CITY OF PITTSBURG
AGENDA

June 05, 2017

CITY HALL COUNCIL CHAMBERS
65 CIVIC AVENUE, PITTSBURG, CA

COMMISSION CANDIDATE INTERVIEWS
5:00 P.M.

CLOSED SESSION
5:30 P.M.

REGULAR MEETINGS
7:00 P.M.

CITY COUNCIL
PITTSBURG ARTS AND COMMUNITY FOUNDATION
PITTSBURG POWER COMPANY
SUCCESSOR AGENCY

PRESIDING
Marilyn "Merl" Craft, Mayor/Chair
Dwaine "Pete" Longmire, Vice-Mayor/Chair
Sal Evola, Council Member/Board Member
Juan Antonio Banales, Council Member/Board Member
Jelani Killings, Council Member/Board Member

FOR HOUSING AUTHORITY:
Michelle King, 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.

NOTICE TO PUBLIC (Attached)

COUNCIL COMMITTEES LIST (Attached)

COMMISSIONS/COMMITTEES MEETING SCHEDULE (Attached)

5:00 P.M.

COMMISSION CANDIDATE INTERVIEWS

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 REAL PROPERTY NEGOTIATORS (Pursuant to Section 54956.8):

   Property: 554 W. 10th Street APN 085-270-016; Negotiators: Joe Sbranti and Maria Aliotti; Negotiating Party: Mike and Jan Fernandes; Under negotiations: both price and terms of payment

2. CONFERENCE WITH LEGAL COUNSEL – ANITICIPATED LITIGATION FOR THE SUCCESSOR AGENCY; Significant exposure to litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

   Two (2) cases

3. CONFERENCE WITH LABOR NEGOTIATORS (Section 54957.6):

   Agency designated representatives: Joe Sbranti, Garrett Evans; Employee organizations: Police Managers' Group (PMG) and Police Officers' Association (POA)

7:00 P.M.

CONVENE IN OPEN SESSION FOR REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

Stoneman Elementary School Science Fair Winners

PROCLAMATIONS

Recognizing Local Humanitarians

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)

CITIZENS REMARKS

Members of the audience who wish to address the City Council or Agency Boards on issues that are not scheduled for the agenda and on any items listed as part of the Consent Calendar 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. 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. (No Action Required)

PITTSBURG POWER COMPANY

PUBLIC HEARING

4. Adoption of a Pittsburg Power Company Resolution to Approve Fiscal Year 2017-2018 Island Energy Electric and Natural Gas Rate Schedules for Electric and Natural Gas Retail Services on Mare Island

   Island Energy, a municipal utility providing utility services on Mare Island, presented its Fiscal Year 2017-2018 Rate Case to the Mare Island Advisory Committee on May 26, 2017. The Committee accepted the proposed Electric and Natural Gas Rate Schedules, effective July 1, 2017 through June 30, 2018 or until changed.

5. Adoption of a Pittsburg Power Company Resolution to Adopt the Revised Electric and Gas Tariff Schedules Applicable to Island Energy

   Pittsburg Power Company, doing business as Island Energy, provides electric and natural gas distribution services on Mare Island. The Electric and Natural Gas Tariff Schedules govern Island Energy's operation on Mare Island. Both Tariff Schedules are modified from time to time to reflect legislative and operational changes to Island Energy's operation on Mare Island. Staff is proposing certain language modifications to the Electric and Gas Tariff Schedules.

CITY COUNCIL MEETING

PUBLIC HEARING

6. Introduction and Waive First Reading of an Ordinance Amending Section 3.26.030 of the Pittsburg Municipal Code Relating to Fiscal Sustainability and Reserve Funds

   The Proposed Fiscal Sustainability Ordinance ("Ordinance") amendment will clarify the definition of the components of the existing General Fund Reserve that make up the established minimum unappropriated reserve balances at 30% of operating expenses for City's General Fund.

CONSIDERATION

7. Measure P Citizens Oversight Committee Report – Proposed Use of Measures P and M Funds for FY 2017-18

   On June 5, 2012 the voters of Pittsburg passed Measure P, the Pittsburg Preservation of Citywide Services Temporary Funding Transactions and Use Tax Ordinance. The ordinance established a one-half of one percent (0.5%) use and transaction tax. On June 7, 2016, the voters of Pittsburg passed Measure M, extending the use and transaction tax to June 30, 2035. Both of these measures requires the establishment of a Citizens Oversight Committee ("Committee") charged with making recommendations to the City Council ("Council") for the use of the Measure P and M tax revenue. This item is the Committee's report on the use of Measure P funds and for the proposed uses of the Measure P and M funds for FY 2017-18.

CONFLICT OF INTEREST STATEMENT

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

CONSENT CALENDAR

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

8. Minutes

   Minutes of May 15, 2017

9. Claims - Rejection of Claims against the City which may cause expenditure of funds; on file in the Office of the City Clerk.

   Claim #17-0028 Murphy Sr., Shannon

10. Adoption of a Pittsburg Power Company Resolution to Approve a Purchase Order and Statement of Work with National Information Systems Cooperative to Implement a Customer Information and Billing System for Island Energy

    Staff recommends the Pittsburg Power Company (PPC) Board approve a Purchase Order and Statement of Work with National Information Solutions Cooperative (NISC) to implement a Customer Information and Billing (CIB) system for Island Energy. These new systems will modernize Island Energy's customer measurement and revenue collection systems allowing it to lower costs, provide greater customer value and respond to regulatory changes.

11. Adoption of an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program By and Through MCE and a Resolution Requesting Membership in MCE

    Community Choice Aggregation (CCA) is a program in which local governments can authorize public facilities, businesses and residents be given a choice for electricity generation provider. On May 15, 2017 the City Council held a duly noticed public hearing to consider adoption of an ordinance authorizing the implementation of a CCA program by and through MCE. In addition to adopting the ordinance, the MCE Joint Power Agreement requires the Pittsburg City Council to individually adopt a resolution requesting membership in MCE.

12. Adoption of an Ordinance Approving a Development Agreement for the Sky Ranch II Residential Subdivision

On May 15, 2017, the City Council held a duly noticed public hearing to consider approval of a development agreement for the previously approved 'Sky Ranch II Residential Subdivision,' located at the terminus of Ventura Drive, South of the Highlands Ranch Subdivision, in the RS-6-O (Single Family Residential with a Limited Overlay, Ordinance No. 07-1285) District. Assessor's Parcel Nos. 089-050-074, 089-470-078, 089-480-036, and 089-530-047.

13. Adoption of a City Council Resolution Approving Speed Humps on Brookside Drive

The City's Traffic Calming Policy includes certain criteria to be used when considering the use of speed humps to calm traffic on City streets. If City Council approves the installation of speed humps on Brookside Drive, all criteria for speed hump installation on Brookside Drive will be met and installation of speed humps on Brookside Drive will be scheduled this summer.

14. Adoption of a City Council Resolution to Establish City Manager Authority for Settlement or Rejection of Liability Claims

The City periodically receives liability claims for money and damages for which the City is responsible. The City is self-insured through a joint powers authority that manages settlement decisions for claims above twenty-five thousand dollars ($25,000). This resolution in addition to maintaining the City Manager's authority to settle claims up to $25,000 will authorize the City Manager to reject claims without prior approval by the City Council.

15. Adoption of a City Council Resolution to Authorize the City Manager to Execute a Memorandum of Understanding for Local Transportation Mitigation Fund Fees in Support of James Donlon Boulevard Extension Project

Staff recommends the City enter into a Memorandum of Understanding (MOU) with the developers of the Sky Ranch, Montreux and Tuscany Meadows subdivisions regarding allocation of traffic mitigation fees paid for the developments to the James Donlon Boulevard Extension project.

