



**CITY OF PITTSBURG
AGENDA**

MAY 17, 2021

**CITY HALL COUNCIL CHAMBER
65 CIVIC AVENUE, PITTSBURG, CA**

**CLOSED SESSION
5:30 P.M.**

**REGULAR MEETINGS
7:00 P.M.**

**CITY COUNCIL
PITTSBURG ARTS AND COMMUNITY FOUNDATION
PITTSBURG POWER COMPANY
SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II
SUCCESSOR AGENCY**

PRESIDING

**Marilyn “Merl” Craft, Mayor/Chair
Holland Barrett White, Vice- Mayor/Chair
Shanelle Scales-Preston, Council Member/Board Member
Juan Antonio Banales, Council Member/Board Member
Jelani Killings, Council Member/Board Member**

**FOR HOUSING AUTHORITY:
S.L. Floyd, Housing Authority Member
Annie Hill Herring, Housing Authority Member**

Pittsburg City Council meetings are held the first and third Mondays of each month at 7:00 p.m. The Housing Authority meets in conjunction with the City Council on the third Monday of each month. The Pittsburg City Council meets regularly in the Council Chamber at 65 Civic Avenue, unless otherwise noted above. The City Council also sits as the Board of Directors of several other City agencies. The stipends for all agency members conform to state statutes governing compensation amounts. All other Agencies meet on an as needed basis and will be listed above if applicable. Copies of the open session agenda packets, which are distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except from noon to 1:00 p.m. and City holidays). The agenda and reports are also located on the City's website at www.ci.pittsburg.ca.us. Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection in the City Clerk's Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

PUBLIC ADVISORY:
THE CITY COUNCIL CHAMBER WILL NOT BE OPEN TO THE PUBLIC

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the meeting of the City Council will be conducted electronically through Zoom and broadcast live through Granicus on the City's website. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Council Chamber will not be open for the meeting. Council Members will be participating electronically and will not be physically present in the Council Chamber.

Beginning with the January 19, 2021 City Council Meeting, live comments will be allowed by members of the public via teleconferencing during Zoom meetings and written comments received after 3:00 p.m. will be read aloud by staff. To be placed in a queue to comment, please adhere to the following instructions.

To Participate in Public Comment During the Meeting:

- Notify the City Clerk's Office via email by 3:00 p.m. on the meeting date that you would like to be placed in the queue for general Public Comments, or comments on a specific agenda item. Requests received after 3:00 p.m. on the date of the meeting will not be able to comment.
- Email your name and telephone number to meetingcomments@ci.pittsburg.ca.us. We need both identifications to pair you with the item you wish to speak on. You must also be sure that you call in using the number you have provided or we may not be able to identify you as a speaker.
- Your email must include the words **"FOR PUBLIC COMMENT"** in the subject line and specify the **Agenda Item number or Non-Agenda** as appropriate.
- You will receive an email confirmation with instructions to log in.
- Once the meeting starts (check the Streaming Media link on our website – www.ci.pittsburg.ca.us) you can phone in to Zoom. If you log in before the event has actually started you may be disconnected.
- You will be added to the meeting as an attendee and will be called upon by staff for phone-in comments.
- Speakers will be muted until their opportunity to provide public comment.
- All comments will be subject to the three-minute time limitation (approximately 350 words).
- Begin your comment by providing your name and city of residence for the record – although providing this is not required for participation.
- Just as in a live meeting inside the Council Chamber, only one comment per agenda item per person is allowed.

In the event a quorum of the City Council loses electrical power or suffers an internet connection outage not corrected within 15 minutes, the meeting will be adjourned. Any items noticed as public hearings will be continued to the next regularly scheduled meeting of the City Council. Any other agenda items the Council has not taken action on will be placed on a future agenda.

AUDIENCE REMARKS

The Audience Remarks period is for the public to comment on any items scheduled to be heard during the Closed Session portion of the meeting, if applicable.

5:30 P.M. - CONVENE IN CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Section 54956.9(d)(2)

Number of cases: one

2. CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Section 54957.6:

City designated representatives: Garrett Evans, Stacy Shell, Charles Sakai, Sloan Sakai Yeung & Wong LLP

Employee organizations: American Federation of State, County, and Municipal Employees Local 512 Management/Professional/Confidential Unit and Miscellaneous A Unit; Pittsburg Police Officers' Association; Pittsburg Police Managers Group; Teamsters Local 856; International Brotherhood of Electrical Workers Local 1295

Unrepresented employees: Management Group; Senior Executive Team

7:00 P.M. - CONVENE IN OPEN SESSION FOR REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

3. Contra Costa Wellness Tobacco Prevention Update

4. PAL (Police Activities League) Yearly Report

CITY MANAGER REPORTS/REMARKS

The City Manager may make brief announcements or informal comments at this time and brief the Council on items of interest. (No Action Required)

PUBLIC COMMENTS

See Public Advisory.

COMMITTEE REPORTS

Council Members may make a report on their committee assignments at this time. (see attached list of adhoc committees and other public agencies in which Council members participate). (No Action Required)

CITY COUNCIL MEETING

CONSIDERATION

5. Adoption of a Minute Order to Approve City Council Recesses for Summer Months

Historically, the City Council takes recesses during the summer months to allow for both staff and Council vacations. Both the recess and the scheduled dates are at the discretion of the Council.

6. Approving a Lease and License and Right of Entry Agreement Between the City of Pittsburg and Matternet, Inc.

Staff is recommending approval of the attached Lease Agreement with Matternet, Inc. for the use of an existing building and yard for an office space and other activities associated with the operation (including launch, flight, and recovery) of unmanned aircraft systems at 2225 John Henry Johnson Parkway. Staff is also recommending approval of the attached License and Right of Entry Agreement for 2225-2255 W. Leland Road.

7. Introduce, Waive Further Reading and Adopt Urgency Ordinance Amending Urgency Ordinance No. 20-1474 Regarding Commercial Evictions During the COVID-19 Local Emergency to Establish an End Date of June 30, 2021

More than a year ago, the City Council adopted an urgency ordinance to prohibit commercial evictions and rent increases to minimize disruption due to the COVID-19 pandemic. The authority of local government to impose restrictions on commercial tenancies was provided by the Governor's Executive Order N-28-20, which was extended by Executive Order N-03-21, and is set to expire June 30, 2021. Staff recommends amending the urgency ordinance to set forth an end date of June 30, 2021. If adopted, which requires a 4/5ths vote, the proposed ordinance would take effect immediately.

CONFLICT OF INTEREST STATEMENT

City Council/Agency Members may make any conflict of interest declarations pertaining to Consent Calendar items at this time.

COMBINED CITY COUNCIL, PITTSBURG ARTS AND COMMUNITY FOUNDATION, PITTSBURG POWER COMPANY, SUCCESSOR AGENCY AND SOUTHWEST PITTSBURG GHAD II CONSENT CALENDAR

8. Minutes of May 3, 2021
9. Adoption of a Pittsburg Power Company Resolution Approving the Annual Wildfire Mitigation Plan

Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE). State law, California Public Utilities Code Section 8387, requires all publicly owned electric utilities to develop, review, update and file a Wildfire

Mitigation Plan (Plan). The Plan is to be filed with the California Wildfire Safety Advisory Board (WSAB) by July 1st of each year.

10. Adoption of a Pittsburg Power Company Resolution Approving the Utility Physical Security Plan

Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE). PPC is required to develop and submit a Utility Physical Security Plan (Plan) to the California Public Utilities Commission (CPUC) annually. The Plan is developed in accordance with the 2019 CPUC Decision (D.) 19-01-018 (Decision). A key element of the Plan is the identification of "Covered Distribution Facilities". IE has no identified Covered Distribution facilities as defined by the Decision and employs security best practices and regular facilities threat and security assessments.

11. Adoption of a Pittsburg Power Company Resolution Approving the Purchase of a Replacement Utility Truck

Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE). PPC is seeking to replace a retired and scrapped bucket truck with a used digger/derrick bucket utility truck (Utility Truck).

12. Adoption of a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Citywide Landscaping and Lighting Assessment District 88-01 for Fiscal Year 2021-2022

Directing the Engineer of Work (City Engineer) to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Citywide Landscaping & Lighting Maintenance District 88-01. Upon receipt and approval of the Engineer's Report, Council may then order that the liens be placed on the County tax roll. Revenue collected through this district is necessary to fund the landscaping and lighting operations on a citywide basis.

13. Adoption of a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Oakhills Landscaping and Lighting Assessment District 88-02 for Fiscal Year 2021-2022

Directing the Engineer of Work (City Engineer) to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Oakhills Landscaping & Lighting Maintenance District 88-02. Upon receipt and approval of the Engineer's Report, the City Council may order that the assessments be placed on the County tax roll. Revenue collected through this district is necessary to fund the City's landscaping and lighting operations in the Oakhills area.

14. Adoption of a City Council Resolution to Establish a Salary Range for Police Evidence Technician II and Amend the AFSCME Miscellaneous A Memorandum of Understanding

The City Manager, upon recommendation from the Director of Human Resources, has added the new classification of Police Evidence Technician II. In accordance with the City's Personnel Rules, the City Council is asked to establish the salary range and amend the AFSCME Miscellaneous-A Memorandum of Understanding.

15. Adoption of a City Council Resolution to Accept the Plans and Specifications and Authorize the Award of Project 3079, Ambrose Park Restroom and Concession Project

Project 3079, Ambrose Park Restroom and Concession Project ("the Project"), is for replacement of the restroom and concession facilities, ADA improvements and repair of a failed storm drain system at Ambrose Memorial Park. Adoption of this resolution will accept the plans and specifications for the Project and authorize the City Manager to award a construction contract to Saboo, Inc. of Brentwood, California for \$513,438.

16. Adoption of a City Council Resolution to Accept California Energy Commission Electric Vehicle Ready Communities Program Grant Funding and Enter into a Grant Agreement

The Contra Costa Transportation Authority (CCTA) in partnership with the Cities of Pittsburg and Richmond, and Marin Clean Energy (MCE) has been awarded \$2.5 million in grant funds from the California Energy Commission (CEC) Electric Vehicle (EV) Ready Communities Grant Program to reduce greenhouse gas emissions through support of the electrification of transportation. The City will receive \$180,000 of these grant funds to be used to increase public access to EV charging stations and electric bicycles through grant partner MCE and for Pittsburg to develop and implement an EV repair training program through the workforce development program, Future Build

17. Adoption of a City Council Resolution to Accept Project 2216, Range Road Sidewalk Improvement Project as Complete and Authorize the City Engineer to File a Notice of Completion

Project 2216, Range Road Sidewalk Improvement Project (the "Project") widened the sidewalk on the north/east side of Range Road from West Leland Road to Rancho Medanos Junior High School. This Resolution will accept the construction contract as complete and authorize the City Engineer to file a notice of completion.

18. By Minute Order, Authorize the Mayor to Sign a Letter Supporting SB 612 on Behalf of the City of Pittsburg

MCE customers are not receiving the benefits of their Power Charge Indifference Adjustment (PICA) fees paid. In addition to increasing transparency around contract negotiations, support of SB 612 would ensure fair and equal access to the benefits of the resources that all customers pay for through the PICA, and would ensure that legacy contracts are managed in a way that maximizes benefits for everyone.

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

Council Members may request items to be considered for future agendas. An item will only be brought forward with a majority vote and will appear on a future agenda with staff recommendations for further Council consideration.

COUNCIL MEMBER REMARKS

Council Members may make brief announcements or informal comments at this time. (No Action Required)

ADJOURNMENT to June 7, 2021

NOTICE TO PUBLIC

GENERAL INFORMATION

Copies of the open session agenda packets, which are distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except City holidays). The full packets are also located on the City's website at www.ci.pittsburg.ca.us. If any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports or documents will be available for public inspection in the City Clerk's Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

SPEAKER'S CARD

Members of the audience who wish to address the City Council on issues that are not scheduled for the agenda and on any items listed as part of the agenda should complete a Speaker's Card available at the dais. Please read the card carefully in order to fill out the card properly. Submit the completed card to the City Clerk before the item is called, preferably before the meeting begins. Individuals will be given three minutes to address the Council unless additional time is allowed as provided for spokespersons. Speakers are not permitted to yield their time to another speaker. Prior to speaking, each member of the public shall state their name and business and City of residence in a clear and audible tone of voice. Pursuant to the Brown Act, no action may be taken by the City Council on items not already scheduled on the agenda; however, the City Council may refer your comments/concerns to staff or request that the item be placed on a future agenda.

PUBLIC HEARINGS

Persons who wish to speak on Public Hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to public comment and brought to the Council/Agency level for discussion and action. Further comment from the audience will not be received unless requested by the Council/Agency.

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting.

NOTICE TO THE DISABLED AND VISUALLY OR HEARING IMPAIRED

In compliance with the Americans with Disabilities Act, the City of Pittsburg will provide special assistance for disabled citizens. Upon request, an agenda for any meeting shall be made available in appropriate alternative formats. The Council Chamber is equipped with sound amplifier units for use by the hearing impaired. The units operate in conjunction with the Chamber's sound system. You may request the sound amplifier from the City Clerk for personal use during Council meetings. If you need special assistance to participate in this meeting, or are requesting a specially formatted agenda, please contact the City Clerk at 925-252-4850. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format. (28 CFR 35.102-35.104 ADA Title II)

DISRUPTIVE CONDUCT

The Council requests that you observe the order and decorum of our Council Chamber by turning off or setting to vibrate all cellular telephones, and that you refrain from making personal, impertinent, or slanderous remarks. Boisterous and disruptive behavior while the Council is in session, and the display of signs in a manner which violates the rights of others or prevents others from watching or fully participating in the Council meeting, is a violation of our Municipal Code and any person who engages in such conduct can be ordered to leave the Council Chamber by the Mayor.

LIVE MEDIA BROADCASTING ADVISEMENT

City Council meetings are webcast live on the City's website at www.ci.pittsburg.ca.us on the Streaming Media page. Past meetings are also archived on that webpage. City Council meetings are also broadcast live on CCTV, Channel 24 also re-run at a later date. For more information, please contact the City Clerk's office at 252-4850.

City Council Outside Agency / Liaison / Sub-Committees Assignments - 2021

Updated March 1, 2021

<u>OUTSIDE AGENCY BOARDS</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
ABAG	Merl Craft / Holland White Alternate	Standing	Annual	G. Evans
Delta Diablo**	Juan Banales / Shanelle Scales-Preston Alt.	Standing	2 nd Wednesday	R. Abono
East Co. Co. County Habitat Conservancy	Juan Banales / Jelani Killings Alternate	Standing	Monthly	Planning
East County Water Management	Juan Banales / Jelani Killings Alternate	Standing	Annual	R. Abono
MCE Clean Energy Board	Shanelle Scales-Preston / Holland White Alt.	Standing	4 Per Year	D. Buchanan
TRANSPLAN / ECCRFFA	Holland White / Juan Banales Alternate	Standing	2 nd Thursday	J. Hecht
Tri-Delta Transit (2 reps)***	S. Scales-Preston & Merl Craft / Jelani Killings Alt.	Standing	Last Wednesday	J. Hecht
<u>LIAISON TO</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
East Bay League of Calif. Cities	Shanelle Scales-Preston / Merl Craft Alt.	Standing	3 rd Thursday	*Rotational
Mayor's Conference	Merl Craft / Holland White Alt.	Standing	1 st Thursday	G. Evans
School Districts Committee (2x2)	Merl Craft & Holland White / Shanelle Scales-Preston Alt.	Standing	2 nd Thursday even months	G. Evans
<u>SUBCOMMITTEES</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
CAC CDBG Subcommittee	S. Scales-Preston & Jelani Killings / Holland White Alt.	Standing	As needed	M. Aliotti
City Council Policy and Procedures Review	Juan Banales & Merl Craft	Ad Hoc	As needed	G. Evans
City Infrastructure and Transportation	Holland White & Juan Banales / S. Scales-Preston Alt.	Standing	Ad needed	G. Evans
Community Services Subcommittee	Merl Craft & Shanelle Scales-Preston / Juan Banales Alt.	Standing	As needed	M. Aliotti
Constituent Management Services	S. Scales-Preston & Juan Banales / Holland White Alt.	Ad Hoc	As needed	G. Evans
Government Performance Subcommittee	Holland White & Juan Banales	Ad Hoc	As needed	G. Evans
Hills Committee	Juan Banales & Jelani Killings / Merl Craft Alt.	Ad Hoc	As needed	G. Evans
Pittsburg Recognition Committee	Merl Craft / Juan Banales Alt.	Standing	As needed	J. Hecht
Economic Develop/Waterfront Subcommittee	Jelani Killings & Holland White / Juan Banales Alt.	Standing	As needed	J. Davis
Finance Subcommittee	Juan Banales & Holland White / Jelani Killings Alt.	Standing	As needed	FINANCE
Land Use Subcommittee	Juan Banales & Holland White / Merl Craft Alt.	Standing	As needed	J. Hecht
Pittsburg Arts & Community Foundation	Merl Craft & S. Scales-Preston / Jelani Killings Alt.	Standing	As needed	G. Evans
Pittsburg Police Activities League (PAL)	S. Scales-Preston & Holland White / Juan Banales Alt.	Standing	Monthly	B. Addington
Power Company Advisory	S. Scales-Preston & Holland White / Juan Banales Alt.	Standing	As needed	D. Buchanan
Public Safety Subcommittee	Holland White & Shanelle Scales-Preston	Standing	As needed	B. Addington
Sister City Committee	Jelani Killings & Merl Craft / Holland White Alt.	Standing	As needed	K. Simonton

*Rotational Staff as assigned by City Manager

**Stipend of \$209 per month

***Stipend of \$100 per month

COMMISSION/SUBCOMMITTEE MEETING SCHEDULE

Following is a tentative list of currently scheduled Commission meetings for the upcoming month. For further information, please visit our website at www.ci.pittsburg.ca.us and click on the CALENDAR link for meetings, dates, times and locations.

Commission	Tentative Meeting Dates
Planning Commission	2 nd and 4 th Tuesdays
Community Advisory Commission	1 st Wednesday

Planning Commission meetings are regularly held the second and fourth Tuesdays of the month in the Pittsburg City Hall Council Chambers.

Community Advisory Commission meetings are regularly held the first Wednesday of the month in the Pittsburg City Hall Council Chambers.

In addition to the Commission Meetings listed above, there are several Council Member Subcommittees that meet on an “as needed basis”. For a list of subcommittees that Council Members and staff are assigned to, please see the “Council Committee List” attached to the agenda.

Subcommittee Meetings that are anticipated to occur in the coming month vary. The meeting dates, times and locations for these meetings are yet to be determined. This information will be posted on the City’s website, www.ci.pittsburg.ca.us, as soon as it is determined. Please check the Calendar on the City’s website for information.

For further information, contact the City staff member assigned to that Commission or Subcommittee.



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a Minute Order to Approve City Council Recesses for Summer Months

MEETING DATE:

EXECUTIVE SUMMARY

Historically, the City Council takes recesses during the summer months to allow for both staff and City Council vacations. Both the recess and the scheduled dates are at the discretion of the City Council.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

By Minute Order, approve recess of the City Council meetings of the July 5, 2021 and September 6, 2021 meetings.

BACKGROUND

The City Council historically takes recesses throughout the year to allow for both staff and City Council vacations.

SUBCOMMITTEE FINDINGS

This item was not submitted to a subcommittee.

STAFF ANALYSIS

The City Council typically recesses the meeting during the first week of July and the first meeting of September. The first Monday in July falls during the week of the Independence Day holiday. The first Monday in September falls during the week of Labor Day. To avoid any potential lack of quorum for these meetings, it is preferred to cancel the meetings of July 5 and September 6. These recesses would allow for vacation accommodations for both staff and City Council.

ATTACHMENTS:

None

Report Prepared By:
Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Approving a Lease and License and Right of Entry Agreement Between the City of Pittsburg and Matternet, Inc.

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Staff is recommending approval of the attached Lease Agreement with Matternet, Inc. for the use of an existing building and yard for an office space and other activities associated with the operation (including launch, flight, and recovery) of unmanned aircraft systems at 2225 John Henry Johnson Parkway. Staff is also recommending approval of the attached License and Right of Entry Agreement for 2225-2255 W. Leland Road.

FISCAL IMPACT

The Tenant will lease the Premises for a base rent amount of One Thousand Five Hundred Dollars (\$1,500.00) per month for the first year. The Lease provides the Tenant with one option to extend the term one year with an 5% monthly increase over the prior year should the option be exercised. The License and Right of Entry Agreement require a One Dollar (\$1.00) payment for the use of the Property.

RECOMMENDATION

Approve the Lease Agreement for 2225 John Henry Johnson Parkway and the License and Right of Entry Agreement for 2225-2255 W. Leland Road with Matternet Inc.

BACKGROUND

Matternet Inc. ("Tenant") was founded in 2014 with approximately 80 employees working with partners around the world. The Tenant builds and operates unmanned aircraft systems and logistics networks for transporting medical goods on demand, through the air, at a fraction of the time, cost, and energy of any other transportation method used today in urban environments.

The building at 2225 John Henry Johnson Parkway (“Premises”) would be the office space for the flight test team, which serves as the front-line defense to capture and fix any technology issues prior to shipment of aircraft to partner organizations. Additional research and development flights to evaluate new and emerging aviation technologies will be conducted onsite.

Operation of the use falls under the regulations of the Federal Aviation Administration (FAA), and will follow the very strict safety standards installed by Matternet to ensure all personnel, as well as the public, are safe at all times.

Environmental: This project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Class 1, “Existing Facilities,” of the State CEQA Guidelines, section 15301.

SUBCOMMITTEE FINDINGS

The lease was discussed during the April 12, 2021 Economic Development and Waterfront Development Subcommittee meeting, at which time staff was directed to continue negotiations.

STAFF ANALYSIS

The proposed Lease and License and Right of Entry Agreements would help facilitate the operation of a high-tech research and development business within the City of Pittsburg, consistent with the City’s Economic Development goal ED-1, which calls for identifying business sectors that will be sustainable in the 21st century, and specifically autonomous or unmanned technologies. As previously mentioned, the Tenant would be launching, test flying, landing, and recovering aircraft(s). Staff believes the use has the potential to further support programs in operation at Los Medanos College, Pittsburg High School, and other educational institutions in the future.

The Premises is currently vacant. The Premises as well as the larger property generally referred to as 2225-2255 W. Leland Road (“Property”) have been underutilized. The City and Tenant propose to enter into a License and Right of Entry Agreement, subject to and consistent with the terms and conditions of the lease agreement, to allow the Tenant access to the Property. The Lease Agreement will commence on June 1, 2021 and will expire on May 31, 2022. The option to extend the term by one year may be exercised by the Tenant after the additional year, the City and Tenant may negotiate a new agreement or extension.

The City further proposes to enter into a License and Right of Entry agreement, subject to the terms and conditions of the agreement to allow the Tenant to access to the Property for the purposes of flight testing. Should developments proposed on specific areas of the Property come forward for development, the City has the right to rescind access to specific portions of the property upon notice to the Tenant.

ATTACHMENTS: Resolution
 Lease Agreement
 License and Right of Entry Agreement

Report Prepared By: Kolette Simonton, Assistant Director of Economic Development and Recreation

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing Execution of a Lease)
Agreement and a License and)
Right of Entry Agreement with)
Matternet, Inc.)

RESOLUTION NO. 21-

WHEREAS, the City is the owner of real property located at 2225 John Henry Johnson Parkway in Pittsburg, California, known as Assessor Parcel Number 709-408-001 (Premises); and

WHEREAS, the City is the owner of real property located at 2225 East Leland Road known as Assessor's Parcel Numbers 094-080-031; 095-150-032; 095-160-001; 095-160-002; 094-080-011; 094-090-001; and 094-080-002 (Property); and

WHEREAS, the City desires to lease to Matternet, Inc.(Tenant) the Premises, and Tenant desires to lease the Premises from the City for use as office space and other activities associated with the safe operation (including launch, recovery, and flight) of unmanned aircraft systems operations, subject to the terms and conditions of the Lease; and

WHEREAS, in conjunction with the Lease, Tenant desires permission from the City to enter onto the Property for limited purposes from time to time and subject to specified restrictions, and City desires to authorize such entry.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Pittsburg hereby authorizes the City Manager to execute the Lease Agreement by and between the City of Pittsburg and Matternet, Inc., and the License and Right of Entry Agreement.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk

LEASE AGREEMENT
By and Between
THE CITY OF PITTSBURG
and
MATTERNET, INC

This LEASE AGREEMENT (this “**Lease**” or this “**Agreement**”), dated as of June 1, 2021 (the “**Effective Date**”), is entered into by and between the City of Pittsburg, a municipal corporation (hereafter the “**City**” or the “**Landlord**”) and Matternet, Inc, a Delaware corporation (the “**Tenant**”). Landlord and Tenant are hereafter collectively referred to as the “**Parties**”.

RECITALS

A. The City is the owner of fee title to real property located at 2225 John Henry Johnson Parkway in Pittsburg, CA known as Assessor Parcel Number 709-408-001, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**Premises**”).

B. The City is the owner of fee title to real property located at 2225 W. Leland Road in Pittsburg, CA known as Assessor Parcel Numbers 094-080-014, as more particularly described in Exhibit B attached here to and incorporated herein by this reference (the “**Property**”).

C. The City desires to lease to the Tenant the Premises, and Tenant desires to lease the Premises from the City for use as office space and other activities associated with the safe operation (including launch, recovery, and flight) of unmanned aircraft systems operations (the “**Permitted Uses**”), subject to the terms and conditions of this Lease.

D. Concurrently with this Lease, City and Tenant have entered into that certain License and Right of Entry Agreement dated the same as this Lease (the “**Entry Agreement**”) with respect to access to adjacent parcels (the “**Licensed Property**”).

NOW, THEREFORE, for and in consideration of the covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows.

ARTICLE I DEFINITIONS; DEMISE OF PROPERTY

1.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth in this Section. Additional definitions are set forth in the Recitals and the text of this Agreement.

- (i) **"Applicable Laws"** is defined in Section 4.7.
- (ii) **"Commencement Date"** is defined in Section 2.1.
- (iii) **"Default Rate"** is defined in Article VIII.
- (iv) **"Expiration Date"** is defined in Section 2.1.
- (v) **"Force Majeure"** is defined in Section 12.1.
- (vi) **"Hazardous Materials"** is defined in Section 5.5.1.
- (vii) **"Hazardous Materials Claims"** is defined in Section 5.2(c).
- (viii) **"Hazardous Materials Laws"** is defined in Section 5.5.2.
- (ix) **"Indemnitees"** is defined in Section 4.8.
- (x) **"Late Fee"** is defined in Section 2.2.
- (xi) **"Lease Termination"** is defined in Section 2.1.
- (xii) **"Premises"** is defined in Recital A.
- (xiii) **"Property"** is defined in Recital B.
- (xiv) **"Remedial Work"** is defined in Section 5.2(e).
- (xv) **"Rent"** is defined in Section 2.2.
- (xvi) **"Term"** is defined in Section 2.1.

1.2 Incorporation of Recitals The Parties acknowledge the truth of the Recitals set forth above, and all such Recitals are hereby incorporated into this Agreement.

1.3 Creation of Lease. City hereby leases to Tenant, and Tenant hereby leases from City, the Premises for the Term subject to the terms and conditions and for the purposes set forth in this Agreement.

ARTICLE II TERM OF LEASE; RENT; SECURITY DEPOSIT

2.1 Term. The term of this Agreement (the “**Term**”) shall commence on the date that is the later to occur of (i) Landlord’s delivery of the Premises to Tenant vacant and broom clean, with the City Work substantially completed and otherwise in the required condition, and (ii) June 1, 2021 (the “**Commencement Date**”). Unless terminated earlier or extended pursuant to the provisions hereof, this Agreement shall expire on May 31, 2022 (the “**Expiration Date**”). The expiration of the Term or the sooner termination of this Agreement is referred to herein as the “**Lease Termination**.”

Should the City terminate the Right of Entry Agreement, or, if applicable, elect not to renew the term thereof, then Tenant shall have the right, in its sole discretion to terminate this Lease by written notice to the Landlord, such termination to be effective on the date identified in such notice (not to exceed sixty (60) days after the date thereof).

2.1.1 Option to Extend. Tenant, by written notice to City, shall have one option to extend the Term of this Lease for an additional one-year period beyond the then current expiration date. Tenant shall provide such notice to City at least ninety (90) days prior to the end of the Term.

2.2 Rent. Commencing on the Commencement Date Tenant shall pay to Landlord as rent for the Premises, the sum of One Thousand Five Hundred Dollars (\$1,500) per month (the “**Rent**”). If the above Option is exercised, the monthly Rent shall increase five percent (5%)..

Rent is due and payable on the first day of each month to the City at the address shown in Section 12.5.2 or such other place as the City may designate in writing. In the event the Tenant fails to pay Rent by the close of business on the fifth day of each month or the Tenant’s check is returned by the financial institution which it is drawn for insufficient funds, the Tenant shall pay the City 10% of such overdue Rent (“**Late Fee**”). City and Tenant agree that such Late Fee represents a fair and reasonable estimate of the cost the City shall incur by reason of the late payment by the Tenant. Acceptance of such Late Fee by the City shall in no event constitute a waiver of the Tenant’s default with respect to such overdue amount, nor prevent the City from exercising any of the other rights and remedies granted hereunder.

2.3 Additional Rent. As additional rent (the “**Additional Rent**”), the Tenant shall pay and discharge when due, all insurance premiums; applicable taxes that include but are not limited to real property taxes, possessory interest, rent taxes, gross receipt taxes; and all other liabilities and obligations which the Tenant assumes or agrees to pay or undertake pursuant to this Lease.

2.4 Utilities. Tenant is responsible for paying all utilities serving the Premises (as defined in the Lease) including electricity, gas, garbage, water and sewer. In the event it is operationally best for the building for Landlord to coordinate trash service, Tenant

agrees to reimburse Landlord for its actual costs of such trash service based upon its prorata share of usage.

2.5 Security Deposit. Tenant shall pay the City a security deposit in the amount of One Thousand Five Hundred Dollars (\$1,500) (the “**Security Deposit**”). The Security Deposit shall be paid upon the execution of this Lease. Provided that the Tenant is not in default under this Lease, the City shall return the Security Deposit to Tenant upon the termination of this Lease. The City has no obligation to pay or earn interest on the Security Deposit.

2.6. Use of Security Deposit. If the Tenant is in default with respect to any provision of this Lease beyond applicable notice and cure periods, the City may, but has no obligation to, use the Security Deposit or any portion thereof to cure such default or to compensate the City for any damage or reasonable expense sustained by the City resulting from such default, but only after providing Tenant with an opportunity to cure such default. The City shall provide the Tenant with evidence of damage incurred as a result of a default by Tenant. If this Lease has not been terminated as a result of such default, the Tenant, on demand from the City, shall promptly restore the Security Deposit to the full amount pursuant to Section 2.5.

ARTICLE III ALTERATIONS AND NEW CONSTRUCTION

During the Term of this Agreement, the Tenant shall not make any permanent change, alteration or addition to the Premises (collectively, the “**Improvements**”) without the prior written consent of the City. Subject to review and approval of more detailed plans and applicable permits, the City hereby consents to Tenant’s installation of the Improvements identified in Exhibit D attached hereto; provided, that, in no event shall Tenant be obligated to perform such Improvements. Tenant shall provide to City reasonably detailed plans with respect to the proposed Improvements for the City’s approval (not to be unreasonably withheld, conditioned or delayed) and should the City not approve such plans within thirty (30) days after Tenant’s submission thereof of a complete application, then Tenant shall have the right to terminate this Lease by written notice to City.

ARTICLE IV MANAGEMENT, USE AND OPERATION OF THE PROPERTY

4.1 Permitted Uses. The Tenant may use the Premises for the sole purpose of research and testing of unmanned aircraft flight systems and the associated activities to ensure the safe operation of those flights and such uses that are ancillary thereto. The Tenant shall not use or permit the Premises or Property to be used for any purpose other than the Permitted Uses pursuant to this Agreement or with the City's written consent. Tenant shall continuously use the Premises for the uses specified in this Section. The storage facility on the Property, parking lot and park adjacent to the Property are not included in the Lease.

4.2 Nondiscrimination. The Tenant herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the Tenant himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

4.4 Maintenance and Inspection of the Premises.

4.4.1 Maintenance. The Tenant is responsible for routine cleaning of the Premises and agrees to keep the Premises clean to a commercially reasonable standard throughout the Term. Throughout the Term, the Tenant shall, at the Tenant's expense, clean and maintain the Premises in a neat and orderly condition, including, without limitation, the following: (a) interior surfaces of walls, ceilings, and floors; (b) wall and floor coverings; (c) all interior windows and interior plate glass; (d) doors; (e) locks or closing devices; (f) signs; and (g) will maintain all portions of the Premises in a reasonably clean and orderly condition, free of accumulation of rubbish, graffiti and noxious weeds.. The Tenant shall keep and maintain all portions of the Premises in a reasonably clean and orderly condition, free of accumulation of rubbish, graffiti and noxious weeds, and keep the Premises in condition not detrimental to the surrounding Property and free from hazards to the general public. The Tenant's failure to maintain the Premises in accordance with this Agreement shall, at the City's discretion, be grounds for termination of this Agreement pursuant to Article XI. Tenant shall not be obligated to perform any construction or repairs, except to the extent that the need therefore is caused by the negligence or willful misconduct of Tenant (subject to the waivers set forth in Section below).

4.4.2 Inspection. At any time during the Term, upon reasonable advance notice and during normal business hours, the City may conduct inspections of the Premises to confirm that it is being properly maintained as required herein. Following its inspection, the City may deliver to the Tenant written notification of any portions of the Premises which the City has determined are not being properly maintained, and the Tenant shall promptly prepare and deliver to the City the Tenant's proposed plan for remedying the indicated deficiencies. The Tenant's failure to deliver a remedial plan and to complete remedial work within a reasonable time as determined by the City in its reasonable discretion shall be a default under this Agreement.

The failure of the City to inspect or to notify the Tenant of any deficiency shall not be a waiver of default or of the City's right to enforce the Tenant's obligations hereunder. The Tenant shall defend (with counsel reasonably acceptable to the City), indemnify and hold the Indemnitees harmless from and against any and all claims arising out of the Tenant's failure to fully and timely fulfill its obligations as required hereunder.

4.5 City's Right to Perform Tenant Obligations. If following notice and the expiration of any applicable cure period as set forth in the notice required by Section 11.2.1, the Tenant fails to perform its obligations to maintain the Premises in accordance with the standards set forth in this Agreement, the City shall have the right, but not the obligation, to perform such work upon delivery of written notice to the Tenant, and the Tenant shall reimburse the City for all expenditures the City incurs in connection with such work together with interest thereon at the Default Rate specified in Article VIII. The City's election to undertake such obligation shall not operate as a waiver of any other right or remedy the City may have pursuant to this Agreement.

4.6 City Not Obligated to Perform Repairs. Except as expressly provided in this Lease (including below), the City shall not be obligated to make any repairs, alterations, additions, Improvements or betterments to the Premises during the term of this Agreement nor shall the City be obligated to maintain or operate the Premises.

4.7 Compliance with Laws. Tenant, at its sole cost and expense, shall comply with all applicable state and federal laws and regulations, including without limitation, all applicable state and federal labor laws and standards, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq., California Government Code Section 4450, et seq., California Government Code Section 11135, et seq., and the Unruh Civil Rights Act, California Civil Code Section 51, et seq. Tenant shall comply with all City ordinances and regulations relating to noise, business hours, pertaining to the use, operation, and management of the Premises. (All of the foregoing state, federal and local laws, regulations and ordinances are referred in this Lease as the "**Applicable Laws**.") The Tenant shall not itself use the Premises for any unlawful purpose or perform, permit or suffer any act of omission or commission upon or about the Premises which would result in a nuisance or a violation of law. The Tenant shall use its best efforts to not permit any permittees, licensees, guests or invitees to use the Premises for any unlawful

purpose or perform, permit or suffer any act of omission or commission upon or about the Premises which would result in a nuisance or a violation of law. Notwithstanding anything to the contrary in this Lease, Tenant shall not be required to comply with or cause the Premises to comply with any Applicable Laws, rules, regulations or insurance requirements requiring the construction of alterations unless such compliance is necessitated solely due to Tenant's particular use of the Premises.

4.8 Tenant Right to Contest. The Tenant shall have the right to contest by appropriate proceedings, in the name of the Tenant, and without cost or expense to the City, the validity or application of any Applicable Law. If compliance with any Applicable Law may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien, charge or liability against the Premises or Tenant's interest therein, and without subjecting the Tenant or the City to any liability, civil or criminal, for failure so to comply therewith, the Tenant may delay compliance therewith until the final determination of such proceeding. The Tenant shall indemnify, defend (with counsel approved by the City), protect and hold the City and its elected and appointed officers, officials, employees, agents, and representatives (collectively the "**Indemnitees**") harmless from and against all claims arising in connection with any such contest brought by the Tenant. The foregoing indemnity obligation shall survive the expiration or earlier termination of this Agreement.

Notwithstanding anything to the contrary in this Lease, if the City either (1) fails to issue any required permits for the Permitted Use within 90 days after the execution of this Lease (or denies such permit), (2) claims that Tenant is unable to use the Premises, Property or the Licensed Property for the Permitted Use hereunder, or (3) if a change in Applicable Laws after the Commencement Date is reasonably interpreted by Tenant to prohibit such use, then Tenant shall have the right to terminate this Lease by written notice to City, and this Lease shall thereafter terminate upon the date identified by Tenant in such notice (such date not to exceed sixty (60) days after the date of such notice).

ARTICLE V

CONDITION OF THE PREMISES; ENVIRONMENTAL MATTERS

5.1 Condition of the Premises.

5.1.1 AS-IS Condition. The Tenant will lease the Premises in its "AS IS" condition as such condition exists as of the Commencement Date, without any warranties whatsoever regarding its condition except as specifically described in this Agreement, and with all faults and defects, if any, that may be located on, under, or around the Premises, whether known or unknown, suspected or unsuspected, actual or potential. Notwithstanding the foregoing, Landlord shall deliver possession of the Premises to Tenant in good, vacant, broom clean condition, with the City Work complete, all building systems in good working order and the roof water-tight, and in compliance with all Applicable Laws.

5.1.2 No Representations. The Tenant acknowledges that except as expressly set forth herein, the City makes no representations or warranties expressed or implied regarding the condition of the Premises or the fitness or suitability thereof for the Tenant's purposes, including but not limited to, the condition of the soil, its geology, topography, the presence or absence of fill, the presence or absence of Hazardous Materials, drainage, flood zone designation, or compliance with Hazardous Materials Laws, and no patent or latent defect or deficiency in the condition of the Premises shall affect the rights of the Tenant or the City hereunder. The Tenant shall rely solely on its own independent investigation and judgment as to all matters relating to the Premises. The Tenant acknowledges and agrees that prior to the Effective Date it has had the opportunity to make such investigations of the Premises, including without limitation such inquiries of governmental agencies, soils testing, tests and inspections as Tenant deemed necessary to determine the condition of the Premises, and has approved all such characteristics and conditions and shall lease the Property in its condition as of the Effective Date "AS-IS" "WHERE-IS" AND WITH ALL FAULTS. The Tenant further acknowledges that all data and information on the Premises made available by the City is without warranty or representation by the City as to the completeness, correctness or validity of such data and information, except as otherwise set forth in this Agreement.

5.2 Tenant's Covenants. The Tenant hereby covenants and agrees that throughout the Term:

(a) The Tenant's use and operations in the Premises shall be in compliance with all Hazardous Materials Laws, and the Tenant shall not cause or permit Tenant's employees to cause the Premises and the Property or any portion thereof to be in violation of any Hazardous Materials Laws.

(b) The Tenant shall not use the Premises and the Property or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials nor shall the Tenant permit the presence or release of Hazardous Materials in, on, under, about or from the Premises with the exception of materials customarily used as part of the Permitted Uses provided such materials are used, stored and disposed of in compliance with Hazardous Materials Laws (including lithium ion batteries).

(c) Upon receiving knowledge of the same, the Tenant shall immediately advise the City in writing of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Tenant or the Premises pursuant to any applicable Hazardous Materials Laws; (ii) any and all complaints, claims, citations, demands, inquiries, reports, or notices made or threatened by any third party against the Tenant or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; (iii) the presence or release of any Hazardous Materials in, on, under, about or from the Premises; or (iv) Tenant's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Premises classified as "Border Zone Property" under the

provisions of California Health and Safety Code, former Sections 25220 *et seq.*, or any regulation adopted in connection therewith, that may in any way affect the Premises pursuant to any Hazardous Materials Laws or cause it or any part thereof to be designated as Border Zone Property. The matters set forth in the foregoing clauses (i) through (iv) are hereinafter referred to as “**Hazardous Materials Claims**.” The City shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claim, and to have its reasonable attorney's fees in connection therewith paid by the Tenant.

(d) Without the City's prior written consent, which shall not be unreasonably withheld, the Tenant shall not take any remedial action in response to the presence of any Hazardous Materials in, on, under, or about the Premises (other than in emergency situations or as required by governmental agencies having jurisdiction in which case the City agrees to provide its consent), nor enter into any settlement agreement, consent decree, or other compromise with respect to any Hazardous Materials Claim.

