- Contract Development
- Expert Witness Testimony
- Rate Case Preparation
- Revenue Bond Feasibility Reports
- Capital Financing Analyses
- Regionalization Studies
- Utility Valuation Studies
- Economic Feasibility Studies
- Financial Analyses and Modeling
- Litigation Support
- Regulatory Support
- Classification/Compensation Surveys and Analysis
- Development Impact Fee Establishment and Analysis
- Real Estate Economic Analysis
- Long-term Financial Plans and Cash Flow
- Tax increment finance district formation and amendment
- Cost allocation studies
- Property tax audits

Our staff of over 60 full-time employees supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

Experience of the Firm

Since 1988, Willdan Financial Services' ("Willdan") professional staff of over 60 people nationwide has provided professional consulting services to municipalities, authorities, agencies, and utilities. We have performed rate and cost-of-service studies; financial, capital and strategic planning; alternative and feasibility analyses; and operational and management studies for electric, water, wastewater, reclaimed water, solid waste, and stormwater utility clients across the United States. *Willdan staff have taught Electric Cost-of-Service and Rate Design courses for Electric Utility Consultants, Inc. (EUCI), and are involved with the development of the rate-setting methodologies set forth in the American Water Works Association (AWWA) M1 manual "Principles of Water Rates, Fees and Charges," and the AWWA M29 manual, "Fundamentals of Water Capital Financing."* Willdan's nationally-recognized subject matter experts frequently speak at conferences, including those held by the AWWA, American Public Power Association (APPA), and at other industry events.



Willdan's services integrate utility planning, regulatory policy and strategy, engineering, and finance. Willdan team members have performed utility rate and cost-of-service studies and provided consulting services for hundreds of utilities throughout the country. The Willdan team's public sector experience spans over 30 years, often at the forefront of rate design and modeling. In addition, our staff includes former public sector finance directors, deputy city managers, senior finance staff, and auditors, who understand the financial, operational and political realities faced by governmental staff and management. In the following sections, we present a summary of our team's experience with the City, nationally, and in the region.

Experience with the City

Willdan has a successful track record working with the City. Following a competitive bidding process and interview, Willdan was selected by the City of Banning to complete a Utility Rate Study for its water and wastewater enterprises. This effort included the development of a comprehensive financial and rate model for both utilities, with 10 years of projected operating results. We worked extensively with the City's Finance and Public Works departments to gather and validate the data necessary to develop the financial plan, which included detailed operating and capital budgets. We worked with staff to confirm and incorporate appropriate policy and financial assumptions. The financial plan was presented to staff and City Council, with discussion and revisions that followed.

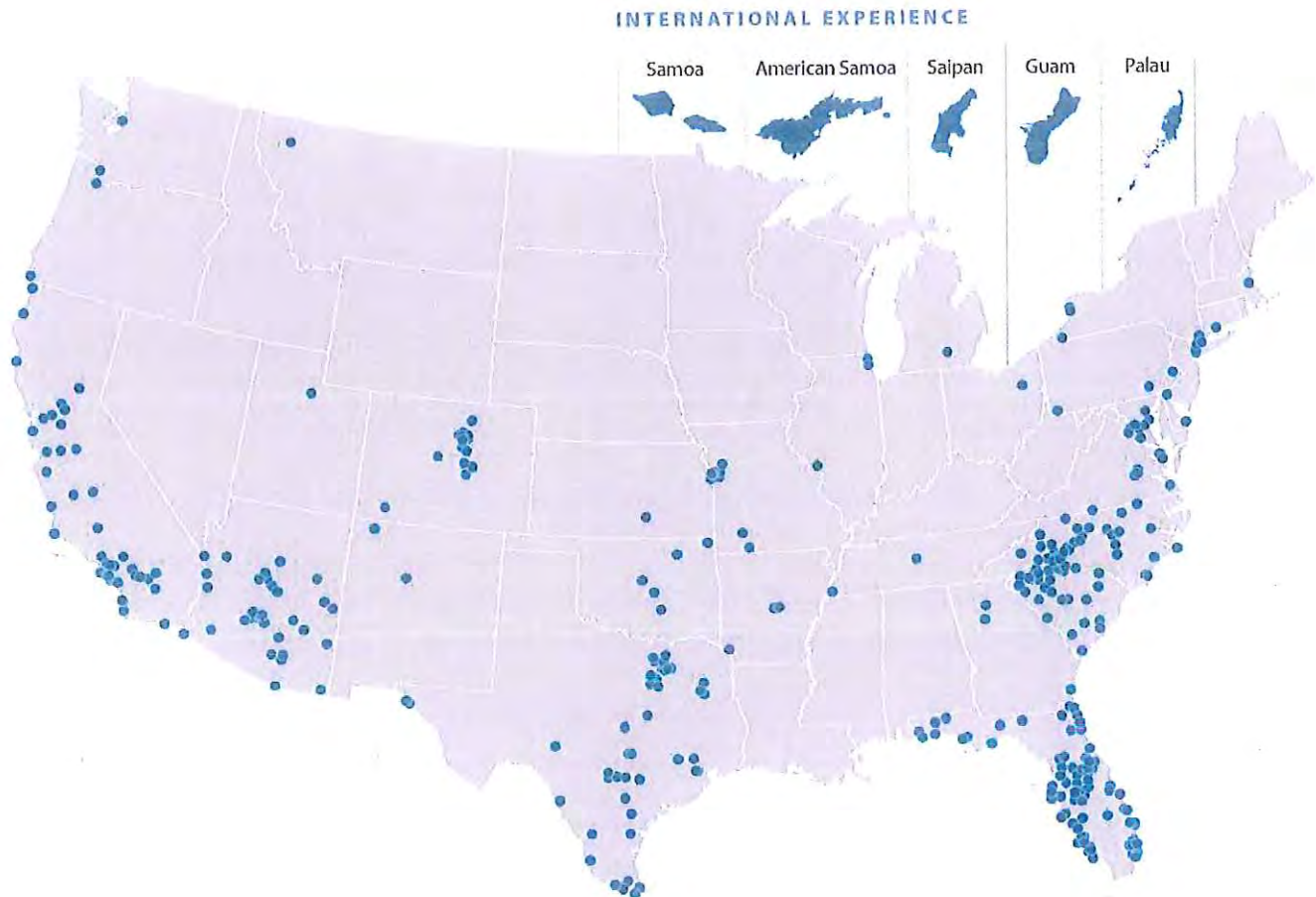
During the course of the study California issued new requirements lowering the allowable levels of Chromium 6 in water provided for sale to customers. Our initial financial plan included preliminary estimates of capital and operating costs associated with the new requirements, but it was decided that before finalizing the plan and recommended rates, a detailed review of the impacts of these new requirements was necessary. As a necessary first step, the City is currently undergoing a feasibility analysis (conducted by an independent engineering consultant) to determine the most cost effective means (i.e. new wells, treatment equipment, etc.) of meeting the new requirements. Once that is complete, the capital plan and operating budgets will be revised accordingly, and the model and financial projections updated. From that point, we will finalize the cost of service and rate analysis and revise the previous recommendations to implement updated rates that will ensure the City's ability to collect sufficient revenue to fund ongoing operations, capital projects, and repayment of debt.

CITY OF BANNING

Willdan also provides ongoing administration services related to the City's Assessment District 2004-1 (Fair Oaks Ranch Estates), and continuing disclosure and arbitrage rebate compliance services related to outstanding bonds. Finally, Willdan was recently selected and is in the beginning stages of preparing a Cost Allocation Plan, User Fee Study and Development Impact Fee Study. The objective of the Cost Allocation Plan and User Fee Study is to first ensure that the cost of indirect overhead services is appropriately allocated to operating departments and activities throughout the City, and then to calculate the full cost of providing City various services to end users, so that the City can maximize the recovery of costs of these services through fees charged for them. The study and update of Development Impact Fees will help ensure that costs associated with expanded or new facilities, that are necessary to serve new development, are borne by those who will require them.

Representative Engagements – National / International Experience

The figure below provides a representative listing of client projects. These projects reflect a variety of consulting services including electric rate studies, combined system rate studies (electric/water/wastewater), financial, capital and strategic planning, debt issuance assistance, and economic and management studies.



Representative Engagements – Regional Experience

Willdan has provided utility rate, financial, planning and regulatory consulting services for municipalities throughout the Country. The chart on the following pages provides a representative listing of the Project Team's utility consulting experience.

Arizona Department of Environmental Quality, AZ	City of Lompoc, CA	Widefield Water & Sanitation District, CO
City of Avondale, AZ	City of Norwalk, CA	Woodmen Hills Metro District, CO
City of Buckeye, AZ	City of Roseville, CA	City of Farmington, NM
City of Chandler, AZ	City of San Fernando, CA	City of Rio Rancho, NM
City of Cottonwood, AZ	City of Soledad, CA	Incorporated County of Los Alamos, NM
City of Goodyear, AZ	City of Tracy, CA	City of Ada, OK
City of Flagstaff, AZ	City of Tulare, CA	City of Edmond, OK
City of Lake Havasu, AZ	Elk Grove Water District, CA	City of Miami, OK
City of Prescott, AZ	East Valley Water District (Highland, CA)	City of Muskogee, OK
City of Yuma, AZ	Nevada Irrigation District, CA	City of Brookings, OR
Town of Queen Creek, AZ	San Diego County Water Authority, CA	City of Allen, TX
Town of Florence, AZ	City and County of Broomfield, CO	City of Arlington, TX
Water Infrastructure Finance Authority of Arizona	City and County of Denver, CO	City of Denton, TX
City of Banning, CA	City of Brighton, CO	City of Donna, TX
City of Blythe, CA	City of Durango, CO	City of Garland, TX
City of Coachella, CA	City of Greeley, CO	City of Mesquite, TX
City of Covina, CA	City of Littleton, CO	City of Plano, TX
City of Crescent City, CA	City of Louisville, CO	City of Sachse, TX
City of La Palma, CA	Pinery Water & Wastewater District, CO	Port of Houston, TX

Representative References

To demonstrate similar project experience and qualifications, client reference information for the proposed project team (Lisa Vedder, Dan Jackson and Rick McClung) follow.

Profile 1 – 2014 Electric Utility Cost of Service Analysis and Rate Design			
Organization Name:	The Incorporated County of Los Alamos, New Mexico; Department of Public Utilities		
Location (Address):	1000 Central Park Square, Los Alamos, NM 87544		
Contact Name:	Mr. Robert Westervelt, Deputy Utilities Manager-Finance and Administration		
Telephone:	(505) 662-8001	Date Service Began:	June 2014
Email	robert.westervelt@lcnm.us	Date Service Ended:	December 2014
Services Provided:	Analyses supporting a move toward full implementation of cost-based rates that included feeder data modeling to determine allocation factors for various customer classes, incorporation of aggressive capital refurbishment schedule, and development of cost-based rates. Rate design included creation of a power cost adjustment charge, development of wires charges for distributed generation, and derivation of rate riders for remote and remote off-system loads. Study results were presented at a public hearing, to the Board of Public Utilities, and to the County Council.		
Project Manager:	Ms. Lisa Vedder		
Profile 2 – Design of Transmission Services and Rates WAPA-Defining the Future of the Grid Initiative for the Power Marketing Administrations			
Organization Name:	U.S. Department of Energy		
Location (Address):	1000 Independence Avenue, SW, Washington, DC 20585		
Contact Name:	Ms. Jennifer A. DeCesaro, Acting Director of Technology-to-Market Program Office of Energy Efficiency and Renewable Energy		
Telephone:	(202) 586-1989	Date Service Began:	July 2012
Email:	jennifer.decesaro@ee.doe.gov	Date Service Ended:	January 2013
Services Provided:	Efforts included: facilitated stakeholder workshops in each Western Area Power Administration (WAPA) region concerning market re-design, rate restructuring, and tariff reform review including elimination of rate pancaking and establishing an energy imbalance market; advising the Joint Outreach Team (JOT) and reporting to Secretary Chu on the Integrated Resource Plan process of WAPA, including auditing 104 finance reports and 102 IRPs.		
Project Manager:	Ms. Lisa Vedder		

Profile 3 – Electric Rate Study

Organization Name:	City of Miami, Oklahoma		
Location (Address):	129 5 th Avenue NW, Miami, OK 74355-1288		
Contact Name:	Ms. Jill Fitzgibbon, Assistant City Manager		
Telephone:	(918) 541-2300	Date Service Began:	November 2014
Email:	jfitzgibbon@miamiokla.net	Date Service Ended:	Ongoing
Services Provided:	Electric Rate Study		
Project Manager:	Mr. Dan Jackson		

Profile 4 – Combined System Rate Study

Organization Name:	City of Hempstead, Texas		
Location (Address):	1125 Austin St., Hempstead, TX 77445		
Contact Name:	Mr. Michael Wolfe, Mayor		
Telephone:	(979) 826-2486	Date Service Began:	November 2014
Email:	Mayorwolfe1125@yahoo.com	Date Service Ended:	Ongoing
Services Provided:	Combined System Rate Study which includes Electric, Water, Wastewater and Natural Gas Utility Systems		
Project Manager:	Mr. Dan Jackson		

Profile 5 – Combined System Rate Study

Organization Name:	City of Abbeville, South Carolina		
Location (Address):	306 Cambridge Street, Abbeville, SC 29620		
Contact Name:	Mr. Tim Baker, Utilities Director		
Telephone:	(864) 366-4518	Date Service Began:	September 2011
Email:	tbaker@abbevillecitysc.com	Date Service Ended:	Ongoing
Services Provided:	Combined System Rate Study which includes Electric, Water & Wastewater Utility Systems		
Project Manager:	Mr. Rick McClung		

Profile 6 – Combined System Rate Study

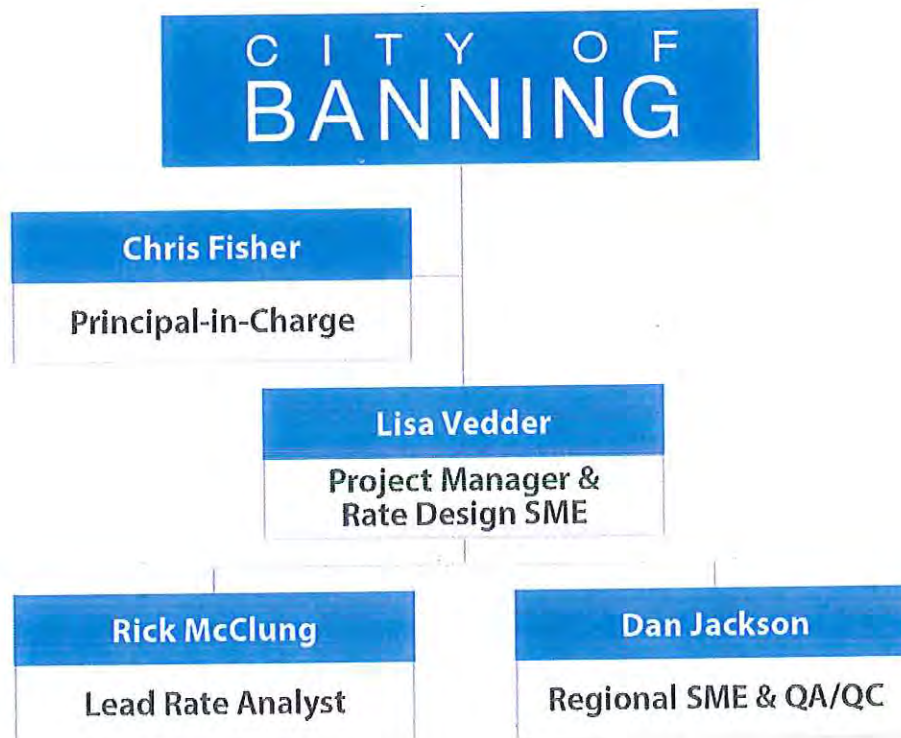
Organization Name:	City of Newberry, South Carolina		
Location (Address):	1330 College Street, Newberry, SC 29108		
Contact Name:	Mr. Marc Regier, Director of Utilities		
Telephone:	(803) 321-2609	Date Service Began:	December 2013
Email:	mregier@cityofnewberry.com	Date Service Ended:	Ongoing
Services Provided:	Combined System Rate Study which includes Electric, Water & Wastewater Utility Systems		
Project Manager:	Mr. Rick McClung		

Key Project Personnel

The management and supervision of the project team is based on a simple philosophy: staff every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, Willdan has selected experienced professionals for this engagement. The proposed project team possesses the depth of experience that will successfully fulfill the desired work performance. The organizational chart below outlines the reporting relationship of the personnel proposed for the City's engagement.

Willdan will build on its successful history of supporting the City in similar capacities to ensure Project success.

Chris Fisher, will serve as Principal-in-Charge and provide continuity for the City. Ms. Lisa Vedder will serve as the primary contact for the Project. For nearly 30 years, Ms. Vedder has provided professional consulting services to municipal and investor owned electric, water, wastewater, solid waste, natural gas, and telecommunications utilities/authorities. Her expertise includes ratemaking and cost-of-service studies, alternative fuels and non-utility generation, securitization, finance, regulatory policy, and cost unbundling. Her experience and qualifications are highlighted in the client references, as well as in her abridged resume provided on the following page. Rick McClung and Dan Jackson will round out the Willdan Project Team. Additional Willdan staff can be tapped as needed in support of the Project. The figure below presents Willdan's proposed Project organization. Resumes for each of the key individuals proposed for the City's engagement follow.



Lisa Vedder, MPA, CIA, CCSA

Project Manager

Ms. Vedder's areas of expertise include regulatory policy, cost-of-service, rate-making, technical and financial evaluations of utilities, technologies and energy contracts. During her career, Ms. Vedder has served as an Independent Auditor; participated in rate cases, privatization and securitization analyses; and negotiated complex deals and power purchase agreements. She has also provided litigation support and prepared written testimony, reports, and briefs filed at the Federal Energy Regulatory Commission (FERC), various state regulatory agencies, and an international tribunal.

Select Experience

Unincorporated County of Los Alamos, NM, Department of Public Utilities: 2014 Electric Cost of Service and Rate Design Study—refer to Profile #1 above.

LS Power Equity Advisors, NV: Rate and regulatory management consulting services in support of a successful protest motion filed by Las Vegas Power Company LLC in the October 2012, FERC Transmission Rate Case of NV Energy.

U.S. Department of Energy (DOE) – Washington, DC: Design of transmission and ancillary services rates and services for the Power Marketing Administrators for DOE's Defining the Future Grid Initiative. Efforts included facilitated stakeholder workshops, advised the Joint Outreach Team (JOT) and reported to Secretary Chu on the Integrated Resource Plans (IRP) process of WAPA, including auditing 104 finance reports and 102 IRPs.

South Carolina Public Service Authority (Santee Cooper), SC: Ms. Vedder supported COS and rate design in 2015, in particular, authoring a white paper on Economy Power tariff restructuring. She also supported the 2012 electric rate study developing specific rate programs for the industrial customer base.

Municipal Electric Authority of Georgia (MEAG), GA: Supported the Consulting Engineer's Report (2012-14), emerging trends and regulatory developments.

City of Tallahassee, FL: Supported water and wastewater rate cases and reprogrammed multiple series of utility revenue bonds.

US Virgin Islands Water and Power Authority – 2014 Self-Insurance Reserve Fund Study

Guam Power Authority: Major Rate Case Filing and Self-Insurance Protocols (2013), and Demand Response Study, rate recovery mechanism (2014/15).

Texstar Midstream Services and TEAK Midstream: COS Studies, Tariff development and FERC Filing Support.

Xcel Energy (Northern States Power): Independent Auditor 2013 Wind and 2014 Solar Procurements from IPPs.

The Office of the Provincial Auditor of Saskatchewan: Provided audit support in the 2015 audit of SaskPower's IPP power procurement.

Education

Master in Public Administration, Harvard University

Bachelor of Science, Industrial Engineering, University of Wisconsin–Madison
Tau Beta Pi & Alpha Pi Mu

Areas of Expertise

- *Cost-of-Service (COS) & Rate Design*
- *Purchased Power Agreements*
- *Strategic Planning*
- *Dynamic Computer Modeling*
- *Organizational Assessment*
- *Cost of Service Studies*
- *Benchmarking*
- *Operational Performance*

Highlights

- *Wholesale and retail rates and products, and alternative rate designs*
- *Previously worked in the finance department of a city's water, wastewater, stormwater, and natural gas utility*
- *Has instructed electric utility COS and rate design classes for Electric Utility Consultants, Inc. (EUCI)*

30 Years of Experience

Chris Fisher

Principal-in-Charge

Mr. Fisher is the Vice President and Financial Consulting Services Group Manager at Willdan Financial Services. With more than 16 years of experience at Willdan, he has managed an array of financial consulting projects for public agencies throughout California, Arizona, and Florida; coordinating the activities of resources within Willdan, as well as those from other firms working on these projects.

Related Experience

San Diego County Sanitation Department, CA – Sewer Rate and Standby Charge Study: Mr. Fisher served as the project manager for the San Diego County Sanitation Department, Harmony Grove engagement, providing the overall management and project direction. Mr. Fisher, in concert with County staff and the Willdan Team. This project involved the development of sewer rates for an area of new development in northern San Diego County. A rigorous revenue sufficiency analysis and financial plan was completed, and rates developed in compliance with Proposition 218. The project also included cost of service analysis, and the development of financial models that demonstrated the ability of the sewer rates and sewer standby charges for this specific plan area to provide adequate revenue for sewer plant operations and maintenance. The model was constructed to provide projections of revenue from both the assessment and the sewer rates, at various stages of development.

Nevada Irrigation District, CA – Water Rate and Cost of Services Studies: Willdan finalized a water rate and cost of services study for the Nevada Irrigation District. Mr. Fisher served as project manager. This engagement included review of existing charges, particularly treated and raw water, to ensure the defensibility of the District's tiered rates, as well as recovery of the true costs of providing utility services to its customer base. Particular sensitivity surrounded the question of equity between agricultural and residential customers since the agricultural interests in the area are well known and established. Stakeholder outreach meetings were held to explain the process and results to key interested parties. Willdan developed a comprehensive revenue requirements analysis, with extensive due diligence paid to establishing and verifying expenses and fund balances, and developing, reviewing and analyzing various CIP financing strategies. Willdan staff attended numerous meetings with the Board of Directors to demonstrate the functions of our financial model, including the review of possible revenue and rate scenarios, and attended the final Public Hearing in January 2014.

Elk Grove Water District, CA – Water Rate Services: Mr. Fisher oversaw the preparation of a comprehensive financial plan and water rate study for. This engagement included the development of a comprehensive financial model, updated water rates, and connection fees, as well as an analysis of multi-family accounts, a comparison of current and proposed rates, including rates of comparable jurisdictions, comparative rate and cost analysis.

Education

*Bachelor of Science, Finance;
San Francisco State University*

Areas of Expertise

- Multi-disciplinary Team Management
- Special District Formations
- Cost of Service Studies
- Proposition 218
- Utility Rate Studies

Affiliations

- California Society of Municipal Finance Officers
- Municipal Management Association of
- Northern California
- California Municipal Treasurers Association

16 Years of Experience

Dan Jackson, MBA**Regional SME & QA/QC**

Mr. Jackson has 30 years of experience as an international financial expert, having completed more than 200 water, wastewater, electric, gas, solid waste and stormwater rate/cost of service studies and long-term financial plans for clients in the USA and the Pacific region. He also has served as an expert witness in state court, federal court and before several public utility commissions. Mr. Jackson's prior experience includes positions with Deloitte and Touche, Arthur Andersen and Reed-Stowe and Company. In 1997, Mr. Jackson co-founded Economists.com LLC, which became an international consulting firm with offices in Dallas and Portland, Oregon. Willdan acquired Economists.com in 2015, and Mr. Jackson now serves as Vice President and Managing Principal. He has given dozens of lectures and presentations before professional associations, and is also a published author.

Electric Utilities – Pacific Region

Commonwealth Utilities Corporation Saipan – Ongoing electric, water and wastewater rate and financial consulting assistance, 2006-2015.

Commonwealth Utilities Corporation Saipan – Representation before Commonwealth Public Utilities Commission on Electric Rate Applications, Docket 09-1, 10-1, 13-01, 15-01, 15-02, 15-03.

Palau Public Utilities Corporation – Electric rate study, 2008.

American Samoa Power Authority – Electric, water, wastewater and solid waste rate study, 2009, 2014.

EPC, Independent State of Samoa – Electric cost of service and tariff study, 2013.

Guam Power Authority – Load Forecast Study, 2011.

Electric Utilities – USA

City of Miami, OK – Electric, water and wastewater and electric rate study, 2009, 2015.

City of Hempstead, TX – Electric, water, wastewater, Natural Gas Study, 2015.

Bonneville Power Administration – Participation in Average System Cost (ASC) program, including proposed changes in ASC methodology, 1988-1990.

Houston Lighting & Power – Feasibility/Prudence analysis of South Texas Nuclear Project vs. alternate forms of energy. Analysis formed the basis of partner's expert testimony before the Public Utility Commission of Texas, 1988.

Kansas Power & Light – Analysis of proposed merger with two separate companies, 1988.

Greenville Electric Utility System – Development of short-term cash investment policy in accordance with state law, 1989.

North Chicago, IL – evaluation of electric utility at Great Lakes Naval Training Facility for potential acquisition, 2001-2005.

Education

Master of Business Administration, University of Chicago, 1984; Specialization in Finance/Accounting

Bachelor of Arts, University of Chicago, 1982; Major in Social Sciences Dean's Honor List

Areas of Expertise

- Rate Design
- Cost of Service
- Financial Forecasting
- Strategic Planning
- Utility/Company Valuation
- Acquisition Analysis
- Privatization Analysis
- Economic Impact and Development
- Expert Witness Testimony

Affiliations

- Member, American Water Works Association
- National Association for Business Economics
- Society of Government Economists
- Commissioner, Community Development Commission, City of Dallas, Texas, 1993-1995
- Board of Directors, Southern Dallas Development Corporation, 1993-1994

30 Years of Experience

Richard McClung, MBA

Lead Rate Analyst

Mr. McClung is a Principal Consultant with more than 27 years of municipal utility consulting experience. His consulting experience includes a variety of projects associated with electric, water and wastewater utility systems throughout the southeastern region.

Mr. McClung's experience encompasses a wide range of utility rate and finance issues, including: wholesale and retail ratemaking, revenue bond financial feasibility reports, valuation studies for acquisitions and mergers, capital financing analyses, economic feasibility studies, assessment programs and cost of service studies.

His primary focus has been in the development of retail rate studies, financial feasibility reports associated with the issuance of municipal revenue bonds, impact fee studies and capital financing (funding) plans. Mr. McClung has also been involved with other facets of utility consulting including feasibility analyses of regional systems, strategic planning, assisting with rate and regulatory matters, analyzing capital funding alternatives and instituting financial mechanisms to provide for sufficient and equitable recovery of operating and capital costs.