COUNCIL MEMBER REPORTS/REMARKS

Council Members may make brief announcements or informal comments at this time. Council members may ask questions for clarification from City staff, and make a report on their activities, including reports on committee assignments (see attached list of ad hoc committees and other public agencies in which Council members participate). (No Action Required)

ADJOURNMENT to June 19, 2017

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 take 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 - 2017

Updated February 7, 2017

OUTSIDE AGENCY BOARDS	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
ABAG	Merl Craft / Pete Longmire Alternate	Standing	Annual	J. Sbranti
SF Bay Regional Water Quality Board	Merl Craft / Pete Longmire Alternate	Standing	As needed	J. Sbranti
Contra Costa County Fire Dist.	Pete Longmire / Jelani Killings Alternate	Standing	2nd Monday	J. Sbranti
Delta Diablo**	Pete Longmire / Juan Banales Alternate	Standing	2nd Wednesday	F. McKinley
East Co.Co.County Habitat Conservancy	Sal Evola / Pete Longmire Alternate	Standing	Monthly	F. McKinley
East County Water Management	Merl Craft / Pete Longmire Alternate	Standing	Annual	F. McKinley
TRANSPLAN / ECCRFFA	Sal Evola / Juan Banales Alternate	Standing	2nd Thursday	F. McKinley
Tri-Delta Transit (2 reps)***	Pete Longmire&Merl Craft / Jelani Killings Alt.	Standing	Last Wednesday	F. McKinley

LIAISON TO	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
East Bay League of Calif. Cities	Sal Evola / Merl Craft Alternate	Standing	3rd Thursday	*Rotational
Mayor's Conference	Merl Craft / Pete Longmire Alternate	Standing	1st Thursday	J. Sbranti/G. Evans
School Districts Committee (2 reps)	Merl Craft &Jelani Killings / Juan Banales Alt.	Standing	4th Thursday even months	J. Sbranti

SUBCOMMITTEES (2 reps)	COUNCIL MEMBER(S)	TYPE	MEETS	STAFF
CAC/CDBG	Juan Banales & Jelani Killings / Pete Longmire Alt.	Standing	As needed	M. Aliotti
Pittsburg Recognition Committee	Merl Craft / Pete Longmire Alt.	Ad Hoc	As needed	J. Hecht
Economic Develop/Waterfront Subcommittee	Pete Longmire &Juan Banales / Sal Evola Alt.	Standing	Quarterly	G. Evans
Finance Subcommittee	Sal Evola & Pete Longmire / Merl Craft Alt.	Standing	As needed	B. Farmer
Land Use Subcommittee	Sal Evola &Juan Banales / Merl Craft Alt.	Ad Hoc	As needed	F. McKinley
Local Contracting & Preference Policy	Merl Craft & Sal Evola	Ad Hoc	As needed	F. McKinley/B.Farmer
Pittsburg Arts & Community Foundation	Merl Craft& Jelani Killings / Pete Longmire Alt.	Standing	As needed	J. Sbranti
Pittsburg Police Activities League (PAL)	Banales / Killings Alt.	Standing	Monthly	B. Addington
Power Company Advisory	Pete Longmire & Juan Banales / Merl Craft Alt.	Standing	As needed	G. Evans
Sister City Committee	Sal Evola&Merl Craft/ Pete Longmire Alt.	Ad Hoc	As needed	G. Evans
Successor Agency Subcommittee	Merl Craft &Jelani Killings / Pete Longmire Alt.	Standing	As needed	G. Evans

*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	2nd and 4th Tuesdays
Community Advisory Commission	1st 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 monthin 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

DATE: 5/22/2017

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution to Approve Fiscal Year 2017-2018 Island Energy Electric and Natural Gas Rate Schedules for Electric and Natural Gas Retail Services on Mare Island

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

Island Energy, a municipal utility providing utility services on Mare Island, presented its Fiscal Year 2017-2018 Rate Case to the Mare Island Advisory Committee on May 26, 2017. The Committee accepted the proposed Electric and Natural Gas Rate Schedules, effective July 1, 2017 through June 30, 2018 or until changed.

FISCAL IMPACT

Island Energy's FY 2017-2018 Rate Case projects a net operating income of $278,104 from electric and natural gas operations on Mare Island. When the non-cash depreciation expense of the electric and natural gas distribution system is removed, the Rate Case projects a positive cash flow of $743,104, which contributes to Island Energy's reserve fund to pay for future system improvement projects.

RECOMMENDATION

Pittsburg Power Company Board open the public hearing, take testimony, close the public hearing, consider the testimony and adopt the attached Pittsburg Power Company Resolution authorizing the adoption of Electric Rates Schedules CES-1, CES-2, CES-3, CES-4, RES-1, RES-2, LS-1, Natural Gas Rate Schedules GS-1and GS-2, as specified for the services on Mare Island. Authorize the Executive Director to take such further actions as may be necessary to continuously deliver reliable services to customers on Mare Island.

BACKGROUND

Island Energy is a municipal utility formed under and pursuant to Article 11, Section 9 of the California Constitution with the right to acquire assets, set rates and providing utility service on Mare Island in the City of Vallejo. Consistent with the Pittsburg Power Company (PPC)'s Resolution No. 96-001, an Advisory Committee to Island Energy was formed to meet on issues relevant to Island Energy's delivery of utility services on Mare Island and to allow public comment on matters affecting customers on Mare Island.

Each year, staff prepares an annual Rate Case pursuant to Island Energy's responsibilities to set rates for providing retail electric and natural gas services on Mare Island. Staff presented the FY 2017-2018 Rate Case to the Advisory Committee on May 25, 2017. The Committee accepted Island Energy's Electric and Natural Gas rate schedules for utility services from July 1, 2017 through June 30, 2018.

SUBCOMMITTEE FINDINGS

The Pittsburg Power Company Subcommittee met and reviewed Island Energy's FY 2017-2018 Rate Case on May 2nd, 2017 and the Subcommittee supported staff's recommendations regarding Island Energy's FY 2017-2018 Rate Case.

STAFF ANALYSIS

Since FY 2008-2009, Island Energy has mirrored PG&E's electric rates and baseline quantities in the same area and time that Island Energy's annual Rate Case is prepared. While PG&E may change their electric and natural gas rates throughout the fiscal year, Island Energy generally adopts its electric and natural gas rates once a year.

Island Energy's FY 2017-2018 Rate Case proposes two rate classes for residential customers: one for customers with regular residential use and a second for residential customers with commercial scale electricity use. Under the rate schedules, the regular residential customers will be charged a flat rate of 2% below PG&E's current tier 1 rate, while customers on the second rate class will be charged a flat rate of 2% below PG&E's highest tier rate. A threshold of 4,500 kWh is suggested to differentiate regular residential electricity use from commercial scale use in residential areas. The electric distribution system in residential areas is not designed to handle commercial loads and extremely high electricity use will prematurely age electric cables and the system.

Island Energy's FY 2017-2018 Rate Case proposes commercial rates of all commercial classes and streetlight rates to be 2% below PG&E's commercial electric rates as of March 1, 2017. With anticipated increases for PG&E's electric rates within the fiscal year, customers on Mare Island will realize bigger discounts when compared to PG&E's rates. The Rate Case also proposes the monthly meter service charge to be 2% below PG&E's meter service charge.

For Island Energy's natural gas operation, the commodity charge for natural gas remains a pass-through charge and staff proposes a 5% increase of the current delivery rate, as Island Energy's natural gas rate has been compatible to PG&E's, despite the natural gas load is small on Mare Island.

Since Island Energy was established, the Pittsburg Power Company Board has loaned Island Energy a total of $4,250,000 to fund capital improvements projects and the general reserve of the utility. With the stabilization of the utility's operation and steady increase in revenues, Island Energy is in the position to make interest and principal payments on these loans. The debt repayment to the Pittsburg Power Company is assessed at 3% of the loan balance on a 25-year payback schedule. The FY 2017-2018 debt repayment to PPC is $241,848.

Island Energy's FY 2017-2018 projected operating revenue of the electric department is $4,723,771, a 5% increase from FY 2016-2017's year-end revenue projection; the projected FY 2017-2018 natural gas revenue would be $667,392, a 2.1% increase from FY 2016-2017's year-end revenue projection. Island Energy's FY 2017-2018 Operating expenses is projected to be $5,113,058, which is a 3.5% decrease from the operating expense of FY 2016-2017's Rate Case projections. The savings mainly comes from a much bigger hydropower component in Island Energy's energy procurement portfolio for Fiscal Year 2017-2018.

Island Energy's FY 2017-2018 Rate Case projects a net operating income of $278,104 from electric and natural gas operations on Mare Island. When the non-cash depreciation expense of the electric and natural gas distribution system is removed, the Rate Case projects a positive cash flow of $743,104, which contributes to Island Energy's reserve fund to pay for future system improvement projects.

Under the Net Energy Metering and the Exported Renewable Energy programs, solar customers whose distributed solar systems generate more energy than their consumptions and the exported excess energy is compensated at the energy wholesale rate, which is determined by the Utility's avoided energy generation cost. The FY 2017-2018 avoided energy generation cost is projected to be $0.0605/KWh.