(e) All costs and expenses of any Remedial Work required due to the release or emission of Hazardous Materials by Tenant in violation of Hazardous Materials Laws shall be paid by the Tenant, it being understood that the City shall incur no cost, expense or liability in connection with any such Remedial Work. The City shall have the right, but no obligation, to join and participate in, as a party if it so elects at the City's cost, any legal proceedings or actions initiated in connection with any Hazardous Material Claims. For purposes of this Agreement, “**Remedial Work**” means all investigation, testing, analysis, monitoring, restoration, abatement, detoxification, containment, handling, treatment, removal, storage, decontamination, clean-up, transport, disposal or other ameliorative work or response action required by (i) any Hazardous Materials Laws, (ii) any order or request of any federal, state or local governmental agency, or (iii) any judgment, consent decree, settlement or compromise with respect to any and all enforcement, clean-up, removal, remedial or other governmental or regulatory actions or agreements or orders threatened, instituted, or completed pursuant to any Hazardous Materials Laws or any actions, proceedings or claims by such entities or third parties relating to or arising out of the breach of any Hazardous Materials Laws or the presence or release of any Hazardous Material in, on, under or from the Property and/or Premises.

5.3 Release of Claims. The Tenant hereby waives, releases and discharges forever the Indemnitees from all present and future claims the Tenant may have arising directly or indirectly from the presence or alleged presence of Hazardous Materials on, under, in or about the Premises; provided however, this release excludes and shall not apply to (i) any Hazardous Material that originates from any City- or City-owned property other than the Premises and which migrates onto the Premises after the Commencement Date, or (ii) any Hazardous Materials that are generated or caused by the Indemnitees' acts or omissions after the Commencement Date.

The Tenant is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides:

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.

As such relates to this Section 5.3, the Tenant hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

Tenant Initials

5.4 Environmental Indemnity. The Tenant shall indemnify, defend (with counsel reasonably acceptable to the City) and hold the Indemnitees harmless from and against all claims arising during the Term and resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, transport, storage or disposal by or for Tenant of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials by or for Tenant to or from the Premises during the Term, (ii) the failure of the Tenant, the Tenant's employees, agents, contractors, subcontractors, licensees, permittees, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws, or (iii) the breach by the Tenant of any of its covenants contained in this Article V. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Premises or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials by or for Tenant, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws and shall include, without limitation, any claims arising in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work ordered by a court or required by any federal, state, or local governmental agency or political subdivision. This Section 5.4 shall survive the expiration or earlier termination of this Agreement.

Notwithstanding anything to the contrary in this Lease, under no circumstance shall Tenant be liable for any Hazardous Materials Claims or Remedial Work arising out of any Hazardous Material present at any time on or about the Premises, or the soil, air, improvements, groundwater or surface water thereof, except to the extent due to the presence, release or emission of Hazardous Material by Tenant or its agents or employees in violation of applicable Hazardous Materials Laws.

5.5 Definitions.

5.5.1 Hazardous Materials. As used herein, "**Hazardous Materials**" means any substance, material, or waste which is or becomes regulated by any local, state or federal authority, agency or governmental body, including any material or substance which is: (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of

the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) friable asbestos; (vii) polychlorinated biphenyls; (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* (42 U.S.C. §6903); or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.*, as the foregoing statutes and regulations now exist or may hereafter be amended.

5.5.2 Hazardous Materials Laws. As used herein “**Hazardous Materials Laws**” means all federal, state and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials, including without limitation, the laws, statutes and regulations cited in the preceding Section 5.5.1, as any of the foregoing may be amended from time to time.

ARTICLE VI INDEMNITY AND INSURANCE

6.1 Indemnity. The Tenant shall indemnify, defend (with counsel reasonably acceptable to the City) and hold the Indemnitees harmless from and against any and all claims arising during the Term and arising from or in connection with any of the following: (i) the operation or management of the Premises, (ii) any work or thing done on or in the Premises, (iii) any condition of any alteration or addition constructed by the Tenant on the Premises, (iv) any breach or default by the Tenant in the performance of any covenant or agreement to be performed by the Tenant pursuant to the terms of this Agreement, (v) any negligence of the Tenant, or any of its agents, contractors, subcontractors, employees, or licensees, (vi) any accident, injury or damage caused to any person occurring during the Term in or on the Premises, and (vii) the furnishing of labor or materials by the Tenant or its contractors, subcontractors, employees, or agents. In the event any such action or proceeding is brought against the City by reason of any such Claim, the Tenant, upon notice from the City, covenants to defend such action or proceeding by counsel reasonably satisfactory to the City. If an insurer under insurance required to be maintained by the Tenant hereunder shall undertake to defend the City under a reservation of rights with respect to ultimate coverage and the City shall reasonably deem it necessary to retain independent counsel with respect to such matter, the Tenant shall pay the reasonable fees of such counsel. The obligations of the Tenant under this Article

VI shall not apply to any Claim or other matter to the extent such arises as a result of the sole negligence or willful misconduct of the Indemnitees. This Section shall survive the expiration or earlier termination of this Agreement.

6.2 Insurance Requirements. The Tenant shall procure, at its sole expense, and maintain in full force and effect during the Term, the following insurance naming the City as additional insured and/or loss payee:

a. Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the Tenant's use of the Property and the operation of a business thereon, with a policy limit of at least Two Million Dollars (\$2,000,000) per occurrence.

b. Tenant shall maintain property insurance covering all risks of loss including flood (if required) for 100% of the replacement value of the Premises, the Fixtures and any Improvements, naming the City as loss payee as its interests may appear.

c. Workers' compensation insurance that complies with the statutory requirements of the state of California.

d. Automobile liability insurance for owned, hired and non-owned vehicles, with a combined single limit of at least One Million Dollars (\$1,000,000).

If the Tenant undertakes the construction of any Improvements pursuant to Article III, the Tenant shall ensure that its general contractor carries liability, property damage, workers' compensation, and builder's risk insurance throughout construction of the Improvements, naming the Indemnitees as additional insureds and otherwise in compliance with all requirements set forth in this Section 6.2.

ARTICLE VII DAMAGE AND DESTRUCTION

7.1 Damage or Destruction. In the event of any damage to or destruction of the Premises during the Term, the City shall elect, by written notice delivered to Tenant within sixty (60) days following the date of the occurrence of the damage, to either remove the Premises or restore and rebuild the Premises as nearly as possible to the condition immediately prior to such damage or destruction, subject to any restrictions imposed by changes in any Applicable Law. If the City elects to restore the Premises, the City shall commence diligently and continuously to carry out such rebuilding to full completion as soon as possible and shall commence reconstruction of the Premises within the earlier of ninety (90) days following the date of occurrence of the damage or the date upon which insurance proceeds are made available for such work. Upon the occurrence of damage or destruction, all insurance proceeds paid in respect of such damage or destruction shall be applied to the payment of the costs of the restoration and rebuilding required to be

performed by the City pursuant to this Agreement. If the City does not elect to restore the Premises within 120 days following the date of the occurrence of the damage, then at either the Tenant's or the City's option, this Agreement shall terminate upon delivery of written notice to the other. If the City elects to restore the Premises, the City shall confer with the Tenant regarding the design and plans for such restoration of the Premises.

7.2 Notice Required. In the event of material damage to or destruction of the Premises, or any part thereof, the Tenant shall promptly give the City notice of such occurrence and take all actions reasonably required to protect against hazards caused by such damage or destruction. For purposes of this Article VII, damage or destruction shall be deemed to be material if the estimated cost to repair equals or exceeds Ten Thousand Dollars (\$10,000).

ARTICLE VIII CITY'S RIGHT TO PERFORM TENANT'S COVENANTS

If the Tenant shall at any time fail to pay any charge payable by the Tenant to a third party as required by this Agreement, or to comply with the requirements set forth in Section 6.2 pertaining to insurance, or to make any other payment or perform any other act on its part to be made or performed hereunder within the time permitted by this Agreement, then the City, after thirty (30) days' written notice to the Tenant and without waiving or releasing the Tenant from any obligation of the Tenant hereunder, may (but shall not be required to): (i) pay such Imposition or other charge payable by the Tenant; (ii) pay for and maintain the insurance policies required pursuant to this Agreement, or (iii) make such other payment or perform such other act on the Tenant's part to be made or performed under this Agreement; and the City may enter upon the Premises for such purpose and take all such action thereon as may be reasonably necessary therefor.

All sums paid by the City and all costs and expenses incurred by the City in connection with any such payment or the performance of any such act (together with interest thereon at the Default Rate from the respective dates of the City's making of each such payment) shall constitute additional Rent payable by the Tenant under this Agreement and shall be paid by the Tenant to the City on demand. The "**Default Rate**" shall mean interest calculated at an annual rate equal to the lesser of twelve percent (12%) or the maximum rate of interest permitted by law.

ARTICLE IX MORTGAGES

9.1 Non-Subordination of Fee. Nothing in this Agreement shall be construed as an agreement by the City to subordinate its fee interest in the Premises or its right to rent payments hereunder or any other right of the City herein. Except as expressly set forth in this Agreement, the Tenant shall not mortgage its interest in the. Notwithstanding anything to the contrary, the City shall have no obligation to encumber or otherwise

subordinate its fee interest in the Premises or approve any mortgage of the Tenant's leasehold estate.

ARTICLE X ASSIGNMENT, TRANSFER, SUBLETTING; NONDISTURBANCE AND ATTORNMEN

10.1 Restrictions on Transfer, Assignment and Encumbrance. The Tenant shall have no right to sell, transfer, sublet, assign, encumber, hypothecate or otherwise convey ("**Transfer**") its leasehold interest hereunder or any portion of its interest in the Premises or this Agreement voluntarily, involuntarily, by operation of law, or otherwise, without the City's prior written consent. No voluntary or involuntary assignee, subtenant, or successor in interest of the Tenant shall acquire any rights or powers under this Agreement absent such consent.

10.2 No Involuntary Transfers. Without limiting any other restrictions on transfer contained in this Agreement, no interest of the Tenant in this Agreement, the Premises or part thereof shall be assignable or transferable: (i) pursuant to any voluntary or involuntary proceeding under federal or state bankruptcy or insolvency law; (ii) pursuant to any assignment of the Tenant's assets for the benefit of its creditors; or (iii) pursuant to any order of attachment, garnishment, receivership, or similar action.

Any transfer described in this Section 10.2 shall constitute an Event of Default under this Agreement by the Tenant, and the City shall have the right to terminate this Agreement pursuant to Article XI as a result of any such transfer taking place, in which case this Agreement shall not be treated as an asset of the Tenant.

10.3 Assumption Agreement and Release. No permitted Transfer shall be allowed.

10.4 Nondisturbance. Provided that the Tenant is not in default under this Agreement, the Tenant's possession, use and enjoyment of the Premises shall not be interfered with, disturbed or diminished, or otherwise affected in any manner as a result of any act or omission of the City, or any exercise of any remedies under this Agreement.

ARTICLE XI DEFAULT, REMEDIES AND TERMINATION

11.1 Event of Default. The Tenant shall be in default under this Agreement upon the occurrence of any of the following ("**Events of Default**"):

(a) Payment of Rent. The Tenant at any time is in default hereunder as to payment of Rent and such default continues for thirty (30) days after Rent is due. The City is not required to provide written notice of Tenant's failure to pay Rent.

(b) Other Monetary Obligations. The Tenant at any time is in default hereunder as to any monetary obligation (including without limitation, the Additional Rent and the

Tenant's obligation to pay any taxes and assessments due on the Premises or part thereof, subject to the Tenant's rights to contest such charges pursuant to Section 2.3, and such default continues for thirty (30) days after the date upon which the City shall have given the Tenant a Notice of Default (as defined in Section 11.2.1);

(c) Insurance. The Tenant fails to obtain and maintain any insurance required pursuant to Section 6.2 of this Agreement, and the Tenant fails to cure such default within ten (10) days following receipt of Notice of Default;

(d) Abandonment. The Tenant abandons the Premises and ceases to use it for the purposes authorized hereby for a period of ninety (90) days or more or as established pursuant to Section 1951.3 of the California Civil Code except when prevented by Force Majeure.

(e) Transfer. A voluntary or involuntary Transfer of all or any portion of the Tenant's interest in this Agreement occurs in violation of the provisions of Article X;

(f) Non-Monetary Obligations. The Tenant defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 11.1, and unless a shorter cure period is specified for such default, the default continues for thirty (30) days after the date upon which the City shall have given written notice of the default to the Tenant; provided however, if the default is of a nature that it cannot be cured within thirty (30) days, an Event of Default shall not arise hereunder if the Tenant commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred and eighty (180) days after receipt of a Notice of Default;

(g) Bankruptcy. The Tenant files a voluntary petition in bankruptcy or files any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of the Tenant or of all or any substantial part of its property, or of any or all of the royalties, revenues, rents, issues or profits thereof, or makes any general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;

(h) Reorganization. A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Tenant seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days from the first date of entry thereof, or any trustee receiver or liquidator of the Tenant or of all or any substantial part of its property, or of any or all of the royalties, revenues, rents, issues or profits thereof is appointed without the consent or acquiescence of the Tenant

and such appointment remains unvacated and unstayed for an aggregate of sixty (60) days, such sixty (60) day period to be extended in all cases during any period of a bona fide appeal diligently pursued by Tenant;

(i) Attachment. A writ of execution or attachment or any similar process is issued or levied against all or any part of the interest of the Tenant in the Premises and such execution, attachment or similar process is not released, bonded, satisfied, or vacated or stayed within sixty (60) days after its entry or levy, such sixty (60) day period to be extended during any period of a bona fide appeal diligently pursued by Tenant;

11.2 Notice and Opportunity to Cure.

11.2.1 Notice of Default. Upon the occurrence of a default hereunder, the non-defaulting party shall deliver a notice to the nonperforming party (the “**Notice of Default**”), stating the nature of the obligation which such nonperforming party has failed to perform, and stating the applicable period of time, if any, permitted to cure the default.

11.2.2 Failure to Give Notice; No Waiver. Failure to give, or delay in giving, the Notice of Default shall not constitute a waiver of any obligation, requirement or covenant required to be performed hereunder. No failure or delay by either party in asserting any rights and remedies as to any breach shall operate as a waiver of any breach or of any such rights or remedies. Delay by either party in asserting any of its rights and remedies shall not deprive such party of the right to institute and maintain any action or proceeding which it may deem appropriate to protect, assert or enforce any such rights or remedies.

11.3 Remedies Upon Default.

11.3.1 City's Remedies. Upon the occurrence of any Event of Default and in addition to any and all other rights or remedies of the City hereunder and/or provided by law, the City shall have the right to terminate this Agreement and/or the Tenant's possessory rights hereunder, in accordance with Applicable Law to re-enter the Premises and take possession thereof and of the Fixtures and any Improvements, and except as otherwise provided herein, to remove all persons and property therefrom, and to store such property at the Tenant's risk and for the Tenant's account, and the Tenant shall have no further claim thereon or hereunder. The City's re-entry or taking of possession of the Premises shall not be construed as an election on the City's part to terminate this Agreement unless the City shall have given written notice of such intention to the Tenant. In no event shall this Agreement be treated as an asset of the Tenant after any final adjudication in bankruptcy except at the City's option so to treat the same but no trustee, receiver, or liquidator of the Tenant shall have any right to disaffirm this Agreement.

11.3.2 Remedies Upon Abandonment. If the Tenant should default under this Agreement and abandon the Premises, the City may, at its option, enforce all of its rights and remedies under this Agreement, including the right to recover the rent as it becomes due hereunder. Additionally, the City shall be entitled to recover from the Tenant all costs of maintenance and preservation of the Premises, and all costs, including attorneys' and

receiver's fees incurred in connection with the appointment of and performance by a receiver to protect the Premises and the City's interest under this Agreement.

11.3.3 City Right to Continue Lease. In the event of any default under this Agreement by the Tenant (and regardless of whether or not the Tenant has abandoned the Premises), this Agreement shall not terminate (except by an exercise of the City's right to terminate under Section 11.3.1) unless the City makes such election by the giving of any notice (including, without limitation, any notice preliminary or prerequisite to the bringing of legal proceedings in unlawful detainer) to terminate the Tenant's right to possession. For so long as this Agreement continues in effect, the City may enforce all of the City's rights and remedies under this Agreement, including, without limitation, the right to recover all rent and other monetary payments as they become due hereunder. For the purposes of this Agreement, the following shall not constitute termination of the Tenant's right to possession: (a) acts of maintenance or preservation or efforts to relet the Premises; or (b) the appointment of a receiver upon initiative of the City to protect the City's interest under this Agreement.

11.3.4 Right to Injunction; Specific Performance. In the event of a default by the Tenant under this Agreement, the City shall have the right to commence an action against the Tenant for damages, injunction and/or specific performance. The Tenant's failure, for any reason, to comply with a court-ordered injunction or order for specific performance shall constitute a breach under this Agreement.

11.4 Remedies Cumulative. No remedy specified in this Article XI shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy provided hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy provided by this Agreement may be exercised from time to time and as often as occasion may arise or as may be deemed expedient, subject to any limitations set forth herein.

11.5 No Election of Remedies. The rights given in this Article XI to receive, collect or sue for any rent or rents, moneys or payments, or to enforce the terms, provisions and conditions of this Agreement, or to prevent the breach or nonobservance thereof, or the exercise of any such right or of any other right or remedy hereunder or otherwise granted or arising, shall not in any way affect or impair or toll the right or power of the City upon the conditions and subject to the provisions in this Agreement to terminate the Tenant's right of possession because of any default in or breach of any of the covenants, provisions or conditions of this Agreement beyond the applicable cure period.

11.6 Survival of Obligations. Nothing herein shall be deemed to affect the right of the City under Article VI of this Agreement to indemnification for liability arising prior to the termination of this Agreement for personal injuries or property damage, nor shall anything herein be deemed to affect the right of the City to equitable relief where such relief is appropriate. No expiration or termination of the Term by operation of law, or otherwise, and no repossession of the Improvements or any part thereof shall relieve the Tenant of

its previously accrued liabilities and obligations hereunder, all of which shall survive such expiration, termination or repossession.

ARTICLE XII GENERAL PROVISIONS

12.1 Force Majeure; Extension of Times of Performance. Subject to the limitations set forth below, performance by either Party shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other Party, acts or failures to act of any public or governmental agency or entity (other than the Parties which shall not excuse delay in performance), or any other cause beyond the affected Party's reasonable control (all of the foregoing "**Force Majeure**"). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause and such extension is not rejected in writing by the other Party within ten (10) days of receipt of the notice. Neither Party shall unreasonably withhold consent to an extension of time pursuant to this Section.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Tenant and the City (acting in the discretion of its City Manager unless he or she determines in his or her discretion to refer such matter to the City Council). Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

12.2 City's Right to Enter the Property. The City and its agents may enter the Premises from time to time with reasonable notice of not less than twenty-four (24) hours, except in the case of emergency in which case no notice shall be required, to inspect the same, to post notices of non-responsibility and similar notices, and to discharge the Tenant's obligations hereunder when the Tenant has failed to do so within a reasonable time after written notice from the City; provided, that, any non-emergency entry shall be performed in a manner that does not interfere with Tenant's use of the Premises for the Permitted Use and complies with Tenant's reasonable security requirements.

12.3 Representations of City and Tenant.

12.3.1 The Tenant hereby represents and warrants that all of the following are true and correct as of the Effective Date:

(a) The Tenant has taken all requisite action in connection with the execution of this Agreement and the undertaking of the obligations set forth herein. This Agreement constitutes the legally valid and binding obligation of the Tenant, enforceable against the Tenant in accordance with its terms, except as it may be affected by bankruptcy, insolvency or similar laws or by legal or equitable principles relating to or limiting the rights of contracting parties generally; and

(b) The execution of this Agreement and the acceptance of the obligations set forth herein do not violate any court order or ruling binding upon the Tenant or any provision of any indenture, agreement or other instrument to which Tenant is a party or may be bound. Neither the entry into nor the performance of this Agreement will violate, be in conflict with or constitute a default under any charter, bylaw, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, judgment, order or other agreement, charge, right or interest applicable to the Tenant.

12.3.2 Representation of the City. City hereby represents and warrants that all of the following are true and correct as of the Effective Date:

(a) The City has taken all requisite action in connection with the execution of this Agreement and the undertaking of the obligations set forth herein. This Agreement constitutes the legally valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as it may be affected by bankruptcy, insolvency or similar laws or by legal or equitable principles relating to or limiting the rights of contracting parties generally; and

(b) The execution of this Agreement and the acceptance of the obligations set forth herein do not violate any court order or ruling binding upon the City or any provision of any indenture, agreement or other instrument to which the City is a party or may be bound. Neither the entry into nor the performance of this Agreement will violate, be in conflict with or constitute a default under any charter, bylaw, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, judgment, order or other agreement, charge, right or interest applicable to the City.

12.4 Miscellaneous.

12.4.1 Holding Over/Month to Month. If Tenant is or remains in possession of the Premises after the expiration of termination of this Lease, the Lease shall continue on a month to month basis with the right of either party to terminate it upon 30 days written notice to the other, and the monthly Rent and Utility Costs will be due and payable on the first day of the rollover term and each month thereafter until such time as this Lease is terminated or renewed under different rent terms.

12.4.2 Binding on Successors and Assigns. Each provision of this Lease to be performed by Tenant shall be deemed both a covenant and a condition. The terms, conditions, and covenants of this Lease shall be binding upon and shall inure to the benefit of each of the Parties and their personal representatives, successors, and assigns.

12.4.3 Notices. Except as otherwise specified herein, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

- (i) personal delivery, in which case notice is effective upon delivery;
- (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;
- (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service; or

City: City of Pittsburg
65 Civic Drive
Pittsburg, CA 94565
Attention: City Manager

Tenant: Matternet, Inc.
185 East Dana Street
Mountain View, CA 94041
Attention: Brandon Boyd

12.4.4 Captions; Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Lease. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree that since both Parties have participated in the negotiation and drafting of this Agreement with the advice of counsel, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

12.4.5 Successors and Assigns. Subject to the restrictions on transfer set forth in Article XII, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. Any reference in this Lease to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement as if in every case so expressed.

12.4.6 Not Used.

12.4.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts

of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Contra Costa County, California or in the Federal District Court for the Northern District of California.

12.4.8 Attorney's Fees. If either Party commences an action against the other to enforce any obligation contained herein, or to interpret any provision hereof, the prevailing party shall be entitled to recover from the other Party reasonable counsel fees, costs and necessary disbursements, as determined by the court having jurisdiction over the action.

12.4.9 Indemnity Includes Defense Costs. In any case where either Party is obligated under an express provision of this Lease, to indemnify and to save the other Party harmless from any damage or liability, the same shall be deemed to include defense of the indemnitee by the indemnitor, such defense to be through legal counsel reasonably acceptable to the indemnitee.

12.4.10 No Third-Party Beneficiaries; Disclaimer of Partnership, Lender/Borrower Relationship. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties any rights or remedies hereunder. The relationship of the parties under this Agreement is solely that of landlord and tenant, and it is expressly understood and agreed that the City does not as a result of this Agreement in any way nor for any purpose become a partner of the Tenant or a joint venturer with the Tenant in the conduct of the Tenant's business or otherwise. This Agreement is not intended to, and shall not be construed to, create the relationship of principal and agent, partnership, joint venture, or association as between the City and the Tenant. It is further expressly understood and agreed that this Agreement is not intended to, and shall not be construed to create the relationship of lender and borrower, and the City does not, solely as a result of this Agreement, become a lender to the Tenant.

12.4.11 Entire Agreement. This Agreement, together with Exhibit A, which by this reference is hereby incorporated herein, contains the entire agreement between the Parties relative to the transactions covered hereby. All previous correspondence, communications, discussions, agreements, understandings or proposals and acceptances thereof between the Parties or their representatives, whether oral or written, are deemed to have been integrated into and superseded by this Agreement and are of no further force and effect except as expressly provided in this Agreement.

12.4.12 Waiver; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any subsequent breach of the same or any other covenant or provision hereof. No waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party. This Agreement may be amended or modified only by a written instrument executed by the Parties.

12.4.13 Time is of the Essence. Time is of the essence of this Agreement and of each provision hereof.

12.4.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

12.4.15 Action by the Parties. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by the City in its capacity as landlord hereunder is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by the City Manager or by any person who shall have been designated by the City Manager, without further approval by the City Council unless the City Manager determines in his or her discretion that such matter requires consideration by the City Council.

12.4.16 Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to Tenant or its successors in interest in the event of any default or breach by the City or for any amount which may become due to the Tenant or the Tenant's permitted successors in interest pursuant to this Agreement.

12.4.17 Severability. The determination by a court of competent jurisdiction that a provision of this Lease is illegal or unenforceable shall not affect any other provision of this Lease.

SIGNATURES ON THE NEXT PAGE

IN WITNESS WHEREOF, the Parties have entered into this Lease as of the Effective Date.

TENANT:
MATTERNET, INC.

LANDLORD:
CITY OF PITTSBURG,
a municipal corporation

By: _____
Andreas Raptopoulos, CEO

By: _____
Garrett Evans, City Manager

ATTEST:

Alice E. Evenson, City Clerk

APPROVED AS TO FORM

Donna Mooney, City Attorney

Exhibit A

PREMISES

A certain parcel of land situated in the City of Pittsburg, County of Contra Costa, State of California and more particularly described as follows 2225 John Henry Johnson Parkway.

PREMISES – Mobile unit that is situated on APN: 709-408-001.



PROPERTY

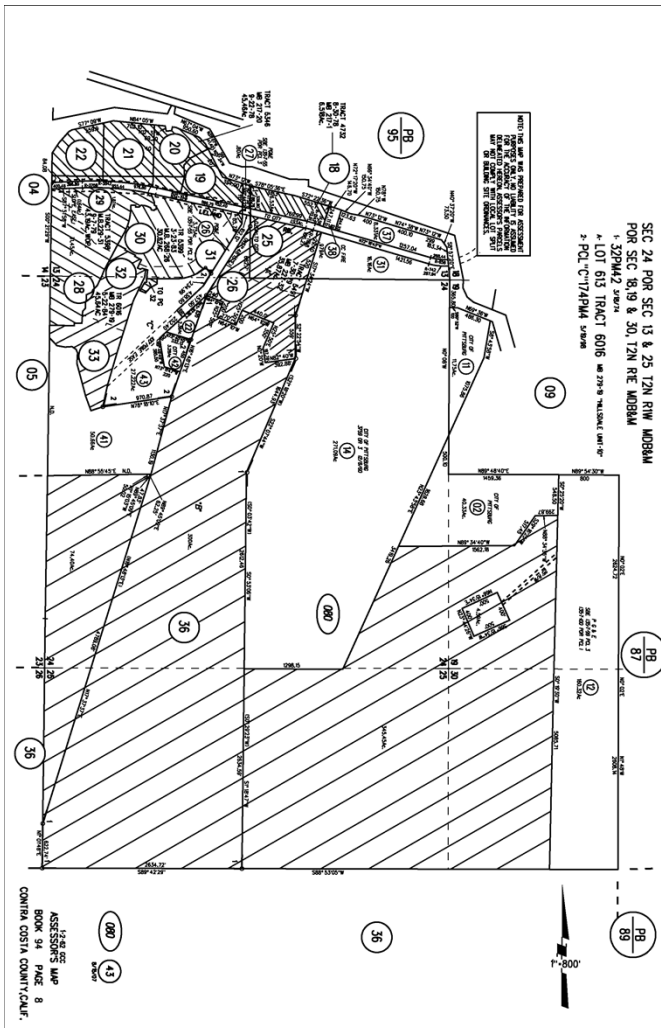


EXHIBIT C

CITY WORK

Improvement to the Premises to be conducted by the City (the “**City Work**”) prior to Tenant occupancy:

- Ensure HVAC, Plumbing, and Electrical for the Premises are in good order and working condition
- Removal of City identified dead or dying trees around the premises
- Replacement of water heater

Such City Work shall be performed in a good and workmanlike manner and in accordance with all Applicable Laws. Provided that the Premises is delivered in the required condition, the City shall not have any ongoing responsibility for any items noted above following Tenant taking occupancy unless expressly provided elsewhere in the Lease. Tenant agrees that occupancy is acceptance and acknowledgement that the Premises has been delivered in “the required condition”

EXHIBIT D

TENANT'S IMPROVEMENTS

Improvements to the Premises approved to be conducted by Tenant (at Tenant's discretion):

- Installation of Internet satellite, of adequate size to provide reliable internet service to the Premises;
- Placement of a container unit (approximately 160-200 s.f. in size) in an area formerly used as a storage space or housing a storage shed within the Premises. Subject to City's consent not to be unreasonably withheld, Tenant may install additional container units.
 - Addition of power utility infrastructure to power container unit;
- Installation of lighting to light up the premises and shared space. Lighting shall be designed and oriented to avoid intrusion into the Property;
- Installation of cameras around the premises;
- Installation of an alarm system;
- Adding of an access gate to the premises fencing. Access gate shall be designed to match the existing fencing to the greatest extent feasible; and
- Running power utility infrastructure to the shared space.

LICENSE AND RIGHT OF ENTRY AGREEMENT

This License and Right of Entry Agreement (the "Agreement") is made as of this June 1, 2021 (the "Effective Date") by and among the City of Pittsburg, a municipal corporation (the "City") and Matternet, Inc., a Delaware Corporation (the "Licensee").

RECITALS

A. The City is the fee owner of that certain real property known as 2225 East Leland Road (Assessor's Parcel Numbers 094-080-031; 095-150-032; 095-160-001; 095-160-002; 094-080-011; 094-090-001; and 094-080-002) in the City of Pittsburg, California (the "Property"). The Property is more particularly described in the attached Exhibit A.

B. City and Licensee have concurrently entered into a Lease Agreement dated as of the date of this License for the lease of specified Premises. In conjunction with the Lease, and as consideration therefore, the parties desire to enter into this License and Right of Entry Agreement to provide Licensee with permission to enter specified areas of City-owned property for limited purposes from time to time and subject to specified restrictions.

C. Licensee desires to enter onto specified areas of City-owned property to launch, fly, monitor, and recover unmanned aircraft systems, also known as drones. The City is willing to give such permission subject to the terms and conditions set forth herein.

Therefore, the City and the Licensee agree as follows:

Section 1. **ALLOWED USE OF PROPERTY**. The City hereby gives permission to Licensee and its employees and agents for air space over the Property and permission to enter the Property for the sole purpose of launching, operating, flying, monitoring, and recovering unmanned aircraft systems (the "Permitted Activity"). No more than ten (10) of Licensee employees or agents may be present on the Property at any one time. Licensee shall not conduct any other activities of any type on the Property, without the City's prior written permission, which may be granted or denied in the City's sole discretion.

Section 2. **TERM; CONDITION PRECEDENT TO ENTRY**. The term of this Agreement shall commence as of the Effective Date and shall thereafter automatically and without further notice or action by the City terminate on May 31, 2022. The City may terminate this Agreement prior to May 31, 2022, by providing the Licensee written notice of such termination (the "Termination Notice") at least one hundred twenty (120) days prior to the termination date set forth in the Termination Notice. If the City terminates this Agreement, or fails to renew, the Licensee has the right to terminate the Lease of the specific Premises with sixty (60) days written notice.

Section 3. **EXTENSION**. The Licensee may request, in writing, an extension of the term of this License Permitted Activity. Such request shall be delivered to the City no less than sixty (60) days prior to this Agreement's termination date. Such extension may be approved or disapproved in writing, in the City's sole discretion; provided, that,

should City not approve the requested extension, Licensee shall have the right to terminate the Lease.

Section 4. PAYMENT. In consideration for the use of the Property pursuant to the terms of this Agreement, the Licensee has paid to the City One Dollar (\$1.00) for the term of this Agreement.

Section 5. LICENSEE'S CONDUCT ON PROPERTY.

A. The Licensee, its employees and agents, shall not suffer or permit any dangerous condition to be created, exist, or continue on the Property. Licensee acknowledges that cows are present on the Property and take all precautions not to harass the animals.

B. All acts and things done by Licensee, its employees, contractors, and agents on the Property shall be done in a safe, workmanlike manner and in compliance with any and all laws and regulations applicable thereto, including but not limited to FAA regulations and noise limits. Licensee shall promptly furnish satisfactory evidence of such compliance upon request by the City.

C. Access to the Property for the Permitted Activity is personal to Licensee and the Licensee's agents and employees. It is non-assignable to any other party and any attempt to assign this Agreement or the permission to enter the Property by the Licensee shall automatically terminate this Agreement and such assignment or transfer shall be null and void and of no effect.

D. The Licensee shall not make any improvements or alterations to the Property without the prior written consent of City. Upon such written approval of the City, if granted, any and all improvements made to the Property shall be at the sole cost of the Licensee. Upon the termination of this Agreement, any and all improvements made to the Property shall remain the sole property of the City or shall be removed by the Licensee at the City's written request within ten (10) days after the City's request.

E. In the event the City reasonably determines that Licensee's activities in any way endangers the Property, the environment, or the health and safety of any person or persons, the City may, at the City's sole discretion, temporarily halt the Permitted Activity until reasonably proper and appropriate protective measures may be taken to reduce such danger to reasonably acceptable levels considering the risks inherent to the Permitted Activity. Licensee shall hold the City harmless from any claims in any way resulting from any delay under this paragraph. The City's right to halt activities under this paragraph shall not in any way affect or alter Licensee's obligations under Sections 7 or 8, nor shall it relieve Licensee from any of its obligations hereunder that pertain to health, safety, or the protection.

F. The City shall have access to the Property at all times. The City and its agents agree to provide reasonable notice of not less than twenty-four (24) hours prior to entering the Property to ensure unmanned aircraft system operations are ceased while the City or its agents is on the Property, with exception to emergency situations, as a matter of safety to ensure that no drones fly over City employees or agents.

G. The Licensee shall be liable to the City for all costs (including all reasonable attorneys' fees, litigation expenses and costs) associated with any cleanup, remediation, and/or removal of any release of Hazardous Materials caused by Licensee (or the Licensee's agents or employees). The term Hazardous Materials includes without limitation:

i. any "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14)) or Section 25281(d) or 25316 of the California Health and Safety Code all as amended from time to time;

ii. any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code all as amended from time to time;

iii. any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA (42 U.S.C. Section 9601 et seq., Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clear Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 39000 et seq.). or California Water Code (Section 13000 et seq.) at such time; and

iv. any additional wastes, substances, or materials which at such time are classified, considered, or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Property, including, but not limited to: any petroleum or refined petroleum product, asbestos, polychlorinated biphenyl, any flammable explosive, or any radioactive material.

H. The Licensee shall be limited to a maximum of twenty (20) unmanned aircraft systems to be in simultaneous flight over the Property. Specifications of the drones, including height, width, and weight shall be provided to staff prior to commencement of Permitted Activity.

I. The Licenses shall maintain a minimum 200 feet "no flight" buffer from residences surrounding the Property. The buffer shall be measured horizontally.

The Licensee is permitted to engage in Permitted Activity at daily between the hours of 6:00 am and 10:00 pm in accordance with the City's noise ordinance (PMC 18.82.040). The Licensee may need to operate outside of these hours from time to time with no less than thirty-six (36) hour written request provided to City.

Section 6. TERMINATION; RESTORATION OF PROPERTY. Upon termination or expiration of the term of this Agreement, Licensee shall promptly remove all of Licensee's personal property from the Property and restore any damage to the Property caused by Licensee (or Licensee's agents or employees) to substantially the same condition it was as of the Effective Date. Licensee shall bear the entire cost of such removal and restoration and the City shall bear no liability for any costs caused or related to any termination of this Agreement, including any costs associated with

restoring the Property to its original condition due to damage caused by the Permitted Activity or Licensee's (or Licensee's agent's or employee's) entry on the Property.

In the event Licensee fails to remove its personal property, the Licensee shall pay the City the amount of Two Hundred Dollars (\$200) for each additional week the Licensee's personal property remains on the Property and the City may elect to remove Licensee's personal property. In addition, should Licensee fail to restore the Property as required above, then, the City may effect such restoration as necessary and recover such costs and expenses therefore from the Licensee through all remedies available at law or in equity.

Section 7. INSURANCE. The applicable insurance provisions must meet the City's insurance requirements and must remain in effect throughout the term of this Agreement. A copy of the Licensee's insurance is attached hereto as Exhibit B and incorporated herein by this reference.

Section 8. INDEMNITY. Except to the extent of the City's (or its officers', agents' and employees') sole negligence or willful misconduct, the Licensee shall defend (with counsel reasonably selected by the City), indemnify, and hold harmless City, its officers, employees, and agents harmless from and against any and all active and passive liability, claims, suits, actions, damages, penalties, and/or causes of action arising from Licensee's use or occupation (or Licensee's agents or employee's use or occupation) of the Property during the term of this Agreement for personal injury, bodily injury, loss of life or damage to property, violation of any federal, state, or municipal law or ordinance, or other causes of action in connection with the operations of Licensee, its employees, or agents at the Property. This Indemnity shall extend to and against all claims, attorney fees, litigation expenses and costs incurred in obtaining expert testimony, and the attendance of witnesses, expenses, and liability incurred in and about any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments, or decrees which may be entered therein.

Section 9. AS-IS ENTRY; RELEASE. The City permits the Licensee to enter, and the Licensee agrees to enter the Property in its current "AS IS" condition. The Licensee enters the Property entirely at its own risk and acknowledges that neither the City nor any of its officers, employees, or agents has made any warranty or representation to Licensee, its employees, or agents that the premises are safe or suitable for any particular purpose, including the Permitted Activity. The City shall not be liable to the Licensee for, and the Licensee hereby waives and releases the City and its board members, directors, employees and agents from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to an occurrence on the Property, the condition of the Property, or the use or occupancy of the Property. The Licensee hereby waives and agrees not to commence any action, legal proceeding, cause of action, or suits in law and equity, of whatever kind and nature, directly or indirectly against the City in connection with the Licensee's use of the Property or the Permitted Activity and expressly waives the provisions of Section 1542 of the California Civil Code which provides:

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.

Licensee's Initials: _____

The above waiver shall not apply to the City's obligations under this License.

Section 10. NOTICES. All notices and other communications required under this Agreement shall be in writing, and delivered personally, sent certified mail, or sent by reputable overnight delivery service to the party set forth below:

LICENSEE:

CITY:

Matternet Inc.
185 East Dana Street
Mountain View, CA 94041
Attention: Brandon Boyd

City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565
Attn: City Manager

Notice will be deemed received: (i) on the date of delivery in person, (ii) on the third (3rd) business day, if mailed, and (iii) on the date of receipt or refusal of delivery if transmitted by overnight delivery service. Any change in address may be accomplished by delivery of notice in compliance with this Section.

Section 11. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto and may only be amended in writing specifically referencing this Agreement and signed by the City and the Licensee. All covenants and agreements herein contained shall extend to and be binding upon the respective heirs, devisees, legal representatives, successors, and assigns of the parties hereto, including all other rights and benefits necessary or convenient for the full enjoyment or use of the rights herein granted.

Section 12. WARRANTIES OF LICENSEE. The Licensee hereby warrants and represents to the City the following:

i. Licensee is a Delaware corporation duly formed, validly existing, and in good standing under the laws of the State of California, with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Agreement.

ii. The undersigned on behalf of the Licensee has the authority and authorization to bind Licensee to all the terms and conditions set forth herein.

Section 13. ATTORNEYS' FEES. In the event that any party shall bring an action to enforce its rights under this Agreement, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs of the proceeding, including any appeal thereof.

Section 14. COUNTERPARTS; MULTIPLE ORIGINALS. This Agreement may be executed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the City and the Licensee have caused this Agreement to be executed as of the Effective Date.

LICENSEE:

CITY:

MATTERNET, INC., a Delaware corporation

CITY OF PITTSBURG, a municipal corporation

By: _____

By:
Garrett Evans
City Manager

Andreas Raptopoulos
Chief Executive Officer

Note: Licensee must initial Section 9.

EXHIBIT A

DESCRIPTION OF THE PROPERTY

A certain parcel of land situated in the City of Pittsburg, County of Contra Costa, State of California and more particularly described as follows 2225 W. Leland Road.

APNs: 094-080-014 unshaded area only; 094-080-031; 095-150-032; 095-160-001; 095-160-002; 094-080-011; 094-090-001; and 094-080-002.



EXHIBIT B

INSURANCE

The Tenant shall procure, at its sole expense, and maintain in full force and effect during the Term, the following insurance naming the City as additional insured and/or loss payee:

a. Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the Tenant's use of the Property and the operation of a business thereon, with a policy limit of at least Two Million Dollars (\$2,000,000) per occurrence.

b. Tenant shall maintain property insurance covering all risks of loss including flood (if required) for 100% of the replacement value of the Premises, the Fixtures and any Improvements, naming the City as loss payee as its interests may appear.

c. Workers' compensation insurance that complies with the statutory requirements of the state of California.

d. Automobile liability insurance for owned, hired and non-owned vehicles, with a combined single limit of at least One Million Dollars (\$1,000,000).

If the Tenant undertakes the construction of any Improvements pursuant to Section 5.E, the Tenant shall ensure that its general contractor carries liability, property damage, workers' compensation, and builder's risk insurance throughout construction of the Improvements, naming the Indemnitees as additional insureds and otherwise in compliance with all requirements set forth in this Exhibit B.



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Introduce, Waive Further Reading and Adopt Urgency Ordinance Amending Urgency Ordinance No. 20-1474 Regarding Commercial Evictions During the COVID-19 Local Emergency to Establish an End Date of June 30, 2021

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

More than a year ago, the City Council adopted an urgency ordinance to prohibit commercial evictions and rent increases to minimize disruption due to the COVID-19 pandemic. The authority of local government to impose restrictions on commercial tenancies was provided by the Governor's Executive Order N-28-20, which was extended by Executive Order N-03-21, and is set to expire June 30, 2021. Staff recommends amending the urgency ordinance to set forth an end date of June 30, 2021. If adopted, which requires a 4/5ths vote, the proposed ordinance would take effect immediately.

FISCAL IMPACT

The action would not have any direct fiscal impact on the City.