Mr. McClung has made presentations associated with the financial feasibility of capital funding programs to local government commissions, rating agencies and bond insurers (i.e. Moody's, Standard & Poor's, Fitch, Ambac, FSA, etc) in order to assist bond issuers in improving their credit ratings and lowering issuance costs. He has also prepared and presented information related to retail rates, impact fees and capital funding programs to elected officials and interested audience members in attendance at local public hearings and workshops.

In addition, Mr. McClung has an extensive working knowledge of governmental budgeting processes, funding alternatives, accounting procedures, financial reporting requirements, enterprise operations and administrative relations. He has developed procedures and supervised preparation of dynamic and interactive computer models for utility rate studies, financial benchmarking, data retrieval and analysis, feasibility analyses, system expansion programs, capital acquisition alternatives, and wholesale capacity transactions.

Education

Master of Business Administration, University of Central Florida

Bachelor of Science, Finance, University of Central Florida

Areas of Expertise

- Rate Studies
- Rate Design
- Dynamic Computer Modeling
- Customer Statistical Analysis
- Cost of Service Studies
- Benchmarking
- Alternatives Analysis
- Revenue Bonds
- Feasibility Analyses
- Capital Financing

27 Years of Experience

Price Proposal

The fees charged by Willdan are reflective of our belief and commitment of providing high quality, cost-effective consulting services to our clients. As such, we have adopted a billing philosophy whereby out of pocket costs such as reproduction, printing, postage, shipping, telephone and travel are considered as part of the project and included in the proposed fees set forth herein. This is accomplished by utilizing a fixed fee not-to-exceed approach based on a defined scope of services, and not requesting any change orders or budget amendments unless additional services are requested by the client.

Based on this understanding, we propose a **not-to-exceed fixed fee of \$63,355**. The table below provides a breakdown of this fee by task and project team member. The proposed fees include all anticipated project costs with no additional charges for travel, administration, printing/copying, courier services, etc. In addition, the final fee amount may be negotiated depending on the final scope of services agreed upon by Willdan and the City.

City of Banning - Electric Cost of Service Analysis and Rate Design								
	C. Fisher Principal in Charge	L. Vedder Project Manager	R. McClung Rate Analyst	D. Jackson Advisor & QA/QC	Total Labor		Expenses	TOTAL
	\$210	\$195	\$165	\$200	Hours	Cost	Cost	Cost
Scope of Services								
PHASE I: Cost of Service Analysis at Current Rates	5	50	65	5	125	\$ 22,525	\$ 2,200	\$ 24,725
PHASE II: Electric Utility Rate Trends Study	5	35	42	4	86	\$ 15,605		\$ 15,605
PHASE III: Rate Design Recommendation	5	45	40	5	95	\$ 17,425	\$ 5,600	\$ 23,025
Subtotals:	15	130	147	14	306			
Total Labor Cost						\$ 55,555		
Expenses							\$ 7,800	
NOT-TO-EXCEED PROJECT TOTAL PRICE								\$63,355

City of Banning
Electric Utility
176 E. Lincoln St.
Banning, Ca 92220

ADDENDUM NO.1

to
Requests for Proposals
For

ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Date: September 22, 2015

TO: All Prospective Bidders:

This Addendum No. 1 forms a part of the Contract Documents and modifies the original Contract Documents. The Bidders shall execute the Certification contained here on the Addendum No. 1, and shall attach this Addendum and Certification to the Bid Proposal and submit it with the Bid Proposal Package. **Failure to attach Addendum and Certification shall be grounds for rejection of the Bid.**

Any and all reference to Appendix B is deleted in its entirety.

.....
Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

Willdan Financial Services

Contractor

Chris Fisher, Vice President

Print Name & Title



Signature

Date: 10/13/15

City of Banning
Electric Utility
176 E. Lincoln St.
Banning, Ca 92220

ADDENDUM NO. 2

to
Requests for Proposals
For

ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Date: October 7, 2013

TO: All Prospective Bidders:

This Addendum No. 2 forms a part of the Contract Documents and modifies the original Contract Documents. The Bidders shall execute the Certification contained here on the Addendum No. 2, and shall attach this Addendum and Certification to the Bid Proposal and submit it with the Bid Proposal Package. Failure to attach Addendum and Certification shall be grounds for rejection of the Bid.

RFIs

1. Does the City own any power generation stations?
The City directly owns two small Hydro Generation units. Additionally, the City owns a 20 MW portion of San Juan Unit 3 Generating Station, and approximately 2 MW of capacity of the three Palo Verde Nuclear units, through purchase agreements with the Southern California Public Power Authority (SCPPA). The City also has several long-term power purchase agreements.
2. How many substations the City have?
The City currently has 6 substations
3. Does the City own the transmission and distribution lines?
Yes, the City owns its 34kV transmission and 4kV and 12kV distribution lines.
4. Does the City have a SCADA system?
No
5. Does the City have an estimated and/or allocated budget for the purposes of this Study?
Yes. However, that number can be adjusted based on the results of the RFP.
6. Can the City describe the type of hourly load data it has by its customer class?
No. The City does not have hourly load data by customer class.
7. Can the City provide a description of what is driving the need for this Study?
With the increase in Distributed Generation, the City is looking at its Revenue Requirements and ensuring that they are being met. The City is contemplating restructuring its rates to delineate how it

recovers Fixed versus Variable costs. The City also wants to ensure that no cross-subsidies exist between customer classes.

8. What is the reason for conducting this electric cost of service and rate design project now?
See answer to #7

9. When was the last electric cost of service and rate design project performed?
The last study was completed in 2007

10. Who performed the last electric cost of service and rate design project and what was the cost?
Navigant Consulting. \$24,460.00

11. What is the budget for this electric cost of service and rate design project?
See answer to #5

12. What is the City's desired timeframe for completing the Project?
March 31, 2016

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Bidder's Certification

I acknowledge receipt of Addendum No. 1 for **ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN**, and all conditions contained therein are accepted.

Willdan Financial Services

Contractor

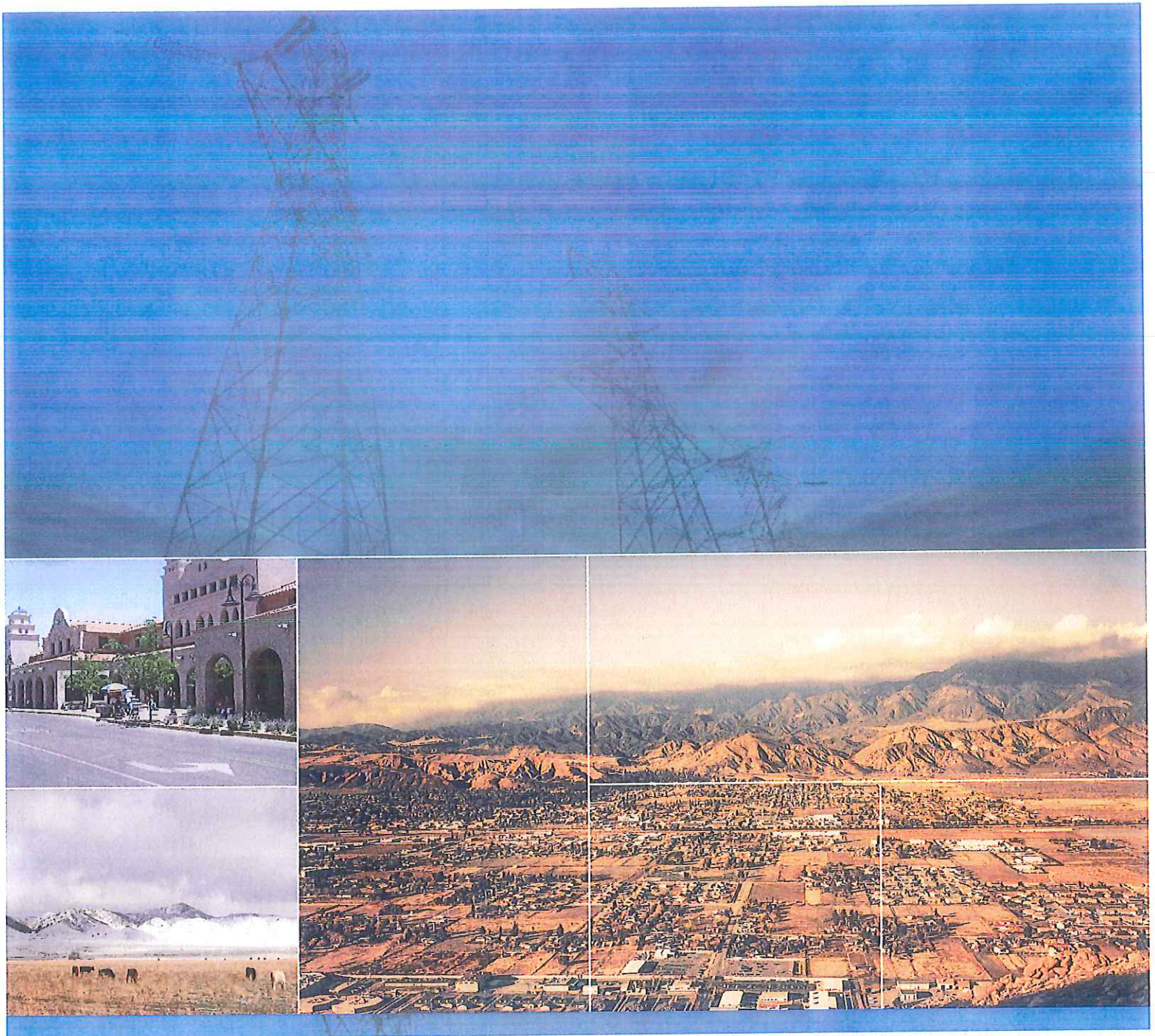
Chris Fisher, Vice President

Print Name & Title



Signature

Date: 10/13/15



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Addenda

Addendum No. 1 and Addendum No. 2 follow, along with the Bidder's Certification.

CITY COUNCIL AGENDA

Date: November 10, 2015

To: Honorable Mayor and City Council

From: Fred Mason, Electric Utility Director

Subject: Resolution No. 2015-101, Approving the First Amendment to the Astoria 2 Solar Project Power Sales Agreement between the City of Banning and the Southern California Public Power Authority, and also the Consent and Agreement, Inter-Creditor and Subordination Agreement, and Non-Disturbance and Attornment Agreement, Among Southern California Public Power Authority, Power and Water Resources Pooling Authority, City of Lodi, City of Corona, City of Moreno Valley, and City of Rancho Cucamonga and RE Astoria 2 LLC, Deutsche Bank Trust Company Americas and EFS Renewable Holdings, LLC to Finance Construction of the Astoria 2 Solar Project

RECOMMENDATION: Adopt City Council Resolution No. 2015-101 approving the First Amendment to the Astoria 2 Solar Project Power Sales Agreement between the City of Banning and the Southern California Public Power Authority ("SCPPA"), and also the Consent and Agreement, Inter-Creditor and Subordination Agreement, and Non-Disturbance and Attornment Agreement, among Southern California Public Power Authority, Power and Water Resources Pooling Authority ("PWRPA"), City of Lodi, City of Corona, City of Moreno Valley, and City of Rancho Cucamonga and RE Astoria 2 LLC, Deutsche Bank Trust Company Americas and EFS Renewable Holdings, LLC to Finance Construction of the Astoria 2 Solar Project.

JUSTIFICATION: Per Senate Bill 350, the City is required to procure certain percentages of renewable energy to serve its Electric Utility customers. To that end the City previously entered into agreements, through SCPPA, to procure solar energy from the Astoria 2 Solar Project. At this time the developer of the Astoria 2 Solar Project, Recurrent Energy, requires limited revisions of the previously approved Power Purchase Agreement ("PPA") to meet the requirements of their tax equity investor and to secure financing from their lender.

BACKGROUND: The developer of the Astoria 2 Solar Project, Recurrent Energy, requires limited revisions of the PPA to meet the requirements of their tax equity investor and to secure financing from their lender. The Buyers requested a reduction in the purchase price for solar energy in return for consideration of the Developer's requests. In order to keep the Project moving forward, fulfill the Project's contractual milestones, and preserve the relationship between Recurrent Energy and the Buyers, Recurrent Energy has agreed to a purchase price of \$63.00 per MWh, a reduction of \$1.00 per MWh. Recurrent Energy will hold the reduced price only until November 24, 2015. As a result of the price reduction, the Buyers will see a savings

benefit of approximately \$4.3 million over the term of the PPA. The City of Banning's share is approximately \$460,000.

The Non-Disturbance and Attornment Agreement protects the lenders' rights regarding the land so that if there were a default by Recurrent Energy, the lenders would own the project assets along with land rights so that the Project could continue under development, construction, or operation.

The Inter-Creditor and Subordination Agreement further allocates the rights between the lenders and the Buyers in the event of a default by Recurrent Energy.

This report recommends approval of the First Amendment to the Astoria 2 Solar Project Power Sales Agreement, which incorporates the Consent and Agreement to financing which amends and acknowledges stipulations to the PPA previously approved by the City Council per Ordinance No. 1480 on June 10, 2014. This report also recommends approval of the Inter-Creditor and Subordination Agreement, and the Non-Disturbance and Attornment Agreement.

The RE Astoria 2 Solar Project is being developed by Recurrent Energy, and is the second phase of a larger project that was developed for Pacific Gas & Electric ("PG&E"). It will be sited on approximately 793 acres located in Kern County, just north of Los Angeles County. This second phase will be 75 MW in size. The scheduled commercial operation date of the facility is December 31, 2016. The output of the project is allocated as follows:

• SCPPA	55 MW
o City of Azusa	2 MW
o City of Banning	8 MW
o City of Colton	5 MW
o City of Vernon	20 MW – increasing to 30 MW in 2022
• City of Corona	2 MW
• City of Lodi	10 MW
• City of Moreno Valley	2 MW
• City of Rancho Cucamonga	6 MW
• PWRPA	10 MW

The original terms of the PPA include a fixed price of \$64.00 per MWh over 20 years for the energy and renewable attributes.

Deutsche Bank Trust Company Americas is the representative of the consortium of lenders that will be providing a 7-year construction loan for the Project. EFS Renewable Holdings, LLC, an indirect subsidiary of GE Company, will be investing in the Project in order to take advantage of the investment tax credit benefits.

The Consent and Agreement to financing describes what happens if there is an event of default by the Seller, if the Project goes into foreclosure, and makes certain stipulations/modifications to the PPA, as follows:

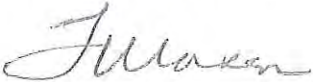
Stipulations/Amendments to the PPA

- The definition of “Facility Debt” in Section 1.1 is broadened to accommodate the financing structure.
- Section 14.7 (d) is modified to include assets of the Seller.
- The definition of “Curtailment Periods” under Section 7.4(a) is clarified to mean periods of time during which the Seller is prevented from delivering Facility Energy or a Buyer is prevented from receiving Facility Energy.
- The failure of the Seller to deliver a Quality Assurance manual to SCPPA by October 31, 2015 shall not be deemed an event of default. The Seller will have 30 days after the effective date of the Consent and Agreement to provide SCPPA a Quality Assurance manual as described in Appendix G.
- The definition of “Applicable Contract Capacity” is clarified in Section 1.1 to mean the sum of the inverter nameplate capacity of the Facility at the Point of Delivery, taking into account the reactive power obligations of the Facility.
- The term “Facility Energy” is clarified in Sections 6.5(a)(i), 6.5(a)(ii), and 6.5(a)(iii) to mean total Energy generated by the Facility less station load and transmission losses to the Point of Delivery, as measured by the CAISO approved electric metering devices.
- The automatic termination provision in Section 13.4(b) is limited to circumstances in which the Seller voluntarily terminates the leases and/or easements for the Project.
- If the Buyers exercise the option to buy the Project, clarifications to Section 2.2(d) of the Option Agreement include language that:
 - The Buyers shall not claim a Termination Payment is due as a result of the termination of the PPA.
 - Clarifies the term “Facility Assets” regarding shared facilities with other Recurrent Energy projects
- The term “LGIA [Large Generator Interconnection Agreement] Co-Tenancy Agreement” is clarified as used in Appendix R.
- The term “Generator Interconnection Agreement” in Section 1.1 is amended to include “RE Astoria LLC”
- The third recital in the Land Option Agreement is amended by replacing “840” with “793.035”
- The definition of “Property” in the Land Lease is amended by replacing “840” with “793.035”
- Section 7.4(d) of the PPA is amended by inserting the phrase “(or other Seller Excused Hours)” after the phrases “but for a curtailment event arising under Section 7.4”, “applicable to the curtailment event”, and “during the curtailment event”.
- The definition of “CAISO Integration Amounts” in Section 1.1 is amended by inserting the phrase “including charges resulting from Scheduler’s curtailments pursuant to Section 7.4(c)” immediately after the phrase “assessed by the CAISO to Seller in its capacity as Scheduling Coordinator for the Facility”.
- The definition of “Fixed Rate” in Section 1.1 is amended by decreasing the price from \$64.00 per MWh to \$63.00 per MWh.

The Banning City Attorney's office has reviewed the agreements, and has discussed the proposed revisions with the Electric Utility Director. It has been determined that the proposed revisions provide an overall benefit to the City, via the price reduction, with no adverse consequences.

FISCAL DATA: The savings associated with the decrease in the fixed rate is estimated at approximately \$460,000 over the term of the PPA. However, the City will only pay for the actual energy received at the new fixed rate of \$63.00 per MWh, beginning in January 2017. The projected annual cost is approximately \$1,500,000, based on anticipated Project output.

RECOMMENDED BY:



Fred Mason,
Electric Utility Director

APPROVED BY:



Alex Diaz,
Acting City Manager

RESOLUTION NO. 2015-101

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE ASTORIA 2 SOLAR PROJECT POWER SALES AGREEMENT BETWEEN THE CITY OF BANNING AND THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, AND ALSO THE CONSENT AND AGREEMENT, INTER-CREDITOR AND SUBORDINATION AGREEMENT, AND NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT AMONG SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (SCPPA), POWER AND WATER RESOURCES POOLING AUTHORITY (PWRPA), CITY OF LODI, CITY OF CORONA, CITY OF MORENO VALLEY, AND CITY OF RANCHO CUCAMONGA AND RE ASTORIA 2 LLC, DEUTSCHE BANK TRUST COMPANY AMERICAS AND EFS RENEWABLE HOLDINGS, LLC TO FINANCE CONSTRUCTION OF THE ASTORIA 2 SOLAR PROJECT

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, on June 10, 2014, the City Council adopted Ordinance No. 1480, approving a Power Purchase Agreement ("PPA") through SCPPA to receive energy from the Astoria 2 Solar Project being developed by Recurrent Energy; and

WHEREAS, Recurrent Energy requires limited revisions to the original PPA to meet the requirements of their tax equity investor and to secure financing from their lender; and

WHEREAS, the City, along with the other Astoria 2 Solar Project participants, requested a reduction in the purchase price, in consideration of agreeing to the requested PPA revisions, and Recurrent Energy agreed to a \$1.00/MWh price reduction, resulting in a new Fixed Price of \$63.00/MWh, and a savings to the City of approximately \$460,000 over the term of the PPA; and

WHEREAS, SCPPA requires that the First Amendment to the Astoria 2 Solar Project Power Sales Agreement between SCPPA and the City of Banning, attached herewith as Exhibit "A", be approved by the City; and

WHEREAS, Recurrent Energy requires that the Consent and Agreement, Inter-Creditor and Subordination Agreement, and Non-Disturbance and Attornment Agreement, which are incorporated into the First Amendment to the Astoria 2 Solar Project Power Sales Agreement as Appendix E through G respectively, be approved by all Project participants;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution No. 2015-101, approving the First Amendment to the Astoria 2 Solar Project, Consent and Agreement, Non-Disturbance and Attornment Agreement, and Inter-Creditor and Subordination Agreement.

SECTION 2. The Acting City Manager is authorized to execute said Agreements, and the Electric Utility Director is authorized to administer said Agreements.

PASSED, ADOPTED AND APPROVED this 10th day of November 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

Lona N. Laymon, City Attorney
Aleshire and Wynder, LLP

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-101 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 10th day of November 2015 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California

Exhibit “A”

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**FIRST AMENDMENT
TO THE ASTORIA 2 SOLAR PROJECT
POWER SALES AGREEMENT**

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

THE CITY OF BANNING, CALIFORNIA

Dated as of November 19, 2015

**FIRST AMENDMENT TO THE
ASTORIA 2 SOLAR PROJECT
POWER SALES AGREEMENT**

This First Amendment to the Astoria 2 Solar Project Power Sales Agreement (“Amendment”), is made and entered into as of this 19th day of November, 2015, by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (“SCPPA”), a joint powers agency and a public entity organized under the laws of the State of California, and the CITY OF BANNING (“Banning”), California, a municipal corporation organized and existing under the laws of the State of California.

WHEREAS, SCPPA and RE Astoria 2 LLC (“REA2”) entered into that certain Power Purchase Agreement dated as of July 23, 2014 (“PPA”), pursuant to which SCPPA agreed to purchase and REA2 agreed to sell a portion of the facility output of a 75 MW solar electric generating station to be developed by REA2 in Kern County, California (“the Project”); and

WHEREAS, SCPPA entered into the PPA on behalf of Banning and the Cities of Azusa, Colton and Vernon (collectively “the Project Participants”) pursuant to SCPPA’s ongoing commitment to assist its Members in acquiring renewable resources; and

WHEREAS, SCPPA and Banning, in turn, entered into a Power Sales Agreement dated as of July 23, 2014 (the “Power Sales Agreement”), by which SCPPA agreed to sell and Banning agreed to purchase a portion of the facility output procured by SCPPA from the Project, with the remainder going to the other Project Participants; and

WHEREAS, REA2 has proposed certain changes to the PPA to accommodate requests of its tax equity investor, as reflected in that certain Consent and Agreement among SCPPA, Power and Water Resources Pooling Authority, City of Lodi, City of Corona, City of Moreno Valley, City of Rancho Cucamonga, Deutsche Bank Trust Company Americas and EFS Renewables Holdings, LLC (“Consent and Agreement”), a true and correct copy of which is attached hereto marked as Appendix E; and

WHEREAS, REA2 has further proposed two other Agreements to clarify certain rights and give assurances to certain of the Facility Lenders (as that term is used and defined in the PPA) for the Project, to wit: (1) an Intercreditor and Subordination Agreement by and between Deutsche Bank Trust Company Americas, Southern California Public Power Authority, Power and Water Resources Pooling Authority, City of Lodi, City of Corona, City of Moreno Valley, and City of Rancho Cucamonga (“Subordination Agreement”), a true and correct copy of which is attached hereto marked Appendix F, and (2) a Nondisturbance and Attornment Agreement by and among RE Astoria 2 Landco LLC, RE Astoria 2 LLC, Southern California Public Power Authority, Power and Water Resources Pooling Authority, City of Lodi, City of Corona, City of Moreno Valley, City of Rancho Cucamonga and Deutsche Bank Trust Company Americas (“NDA”), a true and correct copy of which is attached hereto marked Appendix G; and

WHEREAS, it is necessary and desirable to make corresponding amendments to the Power Sales Agreement as set forth herein given that the PPA is attached to the Power Sales Agreement as Appendix C and to otherwise reflect the execution of the Consent Agreement, the Subordination Agreement and the NDA.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements hereinafter set forth, it is agreed by and between SCPPA and Banning as follows:

SECTION 1: The Power Sales Agreement is hereby amended by adding thereto a copy of the Consent and Agreement as Appendix E, a copy of the Subordination Agreement as Appendix F, and a copy of the NDA as Appendix G (each attached hereto and marked accordingly). Any reference in the Power Sales Agreement to the PPA shall be deemed to refer to the PPA as so amended.

SECTION 2: Except as provided in this Amendment, the Power Sales Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have duly caused this Agreement to be executed on their respective behalf by their duly authorized representatives.

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
FRED MASON
President

Attest: _____
BILL D. CARNAHAN
Assistant Secretary

CITY OF BANNING, CALIFORNIA

By: _____

Title: _____

Attest: _____

Title: _____

APPENDIX E

**Consent and Agreement among SCPPA, Power and Water Resources
Pooling Authority, City of Lodi, City of Corona, City of Moreno Valley
and City of Rancho Cucamonga, Deutsche Bank Trust Company Americas
and EFS Renewables Holdings, LLC**

[TO BE ATTACHED]

CONSENT AND AGREEMENT

among

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY,
POWER AND WATER RESOURCES POOLING AUTHORITY,
CITY OF LODI,
CITY OF CORONA,
CITY OF MORENO VALLEY
AND
CITY OF RANCHO CUCAMONGA
(collectively, the Contracting Parties)**

and

**RE ASTORIA 2 LLC,
a Delaware limited liability company
(Project Company)**

**DEUTSCHE BANK TRUST COMPANY AMERICAS
(Collateral Agent)**

and

**EFS RENEWABLES HOLDINGS, LLC
(Class A Member)**

Dated as of _____, 2015

CONSENT AND AGREEMENT
(Astoria 2 PPA)

This CONSENT AND AGREEMENT (this "Consent"), dated as of _____, 2015, is entered into by and among SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY ("SCPPA"), THE POWER AND WATER RESOURCES POOLING AUTHORITY, CITY OF LODI, CITY OF CORONA, CITY OF MORENO VALLEY and CITY OF RANCHO CUCAMONGA (together with each of their successors and permitted assigns, collectively, the "Contracting Parties" and each, a "Contracting Party"), DEUTSCHE BANK TRUST COMPANY AMERICAS, in its capacity as collateral agent for the Secured Parties referred to below (together with its successors, designees and assigns in such capacity, "Collateral Agent"), EFS RENEWABLES HOLDINGS, LLC (together with its successors and any permitted assigns of its interest in Astoria Holdings or the Project Company, as applicable, referred to in Recitals F and G below, the "Class A Member") and RE ASTORIA 2 LLC, a Delaware limited liability company (the "Project Company"). In accordance with the terms and conditions set forth in a separate agreement among the Buyers to the Contract (as defined below), SCPPA may act in its capacity as "Buyers' Agent" hereunder.

RECITALS

A. WHEREAS, the Project Company intends to develop, construct, install, test, own, operate and maintain an approximately 75 MW_{AC} solar photovoltaic generating facility located in Kern County, California, commonly known as the Astoria 2 Solar Project (the "Project").

B. WHEREAS, in order to partially finance the development, construction, installation, testing, operation and use of the Project, the Project Company has entered into that certain Credit Agreement, dated as of _____, 2015 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Project Company, Deutsche Bank Trust Company Americas, in its capacity as administrative agent to the lenders (in such capacity, the "Administrative Agent"), the Collateral Agent, the lenders and issuing banks party thereto from time to time and the other parties named therein, pursuant to which, among other things, the lenders and issuing banks have extended commitments to make loans and other financial accommodations to, and for the benefit of, the Project Company.

C. WHEREAS, each Contracting Party and the Project Company have entered into that certain Power Purchase Agreement, dated as of July 23, 2014 (as may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Contract").