Island Energy's new rate schedules for FY 2017-2018 are attached to this staff report.

ATTACHMENTS: Resolution 17-
Electric Rate Schedule CES1, CES2, CES3, CES4, RES1, RES-2, 17-18 NEM, 17-18 ERE, LS1
Natural Gas Schedule GS1, GS2

Report Prepared By: Vanessa Xie, Senior Financial Analyst energy solutions for Mare Island

SHEET NO. 17-18-CES-1
CANCELING SHEET NO. 16-17-CES-1

Rate Schedule CES-1

METERED SMALL COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to small industrial/commercial Customers whose single meter monthly electricity consumption is no greater than 86,400 kWh.

TERRITORY

Mare Island Vallejo, California

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic Service Fee, per meter per day $0.3220

Energy Charge, per kWh $0.2256

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day $0.3220

Energy Charge, per kWh $0.2140

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff.
3. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
4. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

Rate Schedule CES-2

METERED INDUSTRIAL/COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to industrial/commercial Customers whose single meter indicates its monthly electricity usage is between 86,400 and 360,000 kWh in any particular month. Customers whose monthly consumption falls in this range will be billed at this rate class for that particular month.

TERRITORY

Mare Island Vallejo, California

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic Service Fee, per meter per day $4.50760

Energy Charge, per kWh $0.19940

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day $4.50760

Energy Charge, per kWh $0.18914

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff.
3. Eligibility for Primary Voltage Service. The Utility at its sole discretion will determine whether a Customer may receive Primary Voltage Service.
4. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
5. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

Rate Schedule CES-3

METERED LARGE INDUSTRIAL/COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to large industrial/commercial Customers whose single meter indicates its monthly electricity usage is between 360,000 and 720,000 kWh in any particular month. Customers whose monthly consumption falls in this range will be billed at this rate class for that particular month.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic ServiceFee, per meter per day $19.3183

Energy Charge, per kWh……………………………………..$0.17573

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day $32.1971

Energy Charge, per kWh……………………………………..$0.16027

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule will be supplied at the voltages listed above
3. Eligibility for Primary Voltage Service. The Utility at its sole discretion will determine whether a Customer may receive Primary Voltage Service.
4. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
5. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

Island Energy
energy solutions for Mare Island

Rate Schedule CES-4

METERED VERY LARGE INDUSTRIAL/COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to very large industrial/commercial Customers whose single meter indicates its monthly electricity usage exceeds 720,000 kWh in any particular month. Customers whose monthly consumption exceeds this threshold will be billed at this rate class for that particular month.

TERRITORY

Mare Island of Vallejo, California, Unite States

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic Service Fee, per meter per day $38.6365

Energy Charge, per kWh……………………………………..$0.16531

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day………………………..$48.2962

Energy Charge, per kWh……………………………………..$0.14924

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule will be supplied at the voltages listed above
3. Eligibility for Primary Voltage Service. The Utility at its sole discretion will determine whether a Customer may receive Primary Voltage Service.
4. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
5. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

Rate Schedule LS

LIGHTING SERVICE

APPLICABILITY

This rate schedule applies to all electric Customers receiving unmetered service from the utility for lighting facilities that are controlled by an electronic photo-sensitive switch. This rate schedule further applies only to Customers that own, operate and maintain the lighting fixtures and wiring connected to the utility's system, and is limited to the lamp types and wattage ranges listed below.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

The total monthly charge per lamp is equal to the sum of the facility charge and the energy charge:

Facility Charge Rate, per lamp per month.. $0.20700

Energy Charge Rate, per kWh $0.15557

Monthly energy charges per lamp are calculated using the following formula:

(Lamp-wattage + Ballast-wattage) x 4100/12/1000 x Energy-rate
Where: Ballast-wattage = Lamp-wattage x ballast-factor

Ballast Factors by Lamp Type and WattageRange:

WattRange	Ballast Factor	WattRange	Ballast Factor
INCANDESCENT		LIGHT EMITTING DIODES	
0 to 200	0.00%	0 to 50	0.00%
MERCURY VAPOR		HIGH PRESSURE SODIUM VAPOR (120 VOLT)	
1 to 75	31.00%	1 to 40	25.44%
76 to 125	17.07%	41 to 60	22.93%
126 to 325	13.69%	61 to 85	21.25%
326 to 800	11.22%	86 to 125	20.00%
801 +	10.34%	126 +	17.07%

Rate Schedule LS

LIGHTING SERVICE

(CONTINUED)

METAL HALIDE

1	to	85	25.44%
86	to	200	24.39%
201	to	375	22.93%
376	to	700	18.54%
701	+		13.27%

HIGH PRESSURE SODIUM VAPOR (240 VOLT)

1	to	60	40.49%
61	to	85	42.16%
86	to	125	37.56%
126	to	175	34.63%
176	to	225	18.54%
226	to	280	17.07%
281	to	380	14.35%
381	+		12.68%

LOW PRESSURE SODIUM VAPOR

1	to	40	75.61%
41	to	75	54.32%
76	to	110	46.34%
111	to	160	34.42%
161	+		26.83%

INDUCTION

0	to	200	3.45%

SPECIAL CONDITIONS

1. Type of Service: Service under this rate schedule will normally be provided only to multiple lighting systems that are supplied by the utility at a standard secondary voltage of 120 volts or 240 volts single-phase.
2. Photo Controls: This schedule is predicated on electronic type photo controls meeting ANSI standard C136.10, with a turn-on value of 1.0 foot-candles and a turn-off value of 1.5 foot-candles. Electro-mechanical or thermal type photo controls are not acceptable for this rate schedule.
3. Annual Operating Schedules: The rates under this schedule assume 4100 operating hours per year (approximately 11 hours per night), and apply to lights which will turn on and off once each night.
4. Light or Pole Numbering: Pole number sequencing and coding for single lights or multiple lights on a single pole shall be provided by the Customer in a format acceptable to the utility. The Customer shall provide physical numbering on lights or poles in order to facilitate accurate billing and inventory reporting prior to energizing facilities. Numbering must be legible from the ground.
5. Lighting Inventories: The Customer shall submit an initial inventory of the location, type and wattage for each light, including any non-conforming loads connected to the lighting system, in a format acceptable to the utility before the lighting system is connected to the utility system. An updated inventory shall be submitted annually after the initial inventory. The Customer shall inform the utility in writing within 30 days of any changes to the inventory.
6. Non-conforming loads: Any load other than the lighting loads listed in this rate schedule is a non-conforming load, and shall require approval from the utility before they are connected to an unmetered lighting service. Non-conforming loads will only be approved for governmental agencies. Each non-conforming load shall not exceed 150 watts per circuit, or light for individually connected lights. Any non-conforming load exceeding this limitation requires metering of the Customer’s system at the utility’s connection point. The monthly billed charges for approved unmetered non-conforming loads will be based on the rated or measured full-load input wattage and verified hours of operation.

SHEET NO. 17-18-RES1
CANCELING SHEET NO. 16-17-RES1

Rate Schedule RES-1

METERED RESIDENTIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to all residential Customers with monthly usage below 4,500 kWh. A residential Customer is defined as using a single-phase domestic service for lighting, heating, cooking, water heating, and power, or a combination thereof, in single family dwellings, flats, and apartments, separately metered by the utility and to single-phase service used in common for residential purposes by tenants in multi-family dwellings.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

Basic Service Fee, per meter per day $0.3220

Monthly Electricity Usage <=4,500kWh

Energy Usage Charge, all kWh, $/kWh………………………$0.19580

The minimum charge on this rate schedule shall equal the Basic Service Fee times the number of days in a billing cycle.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this Rate Schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff.
3. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
4. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.
5. FERC Adjustments: As FERC could potentially legally change the terms and conditions in PG&E's electricity purchase contracts, any resulting incremental rate increase of electricity to Island Energy will be added to the Energy Charge above as a pass-through rate.