RECOMMENDATION

Introduce, waive further reading and adopt the attached Urgency Ordinance Amending Urgency Ordinance No. 20-1474 Regarding Commercial Evictions During the COVID-19 Local Emergency to Establish and End Date of June 30, 2021.

BACKGROUND

In March 2020, the first case of COVID-19 was identified in Contra Costa County. That same month, the Governor declared a state of emergency, the County Board of Supervisors issued an emergency proclamation, and the City Council declared a Local Emergency. The Governor issued a series of Executive Orders to address the effects of the pandemic. By Executive Order N-28-20, the Governor suspended state law pre-emption over tenancies, allowing local public agencies to impose restrictions on evictions. Health officers from Bay Area counties issued an order requiring residents to shelter in place. On April 6, 2020, the

City Council adopted an urgency ordinance imposing a moratorium on commercial evictions through the duration of the Local Emergency, and prohibiting certain rent increases for a specified time period.

SUBCOMMITTEE FINDINGS

The ordinance was not discussed in subcommittee.

STAFF ANALYSIS

The commercial eviction moratorium has been in place for more than a year. During that time, relief packages have been directed toward businesses and consumers, including grants at the local, state, and federal levels, as well as low interest and forgivable loans. Contra Costa County has moved to a less restrictive tier under the Governor's Blueprint for a Safer Economy, allowing for a significant number of businesses to reopen. Additionally more than a third of adults in the region have been fully vaccinated, and the COVID-19 positivity rate has dropped below 2 percent.

Local authority to restrict commercial evictions is dependent on the suspension of state law pre-emption. The Governor's Executive Order suspending state law pre-emption is set to expire June 30, 2021.

If the urgency ordinance is adopted, staff will disseminate information to the public regarding the end date of the moratorium, and provide information on resources available to commercial property owners and tenants.

ATTACHMENTS:

Urgency Ordinance

Report Prepared By: Jordan Davis, Interim Director of Economic Development / Assistant to the City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Urgency Ordinance Amending)
Urgency Ordinance No. 20-1474)
Regarding Commercial Evictions During)
the COVID-19 Local Emergency to)
Establish an End Date of June 30, 2021)

ORDINANCE NO. 21-

WHEREAS, pursuant to the City's police power under Article XI Section 7 of the California Constitution, the City Council of the City of Pittsburg has the authority to enact and enforce ordinances and regulations for the public peace, morals, and welfare of the City and its residents; and

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus known as COVID-19 ("COVID-19"); and

WHEREAS, on March 3, 2020, the first case of COVID-19 in Contra Costa County was confirmed; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency due to COVID-19; and

WHEREAS, on March 6, 2020, Contra Costa Health Services (CCHS) released community guidelines for reducing the spread of COVID-19 and issued further guidelines on March 10; and

WHEREAS, on March 10, 2020, the Contra Costa County Board of Supervisors issued an emergency proclamation to respond to COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States declared a national emergency due to COVID-19; and

WHEREAS, on March 16, 2020, Health Officers from Contra Costa and other Bay Area counties ordered residents to shelter in place; and

WHEREAS, on March 16, 2020, the City Council held a special meeting and voted unanimously to proclaim the existence of a local emergency in response to the COVID-19 pandemic; and

WHEREAS, on March 16, 2020, the Governor of the State of California issued Executive Order N-28-20, wherein he found that "the economic impacts of COVID-19 have been significant and could threaten to undermine Californians' housing security and the stability of California businesses," and that "many Californians are experiencing substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rents, mortgages, and utility bills;" and

WHEREAS, the Executive Order suspended, “[a]ny provision of state law that would preempt or otherwise restrict a local government’s exercise of its police power to impose substantive limitations on residential or commercial evictions,” of tenants affected by the COVID-19 pandemic; and

WHEREAS, on March 4, 2021, the Governor issued Executive Order N-03-21, which extended the suspension of state pre-emption of local limitations on commercial evictions through June 30, 2021; and

WHEREAS, on April 6, 2020, the City Council duly adopted Urgency Ordinance No. 20-1474 to impose specified limitations on commercial evictions until the termination of the local emergency, and prohibit rent increases not including common area maintenance fees, with exceptions to be determined by the City Manager, until the termination of the local emergency plus six months; and

WHEREAS, on April 21, 2020, the Contra Costa County Board of Supervisors enacted a commercial eviction moratorium that imposes specified limitations on commercial evictions and governs all territory of the County unless a city has an ordinance on the same subject; and has extended the moratorium through June 30, 2021; and

WHEREAS, the City seeks to establish a date certain to end the City commercial eviction moratorium in light of, and aligned with, the pending June 30, 2021, sunset of the Governor’s Executive Order suspending state pre-emption of local limitations on commercial evictions; and

WHEREAS, for the reasons set forth above, this ordinance is declared by the City Council to be necessary for preserving the public welfare, health, and safety, and for avoiding a current, immediate and direct threat to the health, safety and welfare of the community, and the recitals taken together constitute the City Council’s statement of the reasons constituting such necessity and urgency.

NOW, THEREFORE, the City Council of the City of Pittsburg Does ORDAIN as follows:

Section 1. Findings. The City Council finds that each fact set forth in the preceding recitals is true and correct and incorporated by reference.

Section 2. Moratorium on Evictions. The first sentence of Section 2 of Urgency Ordinance No. 20-1474 is hereby amended to read as follows:

Through June 30, 2021:

Section 3. Amendment of Duration. Section 5 of Urgency Ordinance No. 20-1474 is hereby amended to read as follows:

Duration: This Ordinance shall remain in effect through June 30, 2021.

Section 4. Effective Date. This Ordinance takes effect immediately upon enactment.

Section 5. Uncodified. This Ordinance shall not be codified.

Section 6. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions.

SECTION 7. Publication. The ordinance shall be posted and published in accordance with the California Government Code.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk

**CITY OF PITTSBURG
CITY COUNCIL/AGENCY CONCURRENT MEETING MINUTES**

DATE: May 3, 2021

LOCATION: Council Chamber, City Hall, 65 Civic Avenue, Pittsburg, CA 94565

CITY COUNCIL/AGENCY MEMBERS

Marilyn Craft, Mayor/Chair
Holland Barrett White, Vice-Mayor/Chair
Shanelle Scales-Preston, Council/Agency Member
Juan Antonio Banales, Council/Agency Member
Jelani Killings, Council/Agency Member
S.L. Floyd, Agency Member
Annie Hill Herring, Agency Member

APPOINTED OFFICIALS

Garrett Evans, City Manager/Executive Director
Donna Mooney, City Attorney/Legal Counsel
Alice E. Evenson, City Clerk/Agency Secretary (elected)
Nancy Parent, City Treasurer (elected)

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the regular meeting of the City Council for May 3, 2021 was conducted electronically for Closed Session and through Zoom with broadcasting live through Granicus on the City's website. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Council Chamber was not open for the meeting. Council Members participated electronically or through Zoom and were not physically present in the Council Chamber.

Mayor Craft called the meeting of the City Council to order at 7:04 P.M. in the City Council Chamber at City Hall, 65 Civic Avenue, Pittsburg, CA after convening at 6:00 P.M. for Closed Session for the following items:

1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Section 54956.9(d)(2)

Number of cases: one

2. CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Section 54957.6:

City designated representatives: Garrett Evans, Stacy Shell, Charles Sakai, Sloan Sakai Yeung & Wong LLP

Employee organizations: American Federation of State, County, and Municipal Employees Local 512 Management/Professional/Confidential Unit and Miscellaneous A Unit; Pittsburg Police Officers' Association; Pittsburg Police Managers Group; Teamsters Local 856, International Brotherhood of Electrical Workers Local 1295

Unrepresented employees: Management Group; Senior Executive Team

There was no reportable action taken in Closed Session.

ROLL CALL

All Members were present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

PROCLAMATIONS

3. Bike to Wherever Day

4. Global Love Day

PRESENTATIONS

5. Quarterly Overview of Use of Force by Law Enforcement Personnel and Overview of Internal Affairs Investigations

CITY MANAGER REPORTS/REMARKS

City Manager Evans gave an update on the COVID-19 health order for the City of Pittsburg.

PUBLIC COMMENTS

Comments were received from:

Randy Baugh
Noel Villacorte (in support of Item 15)
Pittsburg Youth Action (in support of Item 15)

COMMITTEE REPORTS

Member Banales attended the finance subcommittee meeting.

PUBLIC HEARING

6. Adoption of a City Council Resolution Approving the Community Development Block Grant 2021-2022 Annual Action Plan

Mayor Craft opened the Public Hearing. There being no one to speak to the item, Mayor Craft closed the Public Hearing.

On Motion by Member Killings, seconded by Member Scales-Preston to adopt and carried unanimously.

CONSIDERATION

7. Adoption of a City Council Resolution Receiving the East Contra Costa County Dynamic Personal Micro Transit Feasibility Study and Preliminary Support of the Project Concept

On Motion by Vice-Mayor White, seconded by Member Scales-Preston to adopt and carried unanimously.

8. By Minute Order Approve Expanding Scope of the Ad Hoc Committee City Council Policy and Procedures Review

On Motion by Member Banales, seconded by Vice-Mayor White to adopt and carried unanimously.

CONFLICT OF INTEREST STATEMENT

There were no conflicts of interest stated.

COMBINED CITY COUNCIL, PITTSBURG ARTS AND COMMUNITY FOUNDATION, PITTSBURG POWER COMPANY AND SOUTHWEST PITTSBURG GHAD II AND SUCCESSOR AGENCY CONSENT CALENDAR

On Motion by Member Banales, seconded by Member Killings to adopt and carried unanimously.

9. Minutes of April 19, 2021

10. Adoption of a Pittsburg Arts and Community Foundation Resolution Approving the Amended and Restated Agreement Between Pittsburg Arts and Community Foundation Inc. and John H. and Regina K. Scully Foundation Regarding Donation

11. Adoption of City Council Resolution Awarding a Purchase Contract for a 2022 Peterbilt 348 Dump Truck

12. Adoption of a City Council Resolution Authorizing Local Enforcement Agency Assistance Grant Application for FY 2021/2022 through FY 2025/2026

13. By Minute Order, Authorize Letter of Support for AB 332 Hazardous Waste: Treated Wood Waste: Management Standards

14. Adoption of a City Council Resolution Authorizing the City Attorney to Execute Second Amendment to Outside Counsel Services Agreement with Best, Best & Krieger

15. By Minute Order, Authorize the Mayor to Sign a Letter Supporting AB 988 on Behalf of the City of Pittsburg

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

Vice-Mayor White asked for a study to determine the possibility of hiring a Planning Director that would report directly to the City Council.

On Motion by Vice-Mayor White, seconded by Member Banales, motion failed by the following vote:

AYES:	Banales, White
NOES:	Killings, Scales-Preston, Craft

COUNCIL MEMBER REMARKS

Vice-Mayor White thanked the City Council for entertaining the conversation around the possibility of direct hire of staff.

Mayor Craft stated she and City Manager Evans met with BART regarding concerns over a map that had circulated systemwide for affordable housing plans for transit villages. The map showed East County absorbing 100% of the affordable housing, rather than it being spread out throughout the County. They asked BART to schedule a future presentation to the entire City Council.

ADJOURNMENT

The City Council adjourned at 8:41 P.M. into Closed Session to continue discussion on the items listed.

The City Council adjourned at 9:16 P.M. to May 17, 2021.

Respectfully submitted,

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Chair and Governing Board Members

FROM: Garrett Evans, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution Approving the Annual Wildfire Mitigation Plan

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE).

State law, California Public Utilities Code Section 8387, requires all publicly owned electric utilities to develop, review, update and file a Wildfire Mitigation Plan (Plan). The Plan is to be filed with the California Wildfire Safety Advisory Board (WSAB) by July 1st of each year.

FISCAL IMPACT

Approval of the Plan has no direct fiscal impact to the City and the General Fund. Funds for managing the Plan, including inspections, brush removal and other mitigation will be from IE's annual electric rate case proceedings and operating budget as approved by the Governing Board of the PPC each fiscal year.

RECOMMENDATION

The Governing Board of the PPC approve the annual Wildfire Mitigation Plan.

BACKGROUND

California Public Utilities Code Section 8387 was added in 2016 and amended by Senate Bill 901 in 2018 and by Assembly Bill 1054 2019, expanding the requirements of the existing wildfire mitigation efforts of electric utilities. Local publicly owned electric utilities are now required to prepare a Plan with specified elements and receive comments from the public and stakeholders, obtain an independent evaluation of the report, and submit it to the newly created California Wildfire Safety Advisory Board.

PPC's initial plan was developed in late 2019 and received comments from key stakeholders and was also independently evaluated. The WSAB is not requiring stakeholder review, public comment or independent evaluation for the 2021 Plan update.

SUBCOMMITTEE FINDINGS

The update to the 2021 Wildfire Mitigation Plan was not presented to the PPC Subcommittee.

STAFF ANALYSIS

The "Fire Threat Map" compiled by the California Public Utilities Commission, as well as local historical fire data and local conditions, indicate that PPC's underground and overhead electrical lines, equipment and related facilities are not located in areas designated as either elevated risk or extreme risk areas for wildfire.

However, for those portions of the utility's underground and overhead distribution system that are in areas of potential local fire risk, PPC's Plan employs vegetation management and infrastructure inspections in its routine preventive maintenance activities for these electrical lines and related facilities.

The Plan addresses all the elements required by California Public Utilities Code Section 8387. The initial Plan was reviewed by a qualified independent evaluator, who issued a summary report. PPC also received comments from the Solano County Office of Emergency Services, CalFire and the City of Vallejo Fire Department on the initial Plan draft, and their comments were incorporated.

The Wildfire Mitigation Plan is implemented as part of PPC's routine safety inspection and electrical system preventive maintenance activities to minimize the risk of its overhead electrical lines and equipment potentially causing a fire.

ATTACHMENTS: Resolution
2021 Wildfire Mitigation Plan

Report Prepared By: Douglas Buchanan, Power Company Manager

BEFORE THE GOVERNING BOARD OF THE PITTSBURG POWER COMPANY

In the Matter of:

Approving the Annual Wildfire)
Mitigation Plan _____)

RESOLUTION NO. 21-

WHEREAS, Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo, operating under the name Island Energy (IE); and

WHEREAS, state law at California Public Utilities Code Section 8387, added by the state legislature in 2016 and amended by Senate Bill 901 in 2018 and Assembly Bill 1054 in 2019, requires a publicly owned utility to develop, review, update and file a Wildfire Mitigation Plan (Plan) comprised of specified elements by July 1st of each year with the California Wildfire Safety Advisory Board; and

WHEREAS, a Fire Threat Map compiled by the California Public Utilities Commission, as well as local historical fire data and local conditions, indicate that PPC's underground and overhead electrical lines, equipment and related facilities are not located in areas designated as either elevated risk or extreme risk areas for wildfire; and

WHEREAS, PPC has reviewed and made minor adjustments to the Plan from its initial development as utility infrastructure and fire mitigation measures have evolved.

NOW, THEREFORE BE IT RESOLVED that the Governing Board of Pittsburg Power Company hereby approves the Wildfire Mitigation Plan, attached as Exhibit A.

PASSED AND ADOPTED by Governing Board of the Pittsburg Power Company at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Chair

ATTEST:

Alice Evenson, Executive Secretary

PITTSBURG POWER COMPANY

WILDFIRE MITIGATION PLAN

Pittsburg Power Company
is a
California Joint Powers Authority
Providing Electric and Gas Utility Services
on Mare Island Vallejo, CA;
Operating Under the Name of
“Island Energy”

15 MARCH 2021

TABLE OF CONTENTS

I.	Overview	5
A.	Policy Statement.....	5
B.	Purpose of the Wildfire Mitigation Plan	5
C.	Organization of the Wildfire Mitigation Plan	6
II.	Objectives of the Wildfire Mitigation Plan	6
A.	Minimizing Sources of Ignition	6
B.	Resiliency of the Electric Grid	6
C.	Identifying Unnecessary or Ineffective Actions	7
III.	Roles and Responsibilities	7
A.	Utility Governance Structure	7
B.	WILDFIRE PREVENTION	7
C.	WILDFIRE RESPONSE AND RECOVERY	9
D.	Coordination with Water Utilities/Department	9
E.	Coordination With Communication Infrastructure Providers	9
F.	Standardized Emergency Management System.....	10
IV.	Wildfire Risks and Drivers associated with design, construction, operation, and maintenance	11
A.	Particular Risks and Risk Drivers Associated With Topographic and Climatological Risk Factors	11
B.	Enterprisewide Safety Risks	11
C.	Changes to CPUC Fire Threat Map.....	12
V.	Wildfire Preventative Strategies.....	12
A.	High fire threat district.....	12

B.	Weather Monitoring	12
C.	design and Construction Standards	13
D.	Vegetation Management.....	13
E.	Inspections.....	15
F.	Workforce training.....	16
G.	Reclosing Policy	16
H.	Deenergization.....	16
1.	Impacts to public safety.....	17
2.	Customer Notification Protocols	17
VI.	Community Outreach and Public Awareness	18
VII.	Restoration of Service	18
VIII.	Evaluating of the Plan.....	18
A.	Metrics and Assumptions for Measuring Plan Performance	18
	Metric 1: Fire Ignitions.....	19
	Metric 2: Wires Down.....	19
B.	Impact of Metrics on Plan	19
C.	Monitoring and Auditing the Plan	19
D.	Identifying and correcting Deficiencies in the Plan.....	20
E.	Monitoring the effectiveness of inspections	20
IX.	Independent Auditor	20
EXHIBIT A	CPUC Fire Threat Map	
EXHIBIT B	Mare Island Service Territory Electrical Distribution Circuits	
EXHIBIT C	CPUC Public Utilities Code 8387	

Revision Log

Date:	Revision:
3/15/2021	Updated Exhibit B. Added "Everbridge" notification to Article III.C

I. OVERVIEW

A. POLICY STATEMENT

Pittsburg Power Company's goal is to provide safe, reliable, and economic electric service to its Mare Island customers. In order to meet this goal, PPC constructs, maintains, and operates its electrical lines and equipment in a manner that minimizes the risk of catastrophic wildfire posed by its electrical lines and equipment.

B. PITTSBURG POWER COMPANY UTILITY OVERVIEW

Pittsburg Power Company ("PPC") is a Publicly Owned Municipal Utility ("Utility") providing electric and gas Utility services on Mare Island Vallejo, CA; operating under the common name of "Island Energy". PPC is a joint powers authority.

The electric Utility component of the PPC Utility serves approximately 500 electric meters, with a combination of residential, commercial and industrial customers. Approximately 90% of the load served on Mare Island is to commercial and industrial customers. The electric distribution system operates at 12kV, while taking power at 115kV from PG&E at PPC's Station H substation. PPC does not own, operate or manage any transmission facilities.

The PPC Mare Island Utility service territory is outside of California Public Utility Commission ("CPUC") Tier 2 (Elevated) and Tier 3 (Extreme) fire threat zones as defined by the "CPUC Fire Threat Map" adopted by the CPUC on January 18, 2019. Please refer to Exhibit A.

The PPC Utility electric distribution system is an almost exclusively underground system. However, PPC does have approximately 10,480 ft of energized, overhead 12kV distribution lines. Please refer to Exhibit B.

C. PURPOSE OF THE WILDFIRE MITIGATION PLAN

This Wildfire Mitigation Plan describes the range of activities that PPC is taking to mitigate the threat of power-line ignited wildfires, including its various programs, policies, and procedures. This plan is subject to direct supervision by the PPC Board of Directors and its Executive Director and is implemented by the PPC Power Company Manager.

This plan complies with the requirements of Public Utilities Code section 8387 for publicly owned electric utilities to prepare a wildfire mitigation plan by January 1, 2020, and annually thereafter. Please refer to Exhibit C.

In general, PPC's fire prevention and safety efforts conform to the intent of Vallejo's ("City") General Plan and other safety planning efforts and programs implemented by the City. PPC participates in and coordinates directly with the City on such programs.

Mare Island is within the City of Vallejo limits and under the jurisdiction of the City's municipal departments. PPC coordinates directly with the City of Vallejo Public Works, Police and Fire departments on matters related to Utility operations, safety and emergency response on Mare Island, including wildfire response.

D. ORGANIZATION OF THE WILDFIRE MITIGATION PLAN

This Wildfire Mitigation Plan includes the following elements:

- Objectives of the plan;
- Roles and responsibilities for carrying out the plan;
- Identification of key wildfire risks and risk drivers;
- Description of wildfire prevention, mitigation, and response strategies and programs;
- Community outreach and education;
- Metrics for evaluating the performance of the plan and identifying areas for improvement;
- Review and validation of the plan; and
- Timelines

II. OBJECTIVES OF THE WILDFIRE MITIGATION PLAN

A. MINIMIZING SOURCES OF IGNITION

The primary goal of this Wildfire Mitigation Plan is to minimize the probability that PPC's distribution system may be the origin or contributing source for the ignition of a fire. PPC has evaluated the prudent and cost-effective improvements to its physical assets, operations, and training that can help to meet this objective. PPC has implemented those changes consistent with this evaluation.

B. RESILIENCY OF THE ELECTRIC GRID

The secondary goal of this Wildfire Mitigation Plan is to improve the resiliency of the electric grid. As part of the development of this plan, PPC assesses new industry practices and technologies that will reduce the likelihood of an interruption in service and improve the time frames for restoration of service.

C. IDENTIFYING UNNECESSARY OR INEFFECTIVE ACTIONS

The final goal for this Wildfire Mitigation Plan is to measure the effectiveness of specific wildfire mitigation strategies. Where a particular action, program component, or protocol is determined to be unnecessary or ineffective, PPC will assess whether a facility modification or replacement is merited.

This plan will also help determine if more cost-effective measures would produce the same or improved results.

III. ROLES AND RESPONSIBILITIES

A. UTILITY GOVERNANCE STRUCTURE

Board of Directors: PPC is governed by a “Pittsburg Power Company Board of Directors”. The Board of Directors is comprised of five (5) members, who also serve as the City Council for the City of Pittsburg.

Executive Director: The currently sitting City Manager serves as the Pittsburg Power Company Executive Director.

Director of Community Services: The Director of Community Services serves as PPC’s Department Head.

Power Company Manager: The Power Company Manager is a direct-hire City employee managing the day-to-day activities of the Utility.

B. WILDFIRE PREVENTION

The Utility has a staff of four (4) Utility Technicians – three (3) dedicated to electric operations, one (1) to gas operations. In addition to the Utility Technicians, there is a Linework position and a Maintenance Worker II position.

And in addition to the Power Company Manager, there is an Administrative Officer and Administrative Assistant positions.

The Power Company Manager has the responsibility for the operation of the Utility and the effective implementation and management of the Wildfire Mitigation Plan.

Utility staff perform all forms of distribution system operations and maintenance, including phase checking, switching, system repairs, minor upgrades, metering, system safety inspections assessments and related work.

Vegetation management is supervised by a Utility Technician and performed by the Maintenance Worker II position, other available staff, and contractors as may be required.

Typical vegetation management includes tree trimming per CPUC GO 95, manual and mechanical clearing of brush and grass from around wood poles and rights-of-way, and the limited application of herbicides to prevent recurrence of grasses around wood power poles.

System inspection for hazards or wildfire risk occurs in the normal course of staff business activities. System-wide vegetation reduction and management is performed annually.

Further and in addition to the preceding, the Utility will:

- Operate system in a manner that will minimize potential wildfire risks.
- Take all reasonable and practicable actions to minimize the risk of a catastrophic wildfire caused by PPC electric facilities.
- Coordinate with federal, state, and local fire management personnel as necessary or appropriate to implement PPC's Wildfire Mitigation Plan.
- Immediately report fires, pursuant to existing POU standard practices and the requirements of this Wildfire Mitigation Plan.
- Take corrective action when the staff witnesses or is notified that fire protection measures have not been properly implemented or maintained.
- Comply with relevant federal, state, and industry standard requirements, including the industry standards established by the California Public Utilities Commission.
- Collect and maintain service territory and other relevant POU wildfire data necessary for the implementation of this Wildfire Mitigation Plan.
- Provide regular training programs for employees having obligations for implementation of this Wildfire Mitigation Plan.

C. WILDFIRE RESPONSE AND RECOVERY

PPC Utility staff has the following obligations regarding fire prevention, response and investigation:

- Take all reasonable and practicable actions to prevent and suppress fires resulting from PPC electric facilities.
- Communicate potential risks and expected Utility actions during Red Flag or other emergency warnings.
- The Utility will provide an immediate response to any event causing or having the potential to cause a wildfire or other safety situation.
- The Utility will immediately communicate to City of Vallejo Fire and Police of an event requiring a response by public safety.
- The Utility will further communicate with City of Vallejo Public Works or other City staff as may be necessary.

Public Communication:

Presently, public communication occurs primarily through the PPC Utility website and social media outlets such as Facebook and Mare Island Next Door.

PPC is planning to put in place an “Everbridge” email and text notification system in 2020 to facilitate immediate communication with the public during wildfire and other emergencies.

D. COORDINATION WITH WATER UTILITIES / DEPARTMENT

PPC is in regular communication with the City of Vallejo Water Department in its normal course of business.

During an emergency, the PPC Utility staff would work with the water department to de-energize electrical circuits as may be necessary and provide other general assistance as may be required. The City of Vallejo does not have electric pumping facilities within the PPC service territory.

E. COORDINATION WITH COMMUNICATION INFRASTRUCTURE PROVIDERS

Coordination with communication infrastructure providers would be through incident first responders and through the City of Vallejo Communications Center (911 Call Center).

F. STANDARDIZED EMERGENCY MANAGEMENT SYSTEM

PPC participates in planning, communication, and coordination obligations pursuant to the California Office of Emergency Services' Standardized Emergency Management System ("SEMS") Regulations,¹ adopted in accordance with Government Code section 8607.

The SEMS Regulations specify roles, responsibilities, and structures of communications at five different levels: field response, local government, operational area, regional, and state.² Pursuant to this structure, PPC coordinates and communicates with the relevant safety agencies as well as other relevant local and state agencies.

¹ 19 CCR § 2407.

² Cal. Gov. Code § 2403(b):

(1) "Field response level" commands emergency response personnel and resources to carry out tactical decisions and activities in direct response to an incident or threat.

(2) "Local government level" manages and coordinates the overall emergency response and recovery activities within their jurisdiction.

(3) "Operational area level" manages and/or coordinates information, resources, and priorities among local governments within the operational area and serves as the coordination and communication link between the local government level and the regional level.

(4) "Regional level" manages and coordinates information and resources among operational areas within the mutual aid region designated pursuant to Government Code §8600 and between the operational areas and the state level. This level along with the state level coordinates overall state agency support for emergency response activities.

(5) "State level" manages state resources in response to the emergency needs of the other levels, manages and coordinates mutual aid among the mutual aid regions and between the regional level and state level, and serves as the coordination and communication link with the federal disaster response system.

Under the SEMS structure, planning and preparation is done at the county level, including the coordination of efforts of public and private organizations. Solano County serves as the Operational Area and is guided by the Solano County Office of Emergency Services. Pursuant to the SEMS structure, PPC participates in periodic information, planning and training exercises with both Solano County and the City of Vallejo.

PPC is a member of the California Utility Emergency Association (“CEUA”), which plays a key role in ensuring communications between utilities and the Office of Emergency Services (“OES”) during emergencies.

IV. WILDFIRE RISKS AND DRIVERS ASSOCIATED WITH DESIGN, CONSTRUCTION, OPERATION, AND MAINTENANCE

A. PARTICULAR RISKS AND RISK DRIVERS ASSOCIATED WITH TOPOGRAPHIC AND CLIMATOLOGICAL RISK FACTORS

Within PPC’s service territory and the surrounding areas, the primary risk drivers for wildfire are the following:

- Extended drought
- Vegetation type
- Vegetation Density
- Weather
- High winds
- Terrain
- Changing Weather Patterns (Climate Change)
- Communities or Facilities at Risk
- Fire History

B. ENTERPRISEWIDE FIRE SAFETY RISKS

Enterprise-wide safety risks are almost exclusively limited to the energized overhead distribution system (Exhibit B). Within the overhead distribution system, sections of circuits to the South of the service territory are in areas of moderate to heavy brush. Overhead circuits in the center of the service territory are in areas of some trees. Circuits on the north end of the service territory have no-to-light grasses and similar vegetation.

The underground portion of the distribution system poses low risk of wildfire, as the underground system is in commercial, industrial and residential developed areas. Events in these areas tend to be highly localized and absent dense vegetation.

C. CHANGES TO CPUC FIRE THREAT MAP

PPC does not propose nor believe there to be a need to alter or expand the CPUC Fire Threat Map as it relates to the PPC Utility Service Territory on Mare Island, Vallejo. Please refer to Exhibit A.

V. WILDFIRE PREVENTATIVE STRATEGIES

A. HIGH FIRE THREAT DISTRICT

PPC was not a participant in the development of the California Public Utilities Commission's (CPUC) Fire-Threat Map,³ which designates a High-Fire Threat District.

PPC has self-performed in identifying the areas of PPC's service territory that are at an elevated risk of power line ignited wildfire. The PPC Utility has incorporated the elements of this plan and prudent Utility practice into its construction, inspection, maintenance, repair, and clearance practices, where applicable.

B. WEATHER MONITORING

PPC monitors current and forecasted weather data from several sources including:

- United States National Weather Service
- Local Fire District Warnings
- Utility Electric Metering System Temperature Logging and Forecast

³ Adopted by CPUC Decision 17-12-024.

PPC assigns one of four operating conditions based on the relevant weather data and knowledge of local conditions:

- (1) Normal:** During normal conditions, no changes are made to operations or work policy.
- (2) Elevated:** During elevated fire-risk conditions, PPC will periodically monitor both electrical system and weather conditions.
- (3) Extreme:** During extreme fire-risk conditions, PPC will perform mobile patrols and inspections of the distribution system within areas of high vegetation and fire risk.
- (4) Red Flag:** If the National Weather Service declares a Red Flag Warning for any portion of PPC's service territory, PPC may selectively de-energize portions of its overhead distribution system.

C. DESIGN AND CONSTRUCTION STANDARDS

PPC's electric facilities are designed and constructed to meet or exceed the relevant federal, state, or industry standard. PPC treats CPUC General Order (GO) 95 as a key industry standard for design and construction standards for overhead electrical facilities. PPC meets or exceeds all standards in GO 95. Additionally, PPC monitors and follows as appropriate the National Electric Safety Code.

D. VEGETATION MANAGEMENT

PPC meets or exceeds the minimum industry standard vegetation management practices. The recommended time-of-trim guidelines do not establish a mandatory standard, but instead provide useful guidance to utilities. PPC will use specific knowledge of growing conditions and tree species to determine the appropriate time of trim clearance in each circumstance.

GO 95, Rule 35, Table 1

Case	Type of Clearance	Trolley Contact, Feeder and Span Wires, 0-5kv	Supply Conductors and Supply Cables, 750 - 22,500 Volts	Supply Conductors and Supply Cables, 22.5 - 300 kV	Supply Conductors and Supply Cables, 300 - 550 kV (mm)
13	Radial clearance of bare line conductors from tree branches or foliage	18 inches	18 inches	¼ Pin Spacing	½ Pin Spacing
14	Radial clearance of bare line conductors from vegetation in the Fire-Threat District	18 inches	48 inches	48 inches	120 inches

Appendix E
Guidelines to Rule 35

The radial clearances shown below are recommended minimum clearances that should be established, at time of trimming, between the vegetation and the energized conductors and associated live parts where practicable. Reasonable vegetation management practices may make it advantageous for the purposes of public safety or service reliability to obtain greater clearances than those listed below to ensure compliance until the next scheduled maintenance. Each Utility may determine and apply additional appropriate clearances beyond clearances listed below, which take into consideration various factors, including: line operating voltage, length of span, line sag, planned maintenance cycles, location of vegetation within the span, species type, experience with particular species, vegetation growth rate and characteristics, vegetation management standards and best practices, local climate, elevation, fire risk, and vegetation trimming requirements that are applicable to State Responsibility Area lands pursuant to Public Resource Code Sections 4102 and 4293.

Voltage of Lines	Case 13	Case 14
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Radial clearances for any conductor of a line operating at 2,400 or more volts, but less than 72,000 volts	4 feet	12 feet
Radial clearances for any conductor of a line operating at 72,000 or more volts, but less than 110,000 volts	6 feet	20 feet
Radial clearances for any conductor of a line operating at 110,000 or more volts, but less than 300,000 volts	10 feet	30 feet
Radial clearances for any conductor of a line operating at 300,000 or more volts	15 feet	30 feet

Within higher fire threat areas, PPC performs an evaluation of every tree that has the potential to strike overhead facilities if it were to fail on an estimated annual basis. PPC performs more frequent and detailed inspections of any such trees, and in cases where “hazard trees” (Dead, Dying, Diseased or leaning) could strike the facilities, will work with the City of Vallejo (or property owner) to remove the tree or portion of the tree that poses a risk.

E. INSPECTIONS

PPC meets or exceeds the minimum inspection requirements provided in CPUC GO 165 and CPUC GO 95, Rule 18. Pursuant to these rules, PPC inspects electric facilities in areas of high fire threat more frequently than the other areas of its service territory.

Additionally, PPC staff uses their knowledge of the specific environmental and geographical conditions to determine when areas outside of a higher fire threat area require more frequent inspections.

If PPC staff discovers a facility in need of repair that is owned by an entity other than PPC (such as a Utility customer), PPC will issue a notice to repair to the facility owner and work to ensure that necessary repairs are completed promptly.

PPC works to ensure that all inspections to be performed within its service territory are completed generally in late spring, with mitigation performed not later than September 1st.

PPC monitors drought conditions and other relevant factors throughout the year to determine if inspections should be completed on a shorter timeframe.

F. WORKFORCE TRAINING

PPC has implemented work rules and complementary training programs for its workforce to help reduce the likelihood of the ignition of wildfires.

Specific training includes safety monitoring of system distribution facilities, identification of circuit disconnect / isolation points and right-of-way brush management and removal.

G. RECLOSING POLICY

“Reclosers” are electrical fault detection devices that trip open when detecting an electrical fault, but then “reclose” the circuit to test if the fault was temporary. PPC does not currently employ the use of ‘reclosers’ within its service territory and does not have plans to add such devices in the future.

H. DE-ENERGIZATION

PPC has the authority to preemptively shut off power due to fire-threat conditions; however, this option will only be used in extraordinary circumstances. PPC will make a case-by-case decision to shut off power based on the following considerations:

- Red Flag Warnings issued by the National Weather Service for fire weather zones that contain PPC circuits;
- PPC staff assessments of local conditions, including wind speed (sustained and gust), humidity and temperature, fuel moisture, fuel loading and data from weather stations;
- Real-time information from staff located in areas identified as at risk of being subject to extreme weather conditions;
- Input from PPC fire experts and vegetation experts;
- Input from local and state fire authorities regarding the potential consequences of wildfires in select locations;
- Alternative ways to reroute power to affected areas;
- Awareness of mandatory or voluntary evacuation orders in place;
- Expected impact of de-energizing circuits on essential services;

- Other operational considerations to minimize potential wildfire ignitions, including the blocking of reclosers on the identified circuit(s);
- On-going fire activity throughout PPC territory and California;
- Ability to notify customers;
- Notifications to local governments and public officials; and
- Potential impacts to communities and customers

I. IMPACTS TO PUBLIC SAFETY

In the event of the need to shut off power within the service territory, or when PG&E's supply of power to PPC is shutoff, the following may be impacted.

- Customers with special medical devices requiring power and not having backup.
- Streetlights and traffic signals are out
- US Coast Guard ship traffic radar station is out
- G Street Causeway Bridge inoperable

Note that many critical facilities within the Utility service territory have back-up generation, including the VA Medical Clinic, US Coast Guard communications facility and Bay Ferry terminal. There are no primary police or fire facilities within the Utility service territory.

J. CUSTOMER NOTIFICATION PROTOCOLS

The basic protocols for customer notification remain telephone, email, the Utility website and social media.

Customers will be notified in advance of a planned shutdown, whether by the Utility or by PG&E – to the extent PPC is made aware of or can anticipate a grid-wide shutdown event.

Future customer and public notification schemes include 'Everbridge' email and text notifications.

VI. COMMUNITY OUTREACH AND PUBLIC AWARENESS

PPC has performed community outreach regarding wildfire and power outage risk in three ways:

1. PPC drafted and issued a statement regarding the potential for power interruptions on Mare Island due to wildfire risk. The statement was posted on the Utility website and distributed via social media (Mare Island Next Door). PPC will also be using the Everbridge communications platform for public outreach beginning 3Q2020.
2. Responding to individual customer inquiries regarding the potential for power interruptions.
3. Fiscal Year new rate schedule Public Hearing on Mare Island

Going forward, other public meetings and tools such as 'Everbridge' will be employed. PPC will also continue to use social media to communicate important public and customer information.

VII. RESTORATION OF SERVICE

Restoration of electric distribution services will be per PPC Utility operation procedures. Such procedures include, but are not limited to:

1. Inspect involved facilities and any related facilities for damage and/or operability. Perform repairs or replacement as may be necessary.
2. Check relay protections and circuit breaker status for correct setting / position.
3. Confirm circuit phasing.
4. Perform circuit switching per switching protocol.
5. Confirm restoration and normal operation of system.
6. Perform final safety check.

VIII. EVALUATING OF THE PLAN

A. METRICS AND ASSUMPTIONS FOR MEASURING PLAN PERFORMANCE

PPC will track two metrics to measure the performance of this Wildfire Mitigation Plan: (1) number of fire ignitions; and (2) wires down within the service territory.

METRIC 1: FIRE IGNITIONS

For purposes of this metric, a fire ignition is defined as follows:

- A PPC facility was associated with the fire;
- The fire was self-propagating and of a material other than electrical and/or communication facilities;
- The resulting fire traveled greater than one linear meter from the ignition point; and
- PPC has knowledge that the fire occurred.

In future Wildfire Mitigation Plans, PPC will provide the number of fires that occurred that were less than 10 acres in size. Any fires greater than 10 acres will be individually described.

METRIC 2: WIRES DOWN

The second metric is the number of distribution and transmission wires downed within PPC's service territory. For purposes of this metric, a "wires down" event includes any instance where an electric transmission or primary distribution conductor falls to the ground or on to a foreign object. PPC will divide the wires down metric between wires down inside and outside of the High Fire Threat District.

PPC will not normalize this metric by excluding unusual events, such as severe storms or vandalism – such as attempted copper theft. Instead, PPC will supplement this metric with a qualitative description of any such unusual events.

B. IMPACT OF METRICS ON PLAN

In the initial years, PPC anticipates that there will be relatively limited data gathered through these metrics. However, as the data collection history becomes more robust, PPC will be able to identify areas of its operations and service territory that are disproportionately impacted. PPC will then evaluate potential improvements to the plan.

C. MONITORING AND AUDITING THE PLAN

This Wildfire Mitigation Plan will be presented to the PPC Board of Directors which will conduct a Public Hearing on the plan. PPC will present this plan to Board of Directors on an annual basis.

D. IDENTIFYING AND CORRECTING DEFICIENCIES IN THE PLAN

Deficiencies in the plan will be identified by ongoing distribution system safety reviews, field operations, and identified 'lessons learned' from other POU's.

Responsibility for correcting deficiencies within the plan and implementing corrective actions or plans will be the responsibility of the Power Company Manager.

E. MONITORING THE EFFECTIVENESS OF INSPECTIONS

PPC will monitor the effectiveness of its inspections through written reports and periodic field verification by others, including the Power Company Manager.

IX. INDEPENDENT AUDITOR

Public Utilities Code section 8387(c) requires PPC to engage with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of this Wildfire Mitigation Plan. The independent evaluator must issue a report that is posted to PPC's website. This report must also be presented to PPC Board of Directors at a public hearing.

PPC has selected a qualified independent evaluator with experience in assessing the safe operation of electrical distribution infrastructure and related facilities.

The evaluator is familiar with the PPC Utility service territory and Utility operations and has performed safety audits and training of Utility Technician personnel for PPC. The auditor has detailed and specific knowledge of the requirements of California Senate Bill 901 and California Public Utilities Code 8387.