D. WHEREAS, pursuant to that certain Security and Pledge Agreement with Collateral Agent, dated as of _____, 2015, the Project Company has agreed, among other things, to assign, as collateral security for the Project Company's obligations under the Credit Agreement and other documents related to the Credit Agreement and any other documents entered into from time to time to evidence senior secured *pari passu* indebtedness of the Project Company (collectively, the "Credit Documents"), all of the Project Company's right, title and interest in, to and under (but not its obligations, liabilities or duties with respect to) the Contract to Collateral Agent for the benefit of itself, the lenders, issuing banks and each other

entity or person that is provided collateral security under the Credit Documents (the "Secured Parties").

E. WHEREAS, the Credit Documents require that RE Astoria 2 Holdings LLC ("Astoria Holdings"), the direct owner of the Project Company, make certain capital contributions to the Project Company (the "Construction Capital Contributions") to fund a portion of the costs of the development, construction, installation and testing of the Project.

F. WHEREAS, RE Pioneer Holdings LLC ("Pioneer Holdings"), the direct owner of Astoria Holdings, has agreed to cause Astoria Holdings to issue all of the Class A Membership Interests in Astoria Holdings to the Class A Member, which, together with Pioneer Holdings, the owner of all of the Class B Membership Interests in Astoria Holdings, will fund the Construction Capital Contributions to be made by Astoria Holdings to the Project Company. Pioneer Holdings will retain management control of Astoria Holdings, and indirectly, the Project Company, following such issuance, subject to the Class A Member's right to approve major decisions with respect to Astoria Holdings and the Project Company, as provided for in the transaction documents between Pioneer Holdings and the Class A Member (the "Tax Equity Documents"), and Pioneer Holdings has delivered an officer's certificate to the Contracting Parties with respect to such transactions contemplated by the Tax Equity Documents.

G. WHEREAS, commencing on the first anniversary of the first funding date and ending on the first anniversary of the final funding date under the Tax Equity Documents, the Class A Member has the option to cause Astoria Holdings to merge with and into the Project Company with the Project Company being the surviving entity and the Class A and B Membership Interests in Astoria Holdings will be converted into Class A and B Membership Interests in the Project Company, in each case with all of the same rights, obligations and privileges as immediately prior to such merger (the "Merger"). Such Merger shall not affect in any way Pioneer Holdings' management control of the Project Company or any of the rights or obligations of the Project Company hereunder or under the Power Purchase Agreement.

H. WHEREAS, the Project Company is obtaining this Consent pursuant to Sections 13.3 and 14.7 of the Contract.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree, notwithstanding anything in the Contract to the contrary, as follows:

SECTION 1. CONSENT TO ASSIGNMENT

(a) Each Contracting Party acknowledges the assignment referred to in Recital D above, consents to such assignment and agrees with Collateral Agent for the benefit of the Secured Parties as follows:

(i) After delivery by Collateral Agent to the Project Company and each Contracting Party of notice that an Event of Default (as defined in the Credit Agreement)

has occurred and is continuing, Collateral Agent shall be entitled (but not obligated) to exercise all or any portion of the rights and to take any or all actions of the Project Company under the Contract in accordance with the terms and conditions set forth therein. Upon receipt of notice from Collateral Agent that it intends to exercise such rights and remedies, each Contracting Party agrees to accept such exercise and cure by Collateral Agent so long as timely made by Collateral Agent under the Contract and this Consent. Any such cure or attempt to cure by Collateral Agent shall not be construed as an assumption by Collateral Agent, the Secured Parties, or any of their respective assignee(s) or designee(s) of any covenants, agreements or obligations of the Project Company under or in respect of the Contract.

(ii) The Contracting Parties will not without the prior written consent of Collateral Agent, cancel or terminate the Contract, or suspend performance of their services thereunder or consent to or accept any cancellation, termination or suspension thereof by the Project Company, except as provided in the Contract and in accordance with Section 1(a)(iii) hereof. SCPPA, acting as Buyers' Agent, shall deliver duplicates or copies of all notices of Default (as defined below) to Collateral Agent simultaneously with delivery thereof to the Project Company. Failure by SCPPA, acting as Buyers' Agent, to deliver any such notice shall not create a cause or claim against SCPPA, acting as Buyers' Agent, or any other Contracting Party on the part of Collateral Agent, the Administrative Agent or any Secured Party.

(iii) The Contracting Parties will not terminate the Contract or suspend performance of their services thereunder on account of any default or breach of the Project Company thereunder, or upon the occurrence or non-occurrence of any event or condition under the Contract which would immediately or with the passage of any applicable grace period or the giving of notice, or both, entitle the Contracting Parties to terminate or suspend performance thereunder (such default, breach, event or condition, a "Default"), without written notice to Collateral Agent (which notice may be provided concurrently to the Collateral Agent and the Project Company) of such termination or suspension and first providing to Collateral Agent (A) ten (10) business days to cure such Default from the later of (x) the date notice of Default is delivered to Collateral Agent and (y) the expiration of the Project Company's cure period set forth in the Contract, if such Default is the failure to pay amounts to the Contracting Parties which are due and payable by the Project Company under the Contract, or (B) a reasonable opportunity to cure such Default, but not more than sixty (60) days from the later of (x) the date notice of Default is delivered to Collateral Agent and (y) the expiration of the Project Company's cure period set forth in the Contract, if the Default cannot be cured by the payment of money to the Contracting Parties so long as all other obligations under such Contract are performed by the Project Company or the Collateral Agent. If possession of the Project is necessary to cure such Default, and Collateral Agent declares the Project Company in default under the Credit Agreement and commences foreclosure proceedings, Collateral Agent will be allowed a reasonable period, but not more than one hundred eighty (180) days, to complete such proceedings before the Contracting Parties terminate the Contract or suspend performance under the Contract. If Collateral Agent is prohibited by any court order or bankruptcy or insolvency proceedings from curing the Default or from commencing or prosecuting foreclosure proceedings, the foregoing time

periods shall be extended by the period of such prohibition, but not more than one hundred eighty (180) days from the date of such court order or proceeding.

(iv) In the event Collateral Agent, the Secured Parties or their designee(s) or assignee(s) or a purchaser or grantee at a foreclosure and sale or by a conveyance in lieu of foreclosure take possession of or title to the Facility or any of the Facility assets, and so long as no Default exists under the Contract (it being acknowledged and agreed that if Contracting Party irrevocably waives any Default of the Project Company under the Contract, no such Default shall be deemed to exist), then Collateral Agent, the Secured Parties or their designee(s) or assignee(s) or other purchaser or grantee shall assume the obligations of the Project Company (or Collateral Agent or the Secured Parties or their designee(s) or assignee(s)) under the Contract that arise from and after the date of such assumption and the Option Agreement and the Land Option Agreement (as such terms are defined below) shall remain in full force and effect.

(v) Subject to the restrictions set forth in the Contract, as may be modified herein, the Contracting Parties consent to the transfer of the Project Company's interest under the Contract to the Secured Parties or Collateral Agent or their designee(s) or assignee(s) or any of them or a purchaser or grantee at a foreclosure sale by judicial or nonjudicial foreclosure and sale or by a conveyance in lieu of foreclosure and agrees that upon such foreclosure, sale or conveyance, the Contracting Parties shall recognize the Secured Parties or Collateral Agent or their designee(s) or assignee(s) or any of them or other purchaser or grantee as the applicable party under the Contract, provided that such Secured Parties or Collateral Agent or their designee(s) or assignee(s) or other purchaser or grantee (A) assume in writing the obligations of the Project Company under the Contract arising or accruing from and after the date of such assumption, it being understood, however, that such assumption shall not operate as a waiver of the Defaults existing under the Contract prior to the date of such assumption and (B) assume the Contract subject to Contracting Parties' rights thereunder, including, among others, its right to purchase the Project in accordance with that certain Option Agreement to be entered into by and among the parties thereto (the "Option Agreement"), and its right to purchase certain real property associated with the Project in accordance with that Land Option Agreement to be entered into by and among the parties thereto (the "Land Option Agreement"). Notwithstanding any assumption in accordance with this Section 1(a)(iv), the Project Company shall not be released or discharged from and shall remain liable for any and all of its obligations to Contracting Party arising or accruing under the Contract prior to such assumption.

(vi) In the event that the Contract is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, or if the Contract is terminated for any reason other than a Default which could have been but was not cured by Collateral Agent as provided in Section 1(a)(iii) above, and if, within sixty (60) days after such rejection or termination, Collateral Agent or its successors or assigns shall so request, Contracting Party will execute and deliver to Collateral Agent a new contract, which contract shall be on the same terms and conditions as the original Contract, including the remaining term of the original Contract before giving effect to such

termination. References in this Consent to the "Contract" shall be deemed also to refer to such new contract.

(vii) In the event Collateral Agent, the Secured Parties, any designee or assignee of the foregoing or any purchaser or grantee thereof elects to succeed to the Project Company's interests under the Contract as provided in Sections 1(a)(iv) or 1(a)(vii) or to enter into a new contract as provided in Section 1(a)(v) above, such person shall, subject to the terms of this Consent, assume the obligations of the Project Company under the Contract to the extent provided herein and in Section 14.7(e) of the Contract, and the sole recourse of the Contracting Parties in seeking the enforcement of such obligations shall be to such Collateral Agent's, Secured Parties', designee's or assignee's interest in the Project (and no officer, director, employee, shareholder or agent thereof shall have any liability with respect thereto).

(viii) In the event Collateral Agent, the Secured Parties or their designee(s) or assignee(s) succeed to the Project Company's interest under the Contract, Collateral Agent, the Secured Parties or their designee(s) or assignee(s) shall cure any then-existing Defaults under the Contract, except any Defaults which by their nature are not capable of being cured (including, without limitation, defaults which relate to bankruptcy of the Project Company or other defaults that relate to the status or condition of the Project Company at the time of the Default because they are personal to the Project Company). Collateral Agent, the Secured Parties and their designee(s) or assignee(s) shall have the right to assign their interest in the Contract or the new contract entered into pursuant to Section 1(a)(v) above to a person or entity to whom the Project Company's interest in the Project is transferred, provided such transferee assumes the obligations of the Project Company (or Collateral Agent or the Secured Parties or their designee(s) or assignee(s)) under the Contract and is a Qualified Transferee. Upon such assignment, Collateral Agent and the Secured Parties and their designee(s) or assignee(s) (including their agents and employees) shall be released from any further liability thereunder to the extent of the interest assigned.

(ix) This Consent shall not be deemed to waive or modify in any respect any of the rights of any Contracting Party under the Contract against the Project Company or to relieve Project Company from the observance and performance of any and all covenants and conditions of the Project Company except as otherwise expressly provided herein.

(b) Each Contracting Party (i) acknowledges that the Class A Member has agreed to acquire all of the Class A Membership Interests as referred to in Recitals F and G above, and may from time to time thereafter transfer or assign all or part of its Class A Membership Interest to another Tax Equity Investor, (ii) agrees that each such issuance and any such subsequent transfer or assignment constitutes a Tax Equity Transaction under and as defined in the Contract, and (iii) acknowledges that Pioneer Holdings may be removed from its role as managing member of Astoria Holdings or the Project Company, as applicable, for cause, as defined in and pursuant to the documents associated with any Tax Equity Transaction, in which case the Class A Member shall appoint a replacement managing member that itself has retained a Qualified Operator for the Facility (or has agreed not to interfere with the existing Qualified Operator for the Facility). Each Contracting Party (x) acknowledges the Merger referred to in Recital G

above, (y) consents to the Merger and (z) agrees that the Merger will not be deemed a default (and no Default shall be deemed to have occurred as a result thereof) under the Contract.

(c) SCPPA, acting as Buyers' Agent, shall deliver duplicates or copies of all notices of Default (as defined above) to Class A Member simultaneously with delivery thereof to the Project Company and the Collateral Agent. Failure by SCPPA, acting as Buyers' Agent, to deliver any such notice shall not create a cause or claim against SCPPA, acting as Buyers' Agent, or any Contracting Party on the part of Class A Member.

SECTION 2. CONTRACT STIPULATIONS AND ACKNOWLEDGMENTS

Notwithstanding any provision contained in the Contract to the contrary, effective as of the date hereof, Project Company and each Contracting Party acknowledges and agrees to the following (unless otherwise defined in this Consent, capitalized terms used in this Section 2 shall have the meanings given to such terms in the Contract, as amended and modified pursuant to this Consent):

(a) The foreclosure by a Secured Party (including the Collateral Agent) of the membership interests in Seller or by a Facility Lender in any equity interests pledged by an Affiliate of Seller shall not constitute a direct or indirect change of control (including a "Change of Control") of Seller.

(b) In addition to the Project Company, Pioneer Holdings may be an issuer of Facility Debt. Facility Debt shall also include (x) all amounts required to be received by the lenders under that certain Back-Leverage Credit Agreement, dated as of _____, 2015 (as amended, amended and restated, supplemented, modified or replaced from time to time, including any refinancing by an affiliate of Pioneer Holdings, which will be a wholly owned subsidiary of Recurrent Energy, LLC, the "BL Credit Agreement"), by and among Pioneer Holdings, Deutsche Bank Trust Company Americas, in its capacity as administrative agent to the lenders and collateral agent to the secured parties, the lenders and issuing banks party thereto from time to time and the other parties named therein, to cause the Discharge Date to occur under (and as defined in) the BL Credit Agreement (including any and all amounts that need to be distributed to Pioneer Holdings pursuant to the terms of the Amended and Restated Astoria Holdings LLCA or the Amended and Restated Project Company LLCA (each, as defined in the BL Credit Agreement), as applicable) to cause the Discharge Date to occur, and (y) the aggregate amount of the payments the Class A Member is entitled to receive under the Amended and Restated Astoria Holdings LLCA or the Amended and Restated Project Company LLCA, as applicable, as each may be amended or amended and restated from time to time; provided that the total amount of Facility Debt shall not be deemed to exceed the sum of (A) the amount set forth in Exhibit B and (B) payment obligations in connection with swap or interest rate hedging breakage costs related to the BL Credit Agreement.

(c) In addition to the pledge permitted to Section 14.7(d) of the Contract, the Seller shall also pledge its assets pursuant to the Security Documents.

(d) The Effective Date of the Contract occurred as of July 23, 2014.

(e) First Solar Electric (California), Inc. is a Qualified Operator for so long as it remains a wholly owned subsidiary of First Solar, Inc., and Team-Solar Inc. is a Qualified Operator for so long as it remains a wholly owned subsidiary of SunEdison.

(f) "Curtailment Periods" under Section 7.4(a) of the Contract are periods of time during which, for the reasons set forth in the definition of such term, Seller is prevented from delivering Facility Energy to the Point of Delivery or a Buyer is prevented from receiving Facility Energy at the Point of Delivery.

(g) Notwithstanding the failure of Seller to deliver a Quality Assurance manual (a "Q/A Manual") to Buyer's Agent within ninety (90) days of the Effective Date pursuant to Appendix G of the Contract, Seller is not and will not be deemed in default (and no Default shall be deemed to have occurred) under the Contract; provided, that Seller hereby agrees to submit to Buyer's Agent three (3) copies of the Q/A Manual within thirty days after the effective date of this Consent pursuant to and otherwise in accordance with the terms of Appendix G of the Contract.

(h) Applicable Contract Capacity is measured by the sum of the inverter nameplate capacity of the Facility at the Point of Delivery, taking into account the reactive power obligations of the Facility. The Facility is intended to have 20 inverters with a total Applicable Contract Capacity prior to January 1, 2022 of 65 MW, and from and after January 1, 2022 of 75 MW (meaning that such inverters will have a 75MW rating). For the avoidance of doubt, the foregoing shall not limit Seller's obligation to deliver the Products associated with Test Energy, Facility Energy and Excess Energy to Buyer in accordance with the Contract.

(i) As used in Sections 6.5(a)(i), 6.5(a)(ii) and 6.5(a)(iii) of the Contract, and without limiting Seller's obligation to deliver Energy at the Applicable Contract Capacity in accordance with the Contract, the term "Facility Energy" means "total Energy generated by the Facility, less station load and transmission losses to the Point of Delivery, as measured by CAISO-approved Electric Metering Devices."

(j) The automatic termination provision in Section 13.4(b) of the Contract, which references Section 12.4(f), is limited to circumstances in which Seller voluntarily terminates any of the Site Control Documents without requirement to do so from any Governmental Authority or without the consent of SCPPA, acting as Buyers' Agent, such consent not to be unreasonably withheld.

(k) A Secured Party (including the Collateral Agent) shall not be required to be a Qualified Transferee in connection with such Secured Party becoming party to the Contract. Any transferee of a Secured Party (including the Collateral Agent) and any transferee pursuant to a foreclosure sale, a deed in lieu of foreclosure or otherwise shall be deemed a "Qualified Transferee" under the Contract so long as such transferee (A) (i) has financial qualifications at least equivalent to the financial qualifications of Seller as of the Effective Date, and (ii) retains, or causes Seller to retain, a Qualified Operator to operate the Facility (or otherwise agrees not to interfere with the existing Qualified Operator for the Facility), or (B) is reasonably acceptable to SCPPA, acting as Buyers' Agent.

(l) If the Contracting Parties elect to exercise the Project Purchase Option pursuant to Section 2.2(d) of the Option Agreement and a "Closing" occurs thereunder, the Contracting Parties shall not claim a Termination Payment as being due as a result of the termination of the Contract.

(m) In connection with the exercise of the Project Purchase Option pursuant to Section 2.2(d) of the Option Agreement, the term "Facility Assets" includes, in respect of any shared interconnection facilities or other fixtures or equipment required for the transmission of Energy to the Point of Delivery (including, without limitation, any applicable portion of the poles, support structures and the underlying real property rights co-owned with Golden Fields Solar III, LLC (as successor in interest to Willow Springs Solar, LLC), RE Astoria LLC, RE Garland LLC, RE Garland A, LLC, and RE Garland 2 LLC under the SFA (as defined below)), and is deemed limited to, the rights, title and interest of the Project Company under and pursuant to (i) the Shared Facilities Ownership and Operating Agreement, dated as of September 8, 2015, among the Project Company, RE Astoria LLC, RE Garland LLC, RE Garland A LLC and RE Garland 2 LLC, (ii) the LGIA Co-Tenancy Agreement dated as of July 9, 2015, by and between Project Company and RE Astoria LLC (the "LGIA Co-Tenancy Agreement"), and (iii) the SFA (as defined below). The Contracting Parties acknowledge that the Project Company does not have in its name (i) possession of or exclusive right to control any such shared interconnection facilities or other fixtures or equipment or (ii) permits to install, operate and maintain such shared interconnection facilities or other fixtures or equipment, but has the contractual right to use such shared interconnection facilities and permits pursuant to these documents.

(n) The LGIA Co-Tenancy Agreement is not an Additional Site Control Document, as defined in Section 1.1 of the Contract and listed on Appendix R of the Contract, including the "Co-Tenancy Agreement (for shared switchyard & gen-tie), by and among RE Astoria LLC, RE Astoria 2 LLC and []".

(o) In connection with the exercise of the Project Purchase Option pursuant to Section 2.2(d) of the Option Agreement, that certain Shared Facilities Common Ownership Agreement between Willow Springs Solar, LLC and RE Astoria LLC, dated November 25, 2014, as assigned to Golden Fields Solar III, LLC and RE Astoria LLC pursuant to that certain Assignment and Assumption Agreement (Shared Facilities Common Ownership Agreement, dated September 28, 2015, and recorded September 29, 2015 as Instrument No. 000215135721 (the "SFA"), shall be included as an Assumed Contract to the extent of the Project Company's right, title and interest thereto and obligations thereunder, and pursuant to Sections 3.3(a), 9.1(c), and 9.1(d) of the SFA, the Exercising Buyers will be required to, and shall in accordance with the terms thereof, provide a guaranty of the relevant share of the Interconnection Manager's payment and performance obligations under the SFA.

(p) Any non-participating member of SCPPA shall be deemed a Qualified Buyer Assignee if such Person is rated (a) "Baa3" or higher by Moody's and "BBB-" or higher by S&P, if such Person is rated by both Moody's and S&P, or (b) "Baa3" or higher by Moody's or "BBB-" or higher by S&P if such person is rated by either S&P or Moody's or (c) equivalent ratings by any other credit rating agency of recognized national standing.

(q) (i) Any inchoate Lien arising by operation of Law and (ii) any suppliers', vendors', mechanics', workman's, repairman's, employees', warehousemen's or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the initial construction of the Facility in each case with respect to (i) and (ii) for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings, irrespective of the amount of such Lien, shall be a Permitted Encumbrance. For the avoidance of doubt, notwithstanding anything herein to the contrary, any recorded or perfected Lien (other than Liens imposed by the Facility Lender and any Lien which is the subject of the preceding item (ii)) shall not be a Permitted Encumbrance.

(r) Each of KeyBank National Association and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch is a Qualified Issuer and the form of letter of credit attached hereto as Exhibit A is an acceptable form of Project Development Security and Delivery Term Security, as the case may be.

(s) The definition of "Generator Interconnection Agreement" in Section 1.1 of the Contract shall be amended by adding "RE Astoria LLC, " immediately prior to "Southern California Edison," therein.

(t) The Generator Interconnection Agreement is by and among the Project Company, Southern California Edison, CAISO and RE Astoria LLC. The shared rights between the Project Company and RE Astoria LLC to interconnection service under the Generator Interconnection Agreement are addressed in a co-tenancy agreement between the Project Company and RE Astoria LLC.

(u) The third recital in the Land Option Agreement shall be amended by replacing "840" with "793.035".

(v) The definition of "Property" in the Land Lease shall be amended by replacing "840" with "793.035".

(w) Section 7.4(d) of the Contract shall be amended by inserting the phrase "(or other Seller Excused Hours)" in each instance after the phrases "but for a curtailment event arising under Section 7.4", "applicable to the curtailment event" and "during the curtailment event" therein.

(x) The definition of "CAISO Integration Amounts" in Section 1.1 of the Contract shall be amended by inserting the phrase "including charges resulting from Scheduler's curtailments pursuant to Section 7.4(c)" immediately after the phrase "assessed by the CAISO to Seller in its capacity as Scheduling Coordinator for the Facility" therein.

(y) A holder of Facility Debt or a designee or representative thereof will have the right, within forty-five (45) days after the later of (x) delivery to the Project Company of the calculation of the Termination Payment by a Contracting Party pursuant to Section 13.4(e) of the Contract following the Contracting Parties' election not to purchase the Project, and (y) if there is a dispute among the Parties to the Contract as to the existence of an Early Termination Date or calculation of the Termination Payment, the resolution of such dispute by final judgment of a court of competent jurisdiction or by agreement of the Parties to the Contract, to purchase (or designate one of its

affiliates to purchase) from the Contracting Parties all of the Contracting Parties' right, title and interest in the Contract and to assume the Contracting Parties' obligations thereunder for a price equal to the Termination Payment. Upon the purchase and payment in full of the Termination Payment, each Contracting Party agrees to release or transfer to the purchaser all of the Liens granted in its favor under the Security Documents, and agrees that the Project Purchase Option and the Land Option Agreement shall be immediately irrevocably terminated.

(z) The definition of "Fixed Rate" in Section 1.1 of the Contract shall be amended by deleting "Sixty Four Dollars (\$64.00)" and replacing it with "Sixty Three Dollars (\$63.00)

(aa) Notwithstanding Sections 12.4(c) and (d) of the Contract, the failure to deliver and record the items listed in Items 7 through 10 of Appendix I of the Contract by September 30, 2015 and to achieve the closing of the Project Financing by September 30, 2015, the Contracting Parties hereby acknowledge there is no Seiler Default or liquidated damages payable thereunder.

SECTION 3. ARRANGEMENTS REGARDING PAYMENTS

All payments to be made by the Contracting Parties to the Project Company under the Contract and the Option Agreement from and after the date hereof and until the date that the Secured Parties' lien in the Contract or the Option Agreement, as applicable, is released pursuant to the terms of the Credit Documents shall be made in lawful money of the United States, directly to Deutsche Bank Trust Company Americas, in its capacity as the depository bank, for the benefit of Collateral Agent, acting for the benefit of the Secured Parties, for deposit to _____, ABA # _____, GLA # _____, Account No. _____ (_____) or at such other person or entity and/or at such other address as Collateral Agent may from time to time specify in writing to SCPPA, acting as Buyers' Agent. From and after the date hereof and until the date that the Secured Parties' lien in the Contract or the Option Agreement, as applicable, is released pursuant to the terms of the Credit Documents and notice thereof is provided to SCPPA, acting as Buyers' Agent, the Contracting Parties shall not, without the prior written consent of Collateral Agent, make any payments to or for the benefit of the Project Company other than as contemplated pursuant to the first sentence of this Section 3.

SECTION 4. REPRESENTATIONS AND WARRANTIES

(a) Each Contracting Party hereby represents and warrants as of the date of this Consent that: (i) such Contracting Party (A) is (1) with respect to Southern California Public Power Authority and Power and Water Resources Pooling Authority, a validly existing California joint powers authority, and (2) with respect to the City of Corona, City of Lodi, City of Moreno Valley and City of Rancho Cucamonga, a validly existing California municipal corporation, (B) has the legal power and authority to own its properties, to carry on its business as now being conducted and to enter into the Contract and this Consent, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to the Contract and this Consent; (ii) the execution, delivery and performance by such Contracting Party of this Consent and the Contract have been duly authorized by all necessary action on the part of such Contracting Party and do not require any approvals, filings with, or consents of any entity or person which have not previously been obtained or made; (iii) each of this Consent and the

Contract is in full force and effect, has been duly executed and delivered on behalf of such Contracting Party by the appropriate persons of such Contracting Party, and constitutes the legal, valid and binding obligation of such Contracting Party, enforceable against such Contracting Party in accordance with its terms, except as the enforceability thereof may be limited by (Y) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (Z) general equitable principles (whether considered in a proceeding in equity or at law); (iv) to the best of each Contracting Party's knowledge after due inquiry, there exists no Default or event that with the giving of notice or passage of time would become a Default under the Contract, (v) the Contract has not been terminated by such Contracting Party and such Contracting Party has not caused SCPFA, acting as Buyers' Agent, to issue a default notice under the Contract; (vi) to the best of such Contracting Party's knowledge, no event of Force Majeure exists under, and as defined in, the Contract; (vii) except as otherwise provided herein, the Contract has not been amended, supplemented or modified (whether by waiver, consent or otherwise); (viii) the execution, delivery and performance by such Contracting Party of this Consent and the Contract do not (A) conflict with the governance documents of such Contracting Party, (B) result in any breach of, default under or the imposition of any lien upon any of the property or assets of such Contracting Party pursuant to any indenture, mortgage, deed of trust or other material agreement or instrument to which it is a party or by which it or any of its properties or assets is bound or (C) contravene any applicable federal or state laws or order, writ, injunction, decree or arbitral award binding upon such Contracting Party or its properties or assets; (x) such Contracting Party has obtained and is in material compliance with each governmental approval which is necessary to authorize or is required in connection with the execution, delivery or performance of this Consent and the Contract, each of which is in full force and effect; and (xi) there is no action, suit, proceeding or investigation at law or in equity or by or before any court, arbitrator, administrative agency or governmental authority pending or, to the best of such Contracting Party's knowledge, threatened against or affecting such Contracting Party or any of its respective properties which questions the legality, validity, binding effect or enforceability of this Consent or the Contract or which individually or in the aggregate, would, if adversely determined, materially adversely affect such Contracting Party's ability to enter into and carry out its obligations under this Consent or the Contract.