SHEET NO. 17-18-RES-2

Rate Schedule RES-1

METERED RESIDENTIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to all residential Customers with monthly electricity usage over 4,500 kWh. A residential Customer is defined as using a single-phase domestic service for lighting, heating, cooking, water heating, and power, or a combination thereof, in single family dwellings, flats, and apartments, separately metered by the utility and to single-phase service used in common for residential purposes by tenants in multi-family dwellings.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

Monthly Electricity Usage > 4,500kWh

Basic Service Fee, per meter per day $0.3220

Energy Usage Charge, all kWh, $/kWh………………………$0.39336

The minimum charge on this rate schedule shall equal to the Basic Service Fee times the number of days in a billing cycle.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this Rate Schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff
3. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer
4. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.
5. FERC Adjustments: As FERC could potentially legally change the terms and conditions in PG&E’s electricity purchase contracts, any resulting incremental rate increase of electricity to Island Energy will be added to the Energy Charge above as a pass-through rate.

Rate Schedule GS-1

METERED INDUSTRIAL/COMMERCIAL GAS SERVICE

APPLICABILITY

This service is available to all non-residential Customers receiving metered gas service

TERRITORY

Applicable throughout the service territory.

RATES

Basic Service Fee, per meter per day $0.50

Island Energy Delivery Charge, per Therm.........................$1.00

Energy Cost Pass Through, per Therm (See Special Condition 3.)

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 2.1 of this Tariff.

2. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and reinitiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

3. As frequently there are changes to the charges for natural gas delivered to Island Energy there will be a change to the Energy Cost Pass Through Rate. This rate will equal the forecast total price for natural gas delivered to Island Energy divided by the forecast sales, plus an amortization of any prior over, or under, collections.

Rate Schedule GS-2

METERED RESIDENTIAL GAS SERVICE

APPLICABILITY

This service is applicable to all residential Customers receiving metered gas service. A residential Customer is defined as using a low-pressure domestic service for heating, cooking, water heating, or a combination thereof, in single family dwellings, flats, and apartments, separately metered by the utility and low-pressure service used in common for residential purposes by tenants in multi-family dwellings.

TERRITORY

Applicable throughout the service territory

RATES

Basic Service Fee, per meter per day $0.15

Island Energy Delivery Charge, per Therm $1.00

Energy Cost Pass Through, per Therm (See special condition 3.)

The minimum charge on the Rate Schedule shall be equal to the Basic Service Fee.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in 2.01.
2. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.
3. As frequently there are changes to the charges for natural gas delivered to Island Energy there will be a change to the Energy Cost Pass Through Rate. This rate will equal the forecast total price for natural gas delivered to Island Energy divided by the forecast sales, plus an amortization of any prior over, or under, collections.

Rate Schedule NEM

NET ENERGY METERING PROGRAM

APPLICABILITY

This schedule is applicable to Eligible Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a renewable electrical generation facility, as therein defined, located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with Utility's power system pursuant to an interconnection and metering agreement with Utility.

This Rate Schedule is available on a first-come, first-served basis until the total rated generating capacity used by Eligible Customer-Generators exceeds 5 percent of Utility's aggregate customer peak demand established when the Solar Incentive program began. Once the total rated generating capacity reaches 5 percent of Utility's aggregate customer peak demand, the Utility may at its sole discretion close this rate schedule to new customers.Customers who have been approved for this program will remain eligible for the program while they occupy the premises at which the approved system has been installed. Customers who move into premises with a system previously approved for the Net Energy Metering program are also eligible for the program providing they sign the Interconnection and Net Energy Metering agreement. Increases in the generating capacity of an approved system are not permitted.

TERRITORY

Mare Island of Vallejo, California United States

RATES

All rates charged will be in accordance with the Eligible Customer-Generator's otherwise applicable rate schedule on a Net Energy Metering basis. An Eligible Customer-Generator served under this schedule is responsible for all charges in its otherwise applicable rate schedule, including the Basic Service Fee, when applicable, regardless of the Customer's monthly or annual net generation.

Eligible Customer-Generators under this Rate Schedule are subject to any new or additional charges pursuant to the Customer's otherwise applicable rate schedule.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.

2. Agreement: In order for this schedule to apply, Customer must complete and sign the Island Energy Electric Interconnection Agreement for Electric Net Metering Service ("NEM Agreement").

This agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, and access to Customer’s premises.

(CONTINUED)

3. Meter Requirements:

   a. Utility shall own, operate, and maintain a single meter on Customer’s premises capable of registering the flow of electricity in two directions.
   b. If the existing meter on Customer’s premises is not capable of measuring the flow of electricity in two directions or supplying time-of-use information, Customer shall be responsible for the expenses involved in the purchase and installation of the meter.
   c. Utility, at its expense, may install additional meters. However, if such meters are installed, the Net Energy Metering calculation shall yield an identical result to that of a single meter.

4. Billing:

   a. Customer’s Net Energy Metering calculation shall be calculated over each normal monthly billing period within a 12-month period. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to Customer and the electricity generated by Customer and fed back to the grid over a normal one-month billing period.

   b. At the end of each one-month billing period, Utility shall determine if Customer was a net consumer or a net producer of electricity.

   c. In the event that the electricity supplied by Utility during the one-month billing period exceeds the electricity generated by Customer during the same period, Customer is a net energy consumer. If Customer was a net energy consumer, Utility shall bill Customer for the net energy consumption during such billing period based on the Customer’s Rate Schedule and Customer shall pay for such net energy consumption monthly in accordance with Customer’s monthly billing statement.

   d. In the event that the electricity supplied by Utility during the one-month billing period is less than the electricity generated by Customer during the same period, Customer is a net energy producer. If Customer is a net energy producer, any excess energy generated by the customer shall be carried forward to the following billing cycle as a monetary credit on the customer’s account until the end of the 12-month period.

   e. If Customer’s otherwise applicable tariff employs “baseline” and “over baseline” rates, any net monthly consumption of electricity shall be calculated according to the terms of the rate schedule. If Customer is a net generator over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as IE would charge for the baseline quantity of electricity during that billing period, and if the number of kilowatt-hours generated exceeds the baseline quantity, the excess shall be valued at the same price per kilowatt-hour as IE would charge electricity over the baseline quantity during the billing period.

   f. If Customer terminates service prior to the end of any 12-month period, Utility shall reconcile Customer’s consumption and production of electricity and bill Customer for Net Energy Metering charges, or if appropriate, issue a final payment for any excess generation, based on the applicable Net Surplus Compensation rate.

(CONTINUED)

5. Net Surplus Compensation:

   a. If at the end of the applicable 12-month period, Customer is a Net Surplus Customer-Generator:

      i. Utility shall retain any Net Surplus Energy generated by Customer, including any associated environmental attributes or renewable energy credits (“REC”), and Customer’s monetary value shall be reset to zero for the subsequent 12-month period.
      ii. If Customer is eligible for Net Surplus Energy Compensation, such compensation shall be calculated over the 12-month period.

   b. In order to be eligible for Net Surplus Energy Compensation, Customer must: (1) elect a compensation option in Customer’s NEM Agreement; (2) certify that Customer has sole ownership of the environmental attributes and RECs associated with the energy generated from the Generating Facility; and (3) agree to transfer to Utility all rights, title, and interest Customer has to such environmental attributes and RECs.

   c. Utility’s Net Surplus Compensation rate shall provide just and reasonable compensation for the value of the Net Surplus Energy, while leaving other ratepayers unaffected.

   d. If Customer is eligible for Net Surplus Energy Compensation, Customer shall receive compensation pursuant to the method selected in Customer’s NEM Agreement.

6. Net Surplus Energy Compensation Rate:

   a. Utility’s Net Surplus Energy Compensation Rate is based on Utility’s avoided cost for energy. Utility’s Net Surplus Energy Compensation Rate is set at the value provided in the table below. The General Manager shall review the Utility’s Net Surplus Energy Compensation Rate on an annual basis. If a Net Surplus Energy Compensation Rate is not adopted for any individual year, the most recently adopted Net Surplus Energy Compensation Rate shall apply.

Year	$/kWh
July 1, 2016-June 30, 2017	0.0605

Rate Schedule ERE

EXPORTED RENEWABLE ENERGY PROGRAM

APPLICABILITY

This schedule is applicable to Customer-Generators, operating a renewable energy generation facility located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with Utility's power system pursuant to an interconnection and metering agreement with Utility.

This Rate Schedule is available to customer-generators who do not qualify for the Net Energy Metering Program (Rate Schedule NEM) because the total rated generating capacity by Eligible Customers-exceeds 5 percent of Utility's aggregate customer peak demand established when the Solar Incentive Program began.