EXHIBIT A

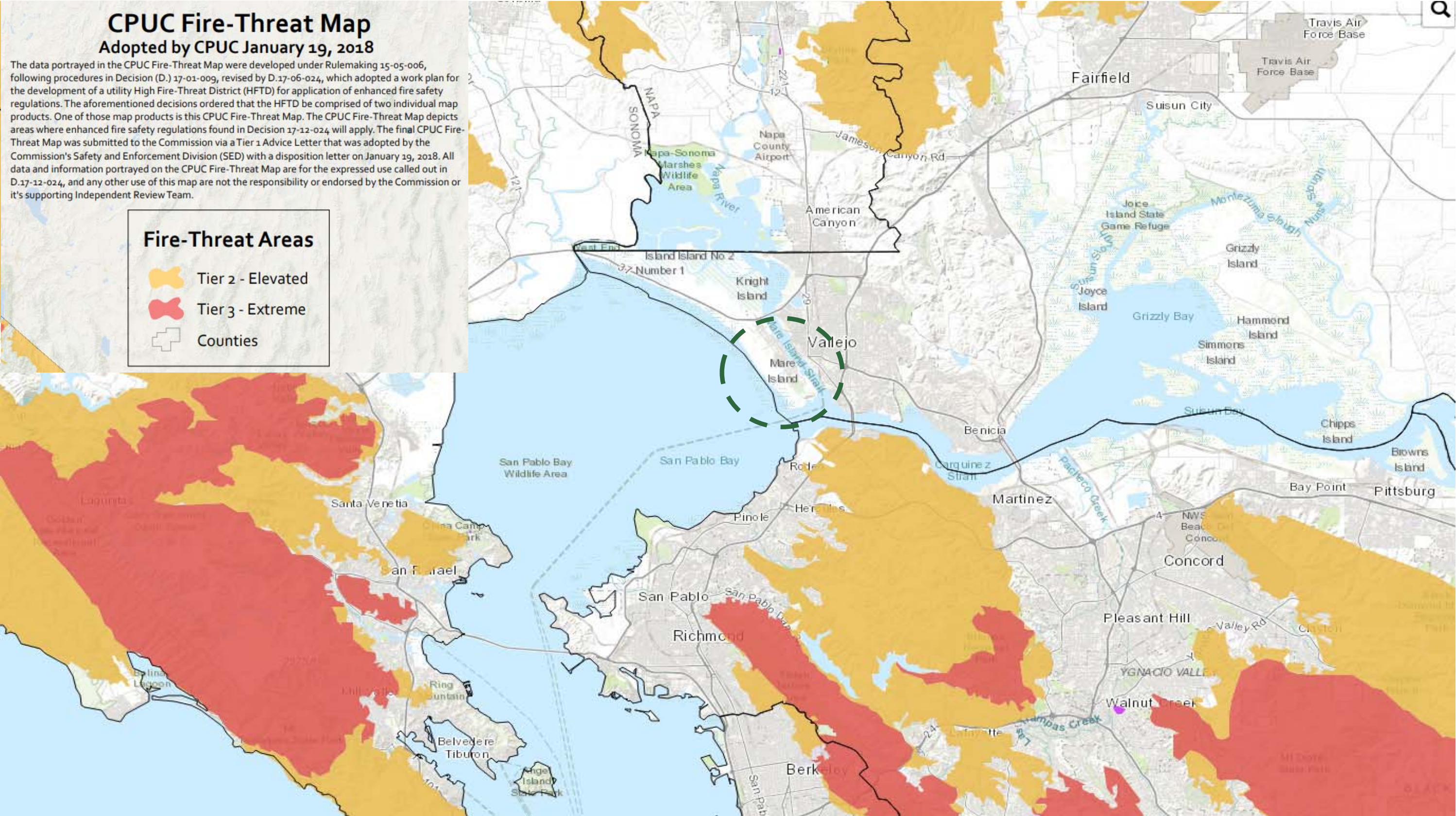


EXHIBIT B



EXHIBIT C

PUBLIC UTILITIES CODE - CPUC

DIVISION 4.1. PROVISIONS APPLICABLE TO PRIVATELY OWNED AND PUBLICLY OWNED PUBLIC UTILITIES [8301 - 8390] (Heading of Division 4.1 amended by Stats. 1988, Ch. 1560, Sec. 2.)

CHAPTER 6. Wildfire Mitigation [8385 - 8389] (Chapter 6 added by Stats. 2016, Ch. 598, Sec. 1.)

8387.

(a) Each local publicly owned electric Utility and electrical cooperative shall construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of wildfire posed by those electrical lines and equipment.

(b) (1) The local publicly owned electric Utility or electrical cooperative shall, before January 1, 2020, prepare a wildfire mitigation plan. After January 1, 2020, a local publicly owned electric Utility or electrical cooperative shall prepare a wildfire mitigation plan annually and shall submit the plan to the California Wildfire Safety Advisory Board on or before July 1 of that calendar year. Each local publicly owned electric Utility and electrical cooperative shall update its plan annually and submit the update to the California Wildfire Safety Advisory Board by July 1 of each year. At least once every three years, the submission shall be a comprehensive revision of the plan.

(2) The wildfire mitigation plan shall consider as necessary, at minimum, all of the following:

(A) An accounting of the responsibilities of persons responsible for executing the plan.

(B) The objectives of the wildfire mitigation plan.

(C) A description of the preventive strategies and programs to be adopted by the local publicly owned electric Utility or electrical cooperative to minimize the risk of its electrical lines and equipment causing catastrophic wildfires, including consideration of dynamic climate change risks.

(D) A description of the metrics the local publicly owned electric Utility or electrical cooperative plans to use to evaluate the wildfire mitigation plan's performance and the assumptions that underlie the use of those metrics.

(E) A discussion of how the application of previously identified metrics to previous wildfire mitigation plan performances has informed the wildfire mitigation plan.

(F) Protocols for disabling reclosers and deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communication infrastructure.

(G) Appropriate and feasible procedures for notifying a customer who may be impacted by the deenergizing of electrical lines. The procedures shall consider the need to notify, as a priority, critical first responders, health care facilities, and operators of telecommunications infrastructure.

(H) Plans for vegetation management.

(I) Plans for inspections of the local publicly owned electric Utility's or electrical cooperatives electrical infrastructure.

(J) A list that identifies, describes, and prioritizes all wildfire risks, and drivers for those risks, throughout the local publicly owned electric Utility's or electrical cooperative's service territory. The list shall include, but not be limited to, both of the following:

- (i) Risks and risk drivers associated with design, construction, operation, and maintenance of the local publicly owned electric Utility's or electrical cooperative's equipment and facilities.

- (ii) Particular risks and risk drivers associated with topographic and climatological risk factors throughout the different parts of the local publicly owned electric Utility's or electrical cooperative's service territory.

(K) Identification of any geographic area in the local publicly owned electric Utility's or electrical cooperative's service territory that is a higher wildfire threat than is identified in a commission fire threat map, and identification of where the commission should expand a high fire-threat district based on new information or changes to the environment.

(L) A methodology for identifying and presenting enterprise-wide safety risk and wildfire-related risk.

(M) A statement of how the local publicly owned electric Utility or electrical cooperative will restore service after a wildfire.

(N) A description of the processes and procedures the local publicly owned electric Utility or electrical cooperative shall use to do all of the following:

- (i) Monitor and audit the implementation of the wildfire mitigation plan.

(ii) Identify any deficiencies in the wildfire mitigation plan or its implementation, and correct those deficiencies.

(iii) Monitor and audit the effectiveness of electrical line and equipment inspections, including inspections performed by contractors that are carried out under the plan, other applicable statutes, or commission rules.

(3) The local publicly owned electric Utility or electrical cooperative shall, on or before January 1, 2020, and not less than annually thereafter, present its wildfire mitigation plan in an appropriately noticed public meeting. The local publicly owned electric Utility or electrical cooperative shall accept comments on its wildfire mitigation plan from the public, other local and state agencies, and interested parties, and shall verify that the wildfire mitigation plan complies with all applicable rules, regulations, and standards, as appropriate.

(c) The local publicly owned electric Utility or electrical cooperative shall contract with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of its wildfire mitigation plan. The independent evaluator shall issue a report that shall be made available on the internet website of the local publicly owned electric Utility or electrical cooperative, and shall present the report at a public meeting of the local publicly owned electric Utility's or electrical cooperative's governing board.

(Amended by Stats. 2019, Ch. 79, Sec. 20. (AB 1054) Effective July 12, 2019.)



OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

TO: Chair and Governing Board Members

FROM: Garrett Evans, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution Approving the Utility Physical Security Plan

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Pittsburg Power Company (PPC) provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE). PPC is required to develop and submit a Utility Physical Security Plan (Plan) to the California Public Utilities Commission (CPUC) annually.

The Plan is developed in accordance with the 2019 CPUC Decision (D.) 19-01-018 (Decision). A key element of the Plan is the identification of “Covered Distribution Facilities”. IE has no identified Covered Distribution Facilities as defined by the Decision and employs security best practices and regular facilities threat and security assessments.

FISCAL IMPACT

Approval of the Plan has no direct fiscal impact to the City or the General Fund. Funds for such electric distribution facility security enhancements or projects will be from IE’s annual electric rate case proceedings and operating budget as approved by the Governing Board of the PPC each fiscal year.

RECOMMENDATION

The Governing Board of the PPC approve Island Energy’s Utility Physical Security Plan.

BACKGROUND

On April 16, 2013, one or more individuals attacked equipment located within Pacific Gas and Electric Company’s (PG&E) Metcalf Transmission Substation, ultimately damaging 17 transformers. These individuals also cut nearby fiber-optic telecommunication cables owned by AT&T. In response to the attack, the Federal Energy Regulatory Commission (FERC) directed the North American Electric Reliability Corporation (NERC) to develop new physical

security requirements, resulting in the creation of NERC Critical Infrastructure Protection Order CIP-014.

California Public Utilities Code Section 364 was amended by SB 699 in 2014 to require the CPUC to consider rules for physical security risks.

In response to SB 699, the CPUC's Safety and Enforcement Division, Risk Assessment and Safety Advisory Section (RASA) prepared a white paper proposing a new requirement for investor-owned utilities (IOUs) and publicly owned utilities (POUs) to develop security plans that would identify security risks to their distribution and transmission systems and propose methods to mitigate those risks.

SUBCOMMITTEE FINDINGS

The Utility Physical Security Plan was discussed during the PPC Subcommittee meeting conducted on February 2, 2021.

STAFF ANALYSIS

In 2019, the Decision adopted the Joint IOU/POU Straw Proposal as modified by the CPUC RASA proposal, with additional clarifications and guidance. The Decision clarified that where there is a conflict between the Straw Proposal and the CPUC RASA proposal, then it is the rule in the RASA proposal that controls.

The Decision asserted that the POUs should utilize the Plan process described therein. Island Energy has followed the plan development process as outlined by the CPUC.

There are three (3) key elements within the Plan requirements.

1. Development of a Mitigation Plan for Covered Distribution Facilities:

"Covered Distribution Facilities" are specific, critical electrical distribution facilities as defined by the Decision. In general, Covered Distribution Facilities include critical local and regional infrastructure such as hospital trauma centers, water treatment and distribution facilities, wastewater treatment plants, regional airports, "black start" generation powerplants and certain military facilities.

Island Energy does not serve any critical "Covered Distribution Facilities" as defined by the Decision, and therefore is not required to develop specific security mitigation plans for its distribution facilities; but instead to continue with general security and threat assessment and to employ distribution facility security best practices.

2. Independent Third-party Review

The Pittsburg Police Department Special Response Unit has reviewed the Plan and inspected PPC's IE distribution facilities. Municipal police departments have been deemed qualified as an independent third-party reviewer for municipal utilities. The third-party reviewer comments have been incorporated into the Plan and the related response letter is included in the Plan as Exhibit C.

3. Qualified Authority Review

The Plan was submitted to the California Office of Emergency Services (CalOES) on February 8, 2021 for review. The CalOES has been deemed a “Qualified Authority” for review of the Plan.

PPC has been advised that given the number of plans to be reviewed by CalOES, that it could take up to a year for the review. PPC has been further advised to submit its Plan to the CPUC by the requested July 12, 2021 submittal date and to indicate that the Qualified Authority review is “Pending”.

ATTACHMENTS: Resolution
Exhibit A – Pittsburg Power Company Utility Physical Security Plan

Report Prepared By: Douglas Buchanan, Power Company Manager

BEFORE THE GOVERNING BOARD OF THE PITTSBURG POWER COMPANY

In the Matter of:

Adoption of a Pittsburg Power Company	)	
Resolution Approving the Utility Physical	)	RESOLUTION NO. 21-
<u>Security Plan</u>	)	

The Governing Board of the Pittsburg Power Company FINDS AND DETERMINES as follows:

WHEREAS, Pittsburg Power Company (PPC) provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE); and

WHEREAS, PPC is required by the California Public Utilities Commission (CPUC) to develop and submit annually a Utility Physical Security Plan (Plan) addressing its electrical distribution facilities security; and

WHEREAS, the Plan is to be developed in accordance with the 2019 CPUC Decision (D.) 19-01-018 (Decision); and

WHEREAS, PPC has determined it serves no critical "Covered Distribution Facilities" as defined by the Decision; and

WHEREAS, PPC has obtained an "Independent Third-Party Review" of the Plan as required by the Decision; and

WHEREAS, PPC has submitted the Plan for review to the California Office of Emergency Services (CalOES), where CalOES has been deemed a "Qualified Authority" in performing Plan review.

NOW, THEREFORE, the Governing Board of the Pittsburg Power Company DOES RESOLVE as follows:

Section 1. The Utility Security Plan, incorporated herein by reference, is approved.

Section 2. The Executive Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by Governing Board of the Pittsburg Power Company at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Chair

ATTEST:

Garrett Evans, Executive Secretary



PITTSBURG POWER COMPANY (ISLAND ENERGY)

UTILITY PHYSICAL SECURITY PLAN

A Public Report on Island Energy's physical security program for distribution-level electrical facilities

March 24, 2021

TABLE OF CONTENTS

I. OVERVIEW	4
A. Goal of Utility Physical Security Plan	4
B. Description of Island Energy	4
C. Results of Utility Physical Security Plan Assessment	5
II. BACKGROUND	6
III. PLAN DEVELOPMENT PROCESS	8
A. Physical Security Principles	8
B. Utility Physical Security Plan Development Process	9
STEP 1: Assessment / Plan Development	9
STEP 1A: Identify Covered Distribution Facilities	9
STEP 1B: Perform risk assessment	9
STEP 1C: Develop mitigation plan	9
STEP 2: Independent review	9
STEP 3: Validation	10
STEP 4: Adoption	10
STEP 5: Maintenance	10
STEP 6: Repeat process	10
IV. IDENTIFICATION OF COVERED DISTRIBUTION FACILITIES (STEP 1A)	10
A. Identification Factors	10
B. Identification analysis	12
V. RISK ASSESSMENT (STEP 1B)	15
A. Methodology	15
A. Mitigation Measures	15
B. Risk Assessment	17
VI. COVERED DISTRIBUTION FACILITY MITIGATION PLANS (STEP 1C)	19

VII. INDEPENDENT EVALUATION AND RESPONSE (STEP 2)	20
A. Requirements for Qualified Third-Party Review	20
B. Identification of Third-Party Reviewer	20
C. Public Results of Third-Party Evaluation	21
D. Island Energy Response	21
VIII. VALIDATION (STEP 3)	22
A. Selection of Qualified Authority	22
B. Results of Qualified Authority Review	22
C. Island Energy Response to Qualified Authority Review	22
IX. NARRATIVE DESCRIPTIONS FOR UTILITY PHYSICAL SECURITY PLAN	23
A. Asset Management Program	23
B. Workforce Training and Retention Program	23
C. Preventative Maintenance Plan	23
D. Physical Security Event Training	24
E. Communication Infrastructure Risk Assessment	24
F. Facility Design Features	24
EXHIBIT A: Island Energy Service Territory	25
EXHIBIT B: Utility Distribution Facilities Description	26
EXHIBIT C: 3 RD -Party Review Response	27
EXHIBIT D: Qualified Authority Response	29

I. OVERVIEW

A. GOAL OF UTILITY PHYSICAL SECURITY PLAN

Ensuring the safety of its facilities is a top priority for Island Energy, and Island Energy prioritizes safety in all aspects of its design, operation, and maintenance practices. The overarching goal of this Utility Security Plan is to describe Island Energy's risk management approach toward distribution system physical security, with appropriate consideration of resiliency, impact, and cost.

Island Energy recognizes the importance of securing the safety and reliability of its electric system and, therefore, Island Energy voluntarily participated in the California Public Utilities Commission's (CPUC) Physical Security proceeding and has undertaken this assessment. In the spirit of continued voluntary cooperation, Island Energy offers the following in response to CPUC Decision D.9-01-018.

B. DESCRIPTION OF ISLAND ENERGY

Pittsburg Power Company, a joint powers authority ("PPC"), is a Publicly Owned Municipal Utility ("Utility") providing electric and gas utility services on Mare Island Vallejo, CA, operating under the common name of "Island Energy".

The electric utility component of the PPC Utility serves approximately 500 electric meters, with a combination of residential, commercial, and industrial customers. Approximately 90% of the load served on Mare Island is to commercial and industrial customers. The electric distribution system operates at 12kV, while taking power at 115kV from PG&E at Island Energy's Station H substation. Island Energy does not own, operate, or manage any transmission or generation facilities.

The Island Energy service territory covers an area of approximately 2.6 square miles. The electric distribution system has approximately 25 miles of 12kV conductor and is an almost exclusively underground system.

However, Island Energy does have approximately 10,500 ft of energized, overhead 12kV distribution lines serving street lighting, storm water pumping and a US Coast Guard telecommunications installation and other minor uses.

C. RESULTS OF UTILITY PHYSICAL SECURITY PLAN ASSESSMENT

In performing the Physical Security Plan Assessment (the “Plan”), Island Energy conducted a field review of 16 medium-voltage (12kV) substations and related facilities. Island Energy also reviewed system electrical single-line drawings and performed a customer type and substation interconnect review. Please refer to Exhibit B.

The distribution system review and assessment did not identify any “Covered Distribution Facilities” as described by and defined within the CPUC approved Decision (D.) 19-01-018, which adopted the Joint IOU/POU Straw Proposal as modified by the CPUC’s Risk Assessment and Safety Advisory (RASA) section.

The review did identify two (2) customers that could be considered sensitive to power interruptions:

1. Veterans Affairs (VA) Outpatient Clinic
2. US Coast Guard Telecommunications Facility

Island Energy did not classify these facilities as “Covered Distribution Facilities” as both facilities have mitigation measures in place with on-site back-up generation.

Island Energy also notes the US Army Reserve operations on South Mare Island. This is primarily a vehicle storage and maintenance facility and is lightly staffed. Hence, Island Energy did not classify the US Army Reserve operation as a “Covered Distribution Facility”.

All other customers within the Island Energy service territory are either residential, general commercial and light to heavy industrial.

[**PLACEHOLDER:** Once completed, this section should describe the general conclusions of the Independent Evaluation and POU’s response]

II. BACKGROUND

On April 16, 2013, one or more individuals attacked equipment located within Pacific Gas and Electric Company's (PG&E) Metcalf Transmission Substation, ultimately damaging 17 transformers. These individuals also cut nearby fiber-optic telecommunication cables owned by AT&T. In response to the attack, the Federal Energy Regulatory Commission (FERC) directed the North American Electric Reliability Corporation (NERC) to develop new physical security requirements, resulting in the creation of CIP-014.

In 2014 California State Senator Jerry Hill authored SB 699, directing the CPUC to "consider adopting rules to address the physical security risks to the distribution systems of electrical corporations." In response to SB 699, the CPUC's Safety and Enforcement Division, Risk Assessment and Safety Advisory Section (RASA) prepared a white paper proposing a new requirement for investor-owned utilities (IOUs) and publicly owned utilities (POUs) to develop security plans that would identify security risks to their distribution and transmission systems, and propose methods to mitigate those risks. The CPUC hosted a series of workshops to better understand the state of utility physical security protections and to seek input on refining their proposal.

In order to support a statewide improvement of how utilities address distribution level physical security risks, the California Municipal Utilities Association (CMUA), which is the statewide trade association for POUs, coordinated with the state's IOUs to develop a comprehensive Straw Proposal¹ (Joint IOU/POU Straw Proposal) for a process to identify at-risk facilities and, if necessary, develop physical security mitigation plans. As a member of CMUA, Island Energy staff participated in the development of the Joint IOU/POU Straw Proposal through a CMUA working group as well as through direct meetings with the IOUs. The Joint POU/IOU Straw Proposal set out a process for the following:

- 1) Identifying if the utility has any high priority distribution facilities.
- 2) Evaluating the potential risks to those high priority distribution facilities.

¹ Straw Proposal available at: https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/Safety/Risk_Assessment/physicalsecurity/R1506009-Updated%20Joint%20Straw%20Proposal%20and%20Cover%20083117%20Filing.pdf.

- 3) For the distribution facilities where the identified risks are not effectively mitigated through existing resilience/security measures, developing a mitigation plan.
- 4) Obtaining third party reviews of the mitigation plans.
- 5) Adopting a document retention policy.
- 6) Ensuring a review process established by the POU governing board; and
- 7) Implementing information sharing protocols.

RASA filed a response² to the Joint IOU/POU Straw Proposal that recommended various modifications and clarifications, including a six-step process. Additionally, RASA recommended that the utility mitigation plans include:

- 1) An assessment of supply chain vulnerabilities.
- 2) Training programs for law enforcement and utility staff to improve communication during physical security events; and
- 3) An assessment of any nearby communication utility infrastructure that supports priority distribution substations.

In 2019, the CPUC approved Decision (D.) 19-01-018, which adopted the Joint IOU/POU Straw Proposal as modified by the RASA proposal, with additional clarifications and guidance. D.19-01-018 clarified that where there is a conflict between the Straw Proposal and the RASA proposal, then it is the rule in the RASA proposal that controls.³

D.19-01-018 asserted that the POUs should utilize the Utility Security Plan process described therein. Island Energy is following the process and issuing this report at this time to reflect its existing commitment to safety and to protecting its ratepayers' investment by taking reasonable and cost-effective measures in an effort to safeguard key assets of its distribution system.

² RASA Response available at:

https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/Safety/Risk_Assessment/physicalsecurity/Final%20Staff%20Recommendation%20for%20Commission%20Consideration%20010318.pdf.

³ D.19-01-018 at 43, footnote 58 ("Should there be any question of which shall predominate should there be any incongruity or conflict between a utility or SED RASA recommended rule, the SED RASA rule shall apply.").

III. PLAN DEVELOPMENT PROCESS

A. PHYSICAL SECURITY PRINCIPLES

The Joint IOU/POU Straw Proposal seeks to support the creation of a risk management approach toward distribution system physical security, with appropriate considerations of resiliency, impact, and cost. In order to accomplish this risk-based approach, the Joint IOU/POU Straw Proposal identifies several principles to guide the development of each individual utility's program. These principles are the following:

1. Distribution systems are not subject to the same physical security risks and associated consequences, including threats of physical attack by terrorists, as the transmission system.
2. Distribution utilities will not be able to eliminate the risk of a physical attack occurring, but certain actions can be taken to reduce the risk or consequences, or both, of a significant attack.
3. A one-size-fits-all standard or rule will not work. Distribution utilities should have the flexibility to address physical security risks in a manner that works best for their systems and unique situations, consistent with a risk management approach.
4. Protecting the distribution system should consider both physical security protection and operational resiliency or redundancy.
5. The focus should not be on all Distribution Facilities, but only those that risk dictates would require additional measures.
6. Planning and coordination with the appropriate federal and state regulatory and law enforcement authorities will help prepare for attacks on the electrical distribution system and thereby help reduce or mitigate the potential consequences of such attacks.

B. UTILITY PHYSICAL SECURITY PLAN DEVELOPMENT PROCESS

Island Energy applied the multi-step process to develop this Utility Security Plan that is consistent with the Joint IOU/POU Straw Proposal and D.19-01-018. The relevant six steps of that process are the following:

STEP 1: ASSESSMENT / PLAN DEVELOPMENT

Island Energy staff and/or consultants prepare a Draft Utility Security Plan through the process set forth in Steps 1A, 1B, and 1C.

STEP 1A: IDENTIFY COVERED DISTRIBUTION FACILITIES

Island Energy will evaluate all distribution-level facilities in its service territory that are subject to its control to determine if any facility meets D.19-01-018's definition of a "Covered Distribution Facility" using the seven factors identified in the Joint IOU/POU Straw Proposal.

STEP 1B: PERFORM RISK ASSESSMENT

For every individual Covered Distribution Facility identified pursuant to Step 1A, Island Energy will perform an evaluation of the potential risks associated with a successful physical attack on that Covered Distribution Facility, and whether existing grid resiliency, back-up generation, and/or physical security measures appropriately mitigate identified risks.

STEP 1C: DEVELOP MITIGATION PLAN

If there are any individual Covered Distribution Facilities where the Risk Assessment performed pursuant to Step 1B finds that the existing mitigation and/or resiliency measures do not effectively mitigate the identified risks, then Island Energy will develop a Mitigation Plan for that Covered Distribution Facility. The Mitigation Plan will use a risk-based approach to select reasonable and cost-effective measures that can either be security focused (e.g., walls or alarms) or resiliency focused (e.g., adequate spare parts).

STEP 2: INDEPENDENT REVIEW

For every Utility Security Plan cycle, Island Energy will document the results of the identification process, risk assessment, and Mitigation Plan development performed pursuant to Steps 1A, 1B, and 1C. This documentation in combination with narrative description in Section IX below, constitutes Island

Energy's Draft Utility Security Plan. Each Draft Utility Security Plan is submitted to a Qualified Third Party for Independent Review. The Qualified Third Party Reviewer will then issue an evaluation that identifies any potential deficiencies in the Draft Utility Security Plan as well as recommendations for improvements. Island Energy will then modify its plan to address any identified deficiencies or recommendations or will document the reasons why any recommendations were not adopted. The combination of the Draft Utility Security Plan, the non-confidential conclusions of the Qualified Third-Party Reviewer, and Island Energy's responses to the Qualified Third-Party Review will constitute Island Energy's Utility Security Plan.

STEP 3: VALIDATION

Island Energy will submit its Utility Security Plan to a qualified authority for review. Such entity will provide additional feedback and evaluation of Island Energy's Utility Security Plan and, to the extent that this entity is authorized, such entity deems the Utility Security Plan as adequate.

STEP 4: ADOPTION

Island Energy's Utility Security Plan will be presented to and adopted by Island Energy's [governing board] at a public meeting.

STEP 5: MAINTENANCE

Island Energy will refine and update the Utility Security as appropriate and as necessary to preserve plan integrity.

STEP 6: REPEAT PROCESS

Island Energy will repeat this six-step process at least once every five years.

IV. IDENTIFICATION OF COVERED DISTRIBUTION FACILITIES (STEP 1A)

As described in Section III, Step 1A of the Utility Security Plan process involves assessing all distribution-level facilities that are subject to the control of Island Energy to determine which facilities are "Covered Distribution Facilities" subject to the need for a risk assessment. This Section describes the factors that Island Energy used to evaluate its distribution facilities and the results of its evaluation.

A. IDENTIFICATION FACTORS

The Joint IOU/POU Straw Proposal defines seven screening factors to determine if a facility is a “Covered Distribution Facility.” Some factors require additional definitions and/or clarifications in order to be applied to Island Energy’s facilities.

The following Table provides the Joint IOU/POU Straw Proposal’s Factors as modified/clarified by Island Energy.

Factor	Joint IOU/POU Straw Proposal Description	Additional Clarification
1	Distribution Facility necessary for crank path, black start or capability essential to the restoration of regional electricity service that are not subject to the California Independent System Operator’s (CAISO) operational control and/or subject to North American Electric Reliability Corporation (NERC) Reliability Standard CIP-014-2 or its successors	No additional clarification.
2	Distribution Facility that is the primary source of electrical service to a military installation essential to national security and/or emergency response services (may include certain airfields, command centers, weapons stations, emergency supply depots)	No additional clarification.
3	Distribution Facility that serves installations necessary for the provision of regional drinking water supplies and wastewater services (may include certain aqueducts, well fields, groundwater pumps, and treatment plants)	An installation provides “regional drinking water supplies and wastewater services” if it is the primary source of drinking water supply or wastewater services for over 40,000 customer accounts for an area with a population of over 100,000.

4	Distribution Facility that serves a regional public safety establishment (may include County Emergency Operations Centers; county sheriff's department and major city police department headquarters; major state and county fire service headquarters; county jails and state and federal prisons; and 911 dispatch centers)	Island Energy defines "regional public safety establishment" as any of the following: (1) Headquarters of a major police or fire department serving 1.5 million population with at least 1,000 sworn officers; (2) County Sheriff's Department Headquarters; (3) County Emergency Operations Center; (4) County/State Fire headquarters; (5) a California State Prison; (5) a United States Penitentiary; or (6) a Federal Correctional Institute.
5	Distribution Facility that serves a major transportation facility (may include International Airport, Mega Seaport, other air traffic control center, and international border crossing)	In addition to the facilities listed in the Joint IOU/POU Straw Proposal, Island Energy defines a "major transportation facility" as any transportation facility that has (1) an average of 600 or more flights per day; or (2) over 50,000 passengers arriving or departing per day.
6	Distribution Facility that serves as a Level 1 Trauma Center as designated by the Office of Statewide Health Planning and Development	No additional clarification.
7	Distribution Facility that serves over 60,000 meters	No additional clarification.

B. IDENTIFICATION ANALYSIS

In performing this identification analysis, Island Energy is assessing all distribution level facilities that are subject to its exclusive control, or if the facility is jointly owned, the joint ownership agreement identifies Island Energy as the entity responsible for operation and maintenance. The specific types of facilities include substations, ductbanks and overhead distribution lines.

Based on this scope, Island Energy has identified 16 facilities that are subject to this identification analysis. Of these 16 facilities, none fall within one of the categories listed above.

The following table summarizes the results of Island Energy’s identification analysis (next page).

Facility ID	1. Crank Path, Black Start	2. Military Installation	3. Regional Drinking Water/ Wastewater Services	4. Regional Public Safety	5. Major Transportation Facility	6. Level 1 Trauma Center	7. Over 60,000 Meters
Substation A	No	No	No	No	No	No	No
Substation D	No	No	No	No	No	No	No
Substation E	No	No	No	No	No	No	No
Substation F	No	No	No	No	No	No	No
Substation G	No	No	No	No	No	No	No
Substation H	No	No	No	No	No	No	No
Substation I	No	No	No	No	No	No	No
Substation J	No	No	No	No	No	No	No
Substation K	No	No	No	No	No	No	No
Substation L	No	No	No	No	No	No	No
Substation M	No	No	No	No	No	No	No
Substation N	No	No	No	No	No	No	No
Substation P	No	No	No	No	No	No	No
Substation 738	No	No	No	No	No	No	No
Ductbanks	No	No	No	No	No	No	No

V. RISK ASSESSMENT (STEP 1B)

A. METHODOLOGY

Pursuant to the process identified in the Joint IOU/POU Straw Proposal and D.19-01-018, Island Energy will assess the potential risks associated with a successful physical attack on each of the Covered Distribution Facilities identified in Section IV above. For purpose of this analysis, a physical attack is limited to the following: (1) theft; (2) vandalism; and (3) discharge of a firearm. A “successful physical attack” is limited to circumstances where a theft, vandalism, and/or the discharge of a firearm has directly led to the failure of any elements of the Covered Distribution Facility that are necessary to provide uninterrupted service to the specific load identified in Section IV.

In order to perform this risk analysis, Island Energy evaluates the relative risk that (1) a physical attack on a Covered Distribution Facility will be successful considering the protective measures in place; or (2) that the impacts of a successful attack will be mitigated due to resiliency and other measures in place.

A. MITIGATION MEASURES

D.19-01-018 identifies the specific mitigation measures that a utility should consider when performing this risk analysis. The following table lists these mitigation measures and provides Island Energy’s additional clarifications that are necessary to apply these measures to the Island Energy’s territory.

Measure	D.19-01-018 Description	Additional Clarification
1	The existing system resiliency and/or redundancy solutions (e.g., switching the load to another substation or circuit capable of serving the load, temporary circuit ties, mobile generation and/or storage solutions).	No additional clarification.
2	The availability of spare assets to restore a particular load.	No additional clarification.
3	The existing physical security protections to reasonably address the risk.	No additional clarification.
4	The potential for emergency responders to identify and respond to an attack in a timely manner.	Each facility is evaluated based on the likelihood that a law enforcement officer would generally be able to arrive at the Covered Distribution Facility within 15 minutes of a report from the public of a break-in or attack, or of Island Energy notifying the law enforcement agency of triggering of an alarm at the facility.
5	Location and physical surroundings, including proximity to gas pipelines and geographical challenges, and impacts of weather.	Island Energy evaluated this element based on the proximity of the Covered Distribution Facility to populated areas and the extent to which the interior of the facility is shielded from view and access due to walls, vegetation, or other physical obstructions.
6	History of criminal activity at the Distribution Facility and in the area.	Island Energy assesses the property crime rates in the immediate vicinity of the Covered Distribution Facility and compares those crimes rates to property crime rates for the county and the state to determine if the area is subject to a higher than average

		incidence of property related crimes.
7	The availability of other sources of energy to serve the load (e.g., customer owned back-up generation or storage solutions).	No additional clarification.
8	The availability of alternative ways to meet the health, safety, or security.	No additional clarification.
9	Requirements served by the load (e.g., back up command center or water storage facility).	No additional clarification.

B. RISK ASSESSMENT

Based on the process described in the Joint IOU / POU Straw Proposal and the direction provided in D.19-01-018, Island Energy has determined that there are no Covered Distribution Facilities identified in Section IV.

Island Energy's overall approach and standard practice is to secure each substation to prevent and discourage to the extent possible entry into the substation, vandalism or theft.

Depending on physical location, the substations may be all or partly enclosed with cinderblock walls, screened 6' to 8' chain link or open fencing, and locked gates. Two substations, H and N additionally have photocell-controlled area security lighting to discourage vandalism. Our service territory also has the benefit of 24/7 security patrols provided by the Mare Island Master Developer (Nimitz Group / Southern Land Co.) who also monitor activity around Island Energy's facilities.

The following table provides a summary of Island Energy's assessment of each mitigation measure for each Covered Distribution Facility (next page).

Facility ID	1. Existing Resiliency	2. Spare Assets	3. Existing Physical Security	4. Emergency Responders	5. Location	6. Criminal History	7. Back up Generation
Substation A	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation D	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation E	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation F	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation G	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation H	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation I	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation J	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation K	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation L	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation M	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation N	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation P	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Substation 738	n/a	n/a	Exhibit B	n/a	n/a	n/a	Exhibit B
Ductbanks	n/a	n/a	Exhibit B	n/a	n/a	Yes – cable theft	Exhibit B

VI. COVERED DISTRIBUTION FACILITY MITIGATION PLANS (STEP 1C)

Pursuant to the process identified in the Joint IOU/POU Straw Proposal and D.19-01-018, Island Energy has determined that there are no Covered Distribution Facilities within its service territory that are subject to Island Energy's control.

Island Energy will continue to apply best-practice security mitigation measures to its existing Substations and related facility infrastructure in its normal course of business. Refer to Exhibit B.

New facilities will take into consideration best practices in design and in the application of security measures.

VII. INDEPENDENT EVALUATION AND RESPONSE (STEP 2)

A. REQUIREMENTS FOR QUALIFIED THIRD-PARTY REVIEW

D.19-01-018 specifies the following criteria for a Qualified Third-Party Reviewer:

Independence: A Qualified Third-Party Reviewer cannot be a division of the POU. A governmental entity can select as the third-party reviewer another governmental entity within the same political subdivision, so long as the entity has the appropriate expertise, and is not a division of the POU that operates as a functional unit, i.e., a municipality could use its police department as its third-party reviewer if it has the appropriate expertise.

Adequate Qualifications: A Qualified Third Party Reviewer must be an entity or organization with electric industry physical security experience and whose review staff has appropriate physical security expertise, which means that it meets at least one of the following: (1) an entity or organization with at least one member who holds either an ASIS International Certified Protection Professional (CPP) or Physical Security Professional (PSP) certification; (2) an entity or organization with demonstrated law enforcement, government, or military physical security expertise; or (3) an entity or organization approved to do physical security assessments by the CPUC, Electric Reliability Organization, or similar electrical industry regulatory body.

B. IDENTIFICATION OF THIRD-PARTY REVIEWER

Island Energy has selected as its Third-Party Reviewer the City of Pittsburg Police Department Special Operations Unit.

Island Energy's service territory is located within the City of Vallejo and is under the jurisdiction of the City of Vallejo Police Department. The City of Pittsburg Police Department is a separate and independent organization to Island Energy, with a separate service jurisdiction.

Within the City of Pittsburg Police Department's jurisdiction are three (3) major former utility and current private energy generation, substation, and transmission facilities:

1. Former PG&E Pittsburg Power Plant
2. Delta Energy Center
3. Los Medanos Energy Center

The City of Pittsburg police department is keenly aware and experienced in the service to and protection of these former and current power generation and associated substation and distribution facilities.

C. PUBLIC RESULTS OF THIRD-PARTY EVALUATION

[PLACEHOLDER: This section to be completed when Third Party Reviewer completes its analysis and has prepared a public summary of its conclusions and recommendations.]

D. ISLAND ENERGY RESPONSE

[PLACEHOLDER: This section to be completed when Third Party Reviewer completes its analysis and POU has completed its response.]

VIII. VALIDATION (STEP 3)

A. SELECTION OF QUALIFIED AUTHORITY

The Pittsburg Power Company Board of Directors has selected the California Utility Emergency Association (CUEA) as the “Qualified Authority” to review Island Energy’s Utility Security Plan.

CUEA advises Publicly Owned Utilities on emergency, security and related matters and is in direct association with the California Office of Emergency Services (CalOES). CalOES advises utilities, including POU’s and other state entities on security and related emergency response matters.

B. RESULTS OF QUALIFIED AUTHORITY REVIEW

[PLACEHOLDER: This section to be completed when qualified authority completes its review.]

C. ISLAND ENERGY RESPONSE TO QUALIFIED AUTHORITY REVIEW

[PLACEHOLDER: This section to be completed when POU has a response to the qualified authority review.]

IX. NARRATIVE DESCRIPTIONS FOR UTILITY PHYSICAL SECURITY PLAN

A. ASSET MANAGEMENT PROGRAM

Island Energy's asset management program includes three main components:

1. Maintaining a working on-site inventory of key spare parts and materials - including transformers, switchgear, fuses, distribution system cable of varying sizes plus necessary equipment, tools, and hardware to quickly effect repairs.
2. Maintaining direct access to multiple key suppliers through standing purchase orders or other arrangements to allow for the immediate placement of material orders and timely delivery.
3. Maintaining multiple "on-call" utility contractor and construction resources to augment Island Energy resources in the event of a distribution failure, vandalism, or other reliability event.

Other actions include ordering multiple equipment and materials spares when doing system upgrades and maintenance.

B. WORKFORCE TRAINING AND RETENTION PROGRAM

Island Energy retains AVO training services among other providers to train, enhance employee skills and improve retention. And recently, Island Energy crew became part of the International Brotherhood of Electrical Workers (IBEW) which also offers training and skill-enhancing programs.

C. PREVENTATIVE MAINTENANCE PLAN

Island Energy has an ongoing security preventative maintenance program to both maintain existing systems and to improve system security and security equipment. These ongoing steps are underway and include, but are not limited to:

1. Routine Fencing, Gate and lock Maintenance at all Facilities
2. Routine Lighting Checks
3. Adding Screening Fencing
4. Adding Security Wire

5. Adding Security Lighting (1/3 completed)
6. Removing Facility Visual Barriers – Foliage, unnecessary fencing, stored or abandoned equipment and materials.
7. Security Cameras – remote and key facilities
8. Signage

D. PHYSICAL SECURITY EVENT TRAINING

Island Energy provides information session with the Nimitz Group / Southern Land Company Master Developer personnel. Such sessions identify key facilities, areas of historical theft or vandalism and other security concerns.

Additionally, Island Energy meets periodically with Vallejo Police Department representatives on utility operations and issues and as part of larger Mare Island security issues and related police department support and mitigations.

E. COMMUNICATION INFRASTRUCTURE RISK ASSESSMENT

Island Energy does not have in place communication systems specific to the utility distribution system.

F. FACILITY DESIGN FEATURES

Any future new facilities, or refurbishment of existing facilities, will incorporate best practices or better for low observability, sightlines, defensibility, general order, and perimeter security – including screening fencing, lighting and security cameras.

EXHIBIT A: Island Energy Service Territory



EXHIBIT B: Utility Distribution Facilities Description



Subject: Utility Distribution System Assessment Summary

Revision: 8-Feb-21

Island Energy Distribution Facilities		Type	Location	Service Type	Security Characteristics	Other Characteristics / Mitigation
Station	A	12kV Substation	7th & Oak Street	Residential, Business Offices	Concrete Building, locked entry	
Station	B	12kV Substation	Azuar Dr. - North Island	Not in Service	n/a	
Station	D	12kV Substation	Nimitz Ave - Pintado St	General Commercial	Screened fencing, locked entry	
Station	E	12kV Substation	Nimitz Ave - Kansas St	Residential, General Commercial, VA Outpatient Clinic	Partial cinderblock enclosure, screened fencing, locked entry	VA Clinic: Customer standby generator
Station	F	12kV Substation	Railroad Ave. South	Residential, General Commercial	Cinderblock enclosure, fencing, locked entry	
Station	G	12kV Substation	Azuar Dr. - South Island	Army Reserve Satellite Maintenance Facility, Touro University, USCG Telecom	Substation: Cinderblock enclosure, locked entry. Overhead distribution to USCG	Touro University, USCG Telecom: Customer standby generators
Station	H	12kV Substation	Azuar Dr. - South Island	Main 115kV Step-down Substation	Partial cinderblock enclosure, fencing, locked entry, security lighting	
Station	I	12kV Substation	Berth 18	Industrial	Fencing, locked entry	
Station	J	12kV Substation	Bldg 680 - Nimitz Ave	Industrial	Within commercial building, enclosed, locked entry	
Station	K	12kV Substation	1080 Nimitz - MIDD	Industrial	Within commercial facility (24hr manned security), partial cinderblock enclosure, screened fencing, locked entry, security lighting	
Station	L	12kV Substation	Nimitz Ave - Railroad Ave	Industrial	Partial cinderblock enclosure, fencing, locked entry	
Station	M	12kV Substation	Bldg 577 - Railroad Ave	Industrial, Causeway Bridge Lift Span	Within Island Energy building, security system	Causeway Bridge: City portable standby generator
Station	N	12kV Substation	Azuar Dr. - North Island	Industrial	Fencing, locked entry, security lighting	
Station	P	12kV Substation	Nimitz Ave - S&C Plaza	General Commercial	Screened fencing, locked entry	
Station	738	12kV Substation	Nimitz Ave - S&C Plaza	Industrial	Cinderblock enclosure, locked entry	
Electrical Ductbanks		Conduit	Various	Island Energy Distribution	Buried ductbanks	Welded manhole covers in areas at high-risk for general vandalism, theft

EXHIBIT C: 3RD-Party Review Response



February 23, 2021

Mr. Douglas W. Buchanan
Power Company Manager
Pittsburg Power Company – Island Energy
995 Walnut Ave.
Vallejo, CA 94592

Subject: Utility Security Plan
Regarding: Plan 3rd-Party Review

Dear Mr. Buchanan –

The Pittsburg Police Department Special Response Unit has performed a review of Island Energy's "Utility Security Plan" in the context of the California Public Utilities (CPUC) approved Decision (D.) 19-01-018, which adopted the Joint IOU / POU Straw Proposal as modified by the CPUC's Risk Assessment and Safety Advisory (RASA) section. We have also performed a site inspection of the subject facilities as outlined in the Utility Security Plan Exhibit B.