(b) The Project Company acknowledges that no Contracting Party has made any, and does not hereby make any, representation or warranty, expressed or implied, that the Project Company has any right, title or interest in the collateral secured by the Credit Documents (the "Collateral").

(c) The Project Company represents and warrants to the Contracting Parties that: (i) it (A) is a duly organized and validly existing under the laws of the State of Delaware, (B) is duly qualified, authorized to do business and in good standing in every jurisdiction necessary to perform its obligations under the Contract and this Consent, as applicable, and (C) has all requisite power and authority to enter into and to perform its obligations hereunder and under this Consent and the Contract, as applicable, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby; (ii) the execution, delivery and performance by such party of this Consent and the Contract have been duly authorized by all necessary limited liability company or other action on the part of such party and do not require any approvals, filings with, or consents of any entity or person which have not previously been obtained or made; (iii) each of this Consent and the Contract, as applicable, is in full force and

effect, has been duly executed and delivered on behalf of such party by the appropriate officers of such party, and constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as the enforceability thereof may be limited by (A) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (B) general equitable principles (whether considered in a proceeding in equity or at law); (iv) the execution and delivery of this Consent, and the assignment contemplated hereby and the fulfillment of and compliance with the provisions of this Consent, do not and will not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of the Credit Agreement; and (v) to the best of the Project Company's knowledge after due inquiry, there exists no Default or event that with the giving of notice or passage of time would become a Default under the Contract.

(d) Deutsche Bank Trust Company Americas represents and warrants to the Contracting Parties that it has all requisite corporate power and authority, as the Collateral Agent to the extent expressly provided for herein or the Credit Agreement, to execute and deliver this Consent and this Consent has been duly authorized and executed by Deutsche Bank Trust Company Americas in such capacity.

(e) The Class A Member represents and warrants to the Contracting Parties that it has all requisite power and authority to execute and deliver this Consent and this Consent has been duly authorized and executed by the Class A Member.

SECTION 5. NOTICES

All notices required or permitted hereunder shall be in writing and shall be effective upon receipt if sent by (a) hand delivery, (b) facsimile, (c) by electronic mail in ".PDF" format or (d) by private courier or delivery service with charges prepaid, and addressed as specified below:

If to a Contracting Party, at SCPPA's address, acting as Buyers' Agent, below:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Attention: Executive Director
Facsimile: (626) 704-9461
Tel: (626) 793-9364
Email: bcarnahan@scppa.org, shomer@scppa.org,
knguyen@scppa.org

If to Collateral Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 16th Floor
Mail Stop: NYC60 - 1630
New York, NY 10005
Attn: Project Finance Agency Services – Astoria Solar Project
Fax: 732-578-4636

If to the Class A Member:

EFS Renewables Holdings, LLC
800 Long Ridge Road
Stamford, CT 06927
Tel:
Fax: (203) 585-0758
Attn: Portfolio Manager - Astoria 2 Solar Project

with a copy to:

EFS Renewables Holdings, LLC
800 Long Ridge Road
Stamford, CT 06927
Tel: (203) 961-2125
Fax: (203) 357-6632
Attn: General Counsel – Astoria 2 Solar Project

If to the Project Company:

RE Astoria 2 LLC
c/o Recurrent Energy, LLC
300 California Street, 7th Floor
San Francisco, CA 94104
Tel: 415-675-1500
Fax: 415-675-1501
Attn: Office of the General Counsel

Any party may change the address or number to which notices to such party are to be delivered by providing notice of such change to each other party in the manner set forth above. For purposes of this Section 5, “Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in Los Angeles County, California, or New York City are authorized or required by law to close.

SECTION 6. ASSIGNMENT, TERMINATION, AMENDMENT AND GOVERNING LAW

This Consent shall be binding upon and benefit the successors and assigns of the parties hereto and their respective successors, transferees and permitted assigns (including without limitation, any entity that refinances all or any portion of the obligations under the Credit Agreement). Each Contracting Party agrees to (a) confirm such continuing obligation in writing upon the reasonable request of the Project Company, Collateral Agent, the Secured Parties, the Class A Member or any of their respective successors, transferees or assigns, (b) on or prior to the initial funding date and the final funding date of the Class A Member pursuant to a Tax Equity Transaction, deliver an estoppel to the Class A Member representing that the matters set forth in Section 4 above remain true and correct as of such date and (c) cause any successor-in-interest to a Contracting Party with respect to its interest in the Contract to assume, in writing in form and substance reasonably satisfactory to Collateral Agent and the Class A Member, the obligations of such Contracting Party hereunder. Any purported assignment or transfer of the Contract not in conjunction with the written instrument of assumption contemplated by the foregoing clause (c) shall be null and void. No termination, amendment, variation or waiver of any provisions of this Consent shall be effective unless in writing and signed by all of the parties hereto. In the event of any conflict or inconsistency between the provisions of this Consent and the Contract, the provisions of this Consent shall prevail, and the Contract shall be deemed to be amended accordingly. This Consent shall terminate upon the repayment in full of all Facility Debt; provided that, notwithstanding the foregoing Sections 1(b), 2, 4, 6, and 7 shall survive in favor of the Class A Member until termination of the Contract. This Consent shall be governed by the laws of the State of California.

Collateral Agent, Project Company and each Contracting Party hereby submits to the exclusive jurisdiction of the federal and state court sitting in Los Angeles County, California for the purposes of all legal proceedings arising out of or relating to this Consent or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. To the extent permitted by applicable law, each party hereto irrevocably agrees to the service of process of any of the aforementioned courts in any suit, action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, return receipt requested, to such party at the address referenced in Section 5, such service to be effective upon the date indicated on the postal receipt returned from such party.

SECTION 7. MISCELLANEOUS

(a) Counterparts. This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement. Signatures delivered by facsimile or by PDF shall have the same effect as original signatures.

(b) Third Party Beneficiaries. There are no third party beneficiaries to this Consent other than the Secured Parties.

(c) Severability. In case any provision of this Consent, or the obligations of any of the parties hereto, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions, or the obligations of the other parties hereto, shall not in any way be affected or impaired thereby, and the parties hereto shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions.

SECTION 8. COLLATERAL AGENT

Any corporation or association into which Collateral Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which Collateral Agent shall be a party, or any corporation or association to which all or substantially all of the corporate trust business of Collateral Agent may be sold or otherwise transferred shall be the successor Collateral Agent hereunder without any further act. In the performance of its obligations hereunder, Collateral Agent shall be entitled to all of the rights, benefits, protections, indemnities and immunities afforded to it pursuant to the Credit Documents (including to the extent such rights are to be exercised at the direction of the relevant Secured Parties in accordance therewith).

SECTION 9. ACKNOWLEDGMENTS BY PROJECT COMPANY.

Project Company, by its execution hereof, acknowledges and agrees that notwithstanding any term to the contrary in the Contract, the Contracting Parties have agreed to perform as set forth herein and that none of execution of this Consent, performance by any Contracting Party of its obligations hereunder, the exercise of any rights of a Contracting Party hereunder, or the acceptance of performance of the Contract by any party other than Project Company shall (i) release Project Company from any obligation of Project Company under the Contract, (ii) constitute a consent by Contracting Party of, or impute any knowledge to, Contracting Party of any specific terms or conditions of the Credit Agreement, the BL Credit Agreement or any of the Credit Documents, or (iii) except as expressly set forth in this Consent, constitute a waiver by the Contracting Party of any of its rights under the Contract. Project Company acknowledges for the benefit of each Contracting Party that, except as expressly set forth in this Consent, none of the Credit Documents, the BL Credit Agreement, or any other document executed in connection therewith alter, amend, modify or impair any provision of the Contract.

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IN WITNESS WHEREOF, the parties hereto by their officers thereunto duly authorized,
have duly executed this Consent as of the date first set forth above.

CONTRACTING PARTIES:

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____

Its: _____

Date: _____

POWER AND WATER RESOURCES
POOLING AUTHORITY

By: _____

Its: _____

Date: _____

Attest: _____

CITY OF LODI

By: _____

Its: _____

Date: _____

Attest: _____

CITY OF CORONA

By: _____

Its: _____

Date: _____

Attest: _____

CITY OF MORENO VALLEY

By: _____

Its: _____

Date: _____

Attest: _____

CITY OF RANCHO CUCAMONGA

By: _____

Its: _____

Date: _____

Attest: _____

RE ASTORIA 2 LLC,
as Project Company

By: _____

Name _____

Title: _____

DEUTSCHE BANK TRUST COMPANY
AMERICAS,
as Collateral Agent for the Secured Parties

By: Deutsche Bank National Trust Company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EFS RENEWABLES HOLDINGS, LLC,
as Class A Member

By: _____
Name: _____
Title: _____

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EXHIBIT A

FORM OF
LETTER OF CREDIT

IRREVOCABLE, UNCONDITIONAL, AND CLEAN STANDBY LETTER OF CREDIT
NO. _____

Applicant:

[_____]

Beneficiary:

[INSERT]

Amount:

Expiration Date:

Expiration Place:

Ladies and Gentlemen:

We hereby issue our Irrevocable, Unconditional and Clean Standby Letter of Credit in favor of the beneficiary by order and for the account of the applicant which is available at sight for USD \$XX,XXX,XXX by sight payment upon presentation to us at our office at [bank's address]¹ of: (i) your written demand for payment containing the text of Exhibit I, (ii) your signed statement containing the text of Exhibit II and, (iii) the original of this Letter of Credit and all amendments (or photocopy of the original for partial drawings) (the "Documents"). Drawings may be presented via fax to_. In the case of a full or final drawing, the original Letter of Credit and documents are to be sent via overnight courier to our address indicated above.

A presentation under this Letter of Credit may be made only on a day, and during hours, in which such office is open for business, and payments can be effected via wire transfer (a "Business Day"). Partial drawings shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; *provided* that the Available Amount shall be reduced by the amount of each such partial drawing.

¹ **Note to Issuer:** The Letter of Credit must be payable in U.S. dollars within the continental U.S.

Note to Seller: Bank to have office for presentment in California to allow for in person presentment by Buyers.

Upon presentation to us of your Documents in conformity with the foregoing, we will, on the third (3rd) succeeding Business Day after such presentation, irrevocably and without reserve or condition except as otherwise stated herein, make payment hereunder in the amount set forth in the demand. Payment shall be made to your order by deposit to your account at the bank designated by you in the demand in immediately available funds. We agree that if, on the Expiration Date, the office specified above is not open for business by virtue of an interruption of the nature described in the International Standby Practices ISP 98 (also known as ICC Publication No. 590), or revision currently in effect (the "ISP"), this Letter of Credit will be duly honored if the specified Documents are presented by you within thirty (30) days after such office is reopened for business.

Provided that the presentation on this Letter of Credit is made on or prior to the Expiration Date and the applicable Documents as set forth above conform to the requirements of this Letter of Credit, payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from the Applicant or any other person except you, including without limitation any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the documents presented by you, but excluding solely a written order issued by a court, which order specifically orders us not to make such payment; (b) the solvency, existence or condition, financial or other, of the Applicant or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment.

We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related Documents(s) referred to above with care so as to ascertain that on their face they appear to comply with the terms of this credit and that if such demand(s) and Document(s) on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s).

This Letter of Credit shall terminate upon the earliest to occur of (i) our receipt of a notice in the form of Exhibit III hereto signed by an authorized officer of Beneficiary, accompanied by this Letter of Credit for cancellation, (ii) our close of business at our aforesaid office on the Expiration Date, or if the Expiration Date is not a Business Day, then on the next Business Day, or (iii) the Business Day on which we have honored drawings which exhaust the amount available to be drawn under this Letter of Credit.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one (1) year from the Expiration Date, or any future expiration date, unless at least thirty (30) calendar days prior to the Expiration Date (or any future expiration date), we send you notice by registered mail, return receipt requested or overnight courier at your address herein stated or such other address of which you notify us in advance in writing, as acknowledged by us in the form of an amendment to this Letter of Credit, that we elect not to

consider this Letter of Credit extended for any such additional period; provided that in no event shall the Expiration Date of this Letter of Credit extend beyond _____.²

We may, in our sole discretion, increase or decrease the stated amount of this Letter of Credit, and the Expiration Date may be extended, by an amendment to this Letter of Credit. Any such amendment for decrease shall become effective only upon receipt by us of your acceptance by your signature on a hard copy amendment.

² **Note to Draft:** To be date that is ten (10) Business Days prior to final maturity of the Credit Agreement.

You shall not be bound by any written or oral agreement of any type between us and the Applicant or any other person relating to this credit, whether now or hereafter existing.

We hereby engage with you that your demand(s) for payment in conformity with the terms of this Letter of Credit will be duly honored as set forth above. All fees and other costs associated with the issuance of and any drawing(s) against this Letter of Credit shall be for the account of the Applicant. All of the rights of the Beneficiary set forth above shall inure to the benefit of your successors by operation of law. In this connection, in the event of a drawing made by a party other than the Beneficiary, such drawing must be accompanied by the following signed certification and copy of document proving such successorship:

“The undersigned does hereby certify that [drawer] is the successor by operation of law to [the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY][the POWER AND WATER RESOURCES POOLING AUTHORITY][the CITY OF LODI][the CITY OF CORONA][the CITY OF MORENO VALLEY][the CITY OF RANCHO CUCAMONGA], as beneficiary named in [name of bank] Letter of Credit No. _____.”

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the ISP (other than Rule 3.12(a), which shall not apply to this Letter of Credit). As to matters not governed by the ISP, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York or Ohio.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Exhibit I, II, and III hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as otherwise provided in this paragraph.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at the address referred to above, and shall specifically refer to this Letter of Credit no. .

Yours faithfully,

(name of issuing bank)

By _____
Title _____

EXHIBIT I

DEMAND FOR PAYMENT

Re: Irrevocable, Unconditional and Clean Standby Letter of Credit

No. _____ Dated _____, 20__

[Insert Bank Address]

To Whom It May Concern:

Demand is hereby made upon you for payment to us of \$_____ by deposit to account no. _____ at [insert name of bank]. This demand is made under, and is subject to and governed by, your Irrevocable, Unconditional and Clean Standby Letter of Credit no. _____ dated _____, 20__ in the amount of \$_____ established by you in our favor for the account of _____ as the Applicant.

DATED: _____, 20__ .

[_____]

By _____

Title _____

EXHIBIT II
STATEMENT

Re: Your Irrevocable, Unconditional and Clean Standby Letter of Credit

No. _____ Dated _____, 20__

[Insert Bank Address]

To Whom It May Concern:

Reference is made to your Irrevocable, Unconditional and Clean Standby Letter of Credit
no. _____, dated _____, 20__ in the amount of \$ _____
established by you in our favor for the account of _____, as the Applicant.

We hereby certify to you that \$ _____ is due, owing and unpaid to us by the
Applicant in that certain [DESCRIBE AGREEMENT].

DATED: _____, 20__ .

[_____]

By _____

Title _____

EXHIBIT III

SURRENDER

Re: Your Irrevocable, Unconditional and Clean Standby Letter of Credit

No. _____ Dated _____, 20__

[Insert Bank Address]

Notice of Surrender of Letter of Credit

Date: _____

Attention: Letter of Credit Department

Ladies and Gentlemen:

We refer to your above-mentioned Irrevocable, Unconditional and Clean Standby Letter of Credit (the "Letter of Credit"). The undersigned, an authorized signer of [the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY][the POWER AND WATER RESOURCE POOLING AUTHORITY][the CITY OF LODI][the CITY OF CORONA][the CITY OF MORENO VALLEY][the CITY OF RANCHO CUCAMONGA], hereby surrenders this Letter of Credit to you for cancellation as of the date set forth above. No payment is demanded of you under this Letter of Credit in connection with this surrender.

Very truly yours,

[_____]

By _____

Title _____

EXHIBIT B

MAXIMUM FACILITY DEBT

Period Ending	Value
Stub Period (31-Dec-16)	240,000,000
31-Dec-17	212,000,000
31-Dec-18	189,000,000
31-Dec-19	164,000,000
31-Dec-20	140,000,000
31-Dec-21	115,000,000
31-Dec-22	97,000,000
31-Dec-23	92,000,000
31-Dec-24	87,000,000
31-Dec-25	82,000,000
31-Dec-26	77,000,000
31-Dec-27	72,000,000
31-Dec-28	66,000,000
31-Dec-29	61,000,000
31-Dec-30	55,000,000
31-Dec-31	49,000,000
31-Dec-32	43,000,000
31-Dec-33	36,000,000
31-Dec-34	29,000,000
31-Dec-35	24,000,000
31-Dec-36	22,000,000

Exhibit B – Page 1

APPENDIX F

**Intercreditor and Subordination Agreement by and
between Deutsche Bank Trust Company Americas,
Southern California Public Power Authority,
Power and Water Resources Pooling Authority,
City of Lodi, City of Corona, City of Moreno Valley,
and City of Rancho Cucamonga**

[TO BE ATTACHED]

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 16th Floor
MS: NYC60-1630
New York, NY 10005
Attention: Project Finance Agency Services –
RE Astoria 2 LLC

SPACE ABOVE THIS LINE RESERVED
FOR RECORDER'S USE

INTERCREDITOR AND SUBORDINATION AGREEMENT
BY AND BETWEEN

DEUTSCHE BANK TRUST COMPANY AMERICAS,
AS SENIOR AGENT

AND

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY,
POWER AND WATER RESOURCES POOLING AUTHORITY,
CITY OF LODI,
CITY OF CORONA,
CITY OF MORENO VALLEY, AND
CITY OF RANCHO CUCAMONGA,
AS OFFTAKER

INTERCREDITOR AND SUBORDINATION AGREEMENT

This INTERCREDITOR AND SUBORDINATION AGREEMENT is made as of _____, 2015 (as amended, restated or otherwise modified from time to time, this "Agreement"), by and among the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint power agency and a public entity organized under the laws of the State of California and created under the provisions of the Act and the Joint Powers Agreement (each as defined below) ("SCPPA"), the POWER AND WATER RESOURCES POOLING AUTHORITY, a joint powers authority and a public entity organized under the laws of the State of California and created under the provisions of the Act ("PWRPA"), the CITY OF LODI, a California municipal corporation organized and existing under the laws of the state of California ("Lodi"), the CITY OF CORONA, a California municipal corporation organized and existing under the laws of the state of California ("Corona"), the CITY OF MORENO VALLEY, a California municipal corporation organized and existing under the laws of the state of California ("Moreno Valley"), the CITY OF RANCHO CUCAMONGA, a California municipal corporation organized and existing under the laws of the state of California ("Rancho Cucamonga") (SCPPA, PWRPA, Lodi, Corona, Moreno Valley and Rancho Cucamonga, collectively, and together with each of their respective successors and permitted assigns, the "Offtaker"), and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation (in its capacity as collateral agent (together with its successors and assigns in such capacity, "Senior Agent") for the Senior Lenders (as defined below)).

A. RE Astoria 2 LLC, a Delaware limited liability company (the "Project Company"), is engaged in the development, construction, ownership, operation and maintenance of an approximately 75 MWac photovoltaic solar power facility located in Kern County, California (the "Project").

B. The Project Company has entered into the Credit Agreement dated as of _____, 2015 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "Senior Credit Agreement") with, among others, Senior Agent and the lenders who are from time to time parties thereto (the "Senior Lenders"), pursuant to which the Senior Lenders have agreed to extend credit (the "Senior Loan") to the Project Company in order to partially finance the development, construction, installation, testing, operation and use of the Project.

C. The Project Company has entered into (i) the Security and Pledge Agreement dated as of _____, 2015 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "Senior Security Agreement"), with the Senior Agent, pursuant to which the Project Company has granted to the Senior Agent for the benefit of itself and the Senior Lenders a lien on and a first priority security interest in all of the Project Company's personal property (such collateral referred to herein as the "Senior Security Agreement Collateral") and (ii) the Leasehold Deed Of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of _____, 2015 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "Senior Deed of Trust"), with the Senior Agent and the trustee specified therein, pursuant to which the Project Company has granted to the Senior Agent for the benefit of itself and the Senior Lenders a first priority lien on the Project Company's leasehold interest in the real property on which the Project is located,

all as more particularly described therein, and a security interest in all of the Project Company's assets and properties constituting the "Trust Estate" as such term is defined in the Senior Deed of Trust (such collateral referred to herein as the "Senior Deed of Trust Collateral"). The Senior Deed of Trust, the Senior Security Agreement and collectively with each other guaranty, security agreement, pledge agreement, mortgage, deed of trust or other collateral agreement now or hereafter entered into in connection with the Senior Obligations (as defined below), as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time are referred to herein, collectively, as the "Senior Security Documents". The Senior Security Agreement Collateral and the Senior Deed of Trust Collateral and any other collateral under the Senior Security Documents or any other Senior Credit Documents or otherwise securing the Senior Loan and other obligations under the Senior Credit Documents granted by the Project Company in favor of the Senior Agent is referred to herein, collectively, as the "Senior Collateral". The Senior Collateral does not include either (i) any Products (defined below) or (ii) the real property interest that is held in fee that is subject to the Land Purchase Option (defined below), all of which are disclaimed by the Senior Agent.

D. The Project Company has also entered into (i) the Power Purchase Agreement dated as of July 23, 2014 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "Power Purchase Agreement"), with the Offtaker, pursuant to which the Project Company has agreed, among other things, to sell electrical energy generated at the Project and the associated Products to the Offtaker, and (ii) the Security Documents (as defined in the Power Purchase Agreement) (including financing statements filed in connection therewith and documents executed to preserve, protect, expand, defend or define the Liens created thereby, as amended, restated, supplemented, replaced or otherwise modified from time to time, the "Subordinated Security Documents") with the Offtaker. All collateral under the Subordinated Security Documents granted by the Project Company to the Offtaker is hereinafter collectively referred to as the "Subordinated Collateral". The Subordinated Collateral does not include a pledge by the equity owners of the Project Company of any of such equity owners' respective interests in, or rights with respect to, the Project Company, all of which are disclaimed by the Offtaker.

E. The Project Company has entered into an "Option Agreement" with the Offtaker, pursuant to which the Project Company has granted the Offtaker a "Project Purchase Option" (as defined in the Option Agreement), to purchase the Project. Separately, Astoria 2 LandCo LLC, a Delaware limited liability company ("LandCo") and Offtaker have entered into a "Land Option Agreement," pursuant to which LandCo has granted Offtaker a "Land Purchase Option" (as defined in the Land Option Agreement) to purchase a fee interest in the real property owned by LandCo.

F. The Senior Agent and the Offtaker wish to enter into this Agreement in order to, among other things, (a) confirm that the Senior Agent's security interest in the Senior Collateral granted by the Project Company pursuant to the Senior Security Document has priority over the Offtaker's security interest in the Senior Collateral granted by the Project Company pursuant to the Subordinated Security Documents, (b) provide for the relative rights of the Senior Agent and the Senior Lenders, on the one hand, and the Offtaker, on the other hand, in connection with the enforcement of such security interests in the Senior Collateral, and (c) confirm the Senior

Agent's prior right to exercise Remedial Actions (as defined below) with respect to the Senior Collateral.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual covenants herein contained, and for other good and valuable consideration, each of the Senior Agent (on behalf of and for the benefit of itself and the Senior Lenders) and the Offtaker hereby agrees as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Definitions. The following terms when used in this Agreement shall have the following meanings, and all capitalized terms used herein, without definition herein, shall have the meanings given to them in the Power Purchase Agreement:

"Act" means all of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 et seq.

"Agreement" is defined in the preamble hereto.

"Applicable Law" means any law of the United States or any other jurisdiction where any Senior Collateral is located or the Project Company operates, including, without limitation, the UCC.

"Bankruptcy Code" means Title 11 of the United States Bankruptcy Code (11 U.S.C. 101 et seq.), as amended from time to time and any successor statute.

"Consent" means that Consent and Agreement, dated as of _____, 2015, by and among the Offtaker, the Project Company, the Senior Agent and EFS Renewables Holdings, LLC.

"Corona" is defined in Recital A hereto.

"Credit Documents" collectively means the Senior Credit Documents and the Subordinated Security Documents.

"Insolvency Proceeding" means (a) any voluntary or involuntary insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding relative to the Project Company or any of its property or assets, (b) any liquidation, dissolution, reorganization or winding up of the Project Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of the Project Company howsoever effectuated.

"Intercreditor Party" means each party to this Agreement, together with such party's successors and permitted assigns.

“Joint Powers Agreement” means the “Southern California Public Power Authority Joint Powers Agreement” entered into pursuant to the provisions of the Act among SCPPA and SCPPA’s members, dated as of November 1, 1980, as amended or modified from time to time.

“LandCo” is defined in Recital E hereto.

“Land Purchase Option” is defined in Recital E hereto.

“Land Purchase Option Agreement” is defined in Recital E hereto.

“Lodi” is defined in Recital A hereto.

“Lien” means any mortgage, deed of trust, lien, security interest, retention of title or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of way, covenant, condition or restriction, leasehold interest, purchase right or other right of any kind, including any option, of any other person in or with respect to any real or personal property.

“Moreno Valley” is defined in Recital A hereto.

“Obligor” means the Project Company and any other entity providing security under the Senior Credit Documents.

“Offtaker” is defined in the preamble hereto.

“Option Agreement” is defined in Recital E hereto.

“Power Purchase Agreement” is defined in Recital D hereto.

“Proceeds” means “proceeds,” as such term is defined in Section 9-102 of the UCC and, in any event, shall include without limitation, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Project Company from time to time with respect to any of the Senior Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Project Company from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Senior Collateral by any governmental authority, (c) any and all other amounts from time to time paid or payable under or in connection with any of the Senior Collateral on account of any Remedial Action and (d) the following types of property acquired with cash Proceeds: accounts, chattel paper, contracts, documents, general intangibles, equipment, investment property and inventory, as such terms are defined in the UCC.

“Products” means any and all Facility Energy, Capacity Rights, Environmental Attributes (as such terms are defined in the Power Purchase Agreement), and ancillary products, services or attributes similar to the foregoing that are or can be produced by, or are associated with, the Applicable Contract Capacity (as such term is defined in the Power Purchase Agreement) of the Project, whether now attainable or established in the future, including delivered energy, renewable attributes, and renewable energy credits, and all Proceeds thereof.

"Project" is defined in Recital A hereto.

"Project Company" is defined in Recital A hereto.

"Project Purchase Option" is defined in Recital E hereto.

"PWRPA" is defined in Recital A hereto.

"Rancho Cucamonga" is defined in Recital A hereto.

"Remedial Action" means any claim, action or agreement to judicially or non-judicially foreclose upon, take possession of, sell, lease, dispose of, or realize upon any of the Senior Collateral, whether pursuant to the UCC or other Applicable Law, by foreclosure, by self-help, repossession, by appointment of a receiver or trustee, by judicial action or otherwise, or any exercise of any right or power of ownership (including all voting and consent rights) with respect to any Senior Collateral, or an assignment or deed-in-lieu of any of the foregoing, or the exercise of any other right or remedy under the Subordinated Security Documents with respect to the Senior Collateral. Remedial Action shall not include the exercise by Offtaker of the Project Purchase Option, the Land Purchase Option, or the Right of First Offer.