TERRITORY

Mare Island Vallejo California

RATES

All rates charged for delivered energy will be in accordance with the Customer-Generator's otherwise applicable rate schedule. Customer-Generator's will receive a credit for electricity exported to the power system at a rate based on the Utility's avoided cost as stated below except that the credits for exported energy in any given billing period shall not exceed the charges for delivered energy in that month. ACustomer-Generator served under this schedule is responsible for all charges in its otherwise applicable rate schedule, including the Basic Service Fee, when applicable, regardless of the Customer's monthly or annual net generation.

Customer-Generators under this Rate Schedule are subject to any new or additional charges pursuant to the Customer's otherwise applicable rate schedule.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.

2. Agreement: In order for this schedule to apply, Customer must complete and sign the Island Energy Electric Interconnection Agreement for Exported Renewable Energy ("ERE Agreement"). This agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, and access to Customer's premises.

(CONTINUED)

3. Meter Requirements:

   a. Utility shall own, operate, and maintain a single meter on Customer's premises capable of registering the flow of electricity in two directions.
   b. If the existing meter on Customer's premises is not capable of measuring the flow of electricity in two directions or supplying time-of-use information, Customer shall be responsible for the expenses involved in the purchase and installation of the meter.
   c. Utility, at its expense, may install additional meters. However, if such meters are installed, the measurement of delivered and exported energy shall yield an identical result to that of a single meter.

4. Billing:

   a. There will be no charge for energy generated by customer's generating facility and consumed on by the customer at time of generation.

   b. Customer will be billed for all energy delivered according to the otherwise applicable rate schedule.

   c. Customer will receive a credit for exported energy below Customer's billing period maximum at a rate based on the Utility's avoided cost as stated below.

   d. If a solar customer's bill credit exceeds his/hers monthly electric charge, any excess credits will be carried over to the next month. Utility will issue cash payment for any excess bill credits at the 12th month billing cycle or when the customer moves out.

   e. Customer is responsible for all taxes, fees and other charges for all delivered electricity

5. Exported Renewable Energy
   a. Utility shall retain all Exported Energy generated by Customer, including any associated environmental attributes or renewable energy credits ("REC").

6. Exported Electricity Compensation Rate:

   a. Utility's Exported Energy Compensation Rate is based on Utility's avoided cost for energy. Utility's Exported Energy Compensation Rate is set at the value provided in the table below. The General Manager shall review the Utility's Exported Energy Compensation Rate on an annual basis. If a Exported Energy Compensation Rate is not adopted for any individual year, the most recently adopted Exported Energy Compensation Rate shall apply.

Year	$/kWh
July 1, 2017-June 30, 2018	0.0605

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

DATE: 5/22/2017

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution to Adopt the Revised Electric and Gas Tariff Schedules Applicable to Island Energy

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

Pittsburg Power Company, doing business as Island Energy, provides electric and natural gas distribution services on Mare Island. The Electric and Natural Gas Tariff Schedules govern Island Energy's operation on Mare Island. Both Tariff Schedules are modified from time to time to reflect legislative and operational changes to Island Energy's operation on Mare Island. Staff is proposing certain language modifications to the Electric and Gas Tariff Schedules.

FISCAL IMPACT

The proposed language modifications are mainly for Island Energy's Public Benefits Programs and might have minor financial impacts to the Island Energy Fund.

RECOMMENDATION

Pittsburg Power Company Board open the public hearing, take testimony, close the public hearing, consider the testimony and adopt the attached Pittsburg Power Company Resolution authorizing the adoption of Electric and Gas Tariff Schedules for Island Energy's Operation on Mare Island.

BACKGROUND

Island Energy is a municipal utility under Article 11, Section 9 of the California Constitution with the rights to acquire assets, set rates and provide electric and natural gas service within or outside the city limits.

On March 27, 1997, the Pittsburg Power Company Board of Directors approved Resolution 97-002 approving Island Energy Electric and Gas Tariff Schedules applicable to Mare Island

Service Area. The Tariff Schedules have been modified as needed to provide better guidance to Island Energy's operation. In a continuing effort to comply with governing laws and regulations and to accommodate future commercial developments on Mare Island, staff recommends certain changes to Island Energy's current Tariff Schedules as identified below in the Staff Analysis section of this report.

SUBCOMMITTEE FINDINGS

Staff reviewed the language modifications with the Pittsburg Power Company Subcommittee at its meeting on May 2nd, 2017 and the Subcommittee supported the changes made to Island Energy's Tariff Schedules.

STAFF ANALYSIS

Island Energy's FY 2017-2018 Rate Case proposes eliminating the residential baseline and implementing flat electric rates for residential customers. The elimination of the residential baseline affects the Medical Support Baseline Program and the EV Special Rate Program as the recipients of these two programs receive additional baseline allowance under the current program setup. Staff recommends converting the current discount of the Medical Support Baseline Program to a 20% discount of the total electricity charge for recipients on the Medical Support Baseline Program. Staff proposes eliminating the Special EV Rate Program because the new residential rate is low enough to warrant electric vehicle owners the lowest electric rate to charge their electric vehicles.

Solar Incentive Program
Since its implementation in year 2007, Island Energy's Solar Incentive Program (SIP) has provided rebates to 38 residential and 2 commercial distributed solar system installations on Mare Island. The Solar Incentive Program, alongside with the Net Energy Metering Program, has made rooftop solar systems affordable to residents and businesses on Mare Island. The Solar Incentive Program is 100% funded by the Public Benefits Program. By July 2015, Island Energy's residential solar generation has exceeded 10% of the total residential load and the total solar generation has exceeded 5% of the utility's aggregated peak demand. The current Solar Incentive Program has a sunset schedule outlines that the Solar Incentive Program will end on December 31, 2017.

In a continued effort to encourage residential solar installations on Mare Island, staff proposes adopting a successor program of the Solar Incentive Program to residential customer only. The Solar Incentive Program II offers solar installation incentive at $1.00/installed watt for Fiscal Year 2017-2018 and 2018-2019, or until the allocated fund runs out. The maximum rebate amount for any residential solar installation will cap at $5,000 per location/application. The SIP II is not available to commercial industrial customers due to the limited funding. At $1.00/Watt, Island Energy continues to offer the highest rebate rate for solar installations in the Bay area.

Exported Renewable Energy Program
Staff proposes minor language change to the Exported Renewable Energy (ERE) Program. Section 4D of the ERE program is modified to remove the limitation on maximum monthly bill credit. Under the ERE program, if a solar customer's bill credit exceeds his/hers monthly charges, the credit will be carried over to the next month. Utility will make a cash payment for any excess bill credit at the end of the 12-month billing period or when the customer moves out.

ATTACHMENTS: Resolution 2017
FY 17-18 Island Energy Electric Tariff Schedules
FY 17-18 Island Energy Gas Tariff Schedules

Report Prepared By: Vanessa Xie, Senior Financial Analyst

BEFORE THE PITTSBURG POWER COMPANY OF THE CITY OF PITTSBURG

In the Matter of:

Resolution to Adopt the Revised Island Energy)
Electric and Gas Tariff Schedules) RESOLUTION NO. 17-

The Board of Directors of the Pittsburg Power Company, a Joint Powers Authority, DOES RESOLVE as follows:

WHEREAS,Island Energy, Providing electric and natural gas retail services on Mare Island, modifies its Electric and Gas Tariff Schedules as needed in order to provide better guidelines for its utility operation on Mare Island; and

WHEREAS,on March 27, 1997, the Power Company Board approved Resolution No. 97-022 to adoptthe original Island Energy Electric and Gas Tariff Schedules.The Tariff Schedules have been modified from time to time as needed to provide better guidance to Island Energy's operation on Mare Island; and

WHEREAS, in a continuing effort to comply withchanges in Federal and State laws and regulations, staff is proposing the followingchanges to the Island Energy Electric and Gas Tariff Schedules; and

WHEREAS, Island Energy's FY 17-18 Rate Case proposes eliminating the residential baseline and implementing flat electric rates for residential customers, affecting the Medical Support Baseline Program and the EV Special Rate Program as the recipients of these two programs receive additional baseline allowance under the current program setup; and

WHEREAS,Staff recommends converting the current discount of the Medical Support Baseline Program to a 20% discount of the total electricity charge for recipients on the Medical Support Baseline Program; and

WHEREAS,Staff proposes eliminating the Special EV Rate Program because the new residential rate is low enough to warrant electric vehicle owners the lowest electric rate to charge their electric vehicles; and

WHEREAS,since its implementation in year 2007, Island Energy's Solar Incentive Program (SIP) has provided rebates to 38 residential and 2 commercial distributed solar system installations on Mare Island; and

WHEREAS, the current Solar Incentive Program has a sunset schedule outlines that the Solar Incentive Program will end on December 31, 201; and

WHEREAS,due to the popular demand for the Solar Incentive Program and unused fund left for the program, staff proposes adopting a successor program, Solar Incentive Program II, to residential solar installations only; and

WHEREAS,the Solar Incentive Program II offers $1.00/installed watt to residential customers only, and the maximum rebate amount for any residential solar installation will cap at $5,000 per location/application.