The City's police department's Special Response Unit believes it is uniquely qualified to perform an assessment of Island Energy's Utility Security Plan given its ongoing security operations supporting the City's commercial, large industrial and utility related facilities. The City of Pittsburg is host to three (3) significant power generation, substation and transmission related facilities:

1. Former PG&E Power Plant
2. Delta Energy Center
3. Los Medanos Energy Center

This has provided the Special Response Unit with both the experience and insight to understand and evaluate security issues and plans related to the Island Energy distribution system and the Utility Security Plan. In the past, the Special Response Unit has conducted numerous trainings at similar locations, such as Dow Chemical and NRG Energy (Antioch and Pittsburg locations). Part of these trainings have included a review of the physical security of these locations. Furthermore, the Special Response Unit has been provided training throughout the Bay Area (through Urban Shield and other trainings) on conducting site surveys, threat assessments, and security reviews.

Plan Review:

We have reviewed Island Energy's Utility Security Plan and concur with the plan conclusion that the Island energy distribution system, including substations, ductbanks, overhead lines and related facilities do not serve any "Covered Distribution Facilities" as described and defined by CPUC Decision (D.) 19-01-018.

Further, we have reviewed existing facility security measures, the maintenance of those measures, and Island Energy's ongoing plans to further enhance security with sightline improvements, screening fencing, additional lighting, additional security cameras and electronic security devices.

We believe Island Energy's security efforts to be consistent with industry practices and that their ongoing programs to enhance facility security measures do not require additional or special mitigation measures.

Sincerely,

A handwritten signature in black ink, appearing to read "KB" followed by a stylized flourish and the number "#307".

Sgt. Kyle Baker #307
925-252-6464
kbaker@ci.pittsburg.ca.us

EXHIBIT D: Qualified Authority Response

The Utility Physical Security Plan was submitted to the California Office of Emergency Services (CalOES) on February 8, 2021. Their response is pending as of this revision.



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Chair and Governing Board Members

FROM: Garrett Evans, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution Approving the Purchase of a Replacement Utility Truck

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE). PPC is seeking to replace a retired and scrapped bucket truck with a used digger/derrick bucket utility truck (Utility Truck).

FISCAL IMPACT

The purchase of the replacement Utility Truck will be with remaining funds previously approved by the PPC Governing Board and allocated to various Capital Improvement Projects (CIP). The estimated price of the Utility Truck is \$160,000. Staff proposes allocating \$36,000 from the Capital Reinvestment Project (Project # 5802) and \$124,000 from the FY 17-18 Cable Replacement Project (Project # 5814) to meet the purchase price.

RECOMMENDATION

The Governing Board of the PPC approves the re-allocations of CIP funds and the purchase of the Utility Truck at an estimated total final price of \$160,000.00 from Altec, Inc.

BACKGROUND

Since approximately 2008, PPC had been utilizing a retired tree-trimming truck as its aerial man-lift utility boom truck. In 2019, PPC scheduled the utility bucket truck into the City Public Works motor pool shop for servicing. Public Works inspected the truck and determined that it was no longer road-worthy and was unsafe to both drive and use as a boom truck. As a result of that inspection, the utility truck was immediately retired from service and scrapped. Since then, PPC has relied on third party contractors to perform services requiring a boom-type utility truck. Similar type rental utility trucks have been found to be not available.

SUBCOMMITTEE FINDINGS

The purchase of a replacement Utility Truck has not been discussed with the PPC Subcommittee.

STAFF ANALYSIS

With PPC no longer having its own utility boom truck, PPC has relied on Mare Island contractors such as Pinnacle Power and Underground Electric Construction to provide boom truck and related services when needed. At times, these companies have not been available when there has been a PPC need, and there is a contractor call-out cost associated with their services.

PPC staff and crew have determined that the former boom truck was of limited use for outages and other tasks and in order to provide better and more efficient service to the customers on Mare Island, a multifunctional equipment is needed to be able to perform such tasks as lift equipment, set poles and provide man-lift access to aerial electrical equipment. The Utility Truck features needed include but are not limited to:

- 60' Boom with remote control
- Derrick Assembly – Up to 24,000lb lifting capacity (transformers, breakers, other)
- Digger Assembly – For setting poles
- Cable Pulling Assembly – For pulling abandoned, new cable
- Towing Capability – Cable spool trailer and other
- Generator

In looking at alternatives, it was found that rental equipment of this type is not available, and that purchase of new or leasing this type of truck would be cost prohibitive.

Sourcwell-MN, formerly the National Joint Powers Association (NJPA) is a municipal procurement cooperative that solicits competitive bids and obtains pricing discounts. Making a purchase through a cooperative that has utilized competitive bids is compliant with the Purchasing Policy.

Through Sourcwell-MN, PPC identified a Utility Truck meeting its requirements from Altec, Inc. The proposed Utility Truck has the features noted of having 26,000 miles and is a lease-return from the City of Riverside electric utility.

The Utility Truck is fueled with compressed natural gas (CNG). Being a CNG vehicle, the Utility Truck is considered a Clean Vehicle as defined by the California Air Resources Board. CNG vehicle fueling is available locally at facilities in Vacaville, Richmond, and Concord.

As part of its agreement and final price, Altec will perform a mechanical safety inspection and dielectric test of the hydraulic fluids, delivery the Utility Truck to PPC at Mare Island and provide a 30-day vehicle and equipment warranty.

The replacement Utility Truck will be used for cable pulling and electrical system repairs. Therefore, the re-allocation of budgets from the Cable Replacement Project and the Capital Reinvestment Project for the purchase is appropriate.

ATTACHMENTS: Resolution

Report Prepared By: Douglas Buchanan, Power Company Manager

BEFORE THE GOVERNING BOARD OF THE PITTSBURGH POWER COMPANY

In the Matter of:

Approving the Purchase of a Replacement Utility Truck) RESOLUTION NO. 21-xxx
)

WHEREAS, Pittsburg Power Company (PPC), a joint powers authority, provides retail utility electric and natural gas services on Mare Island, Vallejo in the name of Island Energy (IE); and

WHEREAS, PPC has a need for the use of a utility boom truck (Utility Truck) to perform work on overhead electrical lines, cable installation, equipment installation and related tasks; and

WHEREAS, PPC's previous Utility Truck was retired and scrapped in 2019 by the City's Public Works Department as not being roadworthy, unsafe and unrepairable; and

WHEREAS, PPC desires to replace the previous Utility Truck with a more capable Utility Truck so as to support the PPC utility in performing aerial electrical work, cable pulling, equipment lifting, pole placement and electrical outage support work; and

WHEREAS, PPC has identified a capable, used, compressed natural gas (CNG) California Clean Vehicle Utility Truck through Sourcewell-MN – a municipal procurement cooperative (formerly the National Joint Powers Association municipal procurement cooperative); and

WHEREAS, the Utility Truck of interest to PPC is offered by Altec, Inc. through Sourcewell-MN's pre-approved vendor and municipal procurement contract process for an inspected and delivered price of \$160,000; and

WHEREAS, funds for the purchase of the Utility Truck will be from the remaining balances of previously PPC Board approved Capital Improvement Project sources such as the Outage Recovery Project fund and the Cable Replacement Project fund.

NOW, THEREFORE BE IT RESOLVED that the Governing Board of Pittsburg Power Company hereby authorizes the Executive Director to execute a contract and all related documents for the purchase a Utility Truck from Altec, Inc. through municipal procurement cooperative Sourcewell-MN at a price of \$160,000.

PASSED AND ADOPTED by Governing Board of the Pittsburgh Power Company at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Chair

ATTEST:

Alice Evenson, Executive Secretary



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Citywide Landscaping and Lighting Assessment District 88-01 for Fiscal Year 2021-2022

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Directing the City Engineer as the Engineer of Work to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Citywide Landscaping & Lighting Maintenance District 88-01. Upon receipt and approval of the Engineer's Report, the City Council may then order that the liens be placed on the County tax roll. Revenue collected through this district is necessary to fund the landscaping and lighting operations on a citywide basis.

FISCAL IMPACT

The fiscal impact of the approval of Landscaping & Lighting Maintenance District 88-01 has not yet been determined for Fiscal Year (FY) 2021-22. This will be part of the next step with review of the Engineer's Report. For FY 2020-21 the assessments collected are estimated at \$3,050,147. This amount reflects the increase approved by voters in June 2007 of \$25 per benefit factor for each residential land use, resulting in a total assessment of \$102.18 per benefit factor. The approved spending plan to maintain the district was estimated at \$4,505,022. A transfer of \$1,227,273 which includes the City's subsidy of assessments on school properties and City-owned properties and general benefit that has been budgeted from the General Fund. In addition, last year there was a carryover of \$94,752 from FY 2019-20 and the City budgeted Measure J Funds in the amount of \$105,000 to cover the cost of concrete repairs (damaged by street trees) within the District.

RECOMMENDATION

City Council approve the attached resolution directing the Engineer of Work to prepare and file an annual report for Fiscal Year 2021-22 for District 88-01.

BACKGROUND

In June 1988, the City Council confirmed the Engineer's Report, ordered improvements and levied the first annual assessment for District 88-01. Since then, the funds collected annually by this district support the City's landscaping and lighting operations citywide.

Services include the following:

Park maintenance, including park related structures (restrooms, pool, etc.);
Street median and right-of-way landscaping maintenance;
Street tree maintenance;
Sidewalk repair related to street tree damage only; and
Street light energy costs and maintenance.

SUBCOMMITTEE FINDINGS

This item was not reviewed by a Subcommittee.

STAFF ANALYSIS

State statutes mandate the annual renewal procedures for District 88-01. The first step is for the City Council to direct the Engineer of Work to prepare and file an annual report. The report will be submitted for City Council consideration in June.

Following preparation of the annual Engineer's Report, the City Council will consider adoption of a resolution of intention to levy and collect assessments within the district. In July, the City Council will hold a public hearing before considering confirming the district and levying the annual assessments.

ATTACHMENTS: Resolution

Report Prepared By: Gina Haynes, Senior Civil Engineer

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Directing the Engineer of Work to Prepare)
and File an Annual Report for Landscaping &) RESOLUTION NO. 21-
Lighting Assessment District 88-01, Citywide)
(Fiscal Year 2021-22))

WHEREAS, the Landscaping & Lighting Assessment District 88-01, Citywide, was previously established by the City Council and approved by the property owners; and

WHEREAS, the City has previously levied assessments on property in this District to pay for improvements therein; and

WHEREAS, Section 22622 of the California Streets and Highways Code requires the City Council to annually adopt a resolution generally describing any proposed new improvements or any substantial changes in existing improvements to be included for the determination of annual assessments levied for any existing assessment district created under the Landscaping and Lighting Act of 1972; and

WHEREAS, Section 22622 further requires that the City Council order the preparation of an Engineer's Report prior to declaring their intention to levy annual assessments for any district.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby:

1. Finds that there are no proposed new improvements or any substantial changes in the existing improvements to Landscaping & Lighting Assessment District 88-01, Citywide (District 88-01).
2. Directs Richard Abono, Engineer of Work for District 88-01, to prepare and file with the City Clerk an annual report in accordance with Section 22622 of the Act.

PASSED AND ADOPTED by the City Council of the City of Pittsburgh at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Merl Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Oakhills Landscaping and Lighting Assessment District 88-02 for Fiscal Year 2021-2022

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Directing the City Engineer as the Engineer of Work to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Oakhills Landscaping & Lighting Maintenance District 88-02. Upon receipt and approval of the Engineer's Report, the City Council may order that the assessments be placed on the County tax roll. Revenue collected through this district is necessary to fund the City's landscaping and lighting operations in the Oakhills area.

FISCAL IMPACT

The fiscal impact of the approval of Landscaping & Lighting Maintenance District 88-02 has not yet been determined for Fiscal Year (FY) 2021-22. This will be part of the next step with review of the Engineer's Report. For FY 2020-21 the estimated assessments collected totaled \$33,959.20. The approved spending plan was \$36,605.

RECOMMENDATION

City Council approve the attached resolution directing the Engineer of Work to prepare and file an annual report for Fiscal Year 2021-22 for District 88-02.

BACKGROUND

In June 1988, the City Council confirmed the Engineer's Report, ordered improvements and levied the first annual assessment for District 88-02. Since then, the funds collected annually by this district support the City's landscaping and lighting operations in the Oakhills area. Services include the following:

Street median and right-of-way landscaping maintenance;
Street tree maintenance;
Sidewalk repair related to street tree damage; and
Street light energy costs and maintenance.

SUBCOMMITTEE FINDINGS

This item was not reviewed by a Subcommittee.

STAFF ANALYSIS

State statutes mandate annual renewal of District 88-02. The first step is for the City Council to direct the Engineer of Work to prepare and file an annual report. The report will be submitted for City Council consideration in June.

Following preparation of the annual Engineer's Report, the City Council will consider adoption of a resolution of intention to levy and collect assessments within the district. In July, the City Council will hold a public hearing prior to considering confirming the district and levying the annual assessments.

ATTACHMENTS: Resolution

Report Prepared By: Gina Haynes, Senior Civil Engineer

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Directing the Engineer of Work)
to Prepare and File an Annual Report) RESOLUTION NO. 21-
for Landscaping & Lighting Assessment)
District 88-02, Oakhills (Fiscal Year 2021-22))

WHEREAS, the Landscaping & Lighting Assessment District 88-02, Oakhills, was previously established by the City Council and approved by the property owners; and

WHEREAS, the City has previously levied assessments on property in this District to pay for improvements therein; and

WHEREAS, Section 22622 of the California Streets and Highways Code requires the City Council to annually adopt a resolution generally describing any proposed new improvements or any substantial changes in existing improvements to be included for the determination of annual assessments levied for any existing assessment district created under the Landscaping and Lighting Act of 1972; and

WHEREAS, Section 22622 further requires that the City Council order the preparation of an Engineer's Report prior to declaring their intention to levy annual assessments for any district.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby:

1. Finds that there are no proposed new improvements or any substantial changes in the existing improvements to Landscaping & Lighting Assessment District 88-02, Oakhills (District 88-02).
2. Directs Richard Abono, Engineer of Work for District 88-02, to prepare and file with the City Clerk an annual report in accordance with Section 22622 of the Act.

PASSED AND ADOPTED by the City Council of the City of Pittsburgh at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution to Establish a Salary Range for Police Evidence Technician II and Amend the AFSCME Miscellaneous A Memorandum of Understanding

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

The City Manager, upon recommendation from the Director of Human Resources, has added the new classification of Police Evidence Technician II. In accordance with the City's Personnel Rules, the City Council is asked to establish the salary range and amend the AFSCME Miscellaneous-A Memorandum of Understanding.

FISCAL IMPACT

There is no fiscal impact to establish salary ranges of the new classifications.

RECOMMENDATION

The City Council adopt a resolution to establish the salary range for Police Evidence Technician II and amend the AFSCME Miscellaneous A Memorandum of Understanding.

BACKGROUND

In February 2021, the Police Department recommended the City expand the Police Evidence Technician into a classification series by adding an advanced level of Police Evidence Technician. Staff conducted a classification study of comparable classifications that provide law enforcement agencies with support services in the collection, preservation and documentation of evidence found at crime scenes and traffic accidents. Staff recommended the Police Evidence Technician be retitled to Police Evidence Technician I and the advanced level Police Evidence Technician II possess two additional years of work experience and in-depth knowledge of the Police Department's operations, standards, and procedures. The advanced-level classification may also provide lead supervision over lower-level staff and be required to obtain a Certified Latent Print Examiner certification by the International Association for Identification within 24 months of appointment.

The recommended salary range for the Police Evidence Technician II is \$6,082 – \$7,393 per month. The current salary steps of the Police Evidence Technician I D and E would be equal to proposed Police Evidence Technician II A and B steps with three additional new steps. This is same method uses for salary ranges within classification series.

Staff provided notices to AFSCME - Miscellaneous A representatives of the proposed classification and salary range on March 4, March 17, and March 23, 2021. On March 30, 2021 staff provided notice to AFSCME – Miscellaneous-A seeking feedback by Friday, April 2nd, or the staff would assume the changes were acceptable to AFSCME -Miscellaneous A and would proceed with the proposed changes. No feedback was received from AFSCME-Miscellaneous A.

Attached is the side letter of agreement between the City and AFSCME Miscellaneous A.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

The Police Department currently has one Police Evidence Technician in the Investigations Division.

In accordance with Personnel Rule 3.3, Approval, Amendment, and Revision of the Classification Plan, you are asked to approve the above-mentioned new classifications. In accordance with Personnel Rule 11.1 Salary Plan, the City Council will need to approve the new salary ranges.

Personnel Rule 3.3 Approval, Amendment and Revision of Plan

Any proposed amendment or revision to the classification plan shall be initiated by or submitted to the Human Resources Director who shall provide a recommendation to the City Manager or designee. The classification plan shall be approved, and may be amended from time to time, by the City Manager or designee after notification to any recognized employee organization that will be affected by a proposed amendment.

Personnel Rule 11.1 Salary Plan

Salary ranges are set for each class by the City Council. No person may be paid less than the minimum, nor more than the maximum of the salary range established for the class in which employed. No change in the salary range of a class may be made without City Council approval.

ATTACHMENTS: Exhibit A – Police Evidence Technician I/II Job Description
 Exhibit B – Side Letter Agreement to the AFSCME MOU
 Resolution

Report Prepared By: Griselda Clift, Senior Human Resources Analyst

POLICE EVIDENCE TECHNICIAN I/II

*Class specifications are only intended to present a descriptive summary of the range of duties and responsibilities associated with specified positions. Therefore, specifications **may not include all** duties performed by individuals within a classification. In addition, specifications are intended to outline the **minimum** qualifications necessary for entry into the class and do not necessarily convey the qualifications of incumbents within the position.*

DEFINITION:

Under general supervision; performs a variety of technical tasks in the field and office related to the investigation of crimes and traffic accidents including the collection, identification, preservation and processing of physical evidence at crime scenes; and documenting evidentiary findings for use in criminal investigations; performs other duties as required.

DISTINGUISHING CHARACTERISTICS:

The Police Evidence Technician I is the journey level class within the Police Department's Investigations Division responsible for providing support services with the collection, preservation and documentation of evidence found at crime scenes and traffic accidents.

The Police Evidence Technician II is the advanced journey level classification which requires possession of in-depth knowledge of operations, standards, and procedures within the discipline. Positions in this class are flexibly staffed and are normally filled by advancement from the I level.

SUPERVISION RECEIVED/EXERCISED:

Police Evidence Technician I/II, receive general supervision from sworn personnel. Incumbents exercise a considerable amount of independent judgement and are expected to make sound decisions sometimes under a high degree of pressure. Police Evidence Technician II may occasionally exercise technical and functional lead supervision over lower-level staff.

TYPICAL TASKS: *(include but are not limited to the following)*

- Responds and processes crime scenes which may contain biological or chemical hazards; photographs crime and accident scenes and/or victim's physical injuries; searches for physical evidence at crime scenes; prepares sketches and diagrams of crime scenes and evidence locations.
- Assists officers in crime scene searches; operates photographic and video equipment; uses a variety of law enforcement communication equipment; collects latent fingerprints, footprints, and other physical evidence; assists in criminal investigations, testifies in legal proceedings and court regarding collection and preservation of evidence; transports victims, witnesses, juveniles, as needed.
- Handles loaded firearms safely; completes evidence photo tags and fingerprint cards; collects, tags, packages, and preserves physical evidence including biological material at crime scenes or autopsies; record location of evidence collected.
- Receives reports from the public by telephone and in person; prepares field and office notes, reports, and other correspondence for use by sworn and civilian personnel

handling criminal investigations; provides information to the public; assists in the processing and maintenance of program reports, records and other data; operates a variety of state and local automated information systems; keeps appropriate records.

- Responds to questions and concerns from the public, departmental staff and other agencies; provides information as appropriate and resolves service issues and complaints.
- Establishes positive working relationships with representatives of community organizations, state/local agencies and associations, City management and staff, and the public.
- Performs related duties as assigned.

Police Evidence Technician II (in addition to the typical tasks assigned to Police Evidence Technician I, but not limited to the following):

- Collects, develops, evaluates, compares, and identifies latent fingerprints or other impression evidence found at crime scenes or submitted to the unit, including whole, partial fragmentary, distorted latent finger and palm prints; uses various chemicals and processes; including fingerprint comparators, magnifiers, ridge counters, and other technical and scientific equipment for observing and comparing latent prints.
- Collects, classifies, files, searches, and compares fingerprints; matches fingerprints found on evidence to those in local and national fingerprint databases and to individuals related to the crime scene.
- Uses computer-related equipment, including a variety of video and digital programs, specialized computer software and hardware, internet resources, and online media.
- Prepares courtroom exhibits and provides expert testimony, methodology, and identification in all aspects of evidence analysis, photographic documentation, crime scene processing, and fingerprint comparison.
- Maintains communications with Federal, State, and local law enforcement agencies and identification unit.
- Collects, converts, and enhances surveillance video; examines photos and videotapes for crime scene evidence.
- Attends professional group meetings; stays abreast of new trends and innovations related to the field of forensic identification.

MINIMUM QUALIFICATIONS: *(The following are minimal qualifications necessary for entry into the classification)*

Education and/or Experience:

A high school diploma or equivalent and two (2) years of experience in law enforcement; or completion of two years of college with emphasis in forensic evidence, police science, administration of justice or a related field, and six (6) months work experience in related

field; or graduation from an accredited college with a degree in forensic evidence, police science, administration of justice or a related field.

License/Certificate:

Possession of, or ability to obtain, a valid Class C California driver's license.

Other Requirements:

Physically and mentally capable of performing the functions of the job, including but not limited to those summarized in Typical Tasks.

KNOWLEDGE/ABILITIES/SKILLS *(The following are a representative sample of the KAS's necessary to perform typical tasks of the position)*

Knowledge of:

Modern office principles, procedures, practices and equipment, including a computer and applicable software; methods and techniques for basic report preparation and writing; correct English usage, spelling, punctuation and grammar; report preparation; basics of police practices and procedures; methods and techniques for record keeping; occupational hazards and standard safety procedures.

Ability to:

Read, understand, interpret and apply statutes, rules, regulations and departmental procedures; follow written and oral instructions; operate specialized law enforcement information systems and equipment; operate photographic and video equipment; work evenings, weekends and split shifts; communicate clearly and concisely, both orally and in writing; and establish and maintain effective working relationships; collect latent fingerprints, footprints, and other physical evidence; collect, preserve and identify biological evidence such as body fluid; develop and preserve latent fingerprints; roll fingerprints from living and deceased persons; read and follow maps; present physical evidence at legal hearings; testify in court; prepare required field and office notes, reports, and other correspondence in a legible manner; learn and apply Search and Seizure procedure codes and Federal and State rules of evidence; contribute to the processing and reconstruction of the crime scene; follow State and County courtroom procedures; learn State penal code and mace regulations; work irregular days and hours and under inclement weather conditions; work shift extensions when required; follow oral and written directions; work effectively in a highly structured, rank organized environment; interact with hostile and/or uncooperative persons; establish and maintain effective work relationships with those contacted in the performance of required duties.

Police Evidence Technician II in addition to the Minimum Qualifications for Police Evidence Technician I:

Education and/or Experience

A high school or equivalent and four (4) years of related work experience or a Bachelor's degree from an accredited college or university in forensic evidence, police science, or related field and two (2) years' experience similar to the Police Evidence Technician I.

License/Certificate:

Possession of, or ability to obtain, a valid Class C California driver's license. Possession of current certification as a Certified Latent Print Examiner by the International Association for Identification is required within 24 months of appointment.

KNOWLEDGE/ABILITIES/SKILLS: *(The following are a representative sample of the KAS's necessary to perform typical tasks of the position)*

Knowledge of:

Identification and comparison of physical evidence; modern fingerprint classification systems; operation of laboratory and photographic equipment related to identification and investigative techniques; crime scene diagramming; court room procedure and testimony; evidence collection and rules of evidence; word processing programs; procedures and techniques of an advanced level of evidence collection and preservation, including fingerprint classifications and crime scene diagramming; evidence identification, documentation, collection, preservation, and transportation procedures and techniques; fingerprint classification systems and equipment and development techniques; investigation policies and procedures; local, State and Federal laws/policies regarding the collection, preservation, and transportation of evidence; photographic techniques both conventional and digital; equipment, materials and development methods.

Skill/Ability to:

Work with investigators at complex crime scenes, in the collection of evidence; maintain records and prepare reports; document crime scenes using computer applications; identify, collect, and preserve all types of evidence; act as liaison with other agencies in evidence analysis; assemble and deploy generator-operated lighting equipment; operate a motor vehicle; operate various types of photographic equipment; determine the appropriate analytical tests needed for the evaluation of evidence; operate computers for preparation of sketches, reports and evidence/photo logs and data entry of fingerprint and/or firearms evidence; prepare clear and concise reports; establish and maintain cooperative working relationships; communicate effectively both orally and in writing; communicate effectively with a variety of individuals representing diverse cultures and backgrounds and function calmly in situations, which require a high degree of sensitivity, tact and diplomacy; assess the customer's immediate needs; provide prompt, efficient and responsive service; exercise appropriate judgment in answering questions and releasing information; analyze and project consequences of decisions and/or recommendations.

Amendment #1
To the Memorandum of Understanding
Between the City of Pittsburgh and AFSCME Miscellaneous A Unit
July 1, 2020 – June 30, 2021

This will confirm an understanding reached between the City of Pittsburgh and the American Federation of State, County and Municipal Employees (AFSCME), Miscellaneous A Unit.

Appendix A, Classifications

The following classifications are modified/added:

Police Evidence Technician I

Police Evidence Technician II

Appendix B, Salary Ranges

The following salary ranges are modified/added:

The monthly salary range for employees in the following classifications are:

Classification	Step A	Step B	Step C	Step D	Step E
Police Evidence Technician I	5253	5516	5792	6082	6386
Police Evidence Technician II	6082	6386	6705	7041	7393

FOR AFSCME

FOR CITY OF PITTSBURG

By _____
Kym Johnson
Business Agent

By _____
Garrett Evans
City Manager

By _____
Stacy Shell
Director of Human Resources

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Establishing the Salary Range for the)
Police Evidence Technician II)
Classification and Amending the AFSCME)
Miscellaneous A Bargaining Agreement)

RESOLUTION No. 21-

WHEREAS, the City Manager has established the class specifications of Police Evidence Technician I and II; and

WHEREAS, the City's Personnel Rule 13.1 calls for the City Council to establish the salary ranges of classifications; and

WHEREAS, staff recommends the salary range for the Police Evidence Technician II to be \$6,082 to \$7,393 per month; and

WHEREAS, the City Manager recommends the Police Evidence Technician II classification be placed in the AFSCME Miscellaneous A Bargaining Agreement, and AFSCME has agreed to the same.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby approves the salary schedule and authorizes execution of the amendment to the AFSCME Miscellaneous Bargaining Agreement.

PASSED AND ADOPTED by the City Council of the City of Pittsburgh at a regular meeting on the 17th day of May 2021, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution to Accept the Plans and Specifications and Authorize the Award of Project 3079, Ambrose Park Restroom and Concession Project

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Project 3079, Ambrose Park Restroom and Concession Project (the "Project"), is for replacement of the restroom and snack bar at Ambrose Memorial Park. Adoption of this resolution will accept the plans and specifications for the Project and authorize the City Manager to award a construction contract to Saboo, Inc. of Brentwood.

FISCAL IMPACT

The Project is funded entirely by the Ambrose Recreation and Park District. In June 2017, the Ambrose Aquatic Center Renovation Project (Project 3057), was completed within budget, leaving a small balance of Ambrose District funds remaining. This balance is available for reallocation to Project 3079, for a total Project budget of \$841,589.

A Project Budget Summary is attached to this report.

RECOMMENDATION

City Council adopt the attached Resolution accepting the plans and specifications and authorizing the City Manager to execute a Contract for Project 3079 with Saboo Inc, for a total contract amount of \$513,438, establishing a construction contingency of \$42,109 (8% of the contract amount) for unanticipated costs and construction contract change orders, and further recommends that the City Engineer or his designee be authorized to approve contract change orders for this Project in a total amount not to exceed 50% of the contingency and the City Manager be authorized to approve change orders for this Project in a total amount not to exceed 100% of the contingency amount.

BACKGROUND

On July 11, 2019, the Ambrose Recreation and Park District Board of Directors approved a project to replace the rest room at Ambrose Memorial Park with a \$510,000 project budget.

On September 16, 2019, the City Council approved Resolution 19-13688, approving an agreement with Ambrose Recreation and Park District for Construction Management of the Project. Ambrose Park is owned and maintained by the District.

On December 10, 2020, the Ambrose Recreation and Park District Board of Directors allocated an additional \$263,000 to the Project to cover ADA improvements along the path of travel and repairs for a failed storm drain line running through the project site.

Advertising for the Project began on February 24, 2021. Bids for construction of the Project were opened on March 23, 2021. Saboo Inc. was the lowest responsive, and responsible Base Bid in the amount of \$513,438.

On April 16, 2021, the Ambrose Recreation and Park District Board of Directors allocated an additional \$55,788, for a total Project budget of \$841,589, and approved award and execution of a contract with Saboo Inc for construction of the Project.

SUBCOMMITTEE FINDINGS

This item was not reviewed by a Subcommittee.

STAFF ANALYSIS

The Project will replace the restroom and concession facilities, construct ADA improvements and repair a storm drain system at Ambrose Memorial Park.

Staff received three bid proposals for construction of the Project. One bid was not complete and therefore not responsive. The bids received have been checked for arithmetical errors, completeness, and conformance with the bid requirements. The bid proposal submitted by Saboo Inc. was the lowest responsive, responsible bid.

The recommended construction contingency of \$42,109 is approximately 8% of the construction contract and will provide funding for unanticipated contract change orders. A Bid Summary is attached to this report.

Adoption of this resolution will accept the plans and specifications for the Project and authorize the City Manager to execute a construction contract with Saboo, Inc. of Brentwood.

ATTACHMENTS: Resolution
 Budget Summary

Report Prepared By: Gina Haynes, Senior Civil Engineer

Project 3079 Ambrose Park Restroom & Concession

Budget Summary

Project Funding

Ambrose Park & Recreation District
Rollover from Project No. 3057
Ambrose Park & Recreation District - Additional Funds

Project NO. 3079

Funding Total

Project Expenditures:

Design:
(Code 2122) Consultant Design Fee-ADA Improvements
PO Amendment No. 1
Task Order No. 2 - SD Repair
Design & Supply ROMTEC
CCO No.1 - Material Upgrades
CCO No. 2 - Racks & others
CCO No. 3 - Trash Enclosure
CMAS Discount (8.31%)
Est. Sales Tax (8.75%)
Current Est. - Freight (Good for 30 Days)

Subtotal

Miscellaneous:
(Code 1399)

Advertising

Subtotal

Construction:
(Code 2281)
ACTUAL Actual Awarding Bid - Saboo, Inc.
Contingency (~8%)
Material Testing (HBMS)

Subtotal

Wages/Benefits:
(Code 1101) Staff Time for Design Management
Staff Time for Construction Management

Subtotal

Administrative
Overhead:
(Code 2372) Staff Time for Design Management
Staff Time for Construction Management

Subtotal

Estimated Expenditures Total

\$510,000
\$13,589
\$318,000

\$841,589

\$12,000
\$2,500
\$1,500
\$178,796
\$6,921
\$3,689
\$15,126
-\$14,862
\$16,596

\$8,326
\$230,592

\$1,000

\$1,000

\$513,438
\$42,109
\$3,800

\$559,347

\$12,825
\$12,500

\$25,325

\$12,825
\$12,500

\$25,325

\$841,589

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Accepting the Plans and Specifications	)	
and Authorizing Award of Project 3079,	)	RESOLUTION NO. 21-
Ambrose Park Restroom and Concession	)	
<u>Project</u>	)	

WHEREAS, Project 3079, Ambrose Park Restroom and Concession Project (the "Project"), is for replacement of the restroom and concession facilities, ADA improvements and repair of a failed storm drain system at Ambrose Memorial Park; and

WHEREAS, on July 11, 2019, the Ambrose Recreation and Park District Board of Directors approved a project to replace the restroom at Ambrose Memorial Park and allocated \$510,000 to the project budget; and

WHEREAS, on September 16, 2019, the City Council approved Resolution 19-13688, approving an agreement with Ambrose Recreation and Park District for Construction Management of the Project; and

WHEREAS, on December 10, 2020, the Ambrose Recreation and Park District Board of Directors allocated an additional \$263,000 to the Project to add additional scope to cover disability access improvement along the path of travel and repair of a failed storm drain line running through the project site; and

WHEREAS, advertising for the Project began on February 24, 2021, bids for the Project were opened on March 23, 2021 and Saboo Inc. was the lowest responsive, and responsible Base Bid in the amount of \$513,438.

WHEREAS, on April 16, 2021, the Ambrose Recreation and Park District Board of Directors allocated an additional \$55,788, for a total Project budget of \$841,589, and approved award and execution of a contract with Saboo Inc for construction of the Project; and

WHEREAS, staff recommends that the City Council accept the plans and specifications for the Project; and

WHEREAS, staff recommends that the City Manager be authorized to execute a contract in the amount of \$513,438 with Saboo, Inc. for construction of the project; and

WHEREAS, staff recommends authorizing the use of all available remaining funds as construction contingency (\$42,109) for unforeseen expenses and construction of additional curb ramps as allowed within the Project budget; and

WHEREAS, staff recommends that the City Engineer or his designee be authorized to approve contract change orders for this Project for a total amount not to exceed 50% of the contingency and the City Manager be authorized to approve change orders for this Project for a total amount not to exceed 100% of the contingency amount.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Pittsburgh hereby:

1. Accepts the plans and specifications for the Project.
2. Authorizes the City Manager to execute a contract in the amount \$513,438 with Saboo, Inc. for construction of the Project and execute such further documents and take such further actions necessary or appropriate to perform the City's contractual obligations.
3. Authorizes the use of all available remaining funds as construction contingency (\$42,109) for unforeseen expenses and to construct additional curb ramps.
4. Authorizes the City Engineer or his designee to approve contract change orders for the Project for a total amount not to exceed 50% of the contingency and authorizes the City Manager to approve change orders for the Project for a total amount not to exceed 100% of the contingency amount.

PASSED AND ADOPTED by the City Council of the City of Pittsburgh at a regular meeting on the 17th day of May 2021 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution to Accept California Energy Commission Electric Vehicle Ready Communities Program Grant and Approve a Grant Agreement

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

The City will receive a share of a \$2.5 million grant the California Energy Commission awarded to a joint project with Contra Costa Transportation Authority (CCTA) and City of Richmond for electric transportation. The \$180,000 to Pittsburg from the Electric Vehicle (EV) Ready Communities Grant will increase public access to charging stations and electric bicycles through grant partner Marin Clean Energy and will support a local electric vehicle repair training program.

FISCAL IMPACT

The \$180,000 grant will be allocated to a separate account in the Solid Waste Fund. The City will provide two in-kind match contributions including staff time up to \$20,000 for managing the project and use of Future Build's classroom space at 2555 Harbor Street for an additional in-kind contribution valued at \$24,000.

RECOMMENDATION

City Council adopt the attached Resolution authorizing the acceptance of California Energy Commission Grant Funding and authorizing the City Manager to execute the Grant Agreement.

BACKGROUND

The State's Clean Transportation Program administered by the California Energy Commission (CEC) has an annual budget of \$100 million for alternative fuel programs that help the state meet its climate change, clean air, and alternative energy goals.

The Program supports projects to reduce the use of petroleum fuel and produce sustainable alternative and renewable low-carbon fuels in California, expand infrastructure and fueling stations for alternative fuels, and improve market viability for alternative light-, medium-, and heavy-duty vehicles. The Program also supports projects that retrofit vehicle fleets and public transit to use alternative fuel and workforce training programs and public outreach on the benefits of alternative fuel vehicles.

On August 12, 2020, the CEC announced the “Electric Vehicle Ready Communities Phase II- Blueprint Implementation” grants under the Clean Transportation Program. CCTA partnered with the cities of Pittsburg and Richmond and Marin Clean Energy (MCE) to apply for funds as a joint project. On March 17, 2021, the CEC awarded the grant.

The goal of this grant is to implement strategies from the CCTA Blueprint including acceleration of the use of zero-emission vehicles, all-electric car share, workforce training of electric vehicle (EV) technicians, educational outreach, and installation of electric vehicle supply equipment in multifamily housing and public locations in underserved communities in Contra Costa County. The Grant will also provide rebates to low-income residents for electric-assist bicycles and leverage an existing electric bike-share program in Richmond.

SUBCOMMITTEE FINDINGS

This item was not presented to a Subcommittee.

STAFF ANALYSIS

The lack of access to EV charging stations is a barrier to the use of electric vehicles for people who rent or lease housing, including residents of low-income communities. Not knowing about electric modes of transportation and the cost of facilities and vehicles hinders the widespread use of zero emission transportation in Contra Costa communities.

The limited supply of EV vehicles and charging equipment also contributes to the social injustice for low-income neighborhoods. Communities targeted for this project are noted to have greater hydrogen sulfide emissions, excessive noise, and health and safety issues. To address these conditions, this grant will reduce greenhouse gas through the following:

- Job training through Future Build workforce training program to develop a skilled workforce in EVSE installation and maintenance and EV technicians;
- Increasing access to EV charging by installing EV charging stations in Pittsburg’s multifamily residential projects, and in public places;
- Increasing access to EV in Richmond through electric car sharing in neighborhoods with limited mobility options; and
- Increasing access to electric bicycles by exploring a rebate program to provide electric bicycles to individuals who cannot afford a car.

City and Future Build staff will oversee grant administration, create and implement course curriculum for EV technician training, and provide monthly progress reports and a final report of the project.

ATTACHMENTS: Resolution
Grant Announcement

Grant Agreement

Report Prepared By: Sara Bellafronte, Administrative Analyst II

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Accepting California Energy Commission	)	
Electric Vehicle Ready Communities Program	)	RESOLUTION NO. 21-
Grant Funding and Authorize Execution of	)	
<u>Grant Agreement</u>	)	

WHEREAS, the City of Pittsburg desires to address barriers to zero emissions transportation and reduce greenhouse gases caused by transportation emissions; and

WHEREAS, the Contra Costa Transportation Authority (CCTA) in partnership with the Cities of Pittsburg and Richmond, and Marin Clean Energy (MCE) applied for funding under the California Energy Commission's (CEC) Electric Vehicle (EV) Ready Communities Grant Program; and

WHEREAS, on March 17, 2021 the CEC awarded the CCTA and partners funding to deploy job training, EV charging station installation, electric car sharing, and electric bicycle programs; and

WHEREAS, the City of Pittsburg will receive its allocation of \$180,000 from the \$2,467,067 grant award to be used to develop and implement an EV repair training program through workforce development program, Future Build as well as increase public access to EV charging stations and electric bicycles through grant partner MCE

NOW, THEREFORE BE IT RESOLVED that the City Council hereby authorizes the following:

1. The acceptance of a \$180,000 grant from the CEC's EV Ready Communities Grant Program.
2. The City Manager, or his designee, to execute in the name of the City of Pittsburg all necessary forms for the purposes of accepting these funds and implementing and carrying out all grant activities.
3. The allocation of the grant funds to the Solid Waste Fund in the name of the City of Pittsburg and directs staff to establish a separate account for the purpose of administering this grant.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the seventeenth day of May, 2021 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk

GRANT FUNDING OPPORTUNITY

Clean Transportation Program

Electric Vehicle Ready Communities Phase II- Blueprint Implementation



GFO-19-603

www.energy.ca.gov/contracts/index.html

State of California

California Energy Commission

August 2020

Table of Contents

I. INTRODUCTION	4
A. PURPOSE OF SOLICITATION	4
B. BACKGROUND	4
C. COMMITMENT TO DIVERSITY	4
D. KEY ACTIVITIES AND DATES	4
E. HOW AWARD IS DETERMINED	5
F. AVAILABILITY OF FUNDS	5
G. MAXIMUM AWARD AMOUNTS	5
H. MAXIMUM NUMBER OF APPLICATIONS	6
I. PRE-APPLICATION WORKSHOP	6
J. PARTICIPATION THROUGH WEBEX	7
K. QUESTIONS	7
L. CONTACT INFORMATION	8
M. REFERENCE DOCUMENTS	8
II. ELIGIBILITY REQUIREMENTS	9
A. APPLICANT REQUIREMENTS	9
B. PROJECT REQUIREMENTS	10
C. MATCH FUNDING REQUIREMENTS	11
D. UNALLOWABLE COSTS (REIMBURSABLE OR MATCH SHARE)	13
III. APPLICATION FORMAT, REQUIRED DOCUMENTS, AND DELIVERY	15
A. REQUIRED FORMAT FOR AN APPLICATION	15
B. METHODS FOR DELIVERY	15
C. PAGE LIMITATIONS	16
D. APPLICATION ORGANIZATION	16
IV. EVALUATION PROCESS AND CRITERIA	23
A. APPLICATION EVALUATION	23
B. NOTICE OF PROPOSED AWARDS	24
C. DEBRIEFINGS	24
D. SCORING SCALE	24
E. EVALUATION CRITERIA	26
F. TIE BREAKERS	27
V. ADMINISTRATION	28
A. DEFINITION OF KEY WORDS	28
B. COST OF DEVELOPING APPLICATION	28
C. CONFIDENTIAL INFORMATION	28
D. SOLICITATION CANCELLATION AND AMENDMENTS	28
E. ERRORS	28
F. MODIFYING OR WITHDRAWAL OF APPLICATION	29
G. IMMATERIAL DEFECT	29
H. DISPOSITION OF APPLICANT'S DOCUMENTS	29
I. APPLICANTS' ADMONISHMENT	29
J. AGREEMENT REQUIREMENTS	29
K. NO AGREEMENT UNTIL SIGNED AND APPROVED	30

Attachments

- 1 Application Form
- 2 Scope of Work Template
- 3 Scope of Work Instructions
- 4 Schedule of Products and Due Dates
- 5 Budget Forms
- 6 Contact List
- 7 California Environmental Quality Act (CEQA) Worksheet
- 8 Localized Health Impacts Information
- 9 Clean Transportation Program Terms and Conditions
- 10 Past Performance Reference Form

I. Introduction

A. PURPOSE OF SOLICITATION

This is a competitive grant solicitation. The California Energy Commission's (CEC's) Clean Transportation Program (formerly known as the Alternative and Renewable Fuel and Vehicle Technology Program) announces the availability of up to \$7.5 million in grant funds for projects that will implement projects developed and identified in Phase I, Blueprint Development, of the Electric Vehicle (EV) Ready Communities Challenge.