"SCPPA" is defined in Recital A hereto.

"Security Documents" collectively means the Senior Security Documents and the Subordinated Security Documents.

"Senior Agent" is defined in the preamble hereto.

"Senior Collateral" is defined in Recital C hereto.

"Senior Credit Agreement" is defined in Recital B hereto.

"Senior Credit Documents" collectively means (a) the Senior Credit Agreement, the Senior Security Agreement, the Senior Deed of Trust and any other Senior Security Documents and (b) interest rate hedge agreements entered into on a pari passu basis with, and related to the obligations evidenced by, the documents described in clause (a) above, and, in the case of each of clauses (a) and (b) above, all other documents, instruments, guaranties and agreements now or hereafter executed or delivered in connection therewith, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time.

"Senior Deed of Trust" is defined in Recital C hereto.

"Senior Deed of Trust Collateral" is defined in Recital C hereto.

"Senior Lenders" is defined in Recital B hereto; provided that "Senior Lenders" shall include as applicable, in addition to the lenders party to the Senior Credit Agreement from time to time, the counterparties under the interest rate hedging agreements described in clause (b) of the definition of "Senior Credit Documents."

"Senior Loan" is defined in Recital B hereto.

"Senior Obligations" means (a) the principal of, and premium, if any, payable on redemption or prepayment of, and interest on, all indebtedness now existing or hereafter incurred, and all other now existing or hereafter incurred obligations, liability and indebtedness of every kind, nature and description of the Project Company and the other Obligors secured by or under the Senior Security Documents, contingent or not, due or not, obligatory or not, direct or indirect, primary or secondary, liquidated or unliquidated, or otherwise from operation of law or otherwise, including without limitation, all fees, expenses (including reasonable fees and expenses of counsel), claims, charges, fees, indemnity obligations and interest (in each case whether arising, accruing or incurred before or after the commencement of any Insolvency Proceeding, and whether or not allowed in such Insolvency Proceeding) secured by or under the Senior Credit Documents, and (b) any renewals, extensions, modifications, amendments, replacements, supplements, deferrals or other changes to any of the foregoing, including the proceeds of any indebtedness used to refinance any of the foregoing and debtor in possession financing. To the extent any payment with respect to the Senior Obligations (as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or similar person for any reason, then such payment or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

"Senior Security Agreement" is defined in Recital C hereto.

"Senior Security Agreement Collateral" is defined in Recital C hereto.

"Senior Security Documents" is defined in Recital C hereto.

"Subordinated Collateral" is defined in Recital D hereto.

"Subordinated Obligations" means the obligations and liabilities of the Project Company secured by or under the Subordinated Security Documents, contingent or not, due or not, obligatory or not, direct or indirect, primary or secondary, liquidated or unliquidated, or otherwise from operation of law or otherwise, including without limitation, all fees, expenses (including reasonable fees and expenses of counsel), claims, charges, fees, indemnity obligations and interest (in each case whether arising, accruing or incurred before or after the commencement of any Insolvency Proceeding, and whether or not allowed in such Insolvency Proceeding) secured by or under the Subordinated Security Documents, and (b) any renewals, extensions, modifications, amendments, replacements, supplements, deferrals or other changes to any of the foregoing, including the proceeds of any indebtedness used to refinance any of the foregoing and debtor in possession financing. To the extent any payment with respect to the Subordinated Obligations (as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or similar person for any reason, then such payment or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

"Subordinated Security Documents" is defined in Recital D hereto.

"UCC" means the Uniform Commercial Code as in effect in each applicable jurisdiction.

ARTICLE II COLLATERAL ISSUES, ETC.

Section 2.1 Representations and Warranties as to this Agreement. Each Intercreditor Party hereby represents and warrants for itself to the other Intercreditor Parties hereto that (a) it has all requisite power and authority to execute, deliver and perform under this Agreement; (b) the execution, delivery and performance by it of this Agreement has been duly authorized by all requisite corporate or other action; (c) no consent or approval of any other person and no consent, license, approval or authorization of any governmental authority is required in connection with the execution, delivery and performance by it of this Agreement; and (d) this Agreement constitutes its legal, valid and binding obligation enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws in effect from time to time affecting the rights of creditors generally and general principles of equity regardless of whether such enforcement is considered in a proceeding in equity or at law.

Section 2.2 Priority of Liens. Irrespective of (a) the time, order, manner or method of creation, attachment, perfection or validity of the respective Liens granted by the Project Company to any Intercreditor Party in any or all of the Senior Collateral, (b) the time, manner or place of the filing of the respective UCC financing statements, deeds of trust, or other applicable filings of any Intercreditor Party with respect to any or all of the Senior Collateral or other means of perfection, (c) any provision or statement contained in any Senior Credit Document, (d) any other event, circumstance, occurrence or otherwise or (e) any provision of any Applicable Law to the contrary, the Liens granted by the Project Company to the Senior Agent (for and on behalf of itself and the Senior Lenders), pursuant to the Senior Credit Documents, and all terms, covenants, rights and remedies of Senior Agent and the Senior Lenders under the Senior Security Documents with respect to the Senior Collateral, are and shall be unconditionally superior and prior in all respects to any Liens granted by the Project Company to the Offtaker and to all terms, covenants, rights and remedies of Offtaker under the Subordinated Security Documents with respect to the Senior Collateral, unless and until the Senior Obligations shall have been paid in full. Without limiting any security interest the Offtaker may have therein, the Offtaker acknowledges and agrees that the Senior Agent shall have sole and exclusive control and dominion over all of the Project Company's deposit accounts, securities accounts and other similar bank or investment accounts, all certificates evidencing ownership interests in the Project Company and all amounts and investment property on deposit from time to time therein or credited from time to time thereto. Except as otherwise provided in this Agreement, while the Senior Obligations remain outstanding the Offtaker shall not hinder, delay, interfere, contest or take any other action that may, either directly or indirectly, limit in any respect the Senior Agent's security interest in and to the Senior Collateral. The expression "payment in full" or "paid in full" or any similar term or phrase when used in this Agreement shall mean the termination of all Construction Loan Commitments and Bridge Loan Commitments (each as defined in the Senior Credit Agreement) under the Senior Credit Documents and final payment in full of all Construction Loan Facilities and Bridge Loan Facilities (each as defined in the Senior Credit Agreement) in cash, or, in the case of such Senior Obligations consisting of contingent obligations in respect of letters of credit or other reimbursement obligations for

drawings under letters of credit under the Senior Credit Documents, the setting apart of cash sufficient to discharge such portion of Senior Obligations in an account for the exclusive benefit of the Senior Agent, in which account the Senior Agent shall be granted a first priority perfected security interest in a manner acceptable to the Senior Agent, which payment or perfected security interest shall have been retained by the Senior Agent, in each case, for the period that such payment or security interest may be avoided as a preference under the Bankruptcy Code or other Applicable Law.

Subject to Section 3.7, it is expressly understood and agreed that upon any release, sale or disposition of Senior Collateral permitted pursuant to the terms of the Senior Collateral Documents that results in a release of the Liens of the Senior Agent, the Liens of the Offtaker shall be automatically and unconditionally released with respect to such Senior Collateral with no further consent or action of any person necessary.

Section 2.3 Limitation on Rights of the Offtaker. Notwithstanding anything to the contrary set forth in the Subordinated Security Documents, unless and until the Senior Obligations shall have been paid in full, neither the Offtaker nor any agent or representative therefor shall (i) have the right to commence or take, and the Offtaker shall not commence or take or cause or permit any agent or representative to directly or indirectly commence or take, any Remedial Action with respect to the Senior Collateral, (ii) commence, prosecute or participate in any administrative, legal or equitable action or proceeding against the Project Company or its property seeking the filing of any reorganization, arrangement, composition, readjustment, liquidation, bankruptcy or any other action involving the readjustment of all or any part of the Senior Obligations or Subordinated Obligations, or other similar relief under the Bankruptcy Code or any present or future state or foreign statute, law or regulations relative to the Project Company or its properties or any proceedings for voluntary liquidation, dissolution or other winding up of the Project Company's business, or the appointment of any trustee, receiver or liquidator for the Project Company or any part of its properties or any assignment for the benefit of creditors or any marshaling of assets of the Project Company, (iii) commence, prosecute or participate in any administrative, legal or equitable action or proceeding challenging the enforceability or exercise of the Senior Credit Documents, including the rights and remedies afforded to the Senior Agent in the Senior Collateral, or (iv) take any other action against the Senior Collateral under the Subordinated Security Documents. Notwithstanding the foregoing and the other terms, conditions and limitations of this Agreement, the Offtaker shall not have any duties, obligations or liabilities to the Senior Agent or the Senior Lenders, except as expressly provided herein. Nothing in this Agreement modifies, impairs or shall be deemed a waiver of any rights or remedies the Offtaker may have with respect to the Subordinated Collateral or under the Subordinated Security Documents, other than in favor of the Senior Agent and the Senior Lenders as set forth in this Agreement.

Section 2.4 Enforcement Rights of Senior Lenders. The Senior Agent and each Senior Lender shall have the exclusive right to carry out, or not to carry out, the provisions of each Senior Security Document, and to exercise or not to exercise any Remedial Action and other rights and remedies under the Senior Credit Documents, all in the Senior Agent's and each Senior Lender's discretion and in the exercise of its and their business judgment (without regard to the rights of the Offtaker under any Subordinated Security Documents). Such exclusive rights

shall include, specifically (but not by way of limitation) the right to hold, prepare for sale, sell, lease or otherwise dispose of (or not take any such action), any or all of the Senior Collateral and to incur reasonable expenses in connection therewith, all as may be desirable in the Senior Agent's and each Senior Lender's discretion. Notwithstanding the foregoing, following acceleration of the Senior Obligations, the Senior Agent shall notify the Offtaker in writing of such acceleration and offer the Offtaker a one-time (subject to the terms of this Section) option to purchase the Senior Obligations for cash at par (plus accrued interest and fees thereon). The Offtaker shall have forty-five (45) days (such 45 day period, the "Election Period") from its receipt of the notice of acceleration from the Senior Agent to elect to purchase the Senior Obligations through notifying the Senior Agent during such period in writing of its determination to purchase the Senior Obligations. In the event that the Offtaker elects to purchase the Senior Obligations, it shall (x) work in good faith with the Senior Agent and the Senior Lenders to agree to documentation in respect of such purchase (it being understood and agreed that any such purchase will be without recourse to or warranty from the Senior Agent and the Senior Lenders other than as to title to the outstanding Senior Obligations and the Senior Security Documents) and (y) close on such purchase with sixty (60) days of its election to purchase (such 60 day period, the "Closing Period"). If (a) the Offtaker fails to elect to make the purchase within the Election Period or (b) if it has made an election, fail to close the purchase during the Closing Period, then the Offtaker shall no longer have any rights under this Section 2.4 and all such rights shall be irrevocably terminated, provided, however, that if a Remedial Action is not consummated within eighteen (18) months following the date of the expiration of the Closing Period, Senior Agent must provide another notice and Election Period pursuant to the foregoing terms. Nothing in this Section 2.4 shall affect in any manner the rights of the Senior Agent or any Senior Lenders to take any action with respect to the Secured Obligations or the Senior Collateral as they may decide in their sole and absolute discretion. In exercising its rights as aforesaid, the Senior Agent and each Senior Lender shall not have any duties, obligations or liabilities to the Offtaker, except as expressly provided herein or in the Consent. Nothing in this Agreement modifies, impairs or shall be deemed a waiver of any rights or remedies the Senior Agent or the Senior Lenders may have with respect to the Senior Collateral or under the Senior Credit Documents.

ARTICLE III OTHER AGREEMENTS

Section 3.1 Insurance and Condemnation Awards.

(a) The Senior Agent and the Senior Lenders shall have the sole and exclusive right, subject to the rights of the Project Company and the other Obligors under the Senior Credit Documents, to adjust, settle, direct or otherwise deal with any insurance policy or proceeds therefrom covering or relating to the Senior Collateral and to approve any award granted in any condemnation or similar proceeding affecting the Senior Collateral.

(b) All the proceeds of any insurance policies and any awards relating to the Senior Collateral shall be applied as provided in the Senior Credit Documents.

(c) In the event that the Senior Agent or the Senior Lenders allow any portion of such insurance proceeds or awards with respect to the Senior Collateral to be used by the Project Company or any other Obligor to repair or replace the Senior Collateral affected or for any other purposes, the Offtaker agrees to take all reasonable actions to permit such use and shall not interfere therewith or claim any interest therein.

Section 3.2 No Obligation Owing to Offtaker.

(a) The Senior Agent and the Senior Lenders may, at any time, without the consent of, or notice to, the Offtaker, without incurring any liabilities to the Offtaker and without impairing or releasing any of their Liens in the Senior Collateral and other benefits provided in this Agreement and the other Senior Credit Documents, do any one or more of the following:

(i) change in any manner the Senior Obligations and the Senior Credit Documents, including the manner, place or terms of payment or change or extend the time of payment of, or renew, refinance, exchange, substitute, amend, settle, compromise, increase the original principal amount of the Senior Obligations or alter the terms of any of the Senior Obligations or any Lien in any of the Senior Collateral, or any liability incurred, directly or indirectly in respect thereof;

(ii) sell, exchange, substitute, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Senior Collateral or Senior Obligation, or any liability incurred directly or indirectly in respect thereof; and

(iii) exercise or delay in or refrain from exercising any right or remedy against all or any part of the Senior Collateral, the Project Company, or any other Obligor or with respect to any Senior Credit Document or Senior Obligation.

(b) The Senior Agent and the Senior Lenders shall have no obligation whatsoever to the Offtaker to assure the ownership, existence or genuineness of the Senior Collateral, and the Senior Agent and the Senior Lenders shall have no obligation whatsoever to the Offtaker to preserve the rights or benefits of any person (including the Offtaker) in the Senior Collateral.

(c) Neither the Senior Agent nor the Senior Lenders shall be under any obligation to the Offtaker to institute or defend any action, suit or other proceeding, or take any other action against any person, in connection with any Senior Collateral. Each Intercreditor Party shall be entitled to rely upon any writing or other document believed by such Intercreditor Party to be genuine and correct and to have been signed, sent or made by the proper person. Each Intercreditor Party may consult counsel with respect to any question arising hereunder or in connection herewith and such Intercreditor Party

shall not be liable for any action taken or omitted to be taken in good faith upon advice of such counsel.

(d) All rights, interests, agreements and obligations of the Senior Agent and Senior Lenders under this Agreement shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of the Senior Credit Documents or any agreement or instrument relating thereto;

(ii) any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of or consent to or departure from any guaranty or indemnity for all or any portion of the Senior Obligations;

(iii) any manner of application of collateral, or proceeds thereof, to all or any portion of the Senior Obligations, or any manner of sale or other disposition of any collateral for all or any portion of the Senior Obligations or any other assets of the Project Company or any other Obligor;

(iv) any change, restructuring or termination of the corporate structure or existence of the Project Company or any other Obligor; or

(v) any other circumstance which might otherwise constitute a defense available to, or a discharge of, either of the Project Company or any other Obligor in respect of the Senior Obligations in respect of this Agreement.

Section 3.3 Insolvency Proceedings. In connection with any Insolvency Proceeding, the Senior Agent and the Senior Lenders, with respect to the Senior Obligations and the Senior Credit Documents, on the one hand, and the Offtaker, with respect to the Subordinated Obligations and the Subordinated Security Documents, on the other hand, agree as follows:

(a) **Filing of Claims.** The Offtaker may file proofs of claim with respect to the Subordinated Obligations, subject to the limitations contained in this Agreement. Offtaker shall not make or consent to any filing or motion, or vote or take any other action, including without limitation, voting in favor of any plan of reorganization, which would have the effect of (a) modifying or abrogating any of the rights or interests of the Senior Agent or Senior Lenders under this Agreement, or (b) adversely affecting Senior Agent or Senior Lenders' rights or remedies under the Senior Credit Documents, provided, however, that enforcing the terms of this Agreement shall not be deemed to have an adverse effect.

(b) **Automatic Stay.** The Offtaker shall not seek relief from the automatic or any other stay in any Insolvency Proceeding in connection with the enforcement of any of its rights and remedies under any of the Subordinated Security Documents or otherwise with respect to the Senior Collateral; provided, however, that in the event that failure to take such action with respect to any Senior Collateral by the Offtaker would cause the

loss of any of its rights under any Subordinated Security Documents, the Offtaker may take such action to preserve such right so long as the exercise of such right is not commenced until after this Agreement is terminated.

(c) Distributions.

(i) In the event of any distribution, division, or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of the Project Company or the proceeds thereof to the creditors of the Project Company or readjustment of the obligations and indebtedness of the Project Company, whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors, marshaling of assets of the Project Company or any other action or proceeding involving the readjustment of all or any part of the Senior Obligations or Subordinated Obligations or the application of the assets of the Project Company to the payment or liquidation thereof, or upon the dissolution or other winding up of the Project Company's business, or upon the sale of all or substantially all of the Project Company's assets, then, and in any such event, (i) the Senior Agent and the Senior Lenders shall first receive payment in full of all Senior Obligations prior to the payment of all or any part of the Subordinated Obligations, (ii) any payment or distribution of any kind or character, whether in cash, property or securities, by set-off, counterclaim or otherwise, to which the Offtaker would be entitled with respect to the Subordinated Obligations but for the provisions of this Agreement, shall be paid or delivered by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the Senior Agent, to the extent necessary to make payment in full of all Senior Obligations remaining unpaid after giving effect to any concurrent payment or distribution to the Senior Lenders, and (iii) in the event that, notwithstanding the foregoing provisions of this Agreement, Offtaker shall have received any payment or distribution of any kind or character, whether in cash, property or securities, by set-off, counterclaim or otherwise with respect to the Subordinated Obligations before all Senior Obligations are paid in full, then and in such event such payment or distribution shall be deemed to be the property of, segregated, received and held in trust for the benefit of and shall be forthwith paid over or delivered to the Senior Agent for application in the manner received to the payment of all Senior Obligations remaining unpaid until all such Senior Obligations shall have been paid in full.

(ii) Until the full and final payment of the Senior Obligations, the Offtaker shall not seek to cause the Project Company to confirm or vote in favor of a plan of reorganization pursuant to Section 1129(b)(i) of the Bankruptcy Code that fails to provide for the full and final payment of the Senior Obligations on the effective date of such confirmed plan of reorganization. In addition, Offtaker shall not contest (or support any other person or entity contesting) (a) any request by Senior Agent for adequate protection pursuant to Section 361 of the Bankruptcy Code or otherwise, (b) any objection by Senior Agent or Senior

Lenders to any motion, relief, action or proceeding based on the Senior Lenders claiming a lack of adequate protection pursuant to Section 361 of the Bankruptcy Code or otherwise, (c) the entry of any cash collateral order in favor of the Senior Lenders, (d) the entry of any financing order in favor of the Senior Lenders under Section 364 of the Bankruptcy Code or otherwise, (e) an election by the Senior Lenders pursuant to Section 1111(b) of the Bankruptcy Code, or (f) any claim submitted in any proceeding by Senior Agent or Senior Lenders, or any valuation of the Senior Collateral submitted by Senior Agent or Senior Lenders in such proceeding. Senior Agent shall give Offtaker such notice of the foregoing actions as may be required by the Bankruptcy Code.

(iii) The Senior Obligations shall continue to be treated as Senior Obligations and the provisions of this Agreement shall continue to govern the relative rights and priorities of the Senior Lenders and the Offtaker even if all or part of the Senior Obligations or the security interests securing the Senior Obligations are subordinated, set aside, avoided, declared to be fraudulent or preferential, or disallowed in connection with any Insolvency Proceeding. This Agreement shall be reinstated if at any time any payment of any of the Senior Obligations is rescinded or must otherwise be returned by any holder of Senior Obligations or any representative of such holder.

Section 3.4 Waivers.

(a) No right of the Senior Agent or any Senior Lender to enforce the Lien subordination in any Senior Collateral or Remedial Action with respect thereto in respect of any Senior Collateral as provided in this Agreement shall in any manner be prejudiced or impaired by any act or failure to act on the part of the Project Company or by any act or failure to act by the Senior Agent or any Senior Lender, or by any noncompliance by any person with the terms, provisions and covenants of any of the Senior Credit Documents or any of the Subordinated Security Documents, regardless of any knowledge thereof which the Senior Agent or any Senior Lender may have or be otherwise charged with.

(b) Offtaker hereby waives, to the fullest extent permitted by law, any claim it may have against the Senior Agent or any Senior Lender arising out of or with respect to any action which the Senior Agent or any Senior Lender may take or permit or omit to take with respect to: (i) the Senior Credit Documents, (ii) collection of the Senior Obligations, (iii) the Project Company, (iv) the Senior Collateral, (v) any Remedial Action or the enforcement of any right or remedy under the Senior Credit Documents, or (vi) as a result of any other actions otherwise permitted pursuant to this Agreement (including, without limitation, Section 2.4), in each case not including any claims arising out of Senior Agent's or Senior Lenders' gross negligence or willful misconduct. The Offtaker agrees that the Senior Agent and the Senior Lenders have no duty to it in respect of the maintenance or preservation of the Senior Collateral or any rights of any person therein or in respect of the application of any proceeds of any loans or other financial accommodations extended under the Senior Credit Documents. The Senior Agent and

the Senior Lenders agree that, except as set forth in this Agreement and the Consent, the Offtaker shall have no obligation owing to the Senior Agent and the Senior Lenders.

(c) The Offtaker agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to contest the validity, priority or enforceability of the Senior Security Documents, or to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshaling, appraisalment, valuation or other similar right that may otherwise be available under Applicable Law with respect to the Subordinated Obligations or any other similar rights a junior secured creditor may have under Applicable Law with respect to the Subordinated Obligations.

(d) The Offtaker hereby waives any defense based on the adequacy of a remedy at law which might be asserted as a bar to the remedy of specific performance of this Agreement in any action brought therefor by the Senior Agent or any Senior Lender.

Section 3.5 Information Concerning the Project Company, etc. To the extent it deems necessary, each Intercreditor Party (other than the Senior Agent) shall be responsible, to the extent applicable, for keeping itself informed of (a) the financial condition of the Project Company and all endorsers and/or guarantors of the Subordinated Obligations or the Senior Obligations, as the case may be, and (b) all other circumstances bearing upon the risk of nonpayment of the Subordinated Obligations or the Senior Obligations, as the case may be. No Intercreditor Party shall have any present or future duty or responsibility to any other Intercreditor Party to advise them of information known to it regarding the financial condition of Project Company or of any circumstances bearing upon the risk of nonpayment of the Senior Obligations or the Subordinated Obligations. If any such information is conveyed by any Intercreditor Party to any other Intercreditor Party, such Intercreditor Party shall have no continuing duty or responsibility to advise such other Intercreditor Party of any inaccuracy in such information that it subsequently discovers or of any updated or subsequent information, whether or not of like kind.

Section 3.6 No Rights of Subrogation. No payment or distribution to the Senior Agent or any Senior Lender shall entitle the Offtaker to exercise any right of subrogation until the Senior Obligations shall have been paid in full.

Section 3.7 Application of Payments. All proceeds arising from any Remedial Action with respect to any Senior Collateral (whether or not resulting from or after an Insolvency Proceeding) shall be applied, first, to the payment of the Senior Obligations in the manner provided in the Senior Credit Documents until they have been paid in full in cash and without prejudice to Section 3.3(c), second, to the extent required by Applicable Law, to the payment of the Subordinated Obligations until they are paid in full in cash. Senior Agent agrees that prior to any distribution by Senior Agent of any proceeds arising from any Remedial Action to any party other than the Senior Agent and Senior Lenders, Senior Agent shall notify the Offtaker of such distribution at least fifteen (15) days prior to the distribution to the extent practicable.

Section 3.8 Independent Decisions. Each Intercreditor Party has, independently and without reliance on any other Intercreditor Party, and instead in reliance upon information supplied to it on behalf of the Project Company and upon such other information as it has deemed appropriate, made its own independent decision to enter into its Credit Documents and to enter into its obligations to the Project Company thereunder; and each Intercreditor Party shall, independently and without reliance upon any other Intercreditor Party, continue to make its own independent analysis and decisions in acting or not acting under its Credit Documents and this Agreement; provided, however, it is understood that the Senior Agent is not making any extension of credit and is acting solely at the discretion of the Senior Lenders pursuant to the terms of the Senior Credit Agreement; further, provided, however, that the Offtaker has no obligation to provide any extension of credit.

Section 3.9 Turnover of Prohibited Transfers. If any Senior Collateral is received by the Offtaker in violation of the terms of this Agreement, such Senior Collateral shall, without the necessity of demand or request by the Senior Agent, be delivered forthwith by the Offtaker to the Senior Agent for application to the Senior Obligations, in the form received, except for the addition of any endorsement or assignment necessary to effect a transfer of all rights therein to such other party. Until so delivered, any Senior Collateral shall be held by the Offtaker in trust for the Senior Agent and shall not be commingled with other funds or property of the Offtaker.

Section 3.10 Effectiveness During Insolvency Proceeding. This Agreement shall continue in full force and effect notwithstanding any Insolvency Proceeding, and shall apply with full force and effect with respect to all Senior Collateral acquired by the Project Company and to all Senior Obligations and Subordinated Obligations incurred by the Project Company from and after the initiation of any such Insolvency Proceeding.

Section 3.11 Amendments. The Offtaker shall not amend, supplement or otherwise modify, without the consent of the Senior Agent, the terms of any of its Subordinated Security Documents, or enter into any other agreement having the effect of doing so in a manner that would adversely affect the rights of the Senior Agent pursuant to this Agreement. Offtaker may also, without the consent of the Senior Agent, amend, supplement or otherwise modify the Subordinated Security Documents to correct any technical errors or omissions contained therein which are also corrected in the Senior Credit Documents.

Section 3.12 Indulgences Not Waivers. Neither the failure nor any delay on the part of the Senior Agent or any Senior Lender to exercise any right, remedy, power or privilege hereunder or under any instruments, documents or agreements evidencing or relating to any of the Senior Obligations shall operate as a waiver thereof or give rise to an estoppel, nor be construed as an agreement to modify the terms of this Agreement, nor shall any single or partial exercise of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No consent or waiver by a party hereunder shall be effective unless it is in writing and signed by the party making such consent or waiver, and then only to the extent specifically stated in such writing.

Section 3.13 Duration and Termination; Payment Invalidated.