NOW, THEREFORE, the Board of Directors finds and determines as follows:

Section 1.
The above recitals are true and correct and have served as the basis, in part, for the findings and actions of the Board set forth below.

Section 2.
The revised Electric and Gas Tariff Schedules are hereby adopted.

Section 3.
The Executive Director of the Board is hereby authorized to take further actions necessary to ensure Island Energy to continue supplying reliable and responsive service to customers on Mare Island, including additional minor revisions to the Electric and Gas Tariff Schedules.

Section 4.
This Resolution shall take effect immediately upon adoption.

PASSEDAND ADOPTED by the Pittsburg Power Company Board of Directors at a regular meeting on the 5thday of June 2017, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Marylyn Craft, Chair

ATTEST:

Joe Sbranti, Executive Secretary

Gas Tariff Schedules

Applicable to

Island Energy

III. RATE SCHEDULES

I. GENERAL INFORMATION

1. Territory Served. Island Energy ("utility") supplies all gas service in the entire area referred to as Mare Island, in the City of Vallejo, CA.

2. Measurement. Measurements will be made by use of a standard gas meter furnished by the utility unless otherwise specified on the Rate Schedule.

3. Confidentiality of Customer Information. Island Energy will maintain the confidentiality of all Customer information, including identification information and all data associated with gas, electric and other service consumption. Customers may request such information for their own use in writing from Island Energy, and such data will be provided in a timely manner.

II. GAS RULES

1. DEFINITIONS

Applicant: A person or entity requesting the utility to supply gas service, relocate gas facilities, or upgrade gas facilities.

Billing Period: A period of time, during which utility services are measured and for which such services are invoiced to Customers. The billing period will generally be between 27 and 33 calendar days.

Customer: The person or entity in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or, in the absence of a signed instrument, by the receipt of payment of bills regularly issued in that persons name.

Customer Service Point: The point of connection between the facilities of the serving utility and the piping of the Customer's premises.

Developer: A company (or individual) which develops land or changes and enhances the use of a parcel of land or an existing building for some new purpose within the service area of utility.

Electronic Transfer: Paper-less exchange of data and/or funds, usually involving computer and telecommunications technology.

Eligible Expenses: Eligible Expenses are defined as gas equipment expenses incurred in the installation of new commercial natural gas distribution systems, including but not limited to pipes, valves, and regulators, but not the relocation or rearrangement of the existing gas system, pursuant to a Working Contract. Eligible Expenses do not include expenses incurred under the Working Contract for excavation, conduits, substructures and protective structures. Applicant shall remain responsible for the cost of all relocation, rearrangement and removal work, unless the work qualifies for reimbursement under Section 21.

Inevitable Accident: An occurrence causing an interruption in service which is outside of the control of the utility and which the utility could not have prevented by the utility's reasonable diligence in its operation of the subject facilities. Occurrences caused by the age of the utility systems shall not be deemed preventable.

High-pressure: Pressure greater than Low-pressure.

Low-pressure: Shall be an average pressure equivalent to fourteen inches of water column, or less.

Mailed: Any notice or other communication will be considered "mailed" when it is sent by Electronic Transfer or enclosed in a sealed envelope, properly addressed, and deposited in any United States Post Office box, postage prepaid.

Mixed Use Residential/Commercial Development: Any development which incorporates both residential and commercial uses i.e. first floor retail or educational and second or third floor residential.

New Permanent Load: A New Permanent Load is a new load resulting from and/or benefited by the improvement or expansion of the existing natural gas system pursuant to a Working Contract.

Paid or Payment: Funds received by utility through postal service, utility payment office, utility authorized agent, credit card payments to the utility or deposited in utility bank account by Electronic Transfer.

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated or undedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the Premises served. In the case of a premises on which a master meter is installed, premises shall refer to all of those residences, dwelling units, mobile home spaces, stores, offices or other places of business for which the consumption of gas is measured and assessed by the master meter.

Protective Structures: Are fences, retaining walls, grading, sound barriers, posts, barricades and other structures as required by the utility to protect its facilities or equipment.

Ready Access to Premises: Is where the Customer, or Applicant, makes access to the utility's facilities available in a manner that is safe and unobstructed to utility personnel and vehicles. This means that utility personnel will not come in contact with unrestrained animals while accessing utility equipment. It also means that the utility will have unobstructed ability to reach all utility equipment.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of a limited duration. Service which, in the opinion of the utility, is for operations of a speculative character or the permanency of which has not been established, also is considered Temporary Service.

Vessel: A means of transportation on water used for recreational, navigational or commercial purposes.

Working Contract; The Working Contract shall be that contractual agreement entered into by and between the utility and an Applicant for performing gas transmission or distribution system work under these Tariffs.

2. DESCRIPTION OF SERVICE

A. General

The character of service available at any particular location should be ascertained by inquiry at the utility's office. The utility's Rate Schedules are applicable for service where the Customer purchases their entire gas requirements from the utility, except when such Rate Schedules specifically provide otherwise.

B. Kind and Heating Value

The gas supplied by the utility is natural gas. The heating value of the gas may change from time to time as the supply from various natural gas fields, as gathered and transmitted to the utility may vary.

C. Pressure

Gas supplied at the outlet of a meter will normally be at low-pressure. Where gas is metered at Low-pressure, a cubic foot of gas shall be construed to be that volume of gas which, at the temperature and pressure existing in the meter, occupies one cubic foot. Gas will be supplied at high-pressure, upon approval of the utility, when and where such service is available from existing high-pressure utility facilities. High-pressure service shall be subject to change to higher or lower pressure at any time at the option of the utility. Where gas is served at pressures above the standard Low-pressure through positive displacement meters, the metered volume shall be corrected to a standard pressure of 14.73 pounds per square inch absolute. The utility shall, as appropriate, correct for deviation from Boyle's Law.

D. Conversion of Metered Volumes to Therms

For rate schedules that provide for the determination of therms the number of therms to be billed shall be the product of the metered Ccf or, if applicable, the corrected metered Ccf and a therm multiplier. This therm multiplier for meters registering in units of Ccf shall be determined by dividing the average heating value by 1000. The average heating value will be determined from the volume weighted average heating value for the period of deliveries.

E. Liability

Customer shall be and remain liable for any and all damages caused to the utility facilities or third parties as a result of Customer’s failure to comply with the requirements of these tariffs or the proper use of Customer’s equipment.

Nothing in any of these tariffs is intended to create any new or additional liability to the utility beyond that required by statute. It is the intent of the tariffs to limit the liability of the utility to the greatest extent allowed by law, and to maintain for the utility all applicable immunities and defenses allowed
by law.

Utility shall have no liability for any damage, loss or injury caused in whole or part by Applicant’s or Customer’s active or passive negligent act or omission or reckless, wanton or intentional act.

All of Applicant’s or Customer’s duties under each of these tariffs involving safety, maintenance, repair or installation of facilities, including any duty to give notice to the utility of conditions of the facilities, shall also constitute a duty from the Applicant or Customer to all third parties with respect to those facilities, regardless of who owns or controls the facilities. Applicant’s or Customer’s failure to comply with these tariffs shall constitute a breach of duty to any injured or damaged third party, and Applicant or Customer shall be liable to any injured or damaged third party for any such injury or damages. If any portion of any of these tariffs is determined by a court of competent jurisdiction to be illegal, it shall be severed from these tariffs and all other portions of these tariffs shall remain in full force and effect. Each and every section of these tariffs would have been adopted separately, even if any other section of the tariffs had not been adopted.