B. BACKGROUND

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the Clean Transportation Program. The statute authorizes the CEC to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorized the Clean Transportation Program through January 1, 2024, and specified that the CEC allocate up to \$20 million per year (or up to 20 percent of each fiscal year's funds) in funding for hydrogen station development until at least 100 stations are operational.

The Clean Transportation Program has an annual budget of approximately \$100 million and provides financial support for projects that:

- Reduce California's use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
- Produce sustainable alternative and renewable low-carbon fuels in California.
- Expand alternative fueling infrastructure and fueling stations.
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

C. COMMITMENT TO DIVERSITY

The CEC is committed to ensuring that participation in its Clean Transportation Program reflects the rich and diverse characteristics of California and its people. To meet this commitment, CEC staff conducts outreach efforts and activities to:

- Ensure potential new applicants throughout the state are aware of CEC's Clean Transportation Program and the funding opportunities the program provides.
- Encourage greater participation by underrepresented groups including disabled veteran-, women-, minority-, and LGBT-owned businesses.
- Assist applicants in understanding how to apply for funding from CEC's Clean Transportation Program.

“Textual content contained within brackets to be removed.”

D. KEY ACTIVITIES AND DATES

Key activities including dates and times for this solicitation are presented below. An addendum will be released if the dates change for the asterisked (*) activities.

ACTIVITY	ACTION DATE
Solicitation Release	August 12, 2020
Pre-Application Webinar	August 24, 2020
Deadline for Written Questions*	August 31, 2020
Anticipated Distribution of Questions/Answers	September 14, 2020
Deadline to Submit Applications by 5:00 p.m.*	~~{October 2, 2020}~~ <u>October 23, 2020</u>
Anticipated Notice of Proposed Awards Posting	~~{November, 2}~~ <u>December 2020</u>
Anticipated CEC Business Meeting	~~{January}~~ <u>February 2021</u>

E. HOW AWARD IS DETERMINED

Applicants passing administrative and technical screening will compete based on evaluation criteria, and will be scored and ranked based on those criteria. Unless CEC exercises any of its other rights regarding this solicitation (e.g., to cancel the solicitation or reduce funding), applications obtaining at least the minimum passing score will be recommended for funding in ranked order based on the geographic distribution described below, until all funds available under this solicitation are exhausted.

If the funds available under this solicitation are insufficient to fully fund a grant proposal, CEC reserves the right to recommend partially funding that proposal. In this event, the proposed Applicant/Awardee and Commission Agreement Manager (CAM) shall meet and attempt to reach agreement on a reduced scope of work commensurate with the level of available funding.

F. AVAILABILITY OF FUNDS

A total of \$7.5 million is available for awards under this solicitation. CEC, at its sole discretion, reserves the right to increase or decrease the amount of funds available under this solicitation.

G. MAXIMUM AWARD AMOUNTS

Projects are eligible for up to 75% of the total project costs or \$2,500,000, whichever is less.

H. PROPOSED GEOGRAPHIC DISTRIBUTION OF FUNDING

In order to maximize the distribution of limited funds, applicants will compete in one of three geographic regions as follows: Bay Area, Central, and Southern California. \$2,500,000 will be available in each defined project group for at least one project per region.

Project Group	Available Funding	# of Awards Expected
Group 1: Bay Area	\$2,500,000	1
Group 2: Central California	\$2,500,000	1
Group 3: Southern California	\$2,500,000	1

For purposes of this solicitation, Bay Area is defined as regions containing following cities/counties: Santa Clara, Contra Costa, and San Francisco.

- Phase I projects that fall under Bay Area: *City of Santa Clara, Contra Costa Transportation Authority, and San Francisco Department of the Environment.*

For purposes of this solicitation, Central California is defined as regions containing the following cities/counties: Kern, Fresno, and Sacramento.

- Phase I projects that fall under Central California: *Kern Council of Governments, Tierra Resource Consultants (Fresno), and City of Sacramento.*

For purposes of this solicitation, Southern California is defined as regions containing following cities/counties: Long Beach, Los Angeles, and Ventura.

- Phase I projects that fall under Southern California: *City of Long Beach Harbor Department, County of Los Angeles, and Ventura County Regional Energy Alliance.*

NOTE: The CEC reserves the right to move funds among regions if necessary. If an insufficient number of passing applications are received in one or more of the funding regions, the CEC may, at its sole discretion, transfer unused funding from one region to another region.

I. MAXIMUM NUMBER OF APPLICATIONS

Applicants are only eligible to submit one application under this solicitation.

J. PRE-APPLICATION WORKSHOP

There will be one Pre-Application Workshop; participation in this meeting is optional but encouraged. The Pre-Application Workshop will be held remotely through Zoom, which is the CEC's online meeting service, at the date and time listed below. Please call (916) 654-4381 or refer to the [CEC's website](http://www.energy.ca.gov/contracts/index.html) at www.energy.ca.gov/contracts/index.html to confirm the date and time.

August 24, 2020
10 A.M.

K. PARTICIPATION THROUGH ZOOM

Zoom is the CEC's online meeting service. When attending remotely, presentations will appear on your computer/laptop/mobile device screen, and audio may be heard via the device or telephone. Please be aware that the Zoom meeting will be recorded.

Zoom Instructions:

To join this workshop, go to [Zoom](https://energy.zoom.us/j/97548490419?pwd=RE9RRzNHnkRQTE1SSmNUbyt1VDIOdz09) at <https://energy.zoom.us/j/97548490419?pwd=RE9RRzNHnkRQTE1SSmNUbyt1VDIOdz09>. You may also access the workshop by going to the [Zoom webpage](https://join.zoom.us) at <https://join.zoom.us> and enter the unique meeting ID and password below:

Meeting ID: 975 4849 0419

Meeting Password: Webinar@10

Topic: GFO-19-603 EV Ready Communities Challenge Phase II Pre-Application Workshop

Telephone Access Only:

Call (888) 853-5257 or (888) 475-4499 (toll-free). When prompted, enter the unique meeting ID number above. To comment over the telephone, dial *9 to “raise your hand” and *6 to mute/unmute your phone line. International numbers available: <https://energy.zoom.us/j/97548490419?pwd=RE9RRzNHnkRQTE1SSmNUbyt1VDIOdz09>.

Technical Support:

For assistance with problems or questions about joining or attending the meeting, please call Zoom technical support at (888) 799-9666 ext. 2, or you may contact the CEC’s Public Advisor’s Office at publicadvisor@energy.ca.gov, or (800) 822-6228.

L. QUESTIONS

During the solicitation process, questions of clarification about this solicitation must be directed to the Commission Agreement Officer listed in the following section. You may ask questions at the Pre-Application Webinar, and you may submit written questions via mail, electronic mail, and by FAX. However, all questions must be received by 5:00 pm on the date listed in the Key Activities and Dates table listed in this solicitation.

Question and answer sets will be e-mailed to all parties who attended the Pre-Application Webinar and provided their contact information on the sign-in sheet. The questions and answers will also be posted on CEC’s website at: <https://www.energy.ca.gov/funding-opportunities/solicitations>.

Any verbal communication with a CEC employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term, or condition of the solicitation. All communication must be directed in writing to the Commission Agreement Officer assigned to the solicitation.

M. CONTACT INFORMATION

Brad Worster, Commission Agreement Officer
California Energy Commission
Telephone: (916) 654-4299
E-mail: brad.worster@energy.ca.gov

N. REFERENCE DOCUMENTS

Applicants responding to this solicitation may want to familiarize themselves with the following documents:

- 1) Clean Transportation Program Investment Plans ¹
- 2) 2018 ZEV Action Plan Priorities Update²
- 3) California Environmental Protection Agency, Office of Environmental Health Hazard Assessment, Sacramento, CA. CalEnviroScreen 3.0.³
- 4) PEV Collaborative Statewide and Regional PEV Readiness Reports⁴
- 5) The Governor's Office of Business and Economic Development Electric Vehicle Charging Station Permitting Guidebook ⁵
- 6) California Government Code § 65040.12⁶
- 7) Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016)⁷

¹ <https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-program-investment>

² <https://business.ca.gov/industries/zero-emission-vehicles/zev-action-plan/>

³ <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

⁴ <https://www.veloz.org/pevc-resources/>

⁵ www.businessportal.ca.gov/wp-content/uploads/2019/07/GoBIZ-EVCharging-Guidebook.pdf

⁶ <https://codes.findlaw.com/ca/government-code/gov-sect-65040-12.html>

⁷ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1550

II. Eligibility Requirements

A. APPLICANT REQUIREMENTS

1. Eligibility

This solicitation is open to the entities that completed Phase I blueprints under GFO-17-604 within one year of their agreement start date. Only the following entities are eligible to apply:

- City of Santa Clara
- Contra Costa Transportation Authority
- San Francisco Department of the Environment
- Kern Council of Governments
- Tierra Resource Consultants (Fresno)
- City of Sacramento
- City of Long Beach Harbor Department
- County of Los Angeles
- Ventura County Regional Energy Alliance

2. Terms and Conditions

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the recipient's rights and responsibilities. By providing the required authorizations and certifications, each applicant agrees to enter into an agreement, if awarded, with the CEC to conduct the proposed project according to the terms and conditions (Attachment 9) without negotiation.

Failure to agree to the terms and conditions by taking actions such as failing to provide the required authorizations and certifications or indicating that acceptance is based on modification of the terms will result in rejection of the application. Applicants must read the terms and conditions carefully. CEC reserves the right to modify the terms and conditions prior to executing grant agreements.

3. California Secretary of State Registration

All corporations, limited liability companies (LLCs), limited partnerships (LPs) and limited liability partnerships (LLPs) that conduct intrastate business in California are required to be registered and in good standing with the California Secretary of State prior to its project being recommended for approval at a CEC Business Meeting. If not currently registered with the California Secretary of State, applicants are encouraged to contact the Secretary of State's Office as soon as possible to avoid potential delays in beginning the proposed project(s) (should the application be successful). For more information, contact the Secretary of State's Office via its website at www.sos.ca.gov. Sole proprietors using a fictitious business name must be registered with the appropriate county and provide evidence of registration to CEC prior to their project being recommended for approval at a CEC Business Meeting.

B. PROJECT REQUIREMENTS

Applicants will apply for implementation of actionable items identified in the Phase I-Blueprint developed under GFO-17-604. Eligible applicants are required to submit a new proposal. Applicants must propose projects that are located in the EV Ready Community

GFO-19-603

associated with the Phase I – Blueprint Development region. Applicants must identify which portion of their blueprint they would like to implement and indicate measurable outcomes. Activities that the applicant plans to implement must be consistent with blueprint created in Phase I.

Examples – implementation activities may include, but are not limited to:

1. **Electric Vehicle Charger Installations:** Installing one or more chargers either on, adjacent, or cooperatively sited to a specified number of multifamily residential developments before 2025, and utilizing site analyses and/or site lists developed during Phase I. Installations must be complete by the end of Phase II.
2. **Ombudsman:** Establishing an ombudsman to work with local agencies responsible for issuing permits and reviewing site compliance for charging station sites and equipment.
3. **Permitting and Inspection Process:** Implementing the streamlining of permitting and inspection processes, including outreach to city permitting offices and inspectors, development of online permitting and information websites, dissemination of best practices and standardization of permit fees. Work with the ZEV Infrastructure Project Manager in the Governor's Office of Business and Economic Development to facilitate and accelerate the permitting and establishment of EV charging infrastructure.
4. **Fleet Electrification Support:** Installing a specific number of charging stations and connectors identified in the Phase I blueprint to support the electrification of local/regional fleet vehicles, including transport and shared mobility vehicles.
5. **E-Mobility Hubs:** Establishing an e-mobility hub by leveraging existing transportation network companies, or a new micro-mobility or car-sharing provider to expand deployment and services in neighborhoods outside these programs' home zones.
6. **Workforce Development:** Arranging train-the-trainer sessions to certify local instructors to teach EV certification courses to experienced mechanics. For example, certify five local instructors to teach EV certification courses to at least 10 local mechanics by the end of Phase II.
7. **Secondary EV Market:** Taking action to foster a secondary market for used EVs and to expand access to underinvested communities. For example, target 10 regional dealerships to host community outreach events; develop a program for EV owners replacing their EVs with a new vehicle to donate used EVs to disadvantaged communities, low-income communities, or California Native American tribes. Establish metrics to evaluate program success and provide analysis of successes/areas to improve by the end of Phase II.

C. MATCH FUNDING REQUIREMENTS

1. Total Match Share Requirement

Applications must include a minimum 25 percent total match share. The CEC will provide a maximum of \$2,500,000 or 75% of the total project cost, whichever is the less. For example:

Total Project Costs (Including CEC Award)	Maximum Request for CEC Funding	Minimum Match Share
\$3,300,000	\$2,475,000	\$825,000
\$3,333,334	\$2,500,000	\$833,334
\$3,400,000	\$2,500,000	\$900,000

“Match funding” or “match share” means cash or in-kind (non-cash) contributions provided by the Applicant/Recipient, subcontractors, or other parties that will be used in performance of the proposed project. Match share percentage is calculated by dividing the total match share contributions by the total allowable project cost. “Total allowable project cost” is the sum of the CEC’s reimbursable share and Recipient’s match share of the project costs. Match share expenditures have the following requirements:

- a. All match share expenditures must conform to the terms and conditions of this solicitation and the resulting agreement (see Attachment 9).
- b. Applicants must disclose the source and provide verification and documentation for the match share funding committed to the project. (For any match share committed by a third party (i.e., other than match share committed by the Applicant), Applicants are encouraged to submit a letter from each match share partner identifying the source(s) and availability of match funding.)
- c. During the term of the agreement, Recipients will be required to document and verify all match share expenditures through invoices submitted to CEC.
- d. Match share must be spent concurrently or in advance of CEC funding.
- e. Match share funding may be in the form of cash or in-kind contributions such as donated labor hours, equipment, facilities, and other property.
- f. Equipment, facilities, and property may count as match funds as long as the value of the contribution is based on documented market values or book values, prorated for its use in the project, and depreciated or amortized over the term of the project using generally accepted accounting principles (GAAP).
- g. Match share expenditures (cash and/or in-kind) must be documented, reasonable, allowable, and allocable to the project as determined by CEC.
- h. Match share expenditures are allowable under an agreement only if they are incurred after CEC notifies the applicant that its project has been

proposed for an award through the release of a Notice of Proposed Awards (NOPA). Match expenditures incurred prior to the approval and execution of an agreement are made at the applicant's own risk. CEC is not liable for Applicant's match share costs if the grant is not approved, if approval is delayed, or if the match share expenditure is not allowable under the terms and conditions of the grant or this solicitation. Please note that expenditures incurred prior to agreement execution are not reimbursable from CEC funds.

2. **Cash Match Share Requirement**

There is no minimum **cash** match share requirement under this solicitation.

Cash match means the net of any funds actually expended by the applicant for the project. Net means after any sort of discount or rebate is applied. Expenditures for applicant's compensated labor hours, including allowable fringe benefit and overhead rates, travel, materials, supplies, equipment, subcontractor costs, and other miscellaneous expenditures may be claimed as cash match if the expenditures are included in the approved agreement budget, paid in full with funding sources other than grant funds, and supported with appropriate documentation, including proof of payment. For indirect overhead, backup documentation, such as a cost allocation plan based on actual expenditures incurred and paid, is required. Cost allocations must be reasonable and allocable to the proposed project.

3. **In-Kind Match Share**

The balance of the total match share requirement beyond the cash match share requirement (if any) may be met through in-kind match share contributions.

In-kind match share contributions are: 1) non-cash contributions provided by the applicant; 2) cash or non-cash contributions provided by a subcontractor; and 3) cash or non-cash contributions provided by other third parties. Applicant in-kind match share can be in the form of volunteer labor, real property, existing equipment, existing supplies, services provided by a third-party or subcontract, and other expendable property. The value of in-kind match is based on the fair market value of the goods and services provided at the time it is claimed as match. In-kind match share must be included in the approved agreement budget and supported with appropriate documentation. Cost allocations must be reasonable and allocable to the proposed project.

4. **Match Share Restrictions**

- a. ***Other Sources of CEC Funding*** – Other sources of CEC funding may not be used as match share.
- b. ***Property Not Owned by the Applicant*** – Donated property may be claimed as match based on the fair market value of renting or leasing the property. Fair market value is based on rental costs of comparable property (if any), market conditions in the area, alternatives available and the type, life expectancy, condition, and value of the property.
- c. ***Existing Property Owned by the Recipient*** – Applicants may use the property's depreciation expense as a method to allocate the value of the

property to the project. Valuation will need to be documented to support the initial acquisition costs as well as the method of depreciation.

- d. **Valuation of Land** – Land cannot be depreciated. If the value of land is claimed as match, the applicant must provide documentation to support a fair market value for the use of the land (i.e., rent or lease cost) for the time period it is used. Appraised value of land cannot be used since this represents the full value of the land if it is sold which includes value beyond the term of the proposed project.
- e. **Property Owned by a Related Party** – Related parties are individuals or other entities that are able to control or substantially influence the actions of the applicant and includes spouses, board members, family members of principals or employees of the applicant as well as property owned by principals/employees of the applicant. Because agreements between related parties are “less than arms-length” transactions, applicants must disclose to CEC the relationship and be able to support the fair market value of property that is claimed as match.

If CEC funds are used to reimburse lease/rental payments for property owned by a related party, the applicant can only claim the **lessor** of fair market value or actual lease payments, regardless of lease agreement terms.

- f. **Prorated Value of Property** – The allowable claimed value of property must be prorated based on the percentage the property is used for the proposed project. For example, if only half of a building is being used for the proposed project, then only 50% of the monthly fair market value of the entire building can be claimed as match while the building is being used for the project.
- g. **Documentation** – If selected for an award under this agreement, all claimed match share expenditures must be adequately documented to CEC during the agreement invoicing process which may include, but is not limited to: the fair market value of existing property, methodology to allocate existing property on a prorated basis, lease agreements, and other appropriate documentation.

D. UNALLOWABLE COSTS (REIMBURSABLE OR MATCH SHARE)

For an item of cost to be allowable, it must be included in the approved agreement budget and allowable per the terms and conditions of the resulting agreement. The following are examples of unallowable costs under an agreement resulting from this solicitation. This list is not comprehensive and additional items of cost may be unallowable in accordance with the terms and conditions.

- 1. **Forgone Profit** – For example, if a company usually charges 10% profit but only charges 4% to CEC. The unclaimed difference is not an allowable item of cost.
- 2. **Forgone Rent** – For example, rents that are not paid is not an allowable item of reimbursable cost.

3. ***Discounted or Refunded Equipment Costs*** – For example, a claim that equipment costs \$10,000 but recipient only pays \$6,000 due to some “special” discount. The difference of \$4,000 is not an allowable match share expense. Another example is if the recipient actually pays \$10,000 but the vendor refunds \$4,000 – only the net \$6,000 is an allowable item of cost.
4. ***Foregone Salary, Fringe, Indirect or Other Types of Cost*** – For example, a person normally charges or is paid \$100 per hour, but will only charge \$50 per hour towards the CEC award. Only actual costs incurred and paid to the employee are allowable. Therefore, if an employee is ***actually*** paid \$100 per hour and CEC only reimburses at \$40 per hour, then the unreimbursed \$60 per hour is an allowable match share cost because this is an actual payment as opposed to a foregone salary amount. Volunteer labor (i.e., labor from a person who does not receive any compensation for their labor) may be an allowable in-kind match share expense if the value of the labor is reasonable and justified.

III. Application Format, Required Documents, and Delivery

A. REQUIRED FORMAT FOR AN APPLICATION

This section contains the format requirements and instructions on how to submit an application. The format is prescribed to assist the applicant in meeting State requirements and to enable CEC to evaluate each application uniformly and fairly. Applicants must follow all application format instructions, answer all questions, and supply all requested data.

All applications submitted under this solicitation must be typed or printed using a standard 11-point font, single-spaced and a blank line between paragraphs. Pages must be numbered and sections titled and printed back-to-back.

B. METHOD FOR DELIVERY

Electronic Submission through the Grant Solicitation System

The preferred method of delivery for this solicitation is the CEC's Grant Solicitation System, available at: <https://gss.energy.ca.gov/>. This online tool allows applicants to submit their electronic documents to CEC prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word (.doc format) and Excel Office Suite formats unless originally provided in the solicitation in another format. Completed Budget Forms, Attachment 5, must be in Excel format. The system will not allow applications to be submitted after the due date and time.

First time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshops and you may contact the Commission Agreement Officer identified in the Questions section of the solicitation for more assistance.

C. PAGE LIMITATIONS

The number of pages for each Application is limited to 25 pages. Application forms, resumes, scope of work, schedule of products and due dates, budget forms, contact list, letters of support/commitment, CEQA worksheet, Localized Health Impacts Information Form, and **Past Performance Reference forms** do not count towards this page limitation.

D. APPLICATION ORGANIZATION

Item	Attachment Number (if applicable)
Application Form	Attachment 1
Project Narrative	N/A
Scope of Work	Attachment 2
Schedule of Products and Due Dates	Attachment 4
Budget Forms	Attachment 5
Resumes	N/A
Contact List	Attachment 6
Letters of Support/Commitment	N/A
CEQA Worksheet	Attachment 7
Localized Health Impacts Information Form	Attachment 8

1. Application Form

Applicants must include a completed Application Form shown in Attachment 1.

All applicants must authorize CEC to make any inquiries necessary to verify the information presented in the application. Further, all applicants must authorize CEC to obtain a credit report on the applicant's organization.

All applicants must certify under penalty of perjury under the laws of the State of California that:

- The application does not contain any confidential or proprietary information.
- All information in the application is correct and complete to the best of the applicant's knowledge.
- The applicant has read and understands the terms and conditions and will accept them without negotiation if awarded.
- The applicant has received any required licenses (such as copyrights or trademarks) applicable to the submitted application.
- The person electronically submitting the application through the Grant Solicitation System is an authorized representative of the applicant. For applicants providing a hard copy submittal, the person signing the application is an authorized representative of the applicant.

For applicants using the electronic submission through the Grant Solicitation System, checking the "I Agree" box and clicking the "I Agree & Submit" button provides the required authorizations and certifications.

The CEC may have waived the requirement for a signature on application materials for this solicitation. If a notice regarding CEC's waiver of the signature requirement appears here: <https://www.energy.ca.gov/funding-opportunities/solicitations>, the waiver applies to this solicitation. In the event of a conflict between the notice and any language in this solicitation regarding signatures, the notice will govern.

2. Project Narrative

The Project Narrative must include a table of contents (which will not count towards the page limitations, if any) and a detailed description of the proposed project, its operational goals and objectives, and an explanation of how these will be implemented through the tasks described in the Scope of Work.

Applicants must address each of the scoring criteria described in this solicitation by providing sufficient, unambiguous detail so that the evaluation team will be able to evaluate the application against each scoring criterion.

The Project Narrative must respond directly to each criterion with the headings as titled below, and must include the following information:

a. **Implementation Strategy (50 points)**

- 1) Identify and describe the project(s) from the Phase I blueprint to implement. Describe and justify any proposed changes in the Phase II implementation from the Phase I blueprint.
- 2) Provide an implementation plan for the Phase II project(s), including the implementation region(s), a detailed and systematic strategy using the information, recommendations, and strategies identified in the Phase I blueprint.
- 3) Explain the project(s) in sufficient detail to demonstrate technical and economic feasibility.
- 4) Define goals and objectives of the proposed project(s) and describe how the proposed implementation plan is adequate to achieve these goals and objectives.
- 5) Provide a list of actionable items that are clearly identified, specific to the region selected, and justify their applicability to the region. Provide project-specific performance measures that are clearly linked to the project objectives.
- 6) Discuss how the proposed project(s) will be transformative to addressing ZEV adoption barriers.
- 7) Describe how the proposed project(s) may be replicated in other regions and/or communities.
- 8) Establish a project schedule. The schedule should include, but is not limited to, the milestones and timeline to implement each project, how progress for all tasks will be evaluated, and when demonstrated, secured, and verified support from relevant implementation partners, local governments, and the community is expected. The proposed project can be completed within a defined timeframe and adhere to the proposed implementation schedule, taking into account the potential delays.
- 9) Identify and document the role of project partners, including the legal or contractual relationship and obligations between partners.
- 10) Identify what expected and new information will be generated from the proposed project (e.g., what the project team hopes to learn from the project and how the information will be used).
- 11) Propose a method to track whether activities are completed successfully and to identify and evaluate factors that may be influencing outcomes.

b. **Team Qualifications and Experience (10 points)**

- 1) Identify, by name, all key personnel assigned to the project, including the project manager, and clearly describe their individual areas of responsibility. The project manager must be one individual responsible for

interacting with the CAM on the project requirements and issues, and coordinating all aspects of work under the project.

- 2) Identify **and describe** the project team's qualifications (including relevant expertise, experience, and skill sets) and why each team member is appropriate and suitable to the tasks described in the proposed project's Scope of Work. **If the description of the team's qualifications includes a specific project(s) under current or prior agreements with public agreements with public funding (e.g., contract, grant, or loan), the Applicant must submit a Past Performance Reference Form (Attachment 10) for the project(s), even if the team member is not the primary Applicant.**

- 3) Describe how the team will meet deadlines and complete milestones and has the ability to control costs.
- 4) Explain how each team member will function within the team and interact with project partners.

c. **Project Budget (10 points)**

- 1) Describe why the proposed project budget is comprehensive and aligns with the proposed scope of work and how administrative and overhead costs are minimized.
- 2) Provide the benefit-cost score of the proposed project and how the benefit-cost score of the proposed project is maximized. The benefit-cost score is the amount of greenhouse gas emission (GHG) reductions – in tons of CO₂ equivalents – per dollar of CEC funding requested.
- 3) Discuss how proposed expenditures are reasonable and necessary for the proposed project.
- 4) Provide a description of the type and source of match – cash and in-kind.
- 5) Describe how expenditures (including administration and overhead expenditures) will be tracked.
- 6) Explain how the project will demonstrably maximize electric vehicle deployments.
- 7) Explain how the combination of technologies and systems chosen for the proposed project offer the best possible value in terms of economic, environmental and technical performance.

d. **Project Benefits- Disadvantaged Communities, Low-Income Communities, California Native American Tribes, and furthers Environmental Justice (20 points)**

- 1) Describe the potential benefits and impact of each project included in the application to the selected region. Identify benefits that will have direct, positive, and relevant transportation related benefits to identified

disadvantaged communities, low-income communities, California Native American Tribes, and furthers environmental justice.

Note: For the purposes of this solicitation:

- Disadvantaged Communities are defined as communities scoring in the 50th and greater percentile according to the most recent version of CalEnviroScreen 3.0 (<http://www.calepa.ca.gov/EnvJustice/GHGInvest/>).
 - Low-Income Communities:
 - (1) “Low-income households” are those with household incomes at or below 80 percent of the statewide median income or with household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted pursuant to Section 50093.
 - (2) “Low-income communities” are census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted pursuant to Section 50093. (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1550)
 - Environmental Justice is defined by state law as the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies (Senate Bill 115, Solis, 1999; California Government Code § 65040.12(e). <https://codes.findlaw.com/ca/government-code/gov-sect-65040-12.html>).
- 2) The applicant must propose metrics and methods they intend to use for measurement and verification of benefits accruing to communities described in this section.
- 3) Explain how the proposed project demonstrates support of state goals to reduce GHG and to increase ZEV adoption.
- e. **Local Government Participation (10 points)**
- 1) Describe how the community provided input and its needs were considered in the project design.
- 2) Describe how the project team will feature participation from a wide variety of local city or county governments, or organizations connected to city or county governments, such as joint power authorities, council of governments, and housing authorities that have a role in the development process.
- 3) Describe the level of community engagement for the project.

3. **Scope of Work**

Applicants must include a completed Scope of Work using the template contained in Attachment 2. Instructions for completing the Scope of Work as well as a sample are included in Attachment 3. The description of activities proposed in the Project Narrative must conform to the Tasks described in the Scope of Work. Electronic files for the Scope of Work must be in MS Word.

Applicants must present a comprehensive and credible scope of work which includes comprehensive and sequential tasks that are presented in a logical manner, products resulting from the individual tasks, and how the tasks are related to or are dependent on each other.

4. **Schedule of Products and Due Dates**

Applicants must include a completed Schedule of Products and Due Dates (Attachment 4). All work must be scheduled for completion by no later than **March 31, 2024**, to allow timely processing of final invoices before the liquidation date of the funds. Instructions for the Schedule of Products and Due Dates are included in Attachment 4. Electronic files for the Schedule of Products and Due Dates must be in MS Excel.

5. **Budget Forms**

- a. The applicant must submit information on **all** budget forms contained in Attachment 5. All budget forms are required because they will be used for the agreement prepared with the winning applicant(s). A separate set of complete budget forms, including the full set of worksheets, is required for the Applicant and for each subcontract containing: 1) \$100,000 or more of CEC funds; or 2) 25% or more of the total CEC funds requested, whichever is less. If a major subcontractor has not yet been selected, and is shown as "To Be Determined (TBD)", a separate set of budget forms is not required. However, once a major TBD subcontractor is selected and prior to that major subcontractor incurring any expenses a complete set of budget forms must be submitted and incorporated into the agreement.
- b. Detailed instructions for completing these forms are included at the beginning of Attachment 5.
- c. Rates and personnel shown must reflect rates and personnel charged under an agreement resulting from this solicitation. The salaries, rates, and other costs entered on these forms become a part of the final agreement. The entire term of the agreement and projected rate increases must be considered when preparing the budget. The rates proposed are considered capped and shall not change during the term of the agreement. The Recipient shall only be reimbursed for their **actual** rates up to these rate caps. The hourly or monthly rates provided shall be unloaded (before fringe benefits or indirect costs).
- d. The information provided in these forms will **not** be kept confidential.
- e. All reimbursable expenditures must be expended within the approved term of the funding agreement. Expenditures may be counted as match share only after CEC notifies the applicant that its project has been proposed for an award through the release of a Notice of Proposed

Awards (NOPA). However, match expenditures incurred prior to the full execution of a funding agreement are made at the applicant's own risk.

- f. The Budget must allow for the expenses of a Kick-off Meeting, at least one (1) Critical Project Review meeting, and a Final meeting. It is anticipated that meetings will be conducted at CEC located in Sacramento, CA.
- g. Applicants must budget for permits, insurance, etc. CEC will not reimburse expenditures for permitting or insurance. However, these expenditures can be included as match share expenditure.
- h. The Budget must allow for the preparation and submission of monthly progress reports (1-2 pages each) during the approved term of the agreement, and a Final Report. Instructions for preparing the Final Report will be provided to successful applicants.
- i. The purchase of equipment (defined as items with a unit cost greater than \$5,000 and a useful life of greater than one year) with CEC funds will require disposition of purchased equipment at the end of the project. Typically, Grant Recipients may continue to utilize equipment purchased with CEC funds as long as the use is consistent with the intent of the original agreement. **There are no disposition requirements for equipment purchased with match share funding.**
- j. The Budget must reflect estimates for **actual** costs to be incurred during the approved term of the project. CEC can only approve and reimburse for actual costs that are properly documented in accordance with the Grant Terms and Conditions.
- k. Applicants shall **NOT** budget for, and **CANNOT** be reimbursed for, more than their actual allowable expenses (i.e., the budget cannot include profit, fees, or markups) under the agreement. Subcontractors (all tiers) are allowed to include up to a maximum total of 10% profit, fees or markups on their own actual allowable expenses less any expenses further subcontracted to other entities (i.e., profit, fees and markups are not allowed on subcontractor expenses). For example, if a subcontractor has \$100,000 in actual allowable costs but has further subcontracted \$20,000 to another entity, then the subcontractor can only include up to 10% profit on \$80,000 (\$100,000 minus \$20,000). See terms and conditions for more information on allowable costs.
- l. **IMPORTANT - Payment of Prevailing Wage:** Applicants must read and pay particular attention to the Terms and Conditions (Attachment 9) and the section related to Public Works and Payment of Prevailing Wages. Prevailing wage rates can be significantly higher than non-prevailing wage rates. Failure to pay legally-required prevailing wage rates can result in substantial damages and financial penalties, termination of the agreement, disruption of projects, and other complications.

6. **Resumes**

Applicants must include resumes for key personnel identified in the proposal. Resumes are limited to a maximum of 2 pages each.

7. **Contact List**

Applicants must include a completed Contact List (Attachment 6) by including the appropriate points of contact for the Applicant. CEC will complete the CEC points of contact during agreement development.

8. **Letters of Support/Commitment**

Applicants must include appropriate letters of support/commitment. Letters must include sufficient contact information so CEC is able to efficiently contact the letter writer, as necessary. Letters must be limited to 2 pages each.

- a. **Key Project Partners (if applicable):** Key project partners identified in the application must provide letters demonstrating their commitment to the proposed project and their ability to fulfill their identified roles.
- b. **Third-party Match Share Contributors (if applicable):** Any third-party match share contributors must identify the intended amount of match, the funding source(s), and state that the match share contributor will provide the identified match funding. Letters of commitment from third party match share contributors must contain a telephone number to allow CEC to contact the match share partner or representative to confirm their authority to commit matching funds to the proposed project.
- c. **Letters of Support (optional):** Applicants are encouraged to submit letter(s) of support that substantiate the estimated demand and/or the potential benefits of the proposed project. Third-party letters of support can be provided by, but are not limited to: air districts, state or federal agencies, local safety officials, potential users of the proposed project, and any other relevant organizations.

9. **CEQA Worksheet**

Applicants must include a completed CEQA Worksheet (Attachment 7). CEC requires this information to assist it in making its own determination under the California Environmental Quality Act (Public Resources Code Section §§ 21000 et seq.).

Applicants must complete the detailed CEQA Worksheet and submit it with their application. This worksheet will help applicants and CEC to determine CEQA compliance obligations by identifying which projects may require more extensive CEQA review. Failure to complete the worksheet may lead to disqualification of the proposal.

Applicants are encouraged to provide documentation of communication with the local lead agency, if one exists (e.g., a county or city). Documentation such as a completed notice of exemption, a letter from the local agency acknowledging their role in the CEQA process, or a permit application to the lead agency that is stamped as received. If no CEQA review would be required by the local lead agency, provide documentation (letter or e-mail) from the local agency explaining why not.

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10. **Localized Health Impacts Information Form**

Applicants must complete and submit a Localized Health Impacts Information Form (Attachment 8). CEC requires this information to assist in developing and publishing a localized health impact report.

11. **Applicant’s Past Performance:** Information provided to address past performance will not count towards the page limitations and should be addressed in Attachment 10, Past Performance Reference Form.

The Applicant should address performance under current or prior [funding] agreements using public funding (e.g., contract, grant, or loan), including agreements with the CEC, [and] other public agencies, and those that used Settlement Funds administered by a public agency. This must include all CEC agreements (e.g., contract, grant, or loan) within the last 10 years (if any) and the 5 most recent agreements with other public agencies within the past 10 years (if any). Applicants should indicate whether the projects were successfully completed in a timely manner. Applicants should:

1. Provide a list of all agreements (e.g. contract, grant, or loan) [grant-agreements] with the CEC [and other public agencies] received by the Applicant [or team] in the last 10 years (if applicable).
2. Provide a list of the 5 most recent agreements (e.g., contract, grant, or loan) with other public agencies received by the Applicant within the past 10 years (if applicable).
3. Provide references for the agreements [grants] received by the Applicant and identified above [or team in the last 10 years, or for similar or related types of projects completed in the last 10 years]; to verify the Applicant’s [or team’s] past performance. Each reference must include a contact person name and phone number (or email address). If contacted by CEC staff, references should be able to speak to the Applicant’s ability to successfully complete projects in a timely manner and their performance.
4. (For projects that did not complete (or timely complete) project objectives) Describe the challenges faced, what led to those challenges and indicate whether those challenges were within the Applicant’s control.
5. Describe any severe audit findings and how they were ultimately addressed and resolved.
6. Describe the final outcome of the project.

IV. Evaluation Process and Criteria

A. APPLICATION EVALUATION

This section explains how the applications will be evaluated.

Applications will be evaluated and scored based on the responses to the information requested in this solicitation. The entire evaluation process from receipt of applications to posting of the Notice of Proposed Award is confidential.

To evaluate all applications, CEC will organize an Evaluation Committee. The Evaluation Committee may consist of CEC staff or staff of other California state entities.

1. Screening Criteria

The Contracts, Grants and Loans Office will screen applications for compliance with the Administrative Screening Criteria. The Evaluation Committee will screen applications for compliance with the Technical Screening Criteria and Applicant's Past Performance Screening Criterion. Applications that fail any of the Administrative, Technical, or Past Performance Screening Criteria shall be disqualified and eliminated from further evaluation.

2. Administrative Screening Criteria

ADMINISTRATIVE SCREENING CRITERIA <i>The Application must pass ALL administrative screening criteria.</i>	Pass/Fail
1. The application is received by CEC's Contracts, Grants, and Loans Office by the due date and time specified in the "Key Activities Schedule" in Section I of this solicitation.	☐ Pass ☐ Fail
2. The applicant provides the required authorizations and certifications.	☐ Pass ☐ Fail
3. The applicant has not included a statement that is contrary to the required authorizations and certifications.	☐ Pass ☐ Fail

3. Technical Screening Criteria

- a. The applicant is an eligible applicant.
- b. The project is an eligible project.
- c. The project meets the minimum match share requirement, if any.
- d. **The Applicant passes the past performance screening criteria.**

4. Application's Past Performance Screening Criterion (Pass/Fail)

The Applicant—defined as at least one of the following: the business, principal investigator, or lead individual acting on behalf of themselves—received funds from the CEC **and/or other public agencies** (e.g., contract, grant, or loan) and entered into an agreement(s) with the CEC **and/or other public agencies**. An Applicant must pass this screening criterion to be eligible to be scored under the evaluation criteria.

The Applicant may be disqualified under this solicitation due to severe performance issues under one or more prior or active CEC **and/or other public agencies** agreement(s) within the last 10 years. Severe performance issues are

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characterized by significant negative outcomes under an agreement and may include:

- Agreement was terminated with cause.
- The CEC **and/or other public agencies** filed litigation against the Applicant.
- Severe audit findings [are] **were** not resolved to the CEC’s **and/or other public agencies**’ satisfaction. Severe audit findings may include but not limited to: funds were used inappropriately (i.e., other than as represented and approved); questioned costs remain unresolved; significant internal control weaknesses identified by an audit have not been adequately addressed by the Applicant.
- If an agreement has ended, project objectives were not met, and the non-performance was caused by factors that were, or should have been, within the Recipient’s control.
- Significant delays in project completion resulting in delayed benefits for California. Project completion delays of two years or more from the originally executed CAM-approved project schedule and caused by factors within the Recipient’s control may be considered significant. Additionally, project completion delays of one year or more past the project’s liquidation deadline and caused by factors within the Recipient’s control may be considered significant.
- Deliverables were not submitted to the CEC **and/or other public agencies** or were of poor quality or consistently late. For example, Recipient delivered poorly written reports that required significant rework by staff prior to acceptance or publication.
- Demonstrated and documented poor or delayed communication when significant issues or setbacks were experienced that materially and negatively impacted the project. For example, delays in informing the CEC **and/or other public agencies** when the Recipient experiences loss of a key project partner or site control may be considered significant.

5. **Grounds to Reject an Application**

In addition to the Screening Criteria identified within this solicitation, CEC reserves the right to reject an application and/or cancel an award if at any time during the application or agreement process the following circumstances are discovered:

- a. The application contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the applicant.
- b. The application is intended to erroneously and fallaciously mislead the State in its evaluation of the application and the attribute, condition, or capability is a requirement of this solicitation.

- c. The application does not literally comply or contains caveats that conflict with the solicitation and the variation or deviation is material or it is otherwise non-responsive.