(a) This Agreement shall constitute a continuing agreement and shall terminate with respect to the Senior Agent and the Senior Lenders only upon the final payment in full of each of the Construction Loan Facilities and the Bridge Loan Facilities (each as defined in the Senior Credit Agreement) and the termination of the commitments thereunder. The agreements set forth herein shall remain in full force and effect regardless whether the Offtaker, the Senior Agent or any Senior Lender in the future seeks to rescind, amend, terminate or reform, by litigation or otherwise, its agreements with the Project Company or any other Obligor. The termination of this Agreement shall, subject to clause (b), release fully and irrevocably all parties hereto from any and all liabilities (including, without limitation, the validity of this Agreement on an ongoing basis), duties and responsibilities hereunder to the same extent as if this Agreement had been fully terminated by all the parties hereto, provided that the foregoing shall not release any of the parties with respect to any obligations arising prior to such termination; provided further that this Section 3.13 is subject, and without prejudice, to and shall not release, any rights or obligations the Project Company may have in respect of the Power Purchase Agreement and the Subordinated Security Documents.

(b) In the event that this Agreement is terminated with respect to the Senior Agent and the Senior Lenders, as provided in clause (a), and the Senior Agent or any Senior Lender shall be required by a court or other tribunal of competent jurisdiction to disgorge, refund, rebate or otherwise return any amount received with respect to any of the Senior Collateral to any debtor-in-possession or trustee in respect of any Insolvency Proceeding or any other person (whether as the result of such payment constituting, or being alleged to constitute, a preference, a fraudulent conveyance or any other payment required to be disgorged pursuant to any such Insolvency Proceeding) then, in any such event, (i) the terms and conditions of this Agreement shall be reinstated, notwithstanding any prior termination of this Agreement pursuant to this Section, and (ii) all provisions of this Agreement shall once again be operative until all such Senior Obligations are again paid in full in cash.

Section 3.14 Subordinated Security Documents and Senior Security Documents. The Offtaker confirms that it has delivered to the Senior Agent true and correct copies of the Subordinated Security Documents, in each case as in effect on the date hereof, and all UCC financing statements and other filings to perfect its security interest in the Senior Collateral. The Senior Agent confirms that it has delivered to the Offtaker true and correct copies of the Senior Security Documents, in each case as in effect on the date hereof, and all UCC financing statements and other filings to perfect its security interest in the Subordinated Collateral.

Section 3.15 New Agreement. In connection with any assignment or transfer of any or all of the Senior Obligations (including any refinancing or replacement thereof or any debtor-in-possession financing provided to the Project Company by the Senior Lender), the Offtaker agrees, to execute and deliver an agreement containing terms identical to those contained herein in favor of any such assignee or transferee and, in addition, will execute and deliver an agreement containing terms identical to those contained herein in favor of any third person who succeeds to or replaces any or all of the financing provided under the Senior Credit Documents,

whether such successor financing or replacement occurs by transfer, assignment, "takeout" or any other means or vehicle, in each circumstance to which this Section 3.15 applies, if and only to the extent, Offtaker would be required to execute a new or replacement subordination agreement for the benefit of such parties under the terms of the Power Purchase Agreement.

ARTICLE IV MISCELLANEOUS

Section 4.1 Conflict. In the event of any conflict between the terms of any of the Senior Credit Documents or the Subordinated Security Documents and the terms of this Agreement, the terms of this Agreement shall control; provided, that this Agreement is not intended to amend or supersede the terms of the Consent. In the event of any conflict between the terms of this Agreement and the Consent, the Consent shall govern and control. The parties hereto acknowledge and agree that, subject to and without limiting the immediately preceding sentence of this Section 4.1, but notwithstanding any other provision of this Agreement, so long as no Default exists under the Power Purchase Agreement upon transfer of the Project or the Project assets pursuant to any foreclosure or sale or conveyance in lieu of foreclosure of the Senior Collateral (it being acknowledged and agreed that if Offtaker irrevocably waives any Default of the Project Company under the Power Purchase Agreement, no such Default shall be deemed to exist), the designee(s) or assignee(s) of the Project or Project Assets shall assume the Project Company's (or its designee's or assignee's) rights under Power Purchase Agreement and the rights and obligations of the parties under the Option Agreement and the Land Option Agreement shall remain in full force and effect.

Section 4.2 Benefit of Agreement, etc. This Agreement is entered into only for the benefit of the parties hereto, and their respective successors and assigns, and no benefit shall accrue or is intended with respect to any other third party, including, without limitation, the Project Company or any trustee in bankruptcy for the Project Company. This Agreement is intended only to define the rights and obligations of the Offtaker, on the one hand, and the Senior Agent and the Senior Lenders, on the other hand, in the Senior Collateral and the other matters set forth expressly herein, and this Agreement shall in no way affect or impair the rights and obligations of the Intercreditor Parties or the Project Company under the Power Purchase Agreement, Senior Credit Documents or the Subordinated Security Documents.

Section 4.3 Amendment; No Waiver. This Agreement may be amended, modified or supplemented, but only by a written agreement signed by the parties hereto. Any waiver or consent shall be effective only in the specific instance and for the specified purpose for which given. A waiver or consent shall be effective only if it is in writing and signed by the party giving the waiver or consent.

Section 4.4 Successors and Assigns. All the covenants, terms and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Offtaker and the Senior Agent. The Offtaker shall not assign all or any part of its rights and obligations under the Subordinated Security Documents to any person unless such person agrees in writing to be bound by all the terms of this Agreement. The Senior Agent shall not assign all

or any part of its rights and obligations under the Senior Security Documents to any person unless such person agrees in writing to be bound by the terms of this Agreement.

Section 4.5 Severability. In the event any provision of this Agreement is determined to be void, unlawful, or otherwise unenforceable, that provision shall be severed from the Agreement, and the remainder of this Agreement shall be interpreted and constructed in such a manner as if a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible replaced such severed provision, and the Agreement, as so interpreted and constructed, shall continue to be in full force and effect. If the application of any provision of this Agreement to any person or circumstance is determined to be void, unlawful, or unenforceable, then that provision remains valid, lawful, and enforceable as applied to other persons and circumstances.

Section 4.6 Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be delivered personally, by facsimile, as a ".PDF" attachment to an electronic mail, or by reputable express courier service addressed to the relevant party hereto at the address stated below or at any other address notified by the party to the other as its address for purposes of this Agreement. Any communication so given personally and any notice so given by express courier service shall be deemed to have been delivered on the date of receipt of the intended recipient. As proof of such delivery it shall be sufficient to produce a receipt showing personal service or the receipt of a reputable courier company showing the correct address of the addressee.

If to the Senior Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 16th Floor
MS: NYC60-1630
New York, NY 10005
Attention: Project Finance Agency Services – RE Astoria 2 LLC
Fax: 732-578-4636

If to the Offtaker:

Southern California Public Power Authority
1160 Nicole Court
Glendora, CA 91740
Attention: Executive Director
Facsimile: (626) 704-9461
Tel: (626) 793-9364
Email: bcarnahan@scppa.org, shomer@scppa.org,
knguyen@scppa.org

Section 4.7 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF

CALIFORNIA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE.

Section 4.8 Consent to Jurisdiction. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS FOR ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA AND OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA SITTING IN THE COUNTY OF LOS ANGELES, AND ANY APPELLATE COURT FROM ANY OF THE FOREGOING COURTS FOR PURPOSES OF ALL LEGAL SUITS, ACTIONS, AND PROCEEDINGS ARISING OUT OF, CONNECTED WITH OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HEREBY IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION OR DEFENSE WHICH IT MAY NOW OR HEREAFTER HAVE TO (A) THE LAYING OF VENUE IN SUCH A COURT, (B) ANY CLAIM THAT SUCH A COURT IS AN INCONVENIENT FORUM, (C) LACK OF PERSONAL, IN REM OR QUASI IN REM JURISDICTION, OR (D) ANY SIMILAR GROUNDS.

Section 4.9 Intentionally Omitted.

Section 4.10 Counterparts; Electronic Delivery. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute only one legal instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

Section 4.11 Further Assurances. The Offtaker, on the one hand, and the Senior Agent, on the other hand, agree to execute such further documents and agreements as may be reasonably requested by the other to give effect to the purposes of this Agreement.

Section 4.12 Reliance. The consent by the Senior Lenders to the execution and delivery of the Subordinated Security Documents and the grant to the Offtaker of a Lien in the Senior Collateral shall be deemed to have been made in reliance upon this Agreement. The Offtaker expressly waives all notice of the acceptance of and reliance on this Agreement by the Senior Agent and the Senior Lenders.

Section 4.13 [Reserved].

Section 4.14 Application to Other Agreements between Offtaker and Project Company. The parties hereto acknowledge that this Agreement is not intended to, and shall not, apply to any agreements, contracts or other arrangements (including, without limitation, interconnection agreements, transmission agreements, construction services agreements, easement agreements, and retail service agreements) between Offtaker and the Project Company other than the Subordinated Obligations and the Subordinated Security Documents. For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, nothing in this Agreement will be deemed to amend or otherwise modify the Project Company's rights and

obligations under and pursuant to the Senior Credit Documents, the Power Purchase Agreement, the Subordinated Security Documents or any other document or instrument entered into between the Project Company and one or more Intercreditor Parties. Further, for the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, nothing in this Agreement will be deemed to amend or otherwise modify the Offtaker's rights and obligations between itself and the Project Company under and pursuant to the Land Option Agreement or any deed of trust that secures the Land Option Agreement.

Section 4.15 Acknowledgment by the Project Company. By executing the acknowledgment to this Agreement, the Project Company acknowledges the rights and obligations of the Intercreditor Parties hereunder and shall not, either directly or indirectly, take any action to challenge the enforceability or validity of this Agreement; provided that, except as expressly set forth in this sentence, the Project Company shall have no obligations pursuant to, or liability under or in connection with, the terms of this Agreement. Notwithstanding the foregoing, the Project Company is not a party to this Agreement and a separate acknowledgment by the Project Company shall not be required with respect to any amendment, supplement or waiver hereto; provided that the Project Company, by its acknowledgement hereof, will not be deemed to have acknowledged or agreed to any such amendment, supplement or waiver until it has received a copy of any such amendment, supplement or waiver.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written

SENIOR AGENT:

DEUTSCHE BANK TRUST COMPANY
AMERICAS,
as Collateral Agent for the Secured Parties

By: Deutsche Bank National Trust Company

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signature Page to Intercreditor and Subordination Agreement]

Error! Unknown document property name.

OFFTAKER:

SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY

By: _____
Name:
Title:

POWER AND WATER RESOURCES
POOLING AUTHORITY

By: _____
Name:
Title:

CITY OF LODI

By: _____
Name:
Title:

CITY OF CORONA

By: _____
Name:
Title:

[Signature Page to Intercreditor and Subordination Agreement]

Error! Unknown document property name.

CITY OF MORENO VALLEY

By: _____
Name:
Title:

CITY OF RANCHO CUCAMONGA

By: _____
Name:
Title:

[Signature Page to Intercreditor and Subordination Agreement]

Error! Unknown document property name.

ACKNOWLEDGED AND AGREED:

RE ASTORIA 2 LLC

By: _____

Name:

Title:

[Signature Page to Intercreditor and Subordination Agreement]

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OHSUSA:761590290.14

APPENDIX F

STATE OF _____ }
 } ss
COUNTY OF _____ }

On _____, 2015 before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature _____

Commission #: _____

Commission Expiration: _____

EXHIBIT A

STATE OF NEW JERSEY

ss:

COUNTY OF HUDSON

On the day of , in the year 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, Authorized Signatories for Deutsche Bank National Trust Company on behalf of Deutsche Bank Trust Company Americas, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their capacities, and that by their signatures on the instrument, the individuals, or the persons or entities upon behalf of which the individual acted, executed the instrument.

Notary Public

7929378_3

EXHIBIT A

APPENDIX G

**Nondisturbance and Attornment Agreement
by and among RE Astoria 2 Landco LLC, RE Astoria 2 LLC,
Southern California Public Power Authority,
Power and Water Resources Pooling Authority, City of Lodi,
City of Corona, City of Moreno Valley, City of Rancho Cucamonga
and Deutsche Bank Trust Company Americas**

[TO BE ATTACHED]

*Recording requested by and
After recording return to:*

RE ASTORIA 2 LLC
c/o Recurrent Energy, LLC
300 California Street, 7th Floor
San Francisco, California 94104
Attention: Office of the General Counsel

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is entered into as of _____, 2015, by and among RE ASTORIA 2 LANDCO LLC, a Delaware limited liability company ("Owner"); RE ASTORIA 2 LLC, a Delaware limited liability company ("Lessee"); SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY ("SCPPA"), a joint powers agency and a public entity organized under the laws of the State of California and created under the provisions of the California Joint Exercise of Powers Act (California Government Section 6500 *et seq.*) (the "Act"), the POWER AND WATER RESOURCES POOLING AUTHORITY ("PWRPA"), a joint powers authority and a public entity organized under the laws of the State of California and created under the provisions of the Act, the CITY OF LODI ("Lodi"), a California municipal corporation organized and existing under the laws of the State of California, the CITY OF CORONA ("Corona"), a California municipal corporation organized and existing under the laws of the State of California, the CITY OF MORENO VALLEY ("Moreno Valley"), a California municipal corporation organized and existing under the laws of the State of California, and the CITY OF RANCHO CUCAMONGA ("Rancho Cucamonga"), a California municipal corporation organized and existing under the laws of the State of California (SCPPA, PWRPA, Lodi, Corona, Moreno Valley, and Rancho Cucamonga, collectively, "Fee Secured Party") and DEUTSCHE BANK TRUST COMPANY AMERICAS, as Collateral Agent for the Secured Parties (as defined in the Credit Agreement (defined below)) (together with its successors and permitted assigns and in such capacity, "Collateral Agent").

RECITALS:

A. Owner and Lessee entered into an Amended and Restated Land Lease dated as of October 15, 2015 (as it may be amended, modified or supplemented, the "Lease") as evidenced by the certain Memorandum of Amended and Restated Land Lease dated as of October 15, 2015 and recorded on October 21, 2015 as Instrument No. 0215147688 of the real property records of Kern County, California (the "Official Records"), which Lease covers certain real property located in Kern County, California (the "Property"), for the development, construction and operation by Lessee of a solar energy project (the "Project") pursuant to the terms of the Lease.

B. Fee Secured Party is the beneficiary of a Deed of Trust, Security Agreement and Fixture Filing executed by Owner in favor of Stewart Title of California, Inc., a California

corporation, as Trustee, for the benefit of Fee Secured Party, dated as of _____ and recorded on _____ as Instrument No. _____ of the Official Records (as the same may have been or may hereafter be amended, modified, renewed, extended or replaced, collectively, the "Deed of Trust").

C. Fee Secured Party and Owner have entered into that certain Land Option Agreement dated as of May 13, 2015 (the "Land Option Agreement"), a memorandum of which was recorded in the Official Records on _____ as Instrument No. _____ pursuant to which Owner has granted Fee Secured Party an option (the "Land Purchase Option") to purchase the Property in accordance with the terms and conditions thereof.

D. Lessee is entering into that certain Credit Agreement dated as of _____, 2015 (as amended, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), with the financial institutions party thereto (the "Leasehold Lenders") and DEUTSCHE BANK TRUST COMPANY AMERICAS, as Administrative Agent (together with its successors and assigns in such capacity, the "Administrative Agent"), pursuant to which the Leasehold Lenders have agreed to make loans to Lessee on the terms and conditions set forth therein, which loans will be secured by a leasehold deed of trust ("Leasehold DOT") granted by Lessee for the benefit of Collateral Agent.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. For purposes of this Agreement, the term "Lease" shall mean the Lease, as modified by that certain Consent, Estoppel and Agreement dated as of the date hereof among Owner, Lessee and Collateral Agent.

2. Non-Disturbance.

(a) Fee Secured Party hereby agrees, on behalf of itself, any purchaser at a foreclosure sale or any other person or entity to whom Owner's interest in the Property passes from Owner by operation of law or any other means, that if Fee Secured Party or any of the foregoing persons or entities, purchases at a foreclosure or otherwise, such that it becomes the successor to Owner as owner of the Property claiming by or through Fee Secured Party, any assignee or successor-in-interest to Fee Secured Party, so long as no Event of Default (as defined under the Lease) by Lessee exists, for avoidance of doubt, taking into account all applicable notice, grace and cure periods set forth therein, including, without limitation, Collateral Agent's cure rights that are specified for secured lenders under the Lease, (i) the Lease shall continue in full force and effect as a direct agreement between Fee Secured Party (or any assignee or successor-in-interest to Fee Secured Party or any person or entity that becomes the successor to Owner as owner of the Property) and Lessee and/or Collateral Agent, as the case may be, and (ii) Lessee's quiet possession and occupancy of the Property and Lessee's and Collateral Agent's rights and privileges under the Lease shall not be disturbed by Fee Secured Party, any assignee or successor-in-interest to Fee Secured Party or any

- 2 -

NONDISTURBANCE AND ATTORNMENT AGREEMENT

person or entity that becomes the successor to Owner as owner of the Property claiming by or through Fee Secured Party, any assignee or successor-in-interest to Fee Secured Party. Fee Secured Party shall not join Lessee as party to any action or proceeding brought as a result of a default by Owner under the Deed of Trust or any other document associated with the Deed of Trust, unless such joinder is required in order to complete the action or proceeding. In the event the Collateral Agent or any of the Secured Parties acquire Lessee's interest in the Lease by foreclosure, deed in lieu of foreclosure, or otherwise, Fee Secured Party shall recognize the Collateral Agent or the Secured Parties as having all rights of Lessee under the Lease and this Agreement.

(b) If Owner's interest in the Lease is acquired by Fee Secured Party, whether by purchase and sale, foreclosure, deed in lieu of foreclosure, or in any other way, action, or proceeding, or by any assignee or successor to Fee Secured Party, including, without limitation, any purchaser at a foreclosure sale, Fee Secured Party, Fee Secured Party's assignees, or successors-in-interest, or the purchaser at the foreclosure sale shall take the Property subject to the Lease and, subject to the terms of this Section 2(b), shall be bound by all of the undischarged obligations of Owner under the Lease occurring after such foreclosure or other action; provided, however, that Fee Secured Party shall not be bound by any obligation to pay for any damages caused by Owner under the Lease, shall not (i) be obligated cure or pay for any uncureable defaults of Owner under the Lease that occurred prior to the date of the transfer of title, (ii) be obligated to pay for any allowances or other amounts under the Lease owed to Lessee that occurred prior to the date of the transfer of title, (iii) be bound by any amendments to the Lease not received by Fee Secured Party prior to the date of any such foreclosure or other action nor consented to by the Fee Secured Party, or (iv) be bound by any prepayment of rent more than one month in advance.

(c) Fee Secured Party hereby agrees to give to Lessee and Collateral Agent copies of all notices of Owner's default(s) under the Deed of Trust concurrently with Fee Secured Party giving any such notice of default to Owner. Each of Owner and Lessee hereby agrees to give to Fee Secured Party copies of all notices of either Lessee's or Owner's default(s) under the Lease concurrently with either Owner or Lessee giving any such notice of default to Lessee or Owner, as the case may be. Lessee and Collateral Agent shall have the right at their respective option, but not the obligation, to remedy any Owner default under the Deed of Trust, or to cause any default of Owner under the Deed of Trust to be remedied. Fee Secured Party shall accept performance by Lessee or Collateral Agent of any term, covenant, condition, or agreement to be performed by Owner under the Deed of Trust with the same force and effect as though performed by Owner.

(d) Except to the extent of the rights set forth in (i) the Power Purchase Agreement dated July 23, 2014 between Fee Secured Party and Lessee (including, but not limited to, the Project Purchase Option and the Right of First Offer defined therein), (ii) the Land Option Agreement between Fee Secured Party and Owner, (iii) the Option Agreement dated as of September 29, 2015 between Fee Secured Party and Lessee, which provides Fee Secured Party with a purchase option to purchase the Project, (iv) the liens granted pursuant to the Deed of Trust, and the Leasehold DOT (but subject to the terms of the Intercreditor and Subordination Agreement, dated as of the date hereof, between Fee Secured Party and the Collateral Agent), Fee Secured Party hereby agrees that it has no interest in and to the Project, or any equipment, improvements, or fixtures owned or installed by Lessee or its affiliates, successors, assigns, or transferees on the Property leased to Lessee relating to the Project, whether real, personal, or mixed, and that any equipment, improvements, or fixtures

owned or installed by Lessee or its affiliates, successors, assigns, or transferees on the Property leased to Lessee relating to the Project shall remain the property of Lessee and shall be removable by Lessee at any time, subject to the terms and conditions of the Lease.

3. Attornment.

(a) If the interest of Owner in the Lease is acquired by Fee Secured Party, whether by purchase and sale, foreclosure, deed in lieu of foreclosure, or in any other way, action, or proceeding, or by any assignee or successor to Fee Secured Party, including, without limitation, any purchaser at a foreclosure sale, Lessee shall attorn to Fee Secured Party, or its successors and assigns, said attornment to be effective and self-operative immediately upon Fee Secured Party's or its successor's or assign's succeeding to the interests of Owner in the Lease without the execution of any other instruments on the part of any party hereto.

(b) Owner hereby irrevocably authorizes and directs Lessee, upon receipt from Fee Secured Party of written notice that Fee Secured Party has acquired Owner's fee interest in the Property, to pay all rents and other monies payable by Lessee under the Lease to or as directed by Fee Secured Party. Owner irrevocably releases Lessee from any liability to Owner for all payments so made. Lessee agrees that, upon receipt of such notice, it will pay all monies then due and becoming due from Lessee under the Lease to or as directed by Fee Secured Party, notwithstanding any provision of the Lease to the contrary. Such payments shall continue until Fee Secured Party directs Lessee otherwise in writing.

(c) If the interest of the Lessee in the Lease is acquired by the Collateral Agent or any successor or assign of the Collateral Agent's interest in the Leasehold DOT, whether by purchase and sale, foreclosure, deed in lieu of foreclosure, or in any other way, action, or proceeding, or by any assignee or successor to Collateral Agent, including, without limitation, any purchaser at a foreclosure sale, Collateral Agent or such successor, as Lessee, shall attorn to the Owner or the party holding the interest of the Owner in the Lease, or its successors and assigns, said attornment to be effective and self-operative immediately upon Collateral Agent's or its successor's or assign's succeeding to the interests of Lessee in the Lease without the execution of any other instruments on the part of any party hereto ; provided, however, that the Collateral Agent or such successor shall not be bound by any obligation to pay for any damages caused by Lessee under the Lease, shall not (i) be obligated to cure or pay for any uncureable defaults of Lessee under the Lease, (ii) be obligated to pay for any other amounts under the Lease owed to Owner prior to the date of the transfer of title, or (iii) be bound by any amendments to the Lease not received by the Collateral Agent prior to the date of such foreclosure or other action not consented to by the Collateral Agent.

4. Land Option Agreement. For avoidance of doubt, if Fee Secured Party exercises the Land Purchase Option to purchase the Property pursuant to the Land Option Agreement, Fee Secured Party shall take title to the Property subject to the terms and conditions of the Lease, this Agreement and any amendment or modification thereof in effect as of the time when such purchase is consummated.

5. General Provisions.

(a) Any notice or other required communication hereunder shall be in writing and

- 4 -

NONDISTURBANCE AND ATTORNMENT AGREEMENT

may be given by delivering in person, reliable overnight courier, or mailing the same by registered or certified mail, return receipt requested, addressed to the intended party at its address as set forth below. Any party may designate a new address by notice in writing to the other parties. Any notice given in accordance herewith shall be effective on the date of receipt or rejection in the case of reliable overnight courier or registered or certified mail.

Owner: RE ASTORIA 2 LANDCO LLC
300 California Street
7th Floor
San Francisco, CA 94104
Attention: Office of the General Counsel

Lessee: RE ASTORIA 2 LLC
300 California Street
7th Floor
San Francisco, CA 94104
Attention: Office of the General Counsel

Fee Secured Party: _____

Collateral Agent: _____

(b) This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of each of the parties hereto. The term "Fee Secured Party" shall include the respective holders from time to time of the Deed of Trust, and the terms "Owner" and "Lessee" shall include the successors, assignees, or holders from time to time of the landowner's interest in the Property, and the successors, assignees, or holders from time to time of the Lessee's interest in the Lease.

(c) Each party shall, from time to time, take such actions, execute such documents and agreements, and provide such certificates as any other party may reasonably request to carry out and fulfill the transactions, and permit the exercise and performance of the rights and obligations, as are contemplated hereunder, and to effectuate the purpose and intent of this Agreement.

- 5 -

NONDISTURBANCE AND ATTORNMENT AGREEMENT

(d) This Agreement shall be governed by, and construed under, the laws of the State of California. This Agreement may not be amended or modified except by an agreement in writing signed by the all of the parties hereto. Each party may freely assign its rights and obligations hereunder, provided, however, (i) the rights and obligations may not be assigned or delegated to multiple parties by a party to this Agreement, (ii) the rights and obligations of Fee Secured Party may not be assigned or delegated separate from the interest of the Fee Secured Party in the Deed of Trust, and (iii) the rights and obligations of Collateral Agent may not be assigned or delegated separate from the interest of the Collateral Agent in the Leasehold DOT. If any action or proceeding is brought by any party against any other party arising from or relating to this Agreement, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees. This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(e) Lessee shall cause this Agreement to be recorded in the applicable recording office in Kern County, California where the Property is located. Each of Owner and Fee Secured Party agrees to execute, acknowledge and deliver such further instruments as Lessee or Collateral Agent may request to allow for the proper recording of this Agreement or to otherwise accomplish the purposes of this Agreement.

(f) All references to the Collateral Agent contained herein refer to the Collateral Agent not acting in its individual capacity but solely as Collateral Agent acting at the written direction of the Secured Parties.