F. Indemnification

Customer or Applicant shall defend, indemnify and hold harmless utility against any claim, demand, loss or liability arising out of or related in any way to utility’s equipment or facilities located on Customer’s or Applicant’s premises, to the fullest extent allowed by law. This duty to defend, indemnify and hold harmless shall arise even in the case of the active or passive or sole negligence of utility, or utility’s reckless, wanton, malicious, fraudulent or intentional acts or omissions.

3. APPLICATION FOR SERVICE

A. Application

An application for service is required. Each Applicant for service may be required to sign an application on a form provided by the utility. The application forms may vary depending upon the type of service requested by the Applicant. Applicants desiring special rates and/or services may be required to complete additional forms and/or contracts in accordance with the utility's applicable tariffs. The application is a request for service and it does not bind the utility to serve except under its tariffs and under reasonable conditions. The application does not bind the Applicant to take service for a longer period than the minimum requirement of the utility's tariffs. These tariffs constitute the terms and conditions of the agreement between the utility and the Customer for service rendered, unless otherwise agreed to in writing.

Pursuant to the tariffs, the utility may at its sole discretion assess the Applicant’s ability to pay its gas charges. Such assessment may include a credit check initiated by the utility at the Applicant’s expense, contact of commercial references, or other measures, as discussed and agreed between the utilities and Applicant.

B. Information Required on Application

In addition to the information the utility may require from Applicant’s in order to establish credit in accordance with Section 6.A. All Applicants shall provide such other information as the utility may reasonably require for service. This information includes, but is not limited to, the legal name of the Applicant(s), the name of the Applicant's spouse or other adults residing at the Premises, the service address, billing address, date service is wanted, whether gas service has previously been supplied to the Premises, whether Applicant is the owner, agent or tenant of the Premises, and the rate schedule desired (if optional schedules are available). In addition, the Applicant may be required to provide information necessary to the design, installation, maintenance and operation of the utility's facilities, including the proposed end use(s), the connected load, the number of residential dwelling units/spaces, the size or character of the appliance or apparatus to be installed, building plans, and other information required by the utility's applicable tariffs. The utility may also request credit information and authorization to run a credit check. Commercial and industrial accounts will be required to provide their North America Industrial Classification System (NAICS) Code(s).

C. Changes in Load or Operation

It is the Customer's responsibility to notify the utility in writing within 15 days if the Customer makes any change in the connected load, in the number of residential dwelling units/spaces, or in the size or character of the appliances or apparatus. Such change(s) may require a new application for service and/or a change in the utility's service facilities and may result in the

Customer being transferred to a different tariff schedule and payment obligations for service upgrades.

D. Joint and Several Liability for Service/Beneficial Use
Where two or more Applicants join in one application or contract for utility service, they shall be jointly and severally liable under the terms of the application/contract and shall be billed by means of a single periodic bill mailed to the Customer designated to receive the bill. Whether or not the utility obtained a joint application or contract for residential service, where there is evidence that an adult(s) other than the Applicant resided at the Premises and benefited from utility service, the other adult(s) and the Applicant shall be jointly and severally liable for service rendered while such other adults resided at the Premises.

E. False or Inaccurate Information
The utility may refuse to provide service or may discontinue or disconnect service and/or may re-bill the account when:

1. The information provided to the utility on the application is false, incomplete, or inaccurate; or,

2. The Applicant has applied for service under a fictitious name or under the name of another to avoid payment of any utility bill or that the Applicant has requested service in his/her legal name to assist another in avoiding payment of any utility bill; or,

3. The Applicant and/or other adults residing with the Applicant have received the benefit of service without paying for it and are attempting to change the name on the account to avoid payment of any utility bill. In the event of a re-bill, the utility shall provide the Customer with the reason for such a re-bill.

4. CONTRACTS

Whether or not these tariffs require a written contract, the utility may require, in its sole discretion, a Customer to enter into a written contract as a condition to providing service. Contracts will be required when service is delivered under different rates, terms and conditions than set forth within the tariffs, in which event the Customer and utility shall acknowledge that the contract is in lieu of normal service.

5. SPECIAL INFORMATION AVAILABLE FOR CUSTOMERS

A. Tariffs Available
A copy of the Gas and Electric Tariffs are available at utility's office at 440 Walnut Avenue on Mare Island during normal work hours and can be viewed online at www.islandenergy.com.

B. Standards Available
The utility follows PG&E approved standards for all materials, design, construction, and services as documented in the PG&E's Greenbook

6. ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

Each Applicant for metered service is required to establish their credit to the satisfaction of the utility before service will be rendered.

A. Establishment of Credit
The Applicant's Credit will be deemed established:

1. If Applicant is the owner of record of and occupier of the Premises upon which the utility is requested to furnish service.

2. If the Applicant makes a cash deposit with the utility to secure the payment of any bills for service to be furnished by the utility under the application as provided in Section 7.

3. If the Applicant has previously been a Customer of the utility and has paid all bills for service within the period as set forth in Section 9 for a period of 12 consecutive months immediately prior to the date when the Applicant for service previously ceased to take service from the utility, provided such service occurred within two years from date of the new application for service.

B. Re-establishment of Credit

1. An Applicant who has been a gas Customer of the utility and whose service has been discontinued for failure to pay their gas bills within the period as set forth in Section 11 within the last 12 months of service may be required to re-establish their credit by making the regular cash deposit.

2. A Customer who fails to pay bills as provided in Section 9 may be required to pay said bills and re-establish credit by depositing, in cash, the amount provided for in Section 7. The requirement for the re-establishment of credit will apply regardless of whether or not service has been discontinued for such non-payment

3. Where the financial condition of a Customer has changed so that the Customer represents a potential credit risk; or where the utility has received information that a Customer has left another utility's service territory with a bill that was unpaid 90 days or more after the billing date, the Customer may be required, as a condition of continued service, to re-establish credit pursuant to this section.

7. DEPOSITS

A. Amount of Deposit

1. Establishment of Credit.
The amount of deposit required to establish credit may be established by the utility pursuant to an assessment of the Applicant's credit worthiness. For commercial accounts covering gas and/or electric service, a deposit is required, the amount of which shall normally be twice the Customer's maximum monthly bill, but may be no more than three times the Customer's monthly average bill, as estimated by the utility for a business of similar size and character. For residential accounts covering gas and/or electric service, a flat rate of $200 deposit will apply. This amount is deemed to be no more than twice the average monthly bill of an Island Energy residential customer. The utility will have sole discretion in determining the deposit amount, provided that the utility will not exercise undue economic hardship on Applicants.

2. Re-establishment of Credit.
The amount of deposit required to re-establish credit shall normally be twice the maximum monthly bill, but may be as high as three times the Customer's maximum monthly bill, as determined by the utility and in conformance to the rules stated in this Section 7. In addition, the Customer will be required to pay all amounts in arrears, all late payment fees, and a re-connection fee of $15.00, if service has been disconnected. If service has been disconnected by any action other than the removal of a meter the reconnection fee shall be $250.00 instead of $15.00. These fees shall be doubled if requested by the Customer during times outside of normal work hours.

B. Return of Deposit

The amount on deposit will be applied to the Customer's bill during the first billing period after one (1) full year has elapsed, provided that the Customer has met the credit requirements of the utility. If the service is discontinued by request of the Customer while a deposit is held then the balance of any deposit remaining after the closing bill for service has been settled will be promptly returned to the Customer. Any overdue bill may be deducted from the deposit and the service may be discontinued until the deposit is restored to the original amount.

C. Interest on Deposits

If the utility requires a deposit and the deposit is placed into an investment account or into an interest bearing account the utility will pay interest on such deposits in an amount equal to the average rate of return over the last four full calendar quarters last preceding the return of the deposit less one (1%) percent if the deposit was placed into an investment account. If the deposit was placed into a simple interest bearing account, the interest to be paid will be the interest earned less one (1%) percent. In no event will utility be required to invest the deposit or place it into an interest bearing account. No interest will be paid if service is temporarily or permanently discontinued for nonpayment of bills.

8. NOTICES

A. Notices to Customers

1. Generally:
When notices from the utility to a Customer are required, they will be given in writing, either mailed, as defined in Section II, 1, to the Customer's mailing address, or delivered to Customer's service address, except that in emergencies the utility may give verbal notices in person or by telephone.