6. Technical Evaluation

Applications passing all screening criteria will be submitted to the Evaluation Committee to review and score based on the Evaluation Criteria in this solicitation.

The Evaluation Committee reserves the right to schedule a clarification interview with an applicant that will either be held by telephone or in person at CEC for the purpose of clarification and verification of information provided in the application. However, these interviews may not be used to change or add to the contents of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

The total score for each application will be the average of the combined scores of all Evaluation Committee members. A minimum score of 70 percent is required for the application to be eligible for funding.

CEC will recommend awards to the highest ranked projects for each group (according to final overall application score) until available funding under this solicitation has been exhausted.

B. NOTICE OF PROPOSED AWARDS

The results of the evaluation will be posted in a Notice of Proposed Awards (NOPA) and will include the recommended funding level and the rank order of applicants. CEC will publish the NOPA on the CEC's website.

C. DEBRIEFINGS

Unsuccessful applicants may request a debriefing after the release of the NOPA. A request for debriefing should be received no later than 15 days after the NOPA is released.

D. SCORING SCALE

Using this Scoring Scale, the Evaluation Committee will give a score for each criterion described in the Evaluation Criteria.

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	Response does not include or fails to address the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
10-30%	Minimally Responsive	Response minimally addresses the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
40-60%	Inadequate	Response addresses the requirements being scored, but there are one or more omissions, flaws, or defects or the requirements are addressed in such a limited way that it

		results in a low degree of confidence in the proposed solution.
70%	Adequate	Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
75%	Between Adequate and Good	Response better than adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
80%	Good	Response fully addresses the requirements being scored with a good degree of confidence in the applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
85%	Between Good and Excellent	Response fully addresses the requirements being scored with a better than good degree of confidence in the applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
90%	Excellent	Response fully addresses the requirements being scored with a high degree of confidence in the applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
95%	Between Excellent and Exceptional	Response fully addresses the requirements being scored with a better than excellent degree of confidence in the applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
100%	Exceptional	All requirements are addressed with the highest degree of confidence in the applicant's response or proposed solution. The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.

E. EVALUATION CRITERIA

Criterion	Possible Points
1. Implementation Strategy Applications will be evaluated on the degree to which: • Project goals and objectives are clearly defined, have milestones and completion dates, and can be quantified. • The proposed implementation plan is adequate to achieve the goals and objectives of the proposed project(s). • A list of actionable items is identified and applicable to the region selected. • Project-specific performance measures are clearly linked to project objectives. • The proposed project is technically and economically feasible. • The proposed project can be completed within a defined timeframe and adhere to the proposed implementation schedule, taking into account potential delays. • The proposed project takes a transformative approach to addressing ZEV adoption barriers. • The proposed project is replicable and may be further expanded. • The roles of project partners are identified, documented, and secured, including any legal or contractual relationships and obligations between partners.	50
2. Team Qualifications and Experience Applications will be evaluated on the degree to which the project team demonstrates: • Qualifications, experience, and expertise to implement the proposed project. • Ability to meet deadlines and complete milestones for large complex projects. • Ability to control costs. • The Applicant and team have demonstrated exceptional administrative and technical performance under existing or prior funding agreements (CEC and/or other public agencies), if the Applicant worked on such projects, including: ▪ Adherence to schedule and due dates. ▪ Effective and timely issue resolution. ▪ Quality of deliverables. ▪ Objectives of past projects have been attained. ▪ Honest, timely, and professional communication with staff from the funding entity. ▪ Effective coordination with project partners, subcontractors, and other stakeholders. ▪ Timely and accurate invoicing.	10

3. Project Budget Applications will be evaluated on the degree to which: • The proposed project budget is comprehensive and aligns with the proposed scope of work. • Project costs are reasonable for the level and amount of work being proposed. • The project minimizes administrative and overhead costs for reimbursement. • The project will demonstrably maximize electric vehicle deployments. • The proposed project has a high benefit-cost ratio (the amount of GHG emissions reduced in tons of CO₂ equivalents per dollar of CEC funding requested). • The combination of technologies and systems chosen for the proposed project offer the best possible value in terms of economic, environmental, and technical performance.	10
4. Project Benefits - Disadvantaged Communities, Low-Income Communities, California Native American Tribes, and furthers Environmental Justice Applications will be evaluated on the degree to which: • The proposed project(s) demonstrates potential benefits to the selected region. • The proposed project(s) demonstrates support of state goals to reduce GHG and to increase ZEV adoption. • The proposed project(s) demonstrates benefits to disadvantaged communities, low-income communities, California Native American tribes, and furthers environmental justice.	20
5. Local Government Participation Applications will be evaluated on the degree to which: • The proposed project features direct community engagement and consider its needs and input in project design. • The project teams feature participation from a wide variety of local city or county governments, or organizations connected to city or county governments, such as joint power authorities, council of governments, and housing authorities that have a role in the development process.	10
Total Possible Points	100
Minimum Passing Score (70%)	70

F. TIE BREAKERS

If the score for two or more applications are tied, the application with a higher score in the Implementation Strategy criterion will be ranked higher. If still tied, an objective tie-breaker (such as a random drawing) will be utilized.

V. Administration

A. DEFINITION OF KEY WORDS

Important definitions for this solicitation are presented below:

Word/Term	Definition
Applicant	Respondent to this solicitation
Application	Formal written response to this document from applicant
CAM	Commission Agreement Manager
CAO	Commission Agreement Officer
CEQA	California Environmental Quality Act
CEC	California Energy Commission
EV	Electric Vehicle
EVCS	Electric Vehicle Charging Station
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse Gas Emissions
NOPA	Notice of Proposed Awards
Solicitation	Grant Funding Opportunity, which refers to this entire solicitation document and all its attachments and exhibits
State	State of California
ZEV	Zero-Emission Vehicle

B. COST OF DEVELOPING APPLICATION

The applicant is responsible for the cost of developing an application, and this cost cannot be charged to the State.

C. CONFIDENTIAL INFORMATION

CEC will not accept or retain any applications that have any portion marked confidential.

D. SOLICITATION CANCELLATION AND AMENDMENTS

It is CEC's policy to not solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the State's best interest, CEC reserves the right to do any of the following:

- Cancel this solicitation.
- Revise the amount of funds available under this solicitation.
- Amend this solicitation as needed.
- Reject any or all applications received in response to this solicitation.

If the solicitation is amended, CEC will send an addendum to all parties who requested the solicitation and will also post it on CEC's website at www.energy.ca.gov/contracts.

E. ERRORS

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the applicant shall immediately notify CEC of such error in writing and request modification or clarification of the document. Modifications or clarifications will be given by written notice of all parties who requested the solicitation, without divulging the source of the request for clarification. CEC shall not be responsible for failure to correct errors.

F. MODIFYING OR WITHDRAWAL OF APPLICATION

An applicant may, by letter to the Commission Agreement Officer at CEC, withdraw or modify a submitted application before the deadline to submit applications. Applications cannot be changed after that date and time. An application cannot be “timed” to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: “This application and the cost estimate are valid for 60 days.”

G. IMMATERIAL DEFECT

CEC may waive any immaterial defect or deviation contained in an applicant’s application. CEC’s waiver shall in no way modify the application or excuse the successful applicant from full compliance.

H. DISPOSITION OF APPLICANT’S DOCUMENTS

The entire evaluation process from receipt of applications up to the posting of the Notice of Proposed Award is confidential. On the Notice of Proposed Award posting date, or date of solicitation cancellation, all applications and related material submitted in response to this solicitation become a part of the property of the State and public record. Applicants who want any work examples they submitted with their applications returned to them shall make this request and provide either sufficient postage or a Courier Charge Code to fund the cost of returning the examples.

I. APPLICANTS’ ADMONISHMENT

This solicitation contains the instructions governing the requirements for a firm quotation to be submitted by interested applicants, the format in which the technical information is to be submitted, the material to be included, the requirements which must be met to be eligible for consideration, and applicant responsibilities. Applicants must take the responsibility to carefully read the entire solicitation, ask appropriate questions in a timely manner, submit all required responses in a complete manner by the required date and time, and make sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

J. AGREEMENT REQUIREMENTS

The content of this solicitation shall be incorporated by reference into the final agreement. See the sample agreement terms and conditions included in this solicitation.

CEC reserves the right to negotiate with applicants to modify the project scope, the level of funding, or both. If CEC is unable to successfully negotiate and execute a funding agreement with an applicant, CEC, at its sole discretion, reserves the right to cancel the pending award and fund the next highest ranked eligible project.

CEC must formally approve all proposed grant awards. Clean Transportation Program agreements for over \$75,000 must be scheduled and considered at a CEC Business Meeting for approval by the CEC.

Public agencies that receive funding under this solicitation must provide an authorizing resolution approved by their governing authority to enter into an agreement with CEC and designating an authorized representative to sign.

CEC will send the approved agreement, including the general Terms and Conditions and any additional terms and conditions, to the grant recipient for review, approval, and

signature. Once the grant recipient signs, CEC will fully execute the agreement. Recipients are approved to begin the project only after full execution of the agreement.

K. No AGREEMENT UNTIL SIGNED AND APPROVED

No agreement between CEC and the successful applicant is in effect until the agreement is signed by the Recipient, approved at a CEC Business Meeting, and signed by the CEC representative.

CEC reserves the right to modify the award documents prior to executing the agreement.

**MASTER COOPERATIVE AGREEMENT NO. XXXX.XX
BETWEEN
CONTRA COSTA TRANSPORTATION AUTHORITY
AND
CITY OF PITTSBURG**

THIS MASTER COOPERATIVE AGREEMENT NO. XXXX.XX (“AGREEMENT”) is made and entered into as of this 1st day of June 2021, by and between the City of Pittsburg, a California municipal corporation, hereinafter referred to as “SUBCONTRACTOR,” located at 65 Civic Avenue in Pittsburg, CA and the CONTRA COSTA TRANSPORTATION AUTHORITY, hereinafter referred to as “AUTHORITY.” SUBCONTRACTOR and AUTHORITY are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. On October 23, 2020, AUTHORITY submitted a grant proposal to the California Energy Commission (CEC) in response to solicitation GFO-19-603 Community Challenge Electric Vehicle (EV) Readiness Phase 2 Implementation to implement several strategies identified in the Contra Costa July 2019 EV Readiness Blueprint.

B. SUBCONTRACTOR participated in the grant application to perform tasks related to managing the installation of Electric Vehicle Supply Equipment (EVSE) and would receive grant funding and provide local match related to performing the specified tasks.

C. On March 17, 2021, the CEC awarded \$2,467,067 in grant funds to be matched by local funding and in-kind services totaling \$842,684 for a total project cost of \$3,309,751. Funds will be used to advance and support EV adoption in Contra Costa disadvantaged communities by installing EVSE, implementing workforce development programs in Richmond and East County, implementing an EV carshare program in Richmond, expanding the 511 Contra Costa e-bike rebate program and providing general outreach and education regarding EVs. (PROJECT)

D. Pursuant to award identified in Recital C, the CEC provided a funding agreement to AUTHORITY identifying SUBCONTRACTOR as a subcontractor to AUTHORITY to perform specified tasks as identified in Exhibit A (Scope of Work) with specified grant funding and match requirement to perform such tasks also in Exhibit A (Budget).

E. Goal(s) of the grant. The goal of this Grant is to implement strategies from the CCTA Blueprint including acceleration of the use of zero-emission vehicles (ZEVs), all-electric car share, workforce training of electric vehicle (EV) technicians, educational outreach, and the installation of Level 1 and Level 2 electric vehicle supply equipment (EVSE) in multifamily dwellings and public locations in underserved communities in Contra Costa County. The Grant will also provide rebates to low-income residents for electric-assist bicycles and

leverage an existing electric bike-share program in Richmond. The objectives of this Grant are to reduce GHG by the implementation of EVSEs, electric car share, and electric bicycle owners and electric bike share. A methodology has been developed to determine emissions reductions calculations.

NOW, THEREFORE, in consideration of the foregoing, the AUTHORITY and SUBCONTRACTOR do hereby agree as follows:

SECTION I

SUBCONTRACTOR AGREES:

1. Application of Funding.

For each PROJECT program approved and funded by AUTHORITY, to apply a PROJECT GRANT received under this AGREEMENT to PROJECT in accordance with 1) the terms and conditions specified in Funding Resolutions approved by the AUTHORITY; 2) CEC EXHIBIT C *ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM (ARFVTP) TERMS AND CONDITIONS* and 3) CEC Exhibit D Special Terms and Conditions attached to this AGREEMENT and incorporated herein; and 4) consistent with the information contained in the Project budget attached to this AGREEMENT as EXHIBIT A and incorporated herein by this reference.

2. Invoices.

To provide invoices requesting reimbursement of eligible actual expenditures incurred in the form and detail as requested by AUTHORITY, along with supporting documentation as required by AUTHORITY. Invoices will be submitted monthly.

3. Key Personnel:

Sara Bellafronte, Administrative Analyst II, Grant Manager
65 Civic Avenue
Pittsburg, CA 94565
sbellafronte@ci.pittsburg.ca.us
(925) 252-4109

4. Audit.

To maintain complete, accurate and clearly identifiable records with respect to all actual costs and expenses incurred under this Agreement. To allow AUTHORITY and CEC or any independent auditor selected by any of these parties, to audit all expenditures relating to each PROJECT funded through this AGREEMENT. For the duration of each PROJECT, and for three (3) years after the final payment has been received or four years after the federal grant term, whichever is later, unless

otherwise specified in the funding Agreement. Records for nonexpendable personal property acquired with grant funds shall be retained for three years after its final disposition or three years after the federal grant term, whichever is later. SUBCONTRACTOR shall make available all records relating to expenses incurred in performance of this AGREEMENT.

5. Reporting.

To submit to AUTHORITY any quarterly, semi-annual and annual reports on each PROJECT in the format and detail as required by AUTHORITY and specified in the FUNDING AGREEMENTS and Scope of Work supporting PROJECT(s), as applicable.

6. Management.

To provide overall management of PROJECT(s) including responsibility for schedule, budget, and oversight of services performed by others and to be responsible for evaluation, selection, and management of consultants and contractors.

7. To comply with applicable CEC Grant Terms and Conditions. SUBCONTRACTOR, its employees, consultants and contractors shall comply with the applicable provisions of the *CEC EXHIBIT C ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM (ARFVTP) TERMS AND CONDITIONS* and the *CEC EXHIBIT D SPECIAL TERMS AND CONDITIONS*, which are attached to this AGREEMENT and incorporated herein, to include, but not all inclusive list, the following clauses: nondiscrimination, standard of performance, payment of Prevailing wages and compliance with Assembly Bill 841 (2020) provision specified in the CEC Exhibit C Terms and Conditions.

8. Signage/Public Announcement Documents.

To collaborate with AUTHORITY and receive approval if PROJECT involves construction or capital acquisition, that identifies the AUTHORITY as a funding source, if applicable. If PROJECT involves the production of promotional materials, including but not limited to brochures, signage, displays, give-away items used in connection with promotional events, to include AUTHORITY's logo thereon if approved by AUTHORITY.

9. Equipment.

To comply with CEC Grant Attachment C Terms and Conditions regarding Equipment.

Equipment is defined as having a useful life of at least one year, having an acquisition unit cost of at least \$5,000, and purchased with Energy Commission funds. Equipment means any products, objects, machinery, apparatus, implements or tools purchased, used or constructed within the Project, including those products, objects, machinery, apparatus, implements or tools from which over thirty percent (30%) of the equipment is composed of materials purchased for the Project. For purposes of determining depreciated value of equipment used in the Agreement, the Project shall terminate at the end of the normal useful life of the equipment purchased, funded and/or developed with Energy Commission funds. The Energy Commission may determine the normal useful life of such equipment.

Title to equipment acquired by the AUTHORITY with grant funds shall vest in the AUTHORITY. The AUTHORITY shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by grant funds, and the AUTHORITY shall not encumber the property without Energy Commission approval. When no longer needed for the original project or program, the AUTHORITY shall contact the CEC/CAM for disposition instructions.

10. Compliance with Local, State and Federal Requirements

SUBCONTRACTOR agrees to comply with all local, state and federal laws to include Payment of Prevailing Wages and Workers' Compensation Insurance (See attached *CEC EXHIBIT C ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM (ARFVTP) TERMS AND CONDITIONS* and the *CEC SPECIAL TERMS AND CONDITIONS* attached as EXHIBIT D to this AGREEMENT. If PROJECT requires SUBCONTRACTOR to enter into a contract with a contractor and/or consultant, SUBCONTRACTOR shall ensure that such contract complies with all applicable local, state and federal requirements and shall give all notices required by law. Additionally, any such contractor and/or consultant is responsible for ensuring that subcontractors, at all tiers of PROJECT, perform in accordance with the terms, conditions and specifications of such contract, including local, state and/or federal requirements. Upon request of AUTHORITY and/or SUBCONTRACTOR, any contractor and/or consultant shall provide evidence of the steps it has taken to ensure its compliance with the local, state and/or federal requirements, as well as the evidence of the subcontractor's compliance, at all tiers.

SECTION II

AUTHORITY AGREES:

1. Reimbursement

Consistent with the procedures specified in Section I, paragraph 2 above, to reimburse SUBCONTRACTOR for eligible expenses incurred in conducting the PROGRAM as reflected in SECTION III, Paragraph 12 and Exhibit A of this AGREEMENT.

2. Compliance with Requirements Applicable to Program Manager

AUTHORITY will comply with applicable provisions of the *CEC EXHIBIT C ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM (ARFVTP) TERMS AND CONDITIONS* and the *SPECIAL TERMS AND CONDITIONS* attached as *EXHIBIT D* to this AGREEMENT.

SECTION III

IT IS MUTUALLY AGREED:

1. Term

Unless this AGREEMENT is otherwise terminated under the provisions of this AGREEMENT, the term on this AGREEMENT shall commence upon execution of this Agreement through March 31, 2024.

2. Discharge

This AGREEMENT shall be subject to discharge as follows:

a. This AGREEMENT may be canceled by a party for breach of any obligation, covenant, or condition hereof by the other party, upon written notice to the breaching party. With respect to any breach that is reasonably capable of being cured, the breaching party shall have thirty (30) days from the date of the notice to initiate steps to cure. If the breaching party diligently pursues cure, such party shall be allowed a reasonable time to cure, not to exceed sixty (60) days from the date of the initial notice, unless a further extension is granted by the non-breaching party.

b. By mutual consent of both parties, this AGREEMENT may be terminated in writing at any time.

3. Indemnity

SUBCONTRACTOR shall comply with paragraph 19, Indemnification, of the attached *CEC EXHIBIT C ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM (ARFVTP) TERMS AND CONDITIONS* and the *CEC Special Terms and Conditions* in Exhibit D of this AGREEMENT. It is further understood and agreed that neither AUTHORITY, nor any officer, employee, agent or contractor thereof, shall be responsible for, and SUBCONTRACTOR shall indemnify and hold AUTHORITY and its officers, employees, agents and contractors harmless from, any damage or liability occurring by reason of anything done or

omitted to be done by SUBCONTRACTOR, its officers, employees, consultants or contractors, under or in connection with the services, authority or jurisdiction of SUBCONTRACTOR or delegated to SUBCONTRACTOR under this AGREEMENT.

4. Notices

Any notice which may be required under this AGREEMENT shall be in writing, effective when received, and given by personal service, certified or registered mail (return receipt requested), or courier service to the addresses set forth below, or to such addresses which may be specified in writing by the parties hereto.

Notices to SUBCONTRACTOR:
Sara Bellafronte, City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565

Notices to AUTHORITY:
Peter Engel
Director of Programs
Contra Costa Transportation
Authority
2999 Oak Road, Suite 100
Walnut Creek, CA 94597

With a copy to:
Gerald Dunbar, Future Build
65 Civic Avenue
Pittsburg, CA 94565

By executing this AGREEMENT, each of the parties acknowledges and agrees that the persons identified above, or any other person designated by either party to AGREEMENT by notice to the other party, is authorized to execute documents and to bind the party with respect to this AGREEMENT.

5. Additional Acts and Documents

Each party agrees to do all such things and take all such actions and to make, execute, and deliver such other documents and instruments as shall be reasonably requested to carry out the provisions, intent, and purpose of the AGREEMENT.

6. Counterparts:

This Agreement may be signed in counterparts, each of which shall constitute an original.

7. Amendment

This AGREEMENT may be amended by written amendment executed by the parties and shall not be changed, modified, or rescinded except as provided herein. Any attempt at oral modification of this AGREEMENT shall be void and of no effect.

8. Independent Agency

SUBCONTRACTOR renders its services under this AGREEMENT as an independent agency. None of the SUBCONTRACTOR's agents or employees shall be agents or employees of AUTHORITY.

9. Assignment

Without the express written consent of the AUTHORITY in the form of a formal amendment, This AGREEMENT shall not be assigned, transferred, hypothecated, or pledged by any party without the express written consent of the other party.

10. Binding on Successors

This AGREEMENT shall be binding upon the successor(s), assignee(s), or transferee(s) of AUTHORITY or SUBCONTRACTOR(s) as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate, or pledge this AGREEMENT other than as provided above.

11. Severability

Should any part of this AGREEMENT be determined to be unenforceable, invalid, or beyond the authority of either party to enter into or carry out, such determination shall not affect the validity of the remainder of this AGREEMENT which shall continue in full force and effect, provided that the remainder of this AGREEMENT can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

12. Total Value

The total value of this Agreement, including the match funding is found in the budget located in Exhibit A of this AGREEMENT.

13. Attorney's Fees

If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

14. Waiver

No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or

service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

15. Integration

This AGREEMENT represents the entire AGREEMENT of the parties with respect to the subject matter hereof. No representations, warranties, inducements, or oral agreements have been made by any of the parties except as expressly set forth herein or in other contemporaneous written agreements.

16. Law and Venue

This AGREEMENT shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this AGREEMENT, the action shall be brought in a state court situated in the County of Contra Costa, or a federal court in the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the day and year above written.

CONTRA COSTA TRANSPORTATION
AUTHORITY

CITY OF PITTSBURG

By: _____

Timothy Haile
Executive Director

Date

By: _____

Garrett Evans
City Manager

Date

ATTEST:

By: _____

Tarienne Grover
Clerk of the Board

APPROVED as to legal form:

By: _____

David H. McCray, Authority Counsel

EXHIBIT A

Project Descriptions-Scope of Work and Budget

BACKGROUND

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the Clean Transportation Program, formerly known as the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). The statute authorizes the California Energy Commission (CEC) to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state’s climate change, clean air, and alternative energy policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorizes the Clean Transportation Program through January 1, 2024. The Clean Transportation Program has an annual budget of approximately \$100 million and provides financial support for projects that:

- Reduce California’s use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
- Produce sustainable alternative and renewable low-carbon fuels in California.
- Expand alternative fueling infrastructure and fueling stations.
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

On August 12, 2020, the CEC released a Grant Solicitation and Application Package entitled “Electric Vehicle Ready Communities Phase II- Blueprint Implementation” under the Clean Transportation Program. This competitive grant solicitation was for Phase II of a two-phase effort to implement projects developed and identified in Phase I, Blueprint Development, of the Electric Vehicle Ready Communities Challenge. In response to GFO-19-603, the CCTA in partnership with the City of Richmond, the City of Pittsburg, and MCE submitted application #3 which was proposed for funding in the CEC’s Notice of Proposed Awards on January 8, 2021.

Problem Statement:

The lack of access to electric vehicle charging stations continues to be a principal barrier to the utilization of electric vehicles among individuals who rent or lease housing, including low-income communities. The knowledge gaps around electric modes of transportation and costs continue to hinder the development and widespread use of zero emission transportation modes in Contra Costa communities. The market barriers such as inadequate consumer knowledge and limited supply of EVSEs further the social injustice for low-income individuals. The communities targeted for this Agreement are noted to have greater H2S emissions, excessive noise, and health and safety issues.

Barriers need to be addressed now. The funding from GFO-19-603 will make electric vehicle charging an option in multi-dwelling units in low-income communities and will provide access to zero emission transportation, marketing and education of the technology, and workforce training of EV technology. Markets are slow to provide electrification and

equality to low-income communities. This grant will help provide the much needed EVSE infrastructure and electric transportation in the form of all electric carshare, and electric bike share.

Goals of the Grant:

The goal of this Grant is to implement strategies from the CCTA Blueprint including acceleration of the use of zero-emission vehicles (ZEVs), all-electric car share, workforce training of electric vehicle (EV) technicians, educational outreach, and the installation of Level 1 and Level 2 electric vehicle supply equipment (EVSE) in multifamily dwellings and public locations in underserved communities in Contra Costa County. The Grant will also provide rebates to low-income residents for electric-assist bicycles and leverage an existing electric bike-share program in Richmond.

Objectives of the Grant:

The objectives of this Grant are to reduce GHG by the implementation of EVSEs, electric car share, and electric bicycle owners and electric bike share. A methodology has been developed to determine emissions reductions calculations.

Technical and Economic Objectives

Job Training	Having a skilled workforce in EVSE installation and maintenance and EV technicians will have a direct impact on local economies and widespread deployment of electric vehicles.
Access to EV charging	This Grant will directly benefit renters in low-income communities, improving economic equity.
Access to electric car sharing	This Grant will benefit low-income individuals in some neighborhoods in Richmond where mobility options are limited providing greater access to zero emission mobility options and fewer health impacts resulting from internal combustion engine emissions.
Access to electric bicycles	This Grant will improve zero emission mobility access to individuals who can't afford a car, as a bicycle is the most affordable form of transportation. Electric bicycles offer more range to allow for necessary trips (work, medical, education, shopping) increasing the opportunity for economic security.

Pittsburg Scope of Work

Grant TASK 1 ADMINISTRATION

- Monthly Progress Reports
- Final Outline of the Final Report
- Draft Final Report
- Final Report

The Partner shall:

- Provide supportive documentation for Monthly Progress Reports prior to the 10th calendar day of each month during the approved term of this Agreement
- Provide supportive documentation for

Grant TASK 5 WORKFORCE DEVELOPMENT

The goal of this task is to provide EVSE installation and maintenance training to disadvantaged individuals in and electric vehicle technician training to disadvantaged individuals in Pittsburg, CA.

The Partner shall:

- Create course curriculum and schedules for electric vehicle technician training. Summarize in a *Curriculum Outline and Schedule* document.
- Obtain necessary instructors and class materials.
- Conduct outreach to the Pittsburg communities.
- Conduct a minimum of 4 courses at no cost to students and train a minimum of 25 students.
- Assist students with job placement and share job placement opportunities with students. Summarize opportunities in a *List of Job Placement Opportunities* document.
- Track job placement opportunities and jobs secured by students.
- Develop an *Annual Workforce Development Report* summarizing efforts and results.

Products Submitted to CCTA:

- Curriculum Outline and Schedule
- List of Job Placement Opportunities shared with students
- Annual Workforce Development Report

Pittsburg Budget

Category Budget

Name of Organization	City of Pittsburg/Future Build		
	Energy Commission Reimbursable Share	Match Share	Total
Direct Labor	\$ 89,990	\$ 20,000	\$ 109,990
Fringe Benefits	\$ -	\$ -	\$ -
Total Labor	\$ 89,990	\$ 20,000	\$ 109,990
Travel	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -
Materials/Miscellaneous	\$ -	\$ 24,000	\$ 24,000
Subcontractors	\$ 90,010	\$ -	\$ 90,010
Total Other Direct Costs	\$ 90,010	\$ 24,000	\$ 114,010
Indirect Costs	\$ -	\$ -	\$ -
Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -
Total Indirect and Profit	\$ -	\$ -	\$ -
Grand Totals	\$ 180,000	\$ 44,000	\$ 224,000

Direct Labor (Unloaded)

City of Pittsburg/Future Build

Hourly Rates

Employee Name	Job Classification / Title	Maximum Labor Rate (\$ per hour)	# of Hours	Energy Commission Funds	Match Share	Total
TBD	Administrator	\$ 125.00	36	\$ 4,500	\$ -	\$ 4,500
TBD	Program Management	\$ 42.00	228	\$ 7,560	\$ 2,000	\$ 9,560
TBD	Job Placement & Tracking	\$ 32.00	2,201	\$ 54,432	\$ 16,000	\$ 70,432
TBD	Outreach, Enrollment, Job Placement, Tracking	\$ 31.00	823	\$ 23,498	\$ 2,000	\$ 25,498
Hourly Direct Labor Totals				\$ 89,990	\$ 20,000	\$ 109,990

Materials & Miscellaneous

City of Pittsburgh/Future Build						
Description	Purpose	# Units	Unit Cost	Energy Commission Funds	Match Share	Total
Training Facility Lease (1/3 of monthly lease over a 3-year period)	Lease of 2555 Harbor Street in Pittsburgh to Conduct Training	36	\$ 667	\$ -	\$ 24,000	\$ 24,000
Total:				\$ -	\$ 24,000	\$ 24,000

Subcontracts

City of Pittsburgh/Future Build						
Task No.	Subcontractor Name	Purpose	CA Business Certifications DVBE/ SB/MB/None	Energy Commission Funds	Match Share	Total
	TBD	Mechanics Instruction	none	\$ 90,010	\$ -	\$ 90,010
Total:				\$ 90,010	\$ -	\$ 90,010

EXHIBIT B

Project Schedule

MCE Schedule

Task #	Key Personnel	Contract Lead	Subs to Pittsburg
1 – Administration	Sara Bellafronte	CITY OF PITTSBURG	
5 – Workforce Development	Sara Bellafronte, Gerry Dunbar	CITY OF PITTSBURG	Future Build

1.4	Monthly Progress Reports (supportive materials needed from City of Pittsburg on Task 1.4)	
	Monthly Progress Reports	The 10th calendar day of each month during the approved term of this Agreement
1.5	Final Report (supportive materials needed from City of Pittsburg on Task 1.5)	
	Final Outline of the Final Report	12/11/2023
	Draft Final Report (no less than 60 days before the end term of the agreement)	1/29/2024
	Final Report	3/1/2024
5	WORKFORCE DEVELOPMENT	
	Copies of Curriculum Outline and Schedule	9/2/2021
	List of job placement opportunities shared with students	4/1/2022
	Workforce Development Report	Annually each March 31 during the approved term of the agreement

EXHIBIT C

CEC Terms & Conditions

EXHIBIT C

ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM (ARFVTP) TERMS AND CONDITIONS

TABLE OF CONTENTS

SECTION	PAGE NO.
<u>1. Grant Agreement</u>	2
<u>2. Documents Incorporated by Reference</u>	2
<u>3. Funding Limitations</u>	3
<u>4. Due Diligence</u>	3
<u>5. Products</u>	3
<u>6. Reports</u>	3
<u>7. Publications - Legal Statement on Reports and Products</u>	5
<u>8. Changes to the Agreement</u>	5
<u>9. Contracting and Procurement Procedures</u>	7
<u>10. Bonding and Insurance</u>	8
<u>11. Permits and Clearances</u>	8
<u>12. Equipment</u>	8
<u>13. Termination</u>	8
<u>14. Stop Work</u>	9
<u>15. Travel and Per Diem</u>	9
<u>16. Standard of Performance</u>	10
<u>17. Payment of Funds</u>	11
<u>18. Fiscal Accounting Requirements</u>	13
<u>19. Indemnification</u>	16
<u>20. Workers' Compensation Insurance</u>	16
<u>21. General Provisions</u>	16
<u>22. Certifications and Compliance</u>	18
<u>23. Site Visits</u>	20
<u>24. Confidentiality</u>	20
<u>25. Budget Contingency Clause</u>	21
<u>26. Public Works -- Payment of Prevailing Wages</u>	21
<u>27. Intellectual Property</u>	24
<u>28. Commission Remedies for Recipient's Non-Compliance</u>	24
<u>29. Assembly Bill 841 (2020)</u>	24

TERMS AND CONDITIONS

1. Grant Agreement

This project is being funded with a grant from the California Energy Commission's (Energy Commission) Alternative and Renewable Fuel and Vehicle Technology Program.

This Agreement is comprised of the grant funding award, the Terms and Conditions, and all attachments. These Terms and Conditions are standard requirements for grant awards. The Energy Commission may impose additional special conditions in this grant Agreement that address the unique circumstances of this project. Special conditions that conflict with these standard provisions take precedence.

The Recipient's authorized representative shall sign all copies of this Agreement and return all signed packages to the Energy Commission's Grants and Loans Office within 30 days. Failure to meet this requirement may result in the forfeiture of this award. When all required signatures are obtained, an executed copy will be returned to the Recipient.

The term of this Agreement or the Agreement Period is the length of this Agreement between the Energy Commission and the Recipient. Project means Recipient's specific project that is funded in whole or in part by this Agreement. The Recipient's project may coincide with or extend outside the Agreement Period.

All reimbursable work and/or the expenditure of funds must occur within the approved term of this Agreement. The Energy Commission cannot authorize any payments until all parties sign this Agreement.

2. Documents Incorporated by Reference

The documents below are incorporated by reference into this Agreement. These terms and conditions will govern in the event of a conflict with the documents below, with the exception of the documents in subsection (f). Where this Agreement or California laws and regulations are silent or do not apply, the Energy Commission will use the federal cost principles and acquisition regulations listed below as guidance in determining whether reimbursement of claimed costs is allowable. Documents incorporated by reference include:

Solicitation Documents (if award is made through a competitive solicitation)

- a. The funding solicitation under which this Agreement was awarded.
- b. The Recipient's proposal submitted in response to the solicitation

Federal Cost Principles (applicable to state and local governments, Indian tribes, institutions of higher education, and nonprofit organizations)

- c. 2 Code of Federal Regulations (CFR) Part 200, Subpart E (Sections 200.400 et seq.)

Federal Acquisition Regulations (applicable to commercial organizations)

- d. 48 CFR, Ch.1, Subchapter E, Part 31, Subpart 31.2: Contracts with Commercial Organizations (supplemented by 48 CFR, Ch. 9, Subchapter E, Part 931, Subpart 931.2 for Department of Energy grants)

Nondiscrimination

- e. 2 California Code of Regulations, Section 11099 et seq.: Contractor Nondiscrimination and Compliance

General Laws

- f. Any federal, state, or local laws or regulations applicable to the project that are not expressly listed in this Agreement

3. *Funding Limitations*

Any federal, State, and local laws and regulations applicable to your project not expressly listed in this Agreement are incorporated herein as part of this Agreement.

4. *Due Diligence*

The Recipient is required to take timely actions which, taken collectively, move this project to completion. The Energy Commission Agreement Manager (CAM) will periodically evaluate the Schedule of Products and Due Dates for completion of the Statement of Work tasks. If the CAM determines (1) the Recipient is not being diligent in completing the tasks in the Statement of Work or (2) the time remaining in this Agreement is insufficient to complete all project work tasks by the approved Agreement end term date, the CAM may recommend that this Agreement be terminated, and the Agreement may, without prejudice to any of the Energy Commission's remedies, be terminated.

5. *Products*

Products are defined as any tangible item specified in the Statement of Work. Unless otherwise directed, draft copies of all products identified in the Work Statement shall be submitted to the CAM for review and comment. The Recipient will submit an original and two copies of the final version of all products to the CAM.

6. *Reports*

- a. Progress Reports

The Recipient shall submit progress reports to the CAM as indicated in the Special Conditions or Work Statement. At a minimum, each progress report shall include the following:

Work Statement: This section should include a brief restatement of the approved tasks in the Work Statement and a report on the status of each, including a discussion of any products due and whether or not the project is progressing according to schedule. This section also should include a discussion of any problems encountered, proposed changes to the tasks in the Work Statement, and anticipated accomplishments in the upcoming quarter.

Financial Status: This section should include a narrative report comparing costs incurred to date with the approved Budget. The report should state whether or not the project is progressing within the approved Budget and discuss any proposed changes.

Additional Information: Additional information may be required in the progress reports as specified in the Work Statement or Special Conditions.

b. Final Reports

A draft final report shall be submitted to the CAM no later than 60 days prior to the end of the Agreement term. At a minimum, the report shall include:

- Table of Contents.
- Abstract.
- A brief summary of the objectives of the project and how these objectives were accomplished.
- Any findings, conclusions, or recommendations for follow-up or ongoing activities that might result from the successful completion of the project.
- A statement of future intent of the grant Recipient to maintain or further develop the project.
- A consolidated list of subcontractors funded in whole or in part by the grant Recipient. Include the name, address, concise statement of work done, period, and value of each.
- Additional information as specified in this Agreement or as directed by the CAM.

The CAM will review the draft report. The Recipient will incorporate applicable comments and submit the final report (the original and two copies) to the CAM.

The Recipient may only submit a request for the final payment (including any retention) after the final report is completed, submitted to the CAM, and Alternative and Renewable Fuel and Vehicle Technology Program management has verified satisfactory completion of work.

c. Rights in Reports

The Energy Commission reserves the right to use and reproduce all reports and data produced and delivered pursuant to this Agreement, and reserves the right to authorize others to use or reproduce such materials. Each report becomes the property of the Energy Commission.

d. **Failure to Comply with Reporting Requirements**

Failure to submit a product required in the Scope of Work may be considered material noncompliance with the Agreement terms. Without prejudice to any other remedies, noncompliance may result in actions such as the withholding of future payments or awards, or the suspension or termination of the Agreement.

7. Publications - Legal Statement on Reports and Products

The Recipient is encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

No product or report produced as a result of work funded by this program shall be represented to be endorsed by the Energy Commission, and all such products or reports shall include the following statement:

LEGAL NOTICE

This document was prepared as a result of work sponsored by the California Energy Commission. It does not necessarily represent the views of the Energy Commission, its employees, or the State of California. The Energy Commission, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned right

8. Changes to the Agreement

1. Procedure for Requesting Changes

The Recipient must submit a written request to the CAM for any change to the Agreement. The request must include:

- A brief summary of the proposed change;
- A brief summary of the reason(s) for the change;
- Justification for the change; and
- The revised section(s) of the Agreement, with changes made in underline/ strikethrough format.

2. Approval of Changes

No amendment or variation of this Agreement shall be valid unless made in writing and signed by both of the parties except for the Commission's unilateral termination rights in Section 13 of these terms. No oral understanding or agreement is binding on any of the parties. Changes to the Agreement must be approved at a Commission business meeting or by the Executive Director (or his/her designee).

The CAM or Commission Agreement Officer will provide the Recipient with guidance regarding the level of Commission approval required for a proposed change.

3. Personnel or Subcontractor Changes

All changes below require advance written approval by the CAM, in addition to the appropriate level of Commission approval as described in subsection (b).

1) Replacement of Key Personnel, Subcontractors, and Vendors

The CAM must provide advance written approval of the replacement of personnel, subcontractors, and vendors who are identified in the Agreement and are critical to the outcome of the project, such as the Project Manager.

2) Assignment of New Personnel to an Existing Job Classification

If the Recipient or a subcontractor seeks to assign new personnel to a job classification identified in Exhibit B, the Recipient or subcontractor must submit the individual's resume and proposed job classification and rate to the CAM for approval. The proposed rate may not exceed the maximum rate identified for the job classification. Neither the Recipient nor any subcontractor may use the job classifications or rates of their subcontractors for personnel.

If the individual performs any work prior to the effective date of the amendment documenting the change, the Recipient will bear the expense of the work.

3) Promotion of Existing Personnel (Applies to Recipients and major subcontractors)

Promotion of existing Recipient and major subcontractor personnel to rates higher than those listed for their current classification in Exhibit B will not be approved. If the actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) exceed the approved rates in the Budget, the difference may be charged to the agreement as a match share expenditure.

4) Addition of job classifications and changes in hours.

5) Increased direct operating expenses and rates that exceed the expenses and rates identified in Exhibit B.

9. Contracting and Procurement Procedures

This section provides general requirements for an agreement between the Recipient and a third party ("subcontractor").

All subcontracts must be submitted to the CAM for review prior to execution. For subcontracts that are listed as "to be determined" in the Budget, the Recipient must submit a revised Budget to the CAM, identifying the subcontractor and specific items of cost expected to be incurred by that subcontractor. In addition, Recipient must have a fully executed subcontract before the subcontractor can incur any costs for which the Recipient will seek reimbursement.

The Recipient is required, where feasible, to employ contracting and procurement practices that promote open competition for all goods and services needed to complete this project. Recipient shall obtain price quotes from an adequate number of sources for all subcontracts.

The Energy Commission will defer to the Recipient's own regulations and procedures as long as they reflect applicable state and local laws and regulations and are not in conflict with the minimum standards specified in this Agreement.

Upon request, the Recipient must submit to the CAM a copy of all solicitations for services or products required to carry out the terms of this Agreement and copies of the proposals or bids received.

The Recipient is responsible for handling all contractual and administrative issues arising out of or related to any subcontracts it enters into under this Agreement.

All subcontracts must incorporate all of the following:

- A clear and accurate description of the material, products, or services to be procured as well as a detailed budget and timeline.
- Provisions that allow for administrative, contractual, or legal remedies in instances where subcontractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
- Provisions for termination by the Recipient, including termination procedures and the basis for settlement.
- Language conforming to the "Nondiscrimination" provision in this Agreement.
- The Standard of Performance provisions specified in this Agreement.
- Retention of Records provisions specified in this Agreement.
- Audits provisions specified in this Agreement.
- Language conforming to the "Indemnification" provision in this Agreement.
- Public Work -- Payment of Prevailing Wages Generally Required by Law provisions in this Agreement.

- Assembly Bill 841 (2020) provision specified in this Agreement.

Recipients who are subcontracting with University of California (UC) may use the terms and conditions negotiated by the Energy Commission with UC for their subcontracts. Recipients who are subcontracting with the Department of Energy (DOE) national laboratories may use the terms and conditions negotiated with DOE.

Without limiting any of the Commission's other remedies, failure to comply with the above requirements may result in the termination of this Agreement.