[signatures on following pages]

666

LESSOR:

RE ASTORIA 2 LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

[signatures continue on the following page]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENT AGREEMENT

THE SECURED PARTY:

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY,
a joint powers authority and a public entity organized under the laws of the State of California and
created under the provisions of the Act

By: _____
Name: _____
Title: _____

A notary public or other officer
completing this certificate verifies
only the identity of the individual who
signed the document to which this
certificate is attached, and not the
truthfulness, accuracy, or validity of
that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

[signatures continue on the following page]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENMENT AGREEMENT

POWER AND WATER RESOURCES POOLING AUTHORITY,
a joint powers authority and a public entity organized under the laws of the State of California and
created under the provisions of the Act

By: _____
Name: _____
Title: _____

A notary public or other officer
completing this certificate verifies
only the identity of the individual who
signed the document to which this
certificate is attached, and not the
truthfulness, accuracy, or validity of
that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

[signatures continue on the following page]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENT AGREEMENT

CITY OF LODI,
a California municipal corporation organized and existing under the laws of the State of California

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

[signatures continue on the following page]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENT AGREEMENT

CITY OF CORONA,
a California municipal corporation organized and existing under the laws of the State of California

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

[signatures continue on the following page]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENT AGREEMENT

CITY OF MORENO VALLEY,
a California municipal corporation organized and existing under the laws of the State of California

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

[signatures continue on the following page]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENT AGREEMENT

CITY OF RANCHO CUCAMONGA,
a California municipal corporation organized and existing under the laws of the State of California

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

[signatures continue on the following page]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENMENT AGREEMENT

COLLATERAL AGENT:

DEUTSCHE BANK TRUST COMPANY AMERICA,

a _____

By:

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

)

)

ss:

COUNTY OF _____

)

On _____, 2015 before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

SIGNATURE PAGE TO NONDISTURBANCE AND ATTORNMENT AGREEMENT

EXHIBIT A

TO
SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Property Description

PARCEL 1: (Lease Area)

LAND LEASE AREA A

REAL PROPERTY IN THE COUNTY OF KERN, STATE OF CALIFORNIA, BEING A PART OF THE SOUTHWEST QUARTER OF SECTION 28 AND THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 9 NORTH, RANGE 15 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 29, THENCE EASTWARDLY ALONG THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER, S.89°46'01"E., 45.00 FEET; THENCE S.00°30'08"E., 45.00 FEET TO THE POINT OF BEGINNING; THENCE EASTWARDLY 45.00 FEET SOUTH OF AND PARALLEL TO SAID NORTHERLY LINE, S.89°46'01"E., 1138.37 FEET; THENCE S.00°35'59"E., 100.01 FEET; THENCE EASTWARDLY, 145.00 FEET SOUTH OF AND PARALLEL TO SAID NORTHERLY LINE, S.89°46'01"E., 1441.57 FEET; THENCE EASTWARDLY, 145.00 FEET SOUTH OF AND PARALLEL TO THE NORTHERLY LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 28, N.89°57'28"E., 2238.68 FEET; THENCE S.00°00'20"E., 828.29 FEET; THENCE N.89°59'05"E., 333.18 FEET; THENCE SOUTHWARDLY, 65.00 FEET WEST OF AND PARALLEL TO THE EASTERLY LINE OF SAID SOUTHWEST QUARTER, S.01°06'50"E., 345.79 FEET; THENCE S.89°17'38"W., 38.69 FEET; THENCE S.00°38'22"W., 1264.35 FEET; THENCE WESTWARDLY, 55.00 FEET NORTH OF AND PARALLEL TO THE SOUTHERLY LINE OF SAID SOUTHWEST QUARTER, S.89°08'33"W., 2494.04 FEET; THENCE WESTWARDLY, 55.00 FEET NORTH OF AND PARALLEL TO THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29, N.89°39'08"W., 2570.89 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST; THENCE ALONG SAID CURVE WITH A RADIUS OF 20.00 FEET AND CENTRAL ANGLE OF 89°09'00" AN ARC LENGTH OF 31.12 FEET; THENCE NORTHWARDLY, 45.00 FEET EAST OF AND PARALLEL TO THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, N.00°30'08"W., 2549.51 FEET TO THE POINT OF BEGINNING.

AFFECTS A PORTION OF APN'S 261-211-06, 261-230-12, 261-230-28, 261-230-29, 261-230-30, 261-230-31, 261-230-32, 261-230-33, 261-230-38, 261-230-39, 261-230-40 AND 261-230-41

CONTAINING 12,457,729.030 SQUARE FEET OR 285.990 ACRES MORE OR LESS.

LAND LEASE AREA B

REAL PROPERTY IN THE COUNTY OF KERN, STATE OF CALIFORNIA, BEING A PART OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 32 AND THE NORTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 9 NORTH, RANGE 15 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EXHIBIT A

#4642-0527-7211

Error! Unknown document property name.

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 33, THENCE WESTWARDLY ALONG THE NORTHERLY LINE OF SAID NORTHWEST QUARTER, S.89°08'32"W., 144.05 FEET, THENCE SOUTHWARDLY PARALLEL TO THE EASTERLY LINE OF SAID NORTHWEST QUARTER, S.00°38'22"W., 55.02 FEET TO THE POINT OF BEGINNING; THENCE SOUTHWARDLY PARALLEL TO THE EASTERLY LINE OF SAID NORTHWEST QUARTER, S.00°38'22"W., 676.46 FEET; THENCE S.44°21'41"E., 74.24 FEET; THENCE S.00°40'17"W., 1991.29 FEET; THENCE N.89°47'00"E., 47.82 FEET; THENCE SOUTHWARDLY, 45.00 FEET WEST OF AND PARALLEL WITH THE EASTERLY LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 33, S.00°38'22"W., 1240.28 FEET; THENCE WESTWARDLY, 20.00 FEET NORTH OF AND PARALLEL WITH THE SOUTHERLY LINE OF SAID NORTH HALF, S.89°41'01"W., 2586.20 FEET; THENCE N.89°24'14"W., 29.64 FEET; THENCE SOUTHWARDLY, 30.00 FEET WEST OF AND PARALLEL WITH THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 32, S.01°10'03"W., 1286.17 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST; THENCE ALONG SAID CURVE WITH A RADIUS OF 20.00 FEET AND CENTRAL ANGLE OF 89°31'59" AN ARC LENGTH OF 31.25 FEET; THENCE WESTWARDLY, 55.00 FEET NORTH OF AND PARALLEL WITH THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER, N.89°17'58"W., 1594.07 FEET TO THE WESTERLY LINE OF THE EAST 10.00 ACRES OF THE SOUTHWEST QUARTER OF SAID SOUTHEAST QUARTER; THENCE NORTHWARDLY ALONG SAID WESTERLY LINE, N.00°56'45"E., 1283.02 FEET TO THE SOUTHERLY LINE OF THE NORTH HALF OF SAID SOUTHEAST QUARTER; THENCE WESTWARDLY ALONG SAID SOUTHERLY LINE, N.89°24'14"W., 952.93 FEET; THENCE NORTHWARDLY, 45.00 FEET EAST OF AND PARALLEL WITH THE WESTERLY LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER AND THE NORTHEAST QUARTER OF SAID SECTION 32, N.00°43'23"E., 2668.95 FEET TO THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32; THENCE EASTWARDLY ALONG SAID SOUTHERLY LINE, S.89°34'47"E., 1278.26 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE NORTHWARDLY ALONG THE EASTERLY LINE OF SAID NORTHWEST QUARTER, N.00°29'32"E., 1279.28 FEET; THENCE EASTWARDLY, 55.00 FEET SOUTH OF AND PARALLEL WITH THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32, S.89°39'08"E., 1318.61 FEET; THENCE EASTWARDLY, 55.00 FEET SOUTH OF AND PARALLEL WITH THE NORTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 33, N.89°08'32"E., 561.03 FEET; THENCE S.00°27'06"W., 412.36 FEET; THENCE EASTWARDLY AND PARALLEL WITH SAID NORTHERLY LINE, N.89°08'32"E., 756.70 FEET; THENCE N.00°27'06"E., 412.36 FEET; THENCE EASTWARDLY, 55.00 FEET SOUTH OF AND PARALLEL WITH SAID NORTHERLY LINE, N.89°08'32"E., 1174.17 FEET TO THE POINT OF BEGINNING.

AFFECTS A PORTION OF APN'S 261-213-11, 261-213-19, 261-213-25, 261-213-49, 261-213-51, 261-213-53, 261-213-54, 261-213-55, 261-213-56, 261-250-16, 261-250-27, 261-250-28, 261-250-45, 261-250-47 AND 261-250-48

CONTAINING 20,453,642.161 SQUARE FEET OR 469.551 ACRES MORE OR LESS.

LAND LEASE AREA C

REAL PROPERTY IN THE COUNTY OF KERN, STATE OF CALIFORNIA, BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 9 NORTH, RANGE 15 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, THENCE NORTHWARDLY ALONG THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, N.00°54'14"E., 55.01 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WESTERLY LINE, N.00°54'14"E., 1283.87 FEET TO THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER; THENCE EASTWARDLY ALONG THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER, N.89°41'01"E., 1270.51 FEET; THENCE SOUTHWARDLY, 45.00 FEET WEST OF AND PARALLEL WITH THE EASTERLY LINE OF SAID SOUTHEAST QUARTER, S.00°38'22"W., 1262.15 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE

EXHIBIT A

#4842-0527-7211

Error! Unknown document property name.

NORTHWEST; THENCE ALONG SAID CURVE WITH A RADIUS OF 20.00 FEET AND CENTRAL ANGLE OF 88°57'21" AN ARC LENGTH OF 31.05 FEET; THENCE WESTWARDLY, 55.00 FEET NORTH OF AND PARALLEL WITH THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER, S.89°35'43"W., 1256.83 FEET TO THE POINT OF BEGINNING.

AFFECTS A PORTION OF APN 261-213-25

CONTAINING 1,633,260.518 SQUARE FEET OR 37.495 ACRES MORE OR LESS.

EXHIBIT A

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CITY COUNCIL AGENDA

Date: November 10, 2015

To: Honorable Mayor and City Council

From: Fred Mason, Electric Utility Director

Subject: Resolution No. 2015-102, "Approving the Electric Utility's Interim Rate Schedule for Publicly Owned Electrical Vehicle Charging Stations"

RECOMMENDATION: Adopt City Council Resolution No. 2015-102 "Approving the Electric Utility's Interim Rate Schedule for Publicly Owned Electrical Vehicle Charging Stations."

JUSTIFICATION: An interim charging rate needs to be established for the use of Banning's publicly owned electric vehicle charging station at McDonald's Restaurant on Ramsey Street and all other public electric vehicle charging stations in Banning.

BACKGROUND: The Southern California Public Power Authority ("SCPPA") has been participating in an exercise, along with Southern California Edison ("SCE"), to develop a strategy and policies for developing a robust EV charging station network throughout southern California. In conjunction with this exercise, SCPPA applied for and was awarded a \$500,000 grant from the California Energy Commission ("CEC") on behalf of its member utilities, to help offset the costs of installing EV charging stations in their respective service territories. The Banning Electric Utility ("Utility") participated in this endeavor and has worked with the other SCPPA members to develop a cost effective project to install EV charging stations at specific locations throughout southern California.

The Utility selected McDonald's parking lot, located at 2140 W. Ramsey Street, as an ideal location for the charging station. The owner of the property agreed to allocate two parking spaces and the additional area necessary to install the charging system.

SCPPA had gone through a bid process for a turnkey EV charger installation and had selected Greenlots as the low cost vendor. The Utility solicited bids for the installation of infrastructure to accommodate the charging station under 2015-02EL "EV Charging Station, 2140 W. Ramsey St, City of Banning." The City Council adopted Resolution No. 2015-19 on March 24, 2015, attached herewith as Exhibit "A", approving the construction contract for M. Brey Electric, Inc. to complete all infrastructure improvements related to this charging station. Construction for the charging station began in July 2015 and has since been completed. The next phase of the project will be commissioning the charging station and establishing a rate-based fee for electric vehicle charging for both Banning Electric Utility customers and non-Utility customers.

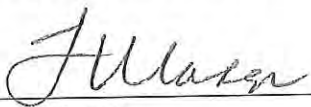
The Utility is currently planning a Cost of Service Analysis, which will include an evaluation of current electric rates and a recommendation for a permanent rate to be used for Utility customers and non-Utility customers utilizing the electric vehicle charging station. Meanwhile the Utility recognizes the need to have an interim electric vehicle charging rate that can be utilized until the permanent rates are established. The Utility is proposing that the City approve the use of the following interim rates for public charging:

- | | |
|------------------------|--------------|
| • Residents of Banning | \$.1688/kWh |
| • Non-Residents | \$.2880/kWh |

These rates are shown on the EV Schedule attached herewith as Exhibit "B". It should be noted that customers utilizing the electric vehicle charging station at the McDonald's location will be charging their electric vehicles free of charge until interim rates are established.


FISCAL DATA: Based on current projected usage, staff does not anticipate an appreciable fiscal impact associated with establishing interim rates for the publicly owned electric vehicle charging station. However, as previously noted, a more in-depth evaluation will be conducted during the Cost of Service Analysis, and staff will make a full report to Council when that is completed.

RECOMMENDED BY:



Fred Mason,
Electric Utility Director

APPROVED BY:



Alex Diaz,
Acting City Manager

RESOLUTION NO. 2015-102

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE ELECTRIC UTILITY'S INTERIM RATE SCHEDULE FOR PUBLICLY OWNED ELECTRIC VEHICLE CHARGING STATION

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, on March 24, 2015, the City Council approved the construction contract for Project No. 2015-02EL "EV Charging Station, 2140 W. Ramsey St, City of Banning" attached herewith as Exhibit "A"; and

WHEREAS, the Utility is conducting a Cost of Service Analysis to, among other things, recommend permanent electric vehicle charging rates within the City of Banning; and

WHEREAS, the Utility requests to establish an interim rate schedule for residents and non-residents of Banning, attached herewith as Exhibit "B", for use at the publicly owned charging station at the McDonald's Restaurant and all other public charging stations that precede the approval of permanent electric vehicle charging rates;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution No. 2015-102, approving the Electric Utility's Interim Rate Schedule for Publicly Owned Electrical Vehicle Charging Stations.

SECTION 2. The Electric Utility Director, or his designee is authorized to implement said Rate Schedule, and support all necessary functions associated with the ongoing use of the Publicly Owned Electrical Vehicle Charging Station.

PASSED, ADOPTED AND APPROVED this 10th day of November 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

Lona N. Laymon, City Attorney
Aleshire and Wynder, LLP

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-102 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 10th day of November 2015 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California

Exhibit “A”

RESOLUTION NO 2015-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING THE PURCHASE OF AN ELECTRIC VEHICLE FAST CHARGING STATION AND AWARDING THE CONSTRUCTION CONTRACT FOR PROJECT NO. 2015-02EL "EV CHARGING STATION, 2140 W. RAMSEY ST, CITY OF BANNING" AND REJECTING ALL OTHER BIDS.

WHEREAS, the City of Banning promotes renewable energy and reductions in Greenhouse Gas emissions; and

WHEREAS, the City is a member of the Southern California Public Power Authority ("SCPPA"); and

WHEREAS, SCPPA has developed a project to assist its member utilities with the purchase and installation of Electric Vehicle ("EV") Fast DC Charging Stations, including obtaining a \$500,000 grant from the California Energy Commission ("CEC"); and

WHEREAS, Banning's allocation from the \$500,000 grant is approximately \$48,000 or 75% of allowable expenditures, which will be issued by the CEC upon completion of the EV Charging Station installation; and

WHEREAS, staff obtained quotes for purchase and solicited bids for the installation of a new EV Fast DC Charging Station to be located in the parking lot of the McDonald's restaurant located at 2140 W. Ramsey Street; and

WHEREAS, staff determined that Greenlots' hardware and software proposal as shown on Exhibit "A" and M. Brey Electric, Inc.'s installation proposal as shown on Exhibit "B" were the most responsive in meeting the City's needs and requirements; and

WHEREAS, an appropriation in the amount of \$60,690.78 from the Electric Fund is necessary in order to cover the cost of the new EV Fast DC Charging Station.


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. Adopt Resolution No. 2015-19 approving the equipment purchase and installation of a new Electric Vehicle ("EV") Fast DC Charging Station from Greenlots in the amount not to exceed \$33,175.38 including taxes and Construction Contract for Project No. 2015-02EL "EV Charging Station, 2140 W. Ramsey St, City of Banning" to M. Brey Electric, Inc., of Beaumont, California, in the amount not to exceed \$25,014.00 including taxes and allowing a 10% contingency of \$2,501.40, and rejecting all other bids.


SECTION 2. Authorize the Interim City Manager, or his designee, to execute the necessary documents to complete said agreements.

SECTION 3. Authorize the Interim Administrative Services Director to complete the necessary budget adjustments, appropriations, and transfers related to the purchase and to approve change orders within the 10% contingencies.


PASSED, APPROVED AND ADOPTED this 24th day of March, 2015.


Deberah Franklin, Mayor
City of Banning

ATTEST:


Marie A. Calderon, City Clerk
City of Banning

APPROVED AS TO FORM AND
LEGAL CONTENT:


Lona N. Laymon, Assistant City Attorney
Aleshire & Wynder, LLP

CERTIFICATION

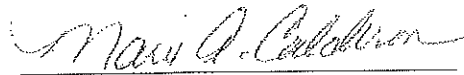
I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-19 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 24th day of March, 2015, by the following vote, to wit:

AYES: Councilmembers Miller, Moyer, Peterson, Welch, Mayor Franklin

NOES: None

ABSTAIN: None

ABSENT: None



Marie A. Calderon, City Clerk
City of Banning, California

Exhibit "A"

SCPPA-Greenlots EV Charger Equipment and Service Order Form -- Task Order XX

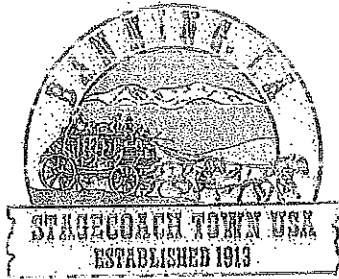
SCPPA Member
Equipment Delivery
and Installation
Address

Banning
McDonalds
2340 W. Ramsey Street
Banning, CA 92220

			per unit price	# of units	Total Price
EQUIPMENT	Unit/Model # & Description	EFACEC QC501 pc Chademo+SAE Combo	\$ 30,647.00	1	\$ 30,647.00
	Port of Sale, Credit Card Swipe				\$ -
	Branding/Logo Inclusion				\$ -
	Other - specify				\$ -
	Sub-Total				\$ 30,647.00
INSTALLATION	Taxes @	8.25%		(specify)	\$ 2,528.38
	Equipment Total				\$ 33,175.38
	Plan/Eng/Permit				\$ 2,100.00
	Demolition	Core Drill			\$ 150.00
	Excavation	Hand Trench / Backfill			\$ 1,500.00
	Main Service	200A Meter Pedestal			\$ 6,500.00
		Trenched Conduit			\$ 1,800.00
		Wire			\$ 2,200.00
		Transformer & Pad			\$ 8,500.00
	DCFC	Trenched Conduit			\$ 1,800.00
		Wire			\$ 1,600.00
		Foundation			\$ 1,500.00
	Surface Replacement				\$ 500.00
	Commission				\$ 1,000.00
	Special	Signage			\$ 350.00
		Bollards			\$ 2,400.00
		Wheel Stops			\$ 100.00
		EV Paint/Striping			\$ 1,500.00
	Permit Fees	Est			\$ 500
	Installation Total				\$ 34,000.00
					+ 15% Contingency
					\$ 5,100.00
Subtotal					\$ 39,100.00
SKY LICENSE	per charging port per year		\$ 960.00	1	\$ 960.00 for 5 years
			\$ 132.00	1	\$ 660.00 for 5 years
			\$ 175.00	1	\$ 875.00 for 5 years
CELLULAR DATA PLAN per year					Subtotal
MAINTENANCE PLAN per year (based on # of units)					\$ 2,495.00
OTHER PRODUCTS & SERVICES (specify)					\$ -
TOTAL estimated cost					\$ 74,770.38
TOTAL not to exceed cost					\$ 79,870.38 (inc. contingency)

Bill Carnahan
Southern California Public Power Authority
Executive Director

Brett Hauser
Greenlots
Chief Executive Officer



City of Banning

Electric Department

January 21, 2014

Mr. Bill D. Carnahan
Executive Director
Southern California Public Power Authority
1160 Nicole Court
Glendora, CA, 91740

Subject: CEC PON 13-606 Grant Application

Dear Mr. Carnahan:

The City of Banning ("Participant") hereby requests that the Southern California Public Power Authority ("SCPPA") apply for grant funding under the California Energy Commission's (CEC's) Program Opportunity Notice (PON) 13-606 to support the development of electric vehicle (EV) charging infrastructure in the greater southern California region in accordance with SCPPA Resolution number 2014-004, which is hereby incorporated into and made a part of this authorization letter by reference. Participant understands and agrees that potential grant funding resulting from a successful grant application will typically be made available to SCPPA and ultimately Participant as a reimbursement for up to 75 percent of allowable expenditures under the CEC PON 13-606 specifications, and the remaining amount of expenditures shall be borne by Participant.

Further, Participant hereby requests that SCPPA retain Zeco Systems, Inc. (dba Greenlots) ("Contractor") to provide goods and services to Participant in accordance with the applicable Goods and Services Agreement by and between SCPPA and Contractor ("Agreement"), SCPPA Resolution number 2014-006, which is hereby incorporated into and made a part of this authorization letter by reference.

Participant agrees to pay for actual fees and expenses invoiced by Contractor and will be responsible for all payment obligations incurred by SCPPA in connection with the work performed at the direction of or on behalf of Participant. Participant also requests that any and all grant funds that are provided to SCPPA by the CEC as an up-front payment or as reimbursement for expenditures made in connection with the development of EV charging infrastructure shall be credited to the Participant's Palo Verde (Hoover for Anaheim) Project billing.

Participant agrees to indemnify, defend and hold SCPPA and other SCPPA members free and harmless for the cost of any work performed at the direction of, and for the exclusive benefit of Participant by Contractor. Further, to the extent permitted by law, Participant agrees to indemnify, defend and hold SCPPA and other SCPPA members free and harmless from any and all liability, claims and losses accruing or resulting to SCPPA in connection with the performance of any resulting Agreement between SCPPA and the CEC in accordance with or related to CEC PON 13-606.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred Mason".

Fred Mason
Electric Utility Director



Tom Mangione
Owner/Operator
8605 Indiana Avenue
Riverside, California 92504
951/689-8400
Fax: 951/689-5669

January 28, 2014

Tatyana Yakshina
Commission Agreement Officer
California Energy Commission
1516 Ninth Street, MS-13
Sacramento, California 95814

Subject: CEC PON 13-606 Grant Application

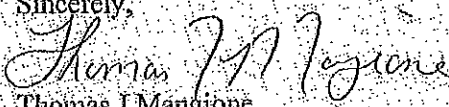
Dear Ms. Yakshina:

Jo-Sam Foods, inc, dba McDonald's is pleased to be a provide this Letter of Commitment to the California Energy Commission (CEC) as a Key Partner in the application under Program Opportunity Notice 13-606, submitted by the Southern California Public Power Authority (SCPPA). As a customer of the City of Banning, an SCPPA Member, we support the efforts of the proposed project to install electric vehicle chargers across Southern California to serve our customers and encourage the adoption of plug-in electric vehicles and specifically on my property at 2140 West Ramsey St, Banning, Ca 92220.

The funding from the CEC is critical to the project to help publicly owned utilities continue to provide reliable and cost-effective electric service to all of their customers and visitors to our region.

It is my understanding that Banning has committed matching funds to support the project, if approved.

We greatly appreciate your consideration of SCPPA's application. Please contact me should you have any questions regarding our participation in this project.

Sincerely,

Thomas J Mangione
Owner/Operator

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Exhibit "B"

**SUMMARY OF BIDS RECEIVED
CITY OF BANNING**

PROJECT NO.: 2015-02EL

DESCRIPTION: EV Charging Station, 2140 W. Ramsey Street

BID OPENING DATE: March 4, 2015 TIME: 1:30 p.m.

NAME OF BIDDER:	A 1	A 2	BID BOND	TOTAL BID AMOUNT:
Regency Pacific Development Corp. Beaumont, CA	✓	✓	✓	\$ 26,400.00
Endure Electric Company Murrieta, CA	✓	✓	✓	\$ 31,740.00
M. Brey Electric, Inc. Beaumont, CA	✓	✓	✓	\$ 25,014.00

(A)-Addendum

VERIFIED BY:

[Signature]
[Signature]

SECTION 1.3
OF
PROCEDURAL DOCUMENTS

BID

Proposal of M. Bray Electric, Inc
hereinafter called "bidder", organized and existing under the laws of the State of California,
doing business as a corporation
*insert "a corporation", "a partnership", or "an individual", as applicable.

To the CITY OF BANNING, hereinafter called "Owner":

In compliance with your Invitation for Bids and Instruction to Bidders, Bidder hereby proposes to perform all work for the Project No. 2015-02EL, "EV Charging Station 2140 W. Ramsey St, City of Banning" in strict accordance with the Contract Documents, within the time set forth therein, and at the prices stated below.

By submission of this Bid, the Bidder certifies, and in the case of a joint Bid each party thereto certifies as to his own organization that this Bid has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this Bid with any other Bidder or with any competitor.

Bidder hereby agrees that the Owner shall have a period of forty-five (45) calendar days after opening of bids within which to accept or reject the bids.

Bidder agrees to commence work under this contract on or before a date to be specified in the Notice to Proceed and to achieve Substantial Completion within Thirty (30) calendar days. Final Completion shall be achieved within seven (7) calendar days following receipt of Substantial Completion punch-list.

Bidder agrees that if the project is not fully completed within said time, he shall pay as liquidated damages, the sum of \$750.00 for each calendar day thereafter as provided in the General Conditions, and that this amount shall be presumed to be the amount of damages sustained by Owner in the event of such a breach by Bidder, as it would be impractical or extremely difficult to fix the actual damage.

BID SCHEDULE

PROJECT NO. PROJECT NO. 2015-02EL, "EV Charging Station 2140 W. Ramsey St,

City of Banning"

UNIT BID SCHEDULE

The Bid Schedule includes Bid Items 1 through 11. The work of each Bid Item is specified or shown in the Contract documents.

Bidder will perform and complete the work in accordance with the Contract documents for the following Lump Sum and Unit Prices.

A Lump Sum or Unit Price, as applicable, shall be offered for each Bid Item; failure to do so shall render the Bid non-responsive. All prices shall be in legible figures (not words) written in ink or typed. Unit Prices shall be multiplied by the Estimated Quantity ("Est. Qty.") to calculate the Extended Amount.

Lump Sum Items: the bidder is to provide the price to perform all work as specified or shown herein, including labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing this work.

Unit Price Items: the bidder is to provide a unit price and should include all labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing the work. The Contractor will be compensated for the actual unit quantities performed in accordance with the terms and conditions set forth in the Contract.

Bid Lump Sum and Unit Prices shall include all applicable taxes.

The Bid Price shall be the sum of the amounts for Bid Items 1 through 11.

Having carefully examined the Contract documents, as well as the site of the work, and the availability of materials and labor, Bidder proposes to perform the work identified in the Contract documents under the terms and conditions contained herein for the prices and amounts set forth below.

Bid Item	Description	Est. Qty.	Unit	Unit Price	Total
1	Potholing	1	LS	740	740
2	Permits & Licensing	1	LS	118	118
3	Trench and Native Backfill	1	LS	1936	1936

Bid Item	Description	Est. Qty.	Unit	Unit Price	Total
4	200 Amp Meter Pedestal	1	EA	3786	3786
5	Conduit and Wire	1	LS	1524	1524
6	Dry Type Transformer and Base	1	LS	8964	8964
7	EFACEC QC DC Fast Charger and Base	1	LS	1256	1256
8	Protective Bollards	6	EA	786	4716
9	Signage	1	LS	954	954
10	Paint Striping	1	LS	460	460
11	Core Drilling and Concrete Repair	1	LS	560	560
BID PRICE				\$ 25,014.00	

SCHEDULE I BID AMOUNT IN WORDS: Twenty Five Thousand and Fourteen Dollars.