10. Bonding and Insurance

The Recipient will follow its own bonding and insurance requirements relating to bid guarantees, performance bonds, and payment bonds without regard to the dollar value of the subcontract(s) as long as they reflect applicable state and local laws and regulations.

11. Permits and Clearances

The Recipient is responsible for ensuring all necessary permits and environmental documents are prepared and clearances are obtained from the appropriate agencies.

12. Equipment

Equipment is defined as having a useful life of at least one year, having an acquisition unit cost of at least \$5,000, and purchased with Energy Commission funds. Equipment means any products, objects, machinery, apparatus, implements or tools purchased, used or constructed within the Project, including those products, objects, machinery, apparatus, implements or tools from which over thirty percent (30%) of the equipment is composed of materials purchased for the Project. For purposes of determining depreciated value of equipment used in the Agreement, the Project shall terminate at the end of the normal useful life of the equipment purchased, funded and/or developed with Energy Commission funds. The Energy Commission may determine the normal useful life of such equipment.

Title to equipment acquired by the Recipient with grant funds shall vest in the Recipient. The Recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by grant funds, and the Recipient shall not encumber the property without CAM approval. When no longer needed for the original project or program, the Recipient shall contact the CAM for disposition instructions.

13. Termination

This project may be terminated for any reason set forth below.

a. **With Cause**

The Energy Commission may, for cause, terminate this Agreement upon giving five (5) calendar days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

The term “for cause” includes but is not limited to the following:

- Partial or complete loss of match funds;
- Reorganization to a business entity unsatisfactory to the Energy Commission;
- Retention or hiring of subcontractors, or replacement or addition of personnel, that fail to perform to the standards and requirements of this Agreement;
- The Recipient’s inability to pay its debts as they become due and/or the Recipient’s default of an obligation that impacts its ability to perform under this Agreement; or
- Significant change in state or Energy Commission policy such that the work or product being funded would not be supported by the Commission.

b. **Without Cause**

The Energy Commission may terminate this Agreement without cause upon giving thirty (30) days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

14. Stop Work

Energy Commission staff may, at any time, by written notice to Recipient, require Recipient to stop all or any part of the work tasks in this Agreement. Stop work orders may be issued for reasons such as a project exceeding budget, standard of performance, out of scope work, delay in Project schedule, misrepresentations and the like.

- a. **Compliance.** Upon receipt of such stop work order, Recipient shall immediately take all necessary steps to comply therewith and to stop the incurrence of costs allocable to the Energy Commission.
- b. **Canceling a Stop Work Order.** Recipient shall resume the work only upon receipt of written instructions from Energy Commission staff.

15. Travel and Per Diem

- a. The Recipient shall be reimbursed for travel and per diem expenses using the same rates provided to non-represented State employees. The Recipient must pay for travel in excess of these rates. The Recipient may obtain current rates from the Energy Commission's Web Site at: http://www.energy.ca.gov/contracts/TRAVEL_PER_DIEM.PDF.
- b. For purposes of payment, Recipient's headquarters shall be considered the location of the Recipient's office where the employees' assigned responsibilities for this award are permanently assigned.
- c. Travel identified in the Budget section of this Agreement is approved and does not require further authorization.
- d. Travel that is not included in the Budget section of this Agreement shall require written authorization from the CAM and Commission Agreement Officer prior to travel departure. The Energy Commission will reimburse travel expenses from the Recipient's office location.
- e. The Recipient must retain documentation of travel expenses in its financial records. The documentation must be listed by trip and include dates and times of departure and return, departure and destination cities. Travel receipts, including for travel meals and incidentals, shall be submitted with payment requests requesting reimbursement from the Energy Commission.

16. Standard of Performance

Recipient, its subcontractors and their employees, in the performance of Recipient's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Recipient's field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, as directed by CAM, shall be borne in total by Recipient and not the Energy Commission. The failure of a project to achieve the performance goals and objectives stated in the Work Statement is not a basis for requesting re-performance unless the work conducted by Recipient and/or its subcontractors is deemed by the Energy Commission to have failed the foregoing standard of performance.

In the event Recipient/subcontractor fails to perform in accordance with the above standard:

- Recipient/subcontractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of the CAM. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Recipient/subcontractor shall work any overtime required to meet the deadline for the task at no additional cost to the Energy Commission;

- The Energy Commission shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
- The Energy Commission shall have the option to direct Recipient/subcontractor not to re-perform any task which was not performed to the reasonable satisfaction of the CAM pursuant to application of (1) and (2) above. In the event the Energy Commission directs Recipient/subcontractor not to re-perform a task, the Energy Commission and Recipient shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the Energy Commission's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the Energy Commission may have under law.

17. Payment of Funds

The Energy Commission agrees to reimburse the Recipient for actual allowable expenditures incurred in accordance with the Budget. The rates in the Budget are rate caps, or the maximum amount allowed to be billed.

The Recipient can only bill for actual expenses incurred at the Recipient's actual rates not to exceed the rates specified in the Budget (e.g., direct labor rates, fringe benefit rates, and indirect rates). For example, if the Budget includes an employee's hourly rate of \$50/hour but the employee is only paid \$40/hour, the Recipient can only bill for \$40/hour. Under the same example, if the employee earned \$70/hour but the Budget only lists \$50/hour, the Recipient can only bill for \$50. Another example is if the maximum fringe benefit rate listed in the Budget is 20% but the Recipient's actual fringe benefit rate is only 15%, the Recipient can only bill at 15%. If the actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) exceed the approved rates in the Budget, the difference may be charged to the agreement as a match share expenditure.

a. Payment Requests

The Recipient may request payment from the Energy Commission at any time during the term of this Agreement. The final payment request must be received by the Energy Commission along with the draft Final Report 60 days prior to the end of the Agreement term.

Payments will generally be made on a reimbursement basis for Recipient expenditures, i.e., after the Recipient has incurred the cost for a service, product, supplies, or other approved budget item. No reimbursement for food or beverages shall be made other than allowable per diem charges.

Funds in this Agreement have a limited period in which they must be expended. All Recipient expenditures must occur within the approved term of this Agreement.

b. Documentation

All payment requests must be submitted using a completed Payment Request form. This form must be accompanied by an itemized list of all charges and copies of all receipts or invoices necessary to document these charges for both Energy Commission and match share, including backup documentation for actual expenditures, such as time cards, vendor invoices, and proof of payment. Any payment request that is submitted without the itemization will not be authorized. If the itemization or documentation is incomplete, inadequate, or inaccurate, the CAM will inform the Recipient via a Dispute Notification Form (Std. 209) and hold the invoice until all required information is received or corrected. Any penalties imposed on the Recipient by a subcontractor because of delays in payment will be paid by the Recipient.

Any documentation in foreign currency must be converted to dollars, and the conversion rate must be included in your itemization.

c. Certification

The following certification shall be included on each Payment Request form and signed by the Recipient's authorized officer:

I certify that this invoice is correct and proper for payment, and reimbursement for these costs has not and will not be received from any other sources, including but not limited to a government entity contract, subcontract or other procurement method.

Additional certification required related to the payment of prevailing wages. Refer to section 26 of these terms and conditions for more information.

d. Government Entity

Government Entity is defined as a governmental agency from California or any state or a state college or state university from California or any state; a local government entity or agency, including those created as a Joint Powers Authority; an auxiliary organization of the California State University or a California community college; the Federal Government; a foundation organized to support the Board of Governors of the California Community Colleges or an auxiliary organization of the Student Aid Commission established under Education Code 69522.

e. Release of Funds

The CAM will not process any payment request during the Agreement term until the following conditions have been met:

- All required reports have been submitted and are satisfactory to the CAM.
- All applicable special conditions have been met.

- All appropriate permits or permit waivers from governmental agencies have been issued to the Recipient and copies have been received by the CAM.
 - All products due have been submitted and are satisfactory to the CAM.
 - Other prepayment conditions as may be required by the CAM have been met. Such conditions will be specified in writing ahead of time, if possible.
- f. Fringe Benefits, Indirect Overhead, and General and Administrative (G&A),

Indirect cost rates must be developed in accordance with generally accepted accounting principles. If the Recipient has an approved fringe benefits or indirect cost rate (indirect overhead or G&A) from their cognizant Federal Agency, the Recipient may bill at the federal rate up to the Budget rate caps if the following conditions are met:

- The Recipient may bill at the federal provisional rate but must adjust annually to reflect their actual final rates for the year in accordance with the Labor, Fringe, and Indirect Invoicing Instructions which can be accessed in this agreement.
- The cost pools used to develop the federal rates must be allocable to the Energy Commission Agreement, and the rates must be representative of the portion of costs benefiting the Energy Commission Agreement. For example, if the federal rate is for manufacturing overhead at the Recipient's manufacturing facility and the Energy Commission Agreement is for research and development at their research facility, the federal indirect overhead rate would not be applicable to the Energy Commission Agreement.
- The federal rate must be adjusted to exclude any costs that are specifically prohibited in the Energy Commission Agreement.
- The Recipient may only bill up to the Agreement Budget rate caps unless and until an amendment to the Agreement Budget is approved.

g. Retention

It is the Energy Commission's policy to retain 10 percent of any payment request or 10 percent of the total Energy Commission award at the end of the project. After the project is complete the Recipient must submit a completed payment request form requesting release of the retention. The CAM will review the project file and, when satisfied that the terms of the funding Agreement have been fulfilled, will authorize release of the retention.

- h. State Controller's Office

Payments are made by the State Controller's Office.

18. Fiscal Accounting Requirements

- a. Accounting and Financial Methods

The Recipient shall establish a separate ledger account or fund for receipt and disbursement of Energy Commission funds for each project funded by the Energy Commission. Expenditure details must be maintained in accordance with the approved budget details using appropriate accounting practices.

- b. Retention of Records

The Recipient shall retain all project records (including financial records, progress reports, and payment requests) for a minimum of three (3) years after the final payment has been received or three years after the federal grant term, whichever is later, unless otherwise specified in the funding Agreement.

Records for nonexpendable personal property acquired with grant funds shall be retained for three years after its final disposition or three years after the federal grant term, whichever is later.

- c. Audits

Upon written request from the Energy Commission, the Recipient shall provide detailed documentation of all expenses at any time throughout the project. In addition, the Recipient agrees to allow the Energy Commission or any other agency of the State, or their designated representative, upon written request, to have reasonable access to and the right of inspection of all records that pertain to the project during the term of this Agreement and for a period of three (3) years thereafter or three years after the federal grant term, whichever is later, unless the Energy Commission notifies the Recipient, prior to the expiration of such three-year period, that a longer period of record retention is necessary. Further, the Recipient agrees to incorporate an audit of this project within any scheduled audits, when specifically requested by the State. Recipient agrees to include a similar right to audit in any subcontract.

Recipients are strongly encouraged to conduct annual audits in accordance with the single audit concept. The Recipient should provide two copies of the independent audit report and any resulting comments and correspondence to the CAM within 30 days of the completion of such audits.

- d. Match Share Requirements

Match Share means cash or in-kind (non-cash) contributions provided by Recipient, subcontractors or third parties that will be used in performance of this Agreement.

The Recipient agrees to provide the Minimum Match Share Percentage of Total Allowable Project Costs, even if the Agreement is terminated early or otherwise ends before project completion. The Minimum Match Share Percentage is the Minimum Match Share Required (as specified on the CEC-146) divided by the Total of Reimbursable Amount and Minimum Match Share Required (as specified on the CEC-146). Total Allowable Project Costs is the sum of all actual, allowable costs incurred in performance of the Agreement and approved by the Energy Commission.

For example, if the CEC-146 specifies the following,

Reimbursable Amount \$200,000
Minimum Match Share Required \$50,000
Total of Reimbursable Amount and Minimum Match Share Required \$250,000
Minimum Match Share Percentage of Total Allowable Project Costs 20%

the Recipient agrees to be liable for a minimum of 20% (\$50,000 divided by \$250,000) of Total Allowable Project Costs. In this example and at the end of the agreement, if Total Allowable Project Costs is \$125,000, the Recipient shall have provided a minimum of \$25,000 (\$125,000 times 20%) as match share.

Without limiting any of the Energy Commission's other rights or remedies, the Recipient agrees that if it fails to provide the Minimum Match Share Percentage of Total Allowable Project Costs, and if requested by the Energy Commission, the Recipient shall repay an amount to ensure the Recipient provides, at a minimum, the Minimum Match Share Percentage of Total Allowable Project Costs.

For example, and building upon the previous example, if:

- A. Energy Commission funds disbursed = \$110,000
- B. Match Share Documented and Approved = \$15,000
- C. Total Allowable Project Costs = \$125,000 (Line A plus Line B)
- D. Minimum Match Share Percentage of Total Allowable Project Costs = 20%
- E. Minimum Match Share Amount Required = \$25,000 (Line C multiplied by Line D)

the Energy Commission may request, and the Recipient would be required to repay upon such request, \$10,000 (Line E minus Line B) to the Energy Commission.

The maximum amount to be reimbursed by the Energy Commission under this Agreement is the Reimbursable Amount specified on the CEC-146. The Energy Commission award amount is fixed and will not be augmented. If actual Total Allowable Project Costs exceed estimated Total Allowable Project Costs, the Recipient is responsible for those additional costs.

The Recipient must maintain accounting records detailing the expenditure of the Match Share and provide documentation of expenditures as described in this Agreement (e.g., under this Exhibit C "Payment of Funds" and "Fiscal Accounting Requirements").

In the event of any conflict or inconsistency between the Minimum Match Share Required specified on the CEC-146 and the Match Share specified on other Exhibits to this Agreement, the Minimum Match Share Required specified on the CEC-146 shall control.

19. Indemnification

The Recipient agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to Recipient and to any and all contractors, subcontractors, materialmen, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Recipient in the performance of this Agreement.

20. Workers' Compensation Insurance

- a. Recipient hereby warrants that it carries Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement, and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.
- b. If Recipient is self-insured for worker's compensation, it hereby warrants such self-insurance is permissible under the laws of the State of California and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.

21. General Provisions

- a. Governing Law

It is hereby understood and agreed that this Agreement shall be governed by the laws of the State of California as to interpretation and performance.

b. Independent Capacity

The Recipient, and the agents and employees of the Recipient, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the Energy Commission.

c. Assignment

Without the written consent of the Energy Commission in the form of a formal written amendment, this Agreement is not assignable or transferable by Recipient either in whole or in part.

d. Timeliness

Time is of the essence in this Agreement.

e. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

f. Waiver

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law.

g. Assurances

The Energy Commission reserves the right to seek further written assurances from the Recipient and its team that the work of the project under this Agreement will be performed consistent with the terms of the Agreement.

h. Change in Business

(1) Recipient shall promptly notify the Energy Commission of the occurrence of each of the following:

- (a) A change of address.
- (b) A change in the business name or ownership.
- (c) The existence of any litigation or other legal proceeding affecting the project.
- (d) The occurrence of any casualty or other loss to project personnel, equipment or third parties of a type commonly covered by insurance.
- (e) Receipt of notice of any claim or potential claim against Recipient for patent, copyright, trademark, service mark and/or trade secret infringement that could affect the Energy Commission's rights.

(2) Recipient shall not change or reorganize the type of business entity under which it does business except upon prior written notification to the Energy Commission. A change of business entity or name change requires an amendment assigning or novating the Agreement to the changed entity. In the event the Energy Commission is not satisfied that the new entity can perform as the original Recipient, the Energy Commission may terminate this Agreement as provided in the termination paragraph.

i. Survival of Terms

It is understood and agreed that certain provisions shall survive the completion or termination date of this Agreement for any reason. The provisions include, but are not limited to:

- “Payments of Funds”
- “Equipment”
- “Change in Business”
- “Termination”
- “Audit”
- “Indemnification”
- “Fiscal Accounting Requirements”

22. Certifications and Compliance

a. Federal, State and Municipal Requirements

Recipient must obtain any required permits and shall comply with all applicable federal, State, and municipal laws, rules, codes, and regulations for work performed under this Agreement.

b. Nondiscrimination Statement of Compliance

During the performance of this Agreement, Recipient and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Recipient and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Recipient and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Sections 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4.1 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part of it as if set forth in full. Recipient and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

c. Drug-Free Workplace Certification

By signing this Agreement, the Recipient hereby certifies under penalty of perjury under the laws of the State of California that the Recipient will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- (1) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations as required by Government Code Section 8355(a)(1).
- (2) Establish a Drug-Free Awareness Program as required by Government Code Section 8355(a)(2) to inform employees about all of the following:
 - The dangers of drug abuse in the workplace;
 - The person's or organization's policy of maintaining a drug-free workplace;
 - Any available counseling, rehabilitation, and employee assistance programs; and

- Penalties that may be imposed upon employees for drug abuse violations.
- (3) Provide, as required by Government Code Section 8355(a)(3), that every employee who works on the proposed project:
- Will receive a copy of the company's drug-free policy statement;
 - Will agree to abide by the terms of the company's statement as a condition of employment on the project.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both, and the Recipient may be ineligible for any future State awards if the Energy Commission determines that any of the following has occurred: (1) the Recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

d. Child Support Compliance Act (Applicable to California Employers)

For any Agreement in excess of \$100,000, the Recipient acknowledges that:

- It recognizes the importance of child and family support obligations and shall fully comply with all applicable State and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- To the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

e. Americans with Disabilities Act

By signing this Agreement, Recipient assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101, et seq.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

23. Site Visits

The Energy Commission and/or its designees have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. Recipient must provide and must require subawardees to provide reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

24. Confidentiality

a. Information Considered Confidential

Confidential information is information designated confidential pursuant to the procedures specified in 20 CCR 2505. If applicable, all Recipient information considered confidential at the commencement of this Agreement is designated in the Attachment to this Exhibit.

b. Confidential Deliverables: Labeling and Submitting Confidential Information

Prior to the commencement of this Agreement, if applicable, the parties have identified in the Attachment to this Exhibit, specific Confidential Information to be provided as a deliverable. All such confidential deliverables shall be marked, by the Recipient, as "Confidential" on each page of the document containing the Confidential Information and presented in a sealed package to the Commission Agreement Officer. (Non-confidential deliverables are submitted to the Accounting Office.) All Confidential Information will be contained in the "confidential" volume: no Confidential Information will be in the "public" volume.

c. Submittal of Unanticipated Confidential Information as a Deliverable

The Recipient and the Energy Commission agree that during this Agreement, it is possible that the Recipient may develop additional data or information not originally anticipated as a confidential deliverable. In this case, Recipient shall follow the procedures for a request for designation of Confidential Information specified in 20 CCR 2505. The Energy Commission's Executive Director makes the determination of confidentiality. Such subsequent determinations may be added to the list of confidential deliverables in the Attachment to this Exhibit.

d. Disclosure of Confidential Information

Disclosure of Confidential Information by the Energy Commission may only be made pursuant to 20 CCR 2506 and 2507. All confidential data, records or deliverables that are legally disclosed by the Recipient or any other entity become public records and are no longer subject to the above confidentiality designation.

25. Budget Contingency Clause

It is mutually agreed that this Agreement shall be of no further force and effect if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the work identified in the Scope of Work. In this event, the Energy Commission shall have no liability to pay any funds whatsoever to the Recipient or to furnish any other consideration under this Agreement, and the Recipient shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the Energy Commission shall have the option to either: 1) cancel this Agreement with no liability occurring to the Energy Commission; or 2) offer an Agreement Amendment to the Recipient to reflect the reduced amount.

26. Public Works -- Payment of Prevailing Wages

Generally Required by Law

Projects that receive an award of public funds from the Energy Commission often involve construction, alteration, demolition, installation, repair or maintenance work over \$1,000.

NOTE: Projects that receive an award of public funds from the Energy Commission are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000.

Accordingly, the Energy Commission assumes that all projects it funds are public works. Projects deemed to be public works require among other things the payment of prevailing wages.

NOTE: Prevailing wage rates can be significantly higher than non-prevailing wage rates.

By accepting this Agreement, Recipient as a material term of this Agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Therefore, as a material term of this Agreement, Recipient must either:

(a) Proceed on the assumption that the project is a public work and ensure that:

- (i) prevailing wages are paid; and
- (ii) the project budget for labor reflects these prevailing wage requirements; and
- (iii) the project complies with all other requirements of prevailing wage law including but not limited to keeping accurate payroll records, and complying with all working hour requirements and apprenticeship obligations;

or,

(b) Timely obtain a legally binding determination from DIR or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work.

NOTE: Only the California Department of Industrial Relations (DIR) and courts of competent jurisdiction have jurisdiction to issue legally binding determinations that a particular project is or is not a public work.

If the Recipient is unsure whether the project receiving this award is a “public work” as defined in the California Labor Code, it may wish to seek a timely determination from the California Department of Industrial Relations (DIR) or an appropriate court.

NOTE: Such processes can be time consuming and therefore it may not be possible to obtain a timely determination before the date for performance of the award commences.

If the Recipient does not timely obtain a binding determination from DIR or a court of competent jurisdiction that the project is not a public work, before this Agreement from the Energy Commission is executed, the Recipient shall assume that the project is a public work and that payment of prevailing wages is required and shall pay prevailing wages unless and until such time as the project is subsequently determined to not be a public work by DIR or a court of competent jurisdiction.

NOTE: California Prevailing Wage law provides for substantial damages and financial penalties for failure to pay prevailing wages when payment of prevailing wages is required.

Subcontractors and Flow-down Requirements. Recipient shall ensure that its subcontractors, if any, also comply with above requirements with respect to public works/prevailing wage. Recipient shall ensure that all agreements with its contractors/subcontractors to perform work related to this Project contain the above terms regarding payment of prevailing wages on public works projects. Recipient shall be responsible for any failure of Recipient’s subcontractors to comply with California prevailing wage and public works laws.

Indemnification and Breach. Any failure of Recipient or its subcontractors to comply with the above requirements shall constitute a breach of this Agreement that excuses the Energy Commission’s performance of this Agreement at the Energy Commission’s option, and shall be at Recipient’s sole risk. In such a case, Energy Commission may refuse payment to Recipient of any amount under this Agreement and Energy Commission shall be released, at its option, from any further performance of this award or any portion thereof. By accepting this Agreement, and as a material term of this Agreement, Recipient agrees to indemnify the Energy Commission and hold the Energy Commission harmless for any and all financial consequences arising out of or resulting from the failure of Recipient and/or any of Recipient’s subcontractors to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law.

Budget. Recipient's budget on public works projects must indicate which job classifications are subject to prevailing wage. For detailed information about prevailing wage and the process to determine if the proposed project is a public work, Recipient may wish to contact the California Department of Industrial Relations (DIR) or a qualified labor attorney of their choice for guidance.

Covered Trades. For public works projects, Recipient may contact DIR for a list of covered trades and the applicable prevailing wage.

Questions. If Recipient has any questions about this contractual requirement or the wage, record keeping, apprenticeship or other significant requirements of California prevailing wage law, it is recommended that Recipient consult DIR and/or a qualified labor attorney of its choice before accepting this Agreement.

Certification. Recipient shall certify to the Energy Commission on each Payment Request Form, either that (1) prevailing wages were paid to eligible workers who provided labor for work covered by the payment request and that the Recipient and all contractors and subcontractors otherwise complied with all California prevailing wage laws, or (2) that the project is not a public work requiring the payment of prevailing wages. In the latter case, Recipient shall provide competent proof of a DIR or court determination that the project is not a public work requiring the payment of prevailing wages.

Prior to the release of any retained funds under this Agreement, the Recipient shall submit to the Energy Commission the above-described certificate signed by the Recipient and all contractors and subcontractors performing public works activities on the project. Absent such certificate, Recipient shall have no right to any funds under this Agreement, and Energy Commission shall be relieved of any obligation to pay said funds.

27. *Intellectual Property*

The Energy Commission makes no claim to intellectual property developed under this Agreement that is not specified for delivery, except as expressly provided herein.

28. *Commission Remedies for Recipient's Non-Compliance*

Without limiting any of its other remedies, the Commission may, for Recipient's noncompliance of any Agreement requirement, withhold future payments, demand and be entitled to repayment of past reimbursements, or suspend or terminate this Agreement. The tasks in the Scope of Work are non-severable, and completion of all of them is material to this Agreement. Thus, the Commission, without limiting its other remedies, is entitled to repayment of all funds paid to Recipient if the Recipient does not timely complete all tasks in the Scope of Work.

29. *Assembly Bill 841 (2020)*

By signing this Agreement, Recipient as a material term of this Agreement shall be fully responsible for complying with this section. AB 841 (Ting, 2020) added Public Utilities Code (PUC) section 740.20, which requires Electric Vehicle Infrastructure Training Program (EVITP) certification to install electric vehicle charging infrastructure and equipment for work performed on or after January 1, 2022, subject to certain exceptions. As a policy matter, the CEC is applying the EVITP certification requirements to project work funded under this Agreement, regardless of whether it might be performed prior to January 1, 2022, unless an exception applies.

Therefore, applying PUC 740.20 EVITP requirements to this Agreement means that all electric vehicle charging infrastructure and equipment located on the customer side of the electrical meter shall be installed by a contractor with the appropriate license classification, as determined by the Contractors' State License Board, and at least one electrician on each crew, at any given time, who holds an EVITP certification. Projects that include installation of a charging port supplying 25 kilowatts or more to a vehicle must have at least 25 percent of the total electricians working on the crew for the project, at any given time, who hold EVITP certification. One member of each crew may be both the contractor and an EVITP certified electrician. The requirements stated in this paragraph do not apply to any of the following:

- (1) Electric vehicle charging infrastructure installed by employees of an electrical corporation or local publicly owned electric utility.
- (2) Electric vehicle charging infrastructure funded by moneys derived from credits generated from the Low Carbon Fuel Standard Program (Subarticle 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations).
- (3) Single-family home residential electric vehicle chargers that can use an existing 208/240-volt outlet.

30. *Conflict of Interest*

Under this Agreement, the Recipient and its subcontractors will implement a rebate program funded by the Energy Commission. Accordingly, the Recipient and its subcontractors are prohibited from applying for any rebate under the rebate program implemented by this Agreement.

EXHIBIT D

CEC SPECIAL TERMS AND CONDITIONS

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. *Priority of these Special Terms*

In the event of a conflict between these Special Terms and other terms in this Agreement, these Special Terms shall govern.

2. *Recipient and All Subcontractors shall comply with the Information Practices Act*

The Information Practices Act ("IPA") is codified at California Civil Code sections 1798 et seq. Personal Information is defined in the IPA at Civil Code section 1798.3(a). Contra Costa Transportation Authority ("Recipient"), shall comply and ensure that all of its subcontractors and project partners shall comply with the IPA relative to the activities under this Agreement. This includes but is not limited to complying with Section 1798.16 (Personal Information; maintaining sources of information) and Section 1798.17 (Notice; periodic provision; contents). For example:

- A. Sources of information. Recipient, and Recipient's subcontractors and project partners, shall maintain a record of the source of an individual's Personal Information in accordance with § 1798.16. Per IPA § 1798.16, this requirement does not apply if the data subject is the source of the Personal Information.
- B. Use of information. Pursuant to IPA § 1798.14, the Recipient, and Recipient's subcontractors and project partners shall only use Personal Information for the purposes of this Agreement. Recipient, and Recipient's subcontractors and project partners shall not disclose any Personal Information to any person or entity other than the Energy Commission and Energy Commission employees.
- C. Security. Pursuant to IPA § 1798.21, Recipient, and Recipient's subcontractors and project partners, shall employ appropriate and reasonable safeguards to ensure the security and confidentiality of Personal Information and to protect against anticipated threats or hazards to their security or integrity which could result in any injury.
- D. Notice. On or with any form used to collect Personal Information from individuals, the Recipient, and Recipient's subcontractors and project partners, shall provide the notice required in § 1798.17. At the time of executing this agreement, § 1798.17 requires the following:
 - (a) The name of the agency and the division within the agency that is requesting the information.
 - (b) The title, business address, and telephone number of the agency official who is responsible for the system of records and who shall, upon request, inform an individual regarding the location of his or her records and the categories of any persons who use the information in those records.
 - (c) The authority, whether granted by statute, regulation, or executive order which authorizes the maintenance of the information.

(d) With respect to each item of information, whether submission of such information is mandatory or voluntary.

(e) The consequences, if any, of not providing all or any part of the requested information.

(f) The principal purpose or purposes within the agency for which the information is to be used.

(g) Any known or foreseeable disclosures which may be made of the information pursuant to subdivision (e) or (f) of Section 1798.24.

(h) The individual's right of access to records containing personal information which are maintained by the agency.

3. *Recipient has no Ownership or other Rights to the Personal Information*

The Recipient has, and the Recipient shall ensure that its subcontractors and project partners have, no ownership, license, or other rights in Personal Information or in any form in which it is used (e.g., Products). In this regard, the Personal Information shall NOT be treated like Data, Products, Intellectual Property, or other provisions in the Agreement that may indicate that Recipient has ownership, license, or other rights.

4. *Rights to Anonymized Information Derived from Personal Information*

To the extent that the Recipient uses Personal Information to derive anonymized information that no longer meets the definition of Personal Information, the rights to derived anonymized information follow the rights in Exhibit C. For example, if the Recipient uses Personal Information to derive anonymized figures that are included in a Product, and the Product contains no Personal Information, the rights to the Product flow from Exhibit C, Section 5, like they do for all other Products.

5. *Retention and Destruction of Personal Information*

Upon the request of the Energy Commission, or upon termination of this Agreement, whichever is earlier, the Recipient and all subcontractors and project partners shall promptly deliver to the Energy Commission or destroy all Personal Information, regardless of form (e.g., written or electronic) and all copies, abstracts, media, and backups thereof, however stored in Recipient's and all of its subcontractors' and project partners' possession. No Personal Information shall remain with Recipient, its subcontractors, or its project partners upon request of the Energy Commission or after the termination of this Agreement, whichever occurs first.

6. *Survival*

The terms of this Exhibit shall remain in full force and effect in perpetuity.

7. *Flow-down*

The Recipient shall flow-down the terms in this Exhibit to its subcontractors and project partners.



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution to Accept Project 2216, Range Road Sidewalk Improvement Project as Complete and Authorize the City Engineer to File a Notice of Completion

MEETING DATE: May 17, 2021

EXECUTIVE SUMMARY

Project 2216, Range Road Sidewalk Improvement Project (the “Project”) widened the sidewalk on the north/east side of Range Road from West Leland Road to Rancho Medanos Junior High School. This Resolution will accept the construction contract as complete and authorize the City Engineer to file a notice of completion.

FISCAL IMPACT

The Project was funded by \$55,000 of Highway Users Tax Account (“HUTA”), (Fund 203), and \$65,000 Transportation Development Act Article 3 Pedestrian/Bicycle Project Funding for Fiscal Year 2018/19 and \$65,000 from Measure J (Fund 204) for a total approved project budget of \$185,000. The Project was completed within the approved budget. After payment of all expenditures for design, construction, release of retention and project close out, staff estimates there will be a remaining balance of \$10,078. A Project Budget Summary is attached to this staff report.

RECOMMENDATION

City Council adopt the attached resolution accepting the Contract for Project 2216, Range Road Sidewalk Improvement Project as complete and authorizing the City Engineer to execute a Notice of Completion for the Project. Staff recommends all unspent funds be returned to the source of funds for use on other projects.

BACKGROUND

On May 9, 2018, the City Council approved Resolution 18-13480 approving a request to the Metropolitan Transportation Commission (MTC) for the Allocation of Fiscal Year 2018/19 Transportation Development Act (TDA) Article 3 Pedestrian/Bicycle Project Funding for the Project.

On June 18, 2018, the City Council adopted Resolution 18-13499, approving the operating budget for Fiscal Year 2018/19, and allocating funds for several capital projects, including \$55,000 from HUTA to the Project (Project 2216).

On August 1, 2018, the City was notified that the Project would receive a \$65,000 Transportation Development Act Article 3 Pedestrian/Bicycle Project grant for Fiscal Year 2018/19.

On August 17, 2020, the City Council approved Resolution 20-13822 awarding a construction contract to the lowest responsive responsible bidder, Black Bear Paving and Grading, with a base bid in the amount of \$136,801.50.

SUBCOMMITTEE FINDINGS

This item was not reviewed by a Subcommittee.

STAFF ANALYSIS

The Project widened the existing sidewalk by five feet along north/east side of Range Road, from Rancho Medanos Junior High School's entrance to the south side of West Leland Road (approximately 400 linear feet) to allow large groups of students travelling to and from school to safely stay on the sidewalk and avoid walking in bicycle and vehicle traffic lanes.

The Project included one contract change order in the amount of \$500 for the installation of rigid dowels into the sidewalk.

The Contractor reached substantial completion on March 17, 2021. The one-year warranty period began on March 17, 2021.

Total anticipated expenditures for the Project are \$162,270.50. After all expenditures are paid, unexpended funds totaling \$10,078 will be available for other similar projects.

The project was completed on time and within the budget approved by the City Council.

ATTACHMENTS: Resolution
 Budget Summary
 Notice of Completion

Report Prepared By: Gabriel Pina, Assistant Engineer

Project Budget Summary
Contract 2019-23, Range Road Sidewalk Improvement Project
 Project 2216

Project Funding:	Highway Users Tax Account (HUTA) Fund 203	\$55,000
	2018/19 Transportation Development Act Grant	\$65,000
	Measure J Fund 204	\$65,000
	Funding Total	\$185,000

Project Expenditures:

Design:		
(Code 2122)	Consultant Design	\$24,970
	Subtotal	\$24,970

Miscellaneous:	Advertising	\$600
(Code 1399)	Reproduction	\$0
	Postage	\$0
	Subtotal	\$600

Construction:	Base Bid	\$136,802
(Code 2281)	Construction Contingency	\$500
	Subtotal	\$137,302

Staff Time:	Staff Costs During Design	\$1,500
(Code 1101)	Staff Costs During Construction Management	\$3,537
	Subtotal	\$5,037

Administrative	Staff Costs During Design	\$2,000
Overhead:	Staff Costs During Construction Management	\$5,013
(Code 2372)	Subtotal	\$7,013

Estimated Expenditures Total \$174,922

Return to Source \$10,078

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Accepting Project 2216,)
Range Road Sidewalk Improvement)
Project as Complete and)
Authorizing the City Engineer to File)
A Notice of Completion)

Resolution No. 21-

WHEREAS, Project 2216, Range Road Sidewalk Improvement Project was for the widening of the sidewalk on the north/east side of Range Road from West Leland Road to Rancho Medanos Junior High School; and

WHEREAS, on May 21, 2018, the City Council adopted Resolution 18-13480 approving a request to the Metropolitan Transportation Commission (MTC) for the Allocation of FY 2018/19 Transportation Development Act (TOA) Article 3 Pedestrian/Bicycle Project Funding for the Project; and

WHEREAS, on June 18, 2018, the City Council adopted Resolution 18-13499, approving the operating budget for FY 2018/19 and allocating funds for several capital projects, including \$55,000 from Highway Users Tax Account (HUTA Fund 203) to the Project (Project 2216); and

WHEREAS, on August 1, 2018, staff was notified that the Project would receive \$65,000 Transportation Development Act Article 3 Pedestrian/Bicycle Project Funding for FY 2018/19; and

WHEREAS, bids for construction of Project 2216 were opened on July 22, 2020. Black Bear Paving and Grading was the low bidder with a base bid in the amount of \$136,801.50; and

WHEREAS, there were one contract change order for the Project in the amount of \$500 for the installation of rigid dowels along the sidewalk; and

WHEREAS, the total contract amount, including contract change order is \$137,301.50; and

WHEREAS, the Contractor reached substantial completion on March 17, 2021. The one-year warranty period began on March 17, 2021; and

WHEREAS, the total anticipated expenditures for the Project including design, construction, and staff costs are \$162,270.50, leaving a balance of \$10,078; and

WHEREAS, staff requests that the City Council accept the Contract as complete and authorize the City Engineer to execute a Notice of Completion for the Project.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Pittsburg hereby:

1. Accepts the Project as complete.
2. Authorizes and directs the City Engineer to execute a Notice of Completion and file said document with the Office of the Recorder of the County of Contra Costa, State of California, within 10 days from the date hereof.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 17th day of May 2021 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Merl Craft, Mayor

ATTEST BY:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: By Minute Order, Authorize the Mayor to Sign a Letter Supporting SB 612 on Behalf of the City of Pittsburg

MEETING DATE:

EXECUTIVE SUMMARY

MCE customers are not receiving the benefits of their Power Charge Indifference Adjustment (PCIA) fees paid. In addition to increasing transparency around contract negotiations, support of SB 612 would ensure fair and equal access to the benefits of the resources that all customers pay for through the PCIA, and would ensure that legacy contracts are managed in a way that maximizes benefits for everyone.

FISCAL IMPACT

There is no direct fiscal impact.

RECOMMENDATION

Authorize the Mayor to sign a Letter of Support for SB 612 on behalf of the City of Pittsburg.

BACKGROUND

Early procurement of renewable energy generation resources by California's Investor Owned Utilities (IOU's) like PG&E resulted in a rapid transition to renewable energy. As renewable resources have grown to scale, both prices and market value for renewable energy have declined, leaving a significant portion of the IOU legacy resource portfolio underwater. Likewise, utility-owned generation operates at costs that are significantly above market. These trends produced costs needed to be recovered through the PCIA.

The PCIA is a mechanism adopted by the California Public Utilities Commission (CPUC) to ensure that when electric customers of an IOU depart from IOU service and receive their electricity from a non-IOU provider, such as a Community Choice Aggregator (CCA), those customers remain responsible for costs previously incurred on their behalf by the IOU's. While these resources produce high costs, they also produce valuable products such as renewable energy, hydroelectric energy, and resource adequacy, products needed by all

energy providers to meet their clean energy goals and remain in compliance with reliability requirements. However, under the current structure, these products are retained by the IOU for its own compliance purposes.

SUBCOMMITTEE FINDINGS

This item was not presented to a Subcommittee.

STAFF ANALYSIS

With the advent of California's shift to greenhouse gas-free energy, IOU's entered into very expensive contracts to procure renewable resources. Over the last decade, millions of utility customers have transitioned from IOU electric service to CCA's. As part of this transition, through the PCIA, CCA customers continue to share with IOU customers cost responsibility for these expensive contracts prior to their departure for CCA service. While all customers bear responsibility for these legacy resources, only IOU customers can meaningfully access the benefits that both CCA and IOU customers are paying.

SB 612 aims to ensure that all customers receive the benefits of the resources they are paying for, and that the costs of those contracts to all ratepayers are minimized by:

- Providing IOU, CCA, and direct access customers equal right to receive legacy resource products that were procured on their behalf in proportion to their load share if they pay the full cost of those products.
- Requiring the CPUC to recognize the value of GHG-free energy and any new products in assigning cost responsibility for above-market legacy resources, in the same way value is recognized for renewable energy and other products.
- Requiring IOU's offer any remaining excess legacy resource products not taken by IOU, CCA, or direct access customers to the wholesale market in an annual solicitation.
- Requiring each IOU transparently solicit interest from legacy resource contract holders in renegotiating, buying out, or otherwise reducing costs from these contracts.

ATTACHMENTS:
Letter of Support

Report Prepared By:
Sara Bellafronte, Administrative Analyst II

Pittsburg Letterhead

May 17, 2021

The Honorable Anthony Portantino
State Capitol, Room 3086
Sacramento, CA 95814

RE: City of Pittsburg Support for SB 612 (Portantino)

Dear Senator Portantino,

The City of Pittsburg is pleased to submit a letter of support for SB 612, which would ensure that resources held in the Investor Owned Utility (IOU) portfolios are managed to maximize value for all customers, and would ensure fair and equal access to the benefits of these legacy resources.

Over the last ten years, millions of utility customers have transitioned from IOUs to Community Choice Aggregators (CCAs). MCE launched in 2010 and serves over one million people in 36 communities across Napa, Solano, Marin, and Contra Costa Counties. MCE has committed to over \$1.6 billion to build over 670 megawatts of new California renewable energy projects with an additional 35 megawatts in its footprint. MCE has supported the creation of over 5,000 jobs and invested over \$180 million back into its service area. The City of Pittsburg is a proud member of MCE, with many residential, commercial, and municipal customers receiving 90% carbon free energy.

When a customer transitions to a CCA, the customer continues to pay for resources, like energy, that were procured on their behalf through the power charge indifference adjustment (PCIA). However, unlike an IOU customer, CCA customers receive no benefits from these resources. This inequity has been exacerbated in recent years as the cost of this payment has risen by hundreds of millions of dollars, with no sign of decreasing. The impacts of COVID-19 have made the importance of righting this inequity and lowering costs for all customers even more urgent.

This bill would ensure fair and equal access to the benefits of the resources that all customers pay for and would ensure that these legacy contracts are managed in a way that maximizes benefits for everyone. The bill would also require the California Public Utilities Commission (CPUC) to recognize the value of GHG-free energy in legacy contracts and would increase transparency around how the IOUs renegotiate these contracts. However, time is of the essence. The longer the legislature takes to act, the less valuable these legacy contracts will be, and the less value customers will gain from access to them.

That is why we strongly support this bill and thank you for moving forward with this important legislation.

Sincerely,

Merl Craft, Mayor

CC: Senator Allen
 Senator Becker
 Senator Limon
 Senator McGuire
 Senator Stern
 Senator Wiener
 Assembly Member Bauer-Kahan
 Assembly Member Berman
 Assembly Member Bloom
 Assembly Member Boerner Horvath
 Assembly Member Chiu
 Assembly Member Kalra
 Assembly Member Lee
 Assembly Member Levine
 Assembly Member Mullin
 Assembly Member Muratsuchi
 Assembly Member Rivas
 Assembly Member Stone
 Assembly Member Ting
 Assembly Member Wood