ADDENDA

Bidder acknowledges receipt of the following Addenda:

Addendum No.: 1

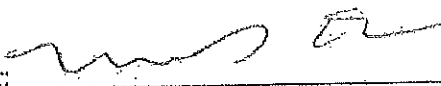
DATED: 2/26/15

Addendum No.: 2

DATED: 2/27/15

Addendum No.: _____

DATED: _____

Confirmed by Bidder: 
(signature of authorized representative)

Print Name: Matt Brey

Corporate Title: President

NON COLLUSION AFFIDAVIT

STATE OF CALIFORNIA

COUNTY OF Riverside

Matt Bray, being first duly sworn, the party making the
(Name of Bidder).

foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

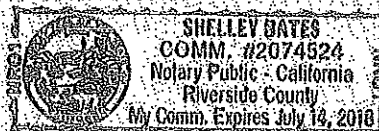
[Signature]
(Signature)
MATT BRAY
(Typed Name)

SUBSCRIBED BEFORE ME on this 3rd day of March, 2015.

[Signature]
Notary Public

My commission Expires:

July 14th 2018



SECTION 1.5
OF
PROCEDURAL DOCUMENTS

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, M. BREY ELECTRIC, INC., as Principal, and U.S. SPECIALTY INSURANCE COMPANY, as Surety, are hereby held and firmly bound unto the CITY OF BANNING as Owner in the penal sum of TEN PERCENT OF GREATER AMOUNT BID for payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors and assigns.

Signed, this 2ND day of MARCH, 2015. The Condition of the above obligation is such that whereas the Principal has submitted to the CITY OF BANNING a certain Bid; attached hereto and hereby made a part hereof to enter into a contract in writing for the

Project No. 2015-02EL, "EV Charging Station 2140 W. Ramsey St, City of Banning"

NOW, THEREFORE,

- A. If said Bid shall be rejected, or
- B. If said Bid shall be accepted and the Principal shall execute and deliver, within fifteen (15) days after the Notice of Award, a contract in the form attached hereto (properly completed in accordance with said Bid) and shall furnish a Bond for his faithful performance of said Contract and for the payment of all persons performing labor or furnishing materials in connection therewith, the required Insurance Certificates, and shall in all other respects perform the agreement created by the acceptance of said Bid, then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims there under shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligation of said Surety and its Bond shall be in no way impaired or affected by any extension of the time within which the Owner may accept such Bid; and said Surety does hereby waive notice of any such extension.

In the event suit is brought upon this bond by the Obligor and judgment is recovered, the Surety shall pay all costs incurred by the Obligor in such suit, including a reasonable attorney's fee to be fixed by the court.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

Two Witnesses
(If Individual):

Principal: M. BREY ELECTRIC, INC.

By: 

Title MATTHEW A. BREY, PRESIDENT

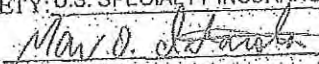
ATTEST (If Corporation):

By _____

Title _____

(Corporate Seal)

SURETY: U.S. SPECIALTY INSURANCE COMPANY

By: 

Title MARK D. IATAROLA, ATTORNEY-IN-FACT

ATTEST:

By _____

Title _____

(Corporate Seal)

IMPORTANT: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in Section 105 of the California Insurance code.

Any claims under this bond may be addressed to:

(Name and Address of Surety)

U.S. SPECIALTY INSURANCE COMPANY
601 SOUTH FIGUEROA STREET, SUITE 1600
LOS ANGELES, CA 90017

(Name and address of Agent or Representative in California, if different from above)

MALONEY AND ASSOCIATES
436 WEST GRAND AVENUE
ESCONDIDO, CA 92025

(Telephone number and address of Surety and Agent or Representative in California)

310/649-0990 (SURETY)
601 SOUTH FIGUEROA STREET, SUITE 1600, LOS ANGELES, CA 90017
760/738-2610 (AGENT)
436 WEST GRAND AVENUE, ESCONDIDO, CA 92025

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

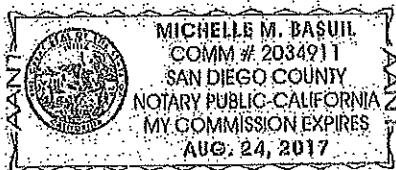
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of SAN DIEGO)
 On 3/2/2015 before me, MICHELLE M. BASUIL, NOTARY PUBLIC,
 Date Here Insert Name and Title of the Officer
 personally appeared MARK D. IATAROLA
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Michelle M. Basuil
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: MARK D. IATAROLA
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☒ Attorney In Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney In Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

POWER OF ATTORNEY

AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS, That American Contractors Indemnity Company, a California corporation, Texas Bonding Company, an assumed name of American Contractors Indemnity Company, United States Surety Company, a Maryland corporation and U.S. Specialty Insurance Company, a Texas corporation (collectively, the "Companies"), do by these presents make, constitute and appoint:

John G. Maloney, Mark D. Iatavola or Helen Maloney of Escondido, California

its true and lawful Attorney(s)-in-fact, each in their separate capacity if more than one is named above, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed *****Fifteen Million***** Dollars (\$ 15,000,000.00)

This Power of Attorney shall expire without further action on December 20, 2017. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

Be it Resolved, that the President, any Vice President, any Assistant Vice President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings, including any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts, and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 1st day of December, 2014.

AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

Corporate Seals



By:

Daniel P. Aguilar, Vice President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles SS:

On this 1st day of December, 2014, before me, Maria G. Rodriguez-Wong, a notary public, personally appeared Dan P. Aguilar, Vice President of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature

(Seal)



I, Michael Chalekson, Assistant Secretary of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Los Angeles, California this 2ND day of MARCH, 2015.

Corporate Seals



Bond No. _____
Agency No. 4013

Michael Chalekson, Assistant Secretary

California All-Purpose Certificate of Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Riverside

S.S.

On 3/3/15 before me, Shelley Bakes, Notary Public
Notary of Notary Public Title

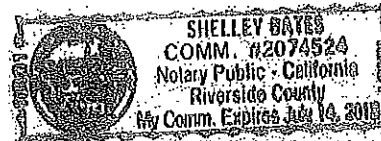
personally appeared Matthew Bray
Name of Signer (s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Shelley Bakes
Signature of Notary Public



Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____

The signer(s) capacity or authority is/are as:

- ☐ Individual(s)
☐ Attorney-in-fact
☒ Corporate Officer(s)

President
Title(s)

- ☐ Guardian/Conservator
☐ Partner - Limited/General
☐ Trustee(s)
☐ Other: _____

representing: _____
Name of Person or Entity Represented

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

- ☐ form(s) of identification ☐ credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

- ☐ Additional Signer ☐ Signer(s) Thumbprints(s)

☐ _____

BID SECURITY OR BOND

There is enclosed herewith bid security or bond in the following form (check one):

- ☐ Cash (10%)
- ☒ Cashier's Check or Certified Check (10%)
- ☒ Bond - 1 Surety (10%)

in the sum of 10% OF BID (10) percent of the base bid of
\$25,014.00 (\$ _____), made payable to the
order of the City of Banning, and the undersigned agrees that in case of his failure to execute the
necessary Contract and furnish the required bonds and insurance certificates, the cashier's check
or surety bond and the money payable thereon shall be and remain the property of the CITY OF
BANNING.

WITHDRAWAL OF BID

The Bidder agrees that this Bid shall be good and may not be withdrawn for a period of forty-five
(45) calendar days after the scheduled closing time for receiving Bids.

VISITING THE SITE

The undersigned has thoroughly examined the Location Map and Addenda (if any), has visited
the site, and is thoroughly familiar with the contents and all of the conditions thereof. The
undersigned is aware of and will observe all security regulations enforced at this facility.
Contractor understands that the project site consists of various locations, throughout the City.

DESIGNATION OF SUBCONTRACTORS

In compliance with the provisions of Section 4100 - 4108 of the Public Contract Code of the
State of California, and any amendments thereto, each Bidder shall set forth below, the name and
location of the mill, shop, or office of each subcontractor who will perform work or labor, or
render service to the Contractor in an amount in excess of one-half ($\frac{1}{2}$) of one (1) percent of the
total Bid to be performed under the Contract, he shall be deemed to have agreed to perform such
portion himself and he shall not be permitted to subcontract that portion of the work except under
conditions permitted by law.

LIST OF SUBCONTRACTORS

Subletting or subcontracting of any portion of the work as to which no subcontractor was
designated in the original Bid shall only be permitted in case of public emergency or necessity, or
otherwise permitted by law, and then only after a finding reduced to writing as a public record of
the Owner.

LIST OF SUBCONTRACTORS

NAME: Superior Pavement Markings	License No and Classification 776306 Striping	DBE/MBE _Yes <input checked="" type="checkbox"/> No
ADDRESS: PO Box 278	Telephone: (951) 845-2799 Fax: (951) 845-6399	Ownership (Circle One) Minority Women Not Applicable <input checked="" type="checkbox"/>
City, Zip: Beaumont, CA 92223	Bid Item No. 9, 10	% of Total bid 5070.

NAME:	License No and Classification	DBE/MBE _Yes <input type="checkbox"/> No
ADDRESS:	Telephone: Fax:	Ownership (Circle One) Minority Women Not Applicable
City, Zip:	Bid Item No.	% of Total bid

NAME:	License No and Classification	DBE/MBE _Yes <input type="checkbox"/> No
ADDRESS:	Telephone: Fax:	Ownership (Circle One) Minority Women Not Applicable
City, Zip:	Bid Item No.	% of Total bid

LIST OF MATERIAL SUPPLIERS

NAME: <i>Walter's Wholesale</i>	MATERIAL(S) TO BE SUPPLIED <i>Transformer, pedestal wire</i>	
ADDRESS: <i>10864 Edison Ct.</i>	Telephone: <i>(909) 989-7058</i>	Ownership (Circle One) <i>Minority</i> <i>Women</i> <i>Not Applicable</i>
City, Zip: <i>Rancho Cucamonga CA, 91730</i>	Bid Item No. <i>4, 5, 6</i>	% of Total bid <i>15.970</i>

NAME:	MATERIAL(S) TO BE SUPPLIED	
ADDRESS:	Telephone:	Ownership (Circle One) <i>Minority</i> <i>Women</i> <i>Not Applicable</i>
City, Zip:	Bid Item No.	% of Total bid

NAME:	MATERIAL(S) TO BE SUPPLIED	
ADDRESS:	Telephone:	Ownership (Circle One) <i>Minority</i> <i>Women</i> <i>Not Applicable</i>
City, Zip:	Bid Item No.	% of Total bid

LIST OF MATERIAL SUPPLIERS - cont.

NAME:	MATERIAL(S) TO BE SUPPLIED	
ADDRESS:	Telephone:	Ownership (Circle One) Minority Women Not Applicable
City, Zip:	Bid Item No.	% of Total bid

NAME:	MATERIAL(S) TO BE SUPPLIED	
ADDRESS:	Telephone:	Ownership (Circle One) Minority Women Not Applicable
City, Zip:	Bid Item No.	% of Total bid

NAME:	MATERIAL(S) TO BE SUPPLIED	
ADDRESS:	Telephone:	Ownership (Circle One) Minority Women Not Applicable
City, Zip:	Bid Item No.	% of Total bid

LIST OF MATERIALS

The Contractor shall submit this sheet with his Bid, completed, to list details of materials he intends to use. It shall be understood that where the Contractor elects not to use the material manufacturers called for in the Contract documents he will substitute only items of equal quality, durability, functional character and efficiency as determined by the Engineer. It is the Contractor's responsibility to ascertain prior to bidding the acceptability of substitutes. No adjustment to the Contract price will be made for Contractor's failure to seek approval of substitutes prior to submitting its bid, except as permitted herein. Only one manufacturer shall be listed for each item.

[illegible]

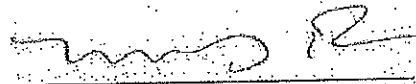
No change shall be allowed of any material manufacturer listed above after receipt of Bids unless the manufacturer so listed cannot furnish materials meeting the Specifications. Should such change be allowed, there will be no increase in the amount of the Bid originally submitted.

ANTI-TRUST CLAIM

In submitting a Bid to a public purchasing body, the Bidder offers and agrees that if the Bid is accepted, it will assign to the purchasing body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, materials, or services by the Bidder for sale to the purchasing body pursuant to the Bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the Bidder.

DECLARATION OF ACCURACY

I, the undersigned, declare under penalty of perjury that the information presented in this bid, including without limitation the Contractor's license number and expiration date, are true and correct to the best of my knowledge. The bid of any Bidder not signed by the Bidder, or not containing the Bidder's license number and license expiration date, or containing information which is subsequently proven false, shall be considered nonresponsive and shall be rejected.


Signature

President
Title

3/2/15
Date

561224
Contractor's License No.

WLE-1070109
Federal ID No. (If applicable)

(SEAL - if Bid is by a corporation)

ATTEST

408 Elm Ave
Address

Beaumont, TX 77723
City, State, Zip

(951) 845-5438
Telephone

C-10 Electrical, Class A
Type of License

12/31/18
Expiration Date of License

CERTIFICATION
LABOR CODE - SECTION 1861

I, the undersigned Contractor, am aware of the provisions of Section 3700 et. Seq. of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work of this Contract.

Contractor agrees to utilize federal job classifications for the submittal of the certified payrolls and further agrees to pay all of its employees the higher of the prevailing State or Federal wages.

CONTRACTOR:

M Barry Electric, INC

Firm Name

[Signature]

By

President

Title

QUESTIONNAIRE REGARDING BIDDERS

Number of years engaged in the contracting business under present business name 2

List of at least the last three contracts performed which show experience in working on a project of a nature similar to that covered in this proposal. If none, so indicate. Attach separate list of references if necessary.

References

Year	Type of Work	Contract Amt.	Location	Contact person/phone
1	2011 Conduit Duct Bank	370,000.00	Camp Pendleton	Debbie (951) 845-2121
2	2013 Primary Circuits	150,000.00	Edwards AFB	Debbie (951) 845-2121
3	2014 Dist. Pedestal	30,000.00	City of Beaumont	Eregdin (951) 845-3282
4				
5				
6				
7				

State of California Contractor's License No.: 561224

Contractor's License Expiration Date: 12/31/10

CORPORATE CERTIFICATE

I, Matt Bray, certify that I am the Corporate Secretary of
the M. Bray Electric, Inc. Corporation named as
CONTRACTOR in the foregoing contract; that Matt Bray
 , who signed said contract on behalf of the CONTRACTOR was then
President of said corporation; and that said contract was
duly signed for and in behalf of said corporation by authority of its governing
body and is within the scope of its corporate powers.

Name: Matt Bray

(SEAL)

ATTEST:

[Signature]

Name MATT BRAY
(Please Print)

Title PRESIDENT

SCHEDULE

EV Charging Station 2140 W. Ramsey

Date: March 4, 2015

CONTRACTOR: M. Brey Electric, Inc.

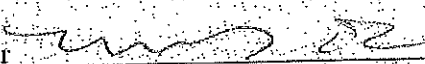
Activity Description	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Contractor																			
Equipment Submittals/Approval																			
Order Equipment																			
Layout Site/Pull Permit																			
Install Underground Conduit																			
Install Equipment Pads																			
Install Pedestal																			
Install Transformer																			
Striping/Signage																			
Pull Wire																			
Energize System																			
Site Cleanup																			

SECTION 1.4
OF
PROCEDURAL DOCUMENTS
BID SUBMITTAL CHECKLIST

Bidder confirms that the following documents are fully completed, included in and made a part of its Bid.

- ☒ Bid - Page I-8
- ☒ Bid Schedule - I-9 & I-10
- ☒ Addenda Acknowledgement - I-11
- ☒ Non-Collusion Affidavit - I-16
- ☒ Bid Security or Bond - I-14, I-23 & I-24
- ☒ List of Subcontractors - I-15
- ☒ List of Material Suppliers - I-16 & I-27
- ☒ List of Materials - I-18
- ☒ Declaration of Accuracy - I-19
- ☒ Labor Code Certification - I-20
- ☒ Questionnaire Regarding Bidders - I-21
- ☒ Corporate Certificate - I-29
- ☒ Preliminary Project Schedule
- ☒ Bid Submittal Checklist - I-22

Confirmed by Bidder


(signature of authorized representative)

Print Name:

Matt Bray

Corporate Title:

President

CITY OF BANNING
Electric Division

SCHEDULE EV

ELECTRIC VEHICLE PUBLIC CHARGING

A) APPLICABILITY

Applicable to the charging of electric vehicles at City-owned public charging stations within the City of Banning.

B) CHARACTER OF SERVICE

Alternating current with regulated frequency of 60 hertz single-phase, three-phase, or a combination of single and three-phase served through one meter, at a standard voltage not to exceed 480 volts, or as may be specified by the Electric Division.

C) TERRITORY

Within the area served by the City of Banning.

D) RATES

	<u>Per kWh</u>
Residents of Banning	\$.1688
Non-Residents	\$.2880

E) MINIMUM CHARGE

Electric vehicle public charging is not assessed a minimum charge.

F) SPECIAL CONDITIONS

1. Voltage: will be supplied at one standard voltage.
2. Energy Surcharge: The charges in the above rate are subject to California State Energy surcharge tax and may be adjusted accordingly.

CITY COUNCIL AGENDA

DATE: November 10, 2015

TO: Banning City Council

FROM: Lona N. Laymon, City Attorney

SUBJECT: City Council "Workshop" and Policies in re Consent Calendar, Meeting Minutes, Councilmember Interaction During Public Comment, and Time of Regular Council Meetings.

RECOMMENDATION:

That the City Council receive and file information about, and provide any policy direction upon, the following policy issues:

- (A) The City's "Consent Calendar" Policy. How are items placed on the consent calendar? What is the consent calendar protocol?
- (B) The City's "Minutes" Policy. How much detail should be in minutes? How should public comment be recorded? Availability of video recordings as an alternate/verbatim record?
- (C) Public Comment Interaction Issues. Brown Act allows Councilmembers to "briefly respond" to public comments. Should Council define what qualifies as "brief" in terms of Councilmember responses? Limit on the number of Councilmembers that may respond to a public comment (i.e., in order to avoid crossing into the realm of "deliberations" that are prohibited by the Brown Act)?
- (D) Time of Regular Council Meetings. Is 5:00 PM too early for convenience of public? Alternative times to be considered? Impact on closed sessions?

BACKGROUND:

On October 23, 2012, the City Council adopted its "Manual of Procedural Guidelines for the Conduct of City Council and Constituent Body/Commission Meetings" (the "Manual"). The Manual is the City's single-source compilation of rules relating to meeting procedures for the City Council and all subsidiary City commissions and advisory bodies. The Manual generally covers issues of parliamentary procedure, the Brown Act, due process and general standards of civility/courtesy. The Manual was last amended on November 12, 2013.

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DISCUSSION:

A. The City's "Consent Calendar" Policy.

State Law does not provide detailed guidance on the consent calendar. If the body uses a consent calendar for routine items of business and does not allow members of the public to remove those items from the consent calendar for discussion, then a general audience comment period must precede action on the consent calendar to ensure that the public has an opportunity to comment on any item on the calendar before action is taken. State law also provides that all city council actions relating to borrowing amounts of \$100,000 or more must be discussed, considered, and deliberated as a "separate item of business on the agenda." (Gov. Code §53635.7.) In effect, this means that approvals relating to bond issues in excess of \$100,000 cannot be on the consent calendar. Furthermore, ordinances shall not be placed on the consent calendar for approval until after first reading.

The Manual provides more detail than State law. Matters of a routine, generally uncontested, or non-controversial nature shall be placed on the agenda as consent items and may be approved in a single motion by adoption of the consent calendar. The approval of the consent calendar shall signify the approval of each matter or recommendation included therein. All matters on the consent calendar shall be the subject to public comment. Upon the request of any legislative body member, or upon the request of a member of the public made through the mayor/chair, a matter may be removed from the consent calendar for separate discussion and/or action. Any such item shall be considered separately from the rest of the consent calendar.

Under the terms of our Manual, matters are placed on the consent calendar in the discretion of the City Manager. Any matter may be placed on consent where the City Manager believes (i) it the matter would most likely be unanimously approved by the Legislative Body, or (ii) there is not likely to be public comment on the matter, or (iii) a public presentation of the matter would not be particularly beneficial to the community or public interest.

If the Council sees a need to further revise the current consent calendar policy, such policy direction could be effected through an amendment to the Manual.

B. The City's "Minutes" Policy.

The taking of "minutes" is another issue lacking detailed guidance from State law. State law simply says the city clerk is directed to keep minutes of city council proceedings. (Gov. Code § 36814.) "At the request of a member, the city clerk shall enter the ayes and noes in the journal." (*Id.*) State law sets no detailed standard for how detailed the minutes must be.

Any tape or film record of a meeting made by or at the direction of the agency is a public record that must be retained and made available to the public for at least 30 days. (Gov. Code § 54953.5(b).) The agency must provide to the public, without charge, equipment to

review the record. Video and audio records of the meetings can be thought of as the "verbatim minutes" for any meeting.

Again, the City's Manual provides more detail. Consistent with State law, the Manual requires the Clerk/Secretary to prepare an "abbreviated record of the meeting proceedings" for approval by the legislative body. Amendment of the minutes may be made only as to factual accuracy and not as to a change of intent or substantive action. The Manual specifies that the minutes need not be verbatim. Only the best and most complete available recording of the meeting shall constitute the official record of the legislative body, but the minutes shall constitute the official record of the legislative body meeting where a verbatim record of the meeting is not available.

The Council may consider whether it is desirable to specify the level of detail that should be captured in all minutes. This could be accomplished through a simple amendment to the Manual. Do consider, however, that verbatim audio or video records are recorded in the case of most Council and commission meetings. These recordings may be deemed official records of the City and are admissible as court records, if needed. As such, there is not likely a need for other verbatim minutes, and such detail is certainly not required by law.

C. Public Comment Interaction Issues.

In recent Council meetings, and as raised in various public comment correspondence, there has been some question as to the extent to which legislative body members may respond directly to public comments.

Under the Brown Act, a Councilmember or legislative body member can make a "brief" response to a public comment--although other Councilmembers cannot start debating or deliberating the issue. There's no clear definition of what constitutes a "brief" response. The relevant statute from the Brown Act is Government Code § 54954.2(a)(2):

No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(Emphasis added.) As a matter of policy, it is always recommended that Councilmembers refrain from responding directly to public comments on items not on the agenda in order to avoid digressing into non-agendized deliberations. For this reason, we strongly discourage comments in response to a public comment by multiple legislative body members—the risk of responsive comments by multiple members turning into a full-blown discussion is simply too great. Similarly, Councilmembers are strongly discouraged from engaging the public in “back and forth” verbal exchanges from the dais—such exchanges, as they may become heated, risk digression into deliberation amongst other members.

The Manual does not currently detail a time limit for what constitutes a “brief” response to public comment. It also does not set a limit on the number of legislative body members that may respond to any one public comment. It is advisable, however, that such standards are implemented. We suggest a time limit of 2 or 3 minutes, and a rule allowing only one Councilmember to respond directly to each comment from a member of the public. If multiple Councilmembers are interested in discussing the matter(s) raised by a public speaker, that matter should be scheduled for a future, agendized discussion. The California Municipal Law Handbook makes the following recommendation:

Responses, reports, and directions to staff should be brief and not entail lengthy discussion. If there is disagreement over whether to place a matter on a future agenda or whether to have staff return with a report, the matter should be put to an immediate vote without discussion.

D. Time of Regular Council Meetings.

Each legislative body subject to the Brown Act must take formal action to establish a time and place for holding regular meetings. (Gov. Code § 54954(a).) Section 2.1 of the Manual states:

Unless otherwise specified by a resolution or ordinance applicable to specific Legislative Body, the regular meetings of all Legislative Bodies shall be held on the second and fourth Tuesday of each month at the time designated by the Legislative Body, in the Council Chambers at City Hall, 99 East Ramsey Street, Banning, California 92220, or at such other locations as the Legislative Body may from time to time designate by resolution, in the order of adjournment, or in the notice of call of any special meeting. In the event a day of meeting shall be a legal holiday, said meeting shall be held on the next business day.


The Municipal Code simply states that, “The city council shall hold regular meetings at least twice a month at such times as are fixed by resolution of the city council.” (B.M.C.

§ 2.04.010.) A copy of the resolution setting the Council's current meeting times is attached hereto as Attachment 1. The current regular meeting start time is 5:00 PM.

The question has been asked whether the current regular meeting start time of 5:00 PM fails to accommodate public participation. As many citizens do not leave work until 5:00 PM or later, it may be difficult for them to attend the start of a 5:00 PM meeting. On the other hand, starting the meetings much later than 5:00 PM risks having meetings run very late, thereby losing public participation towards the meeting's end. Any change to the Council's regular meeting times may be enacted through a simple amendment to the regular meeting resolution.

FISCAL DATA: None expected as a result of any policy direction to be provided by Council.

RECOMMENDED BY:



Lona N. Laymon
City Attorney

APPROVED BY:



Interim City Manager

ATTACHMENTS:

1. Resolution Setting Current Regular City Council Meeting Times

CITY COUNCIL RESOLUTION NO. 2010-37

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ADDRESSING MUNICIPAL CODE CHAPTER 2.04, SECTION 2.04.010, SETTING ITS CITY COUNCIL MEETING TIME.

WHEREAS, the City Council wishes to change its regular meeting time; and

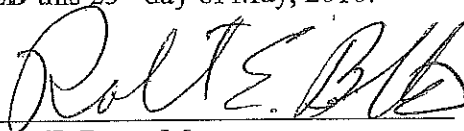
WHEREAS, the City Council as per Banning Municipal Code Chapter 2.04, Section 2.04.010 is authorized to formalize its meeting schedule by resolution and adopts the following;

Regular Meetings.

"The City Council shall hold its regular meetings on the second and fourth Tuesdays of each month at the approximate hour of 5:00 p.m., except for the months of November and December the City Council shall meet on the second Tuesday of each month at the approximate hour of 5:00 p.m. If any regular Council meeting falls on a City holiday, such meeting shall be held on the first day thereafter, which is not a City holiday. Closed Session will occur at 4:00 p.m. prior to all regularly scheduled meetings, when applicable."

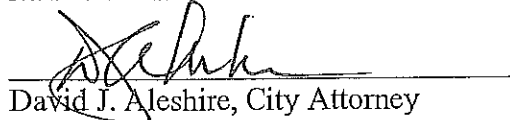
NOW, THEREFORE, the City Council of the City of Banning resolves that the meeting schedule herein shall take effect on June 8, 2010.

PASSED, APPROVED AND ADOPTED this 25th day of May, 2010.



Robert E. Botts, Mayor

APPROVED AS TO FORM
AND LEGAL CONTENT:



David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:



Marie A. Calderon, City Clerk

CERTIFICATION

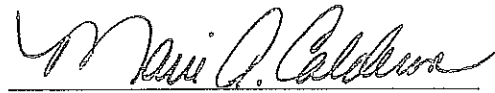
I, Marie A. Calderon, City Clerk of the City of Banning, do hereby certify that the foregoing City Council Resolution 2010-37 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 25th day of May, 2010, by the following vote, to wit:

AYES: Councilmembers Franklin, Machisic, Robinson, Mayor Botts

NOES: Councilmember Hanna

ABSTAIN: None

ABSENT: None

A handwritten signature in cursive script, appearing to read "Marie A. Calderon", written over a horizontal line.

Marie A. Calderon, City Clerk
City of Banning, California