2. Notice of Discontinuance of Service:

a. Monthly bills for service are due and payable upon presentation and will be considered late if payment is not received by the utility within twenty (20) days after the postmark date. A fifteen (15) day notice of discontinuance of service for nonpayment of a delinquent account will be mailed at least fifteen (15) calendar days prior to termination of service, setting forth the date set for termination. An additional notice will be sent to the service address when the occupants are renters and not responsible for the utility bill. Additional notice will include information on renters legal rights should Utility not receive payment.

b. When no payment has been received by the utility within fourteen days after the 15-day notice set forth in subsection a. above was mailed, a written twenty-four (24) hour service termination notice shall be posted in a conspicuous place at the premises at least twenty-four (24) hours prior to termination of service.

c. Prior to terminating service to Multiple Occupancy Residential Buildings and Mobile Home Parks, all procedures as required by law will be exercised.

d. The Utility reserves the right to report any delinquency of payment to any appropriate credit reporting agencies and potential new utility providers.

B. Third Party Notification
For residential Customers who are 65 years of age or older, or who are “dependant adults” as defined in section 15610.23 of the Welfare and Institutions Code (generally one who has physical or mental limitations that restrict his or her ability to carry out normal activities or to protect his or her rights), a third party notification service, whereby the utility will attempt to notify a person designated by the Customer to receive notification when the Customers account is past due and subject to termination. The consent of the third party shall be required and the third shall not incur any liability for the account by virtue of the fact he or she consents to receive such third party notification.

C. Notices from Customers
Notices from a Customer to the utility may be given by written communication mailed to the utility's office, or physically delivered by the Customer, or the Customer's agent, at the utility's office, except when written notice is specifically required within these tariff's or in any written agreement.

Any Customer may initiate a complaint or request an investigation concerning service or charges by delivering a written complaint or request setting forth all of the facts necessary for utility to understand the nature of the complaint or request, including copies of any statements in issue.

9. RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills

1. Bills for service will be rendered either once a month, or as otherwise required for opening and closing bills, or as provided under applicable tariff. When a monthly billing period is less than 27 days or more than 33 days the bill will be prorated.

2. Meters for Customers who receive metered service will be read as nearly as practical at regular intervals.

3. For billing purposes, each meter upon the Customer's premises will be considered separately and readings of two or more meters will not be combined except as follows:

a. Where combinations of meter readings are specifically provided for in rate schedules;

b. Where the maintenance of adequate service and/or where the utility's operating convenience require the installation of two or more meters upon the Customer's premises; or,

c. Customers are paying all of the cost of the wires between the meters.

B. Basis of Usage Used in Billings

All Customers who receive metered service will be billed on a monthly basis. When meters are read at regular intervals, each bill will be based on meter registrations, except as provided for herein. Estimated consumption may be used as the basis for billings, except for the month ending with the actual meter read. The actual meter registrations shall be used, less the estimated consumption used to calculate the previously estimated bills.

If the utility is unable to read the Customer's meter on the scheduled reading date, the utility may bill the Customer for estimated consumption during the billing period, and make any necessary corrections when a reading is obtained. Estimated consumption for this purpose will be calculated considering the Customer's prior usage, the utility's experience with other Customers of the same class in that area, and the general characteristics of the Customer's operations. Adjustments for any underestimate or overestimate of a Customer's consumption will be reflected on the first regularly scheduled bill rendered and based on actual reading following the period of estimation.

C. Customer Requested Meter Re-reads

When a Customer requests that the utility re-read the same meter, after a meter reading has taken place on the normal reading date, the utility will charge the Customer $15.00. The $15.00 charge will be returned to the Customer if upon re-reading the meter is found that the meter was read inaccurately such that the Customer was over-billed.

D. Form of Bill Transfer

At the mutual option of the Customers and utility, bills may be transferred to Customers electronically. Customers requesting this service may be required to complete additional forms and agreements. Either party may discontinue electronic transfers with a 30 day written notice.

E. Payment of Bills

Bills for service are due and payable upon presentation. Payment shall be delivered to the office of the utility by post or phone, by electronic funds transfer or delivered to an authorized personnel of the utility. Bills rendered where the Customer's service is being removed, where the Customer is vacating the premises, or where the Customer is discontinuing the service shall be paid on presentation.

1. Late Payment Fee for Residential and Commercial Accounts

For residential and commercial accounts, unpaid balances on bills not received within twenty (20) days after being mailed to the Customer shall be subject to late payment fee of $15 or 3 percent (3%) of the unpaid balance of the original bill, whichever is more.

2. Late Payment Fee for Municipal Accounts

For municipal accounts, unpaid balances on bills not postmarked or received within twenty-five(25) days after being mailed to the customer may be subject to a one and one-half percent (1 ½%) late payment fee or penalty.

3. Late Payment Fee for State Agencies

Where an account serves a state agency and payment is not received within 50 calendar days after the date of mailing of a bill, the late payment charge applicable to that account will be at a rate of one (1%) percent above the rate accrued on June 30th of the prior year by the Pooled Money Investment Account (PMIA), but not to exceed 15 percent, all as set forth in Government Code Section 926.17(b)(1). Such rate may be applied to and accrue on a state agency account only after 50 days from the date the bill was mailed.

The State of California shall be responsible for notification to the utility as to which accounts serve state agencies. The provision of the above paragraph shall apply only after such notification.

4. Late Payment for Large Government Contractors

Where a customer derives majority of his/hers revenue from contracts with agencies of the United States of America government and its average monthly utility bills, summed across all of its utility accounts with Island Energy, in excess of $25,000 may apply to the utility for designation as a large government contractor. Island Energy reserves the right to perform a full credit check prior to designating a customer as a large government contractor. For accounts held by large government contractors, unpaid balances on bills not received with fifty (50) days after being mailed to the Customer shall be subject to a late payment fee of three percent (3%) of the unpaid balance of the original bill and shall be subject to the Discontinuation of Service provisions in the utility's tariff.

5. Returned Checks

Bills paid by a check that is dishonored, shall be subject to $25 returned check charge. This charge will be added to the Customer's bill for each occurrence.

6. Additional Service Charge

The utility may require the payment of an additional collection charge if the utility sends an authorized representative to the Customer's premises to: (1) effect collection of, or (2) discontinue service for non-payment on a past due account. The collection charge shall be twenty-five ($25) per visit to the premises.

7. Waiving of Minimum Bills

In case the Customer is unable to use the utility's service by reason of strikes, accidents, fires, bankruptcy or any cause beyond the Customer's control, the payment of the minimum charge may be waived by the utility during the time the Customer is unable to use such service.

10. DISPUTES

A. Disputed Bill

When a Customer disputes or questions their bill, they should first request an explanation from the utility. If the Customer thereafter believes they have been billed incorrectly they will be required to, bring or send the bill and a statement supporting their belief that their bill is not correct to:

Island Energy
440 Walnut Avenue
Mare Island, CA 94592-0001

To avoid having service turned off during the dispute, the Customer must enclose payment for the full amount of the bill made out to Island Energy. If the Customer is unable to pay the amount in dispute, they must inform the utility verbally or in writing of their inability to pay. Utility service will remain on until the utility completes its review of the Customer's bill. The utility will review the basis of the amount billed and communicate the results of its review to the Customer within 10 working days of receipt of the Customer's statement of dispute.

If it is found that the Customer's bill was not overstated by more than 2%, the Customer's payment will be disbursed accordingly, and the Customer will be assessed for a Twenty Five Dollar ($25) disputed bill charge during the next billing period.

If it was found that the Customer's bill was overstated by more than 2%, the utility will bear the cost of the investigation, and the Customer's overpayment will be promptly refunded or credited to the next month's bill, per the Customer's choice.

B. Termination when Bill Disputed

A Customer who does not pay the full amount due, even when subject to dispute, shall be subject to the same termination for non-payment terms and conditions as any other Customer not disputing the bill.

11. DISCONTINUANCE OF SERVICE

A. Customer's Request for Service Discontinuance

When a Customer desires to terminate their service, they shall give the utility notice in writing two days before the desired termination date. . A Customer may be held responsible for all service furnished at the premises until two days after receipt of such notice by the utility, or until the date of termination specified in the notice, whichever date is later.

When a Customer desires to terminate their responsibility for service during a calendar month, the gas rate applied to that month's consumption is not available on the closing date due to the changing gas commodity prices. Any mid-month closing accounts will be closed at previous month's gas rate.

In the event that a Customer terminates service under any rate schedule and re-initiates service under the same, or any other, rate schedule at the same location within 12 months, there will be a reconnection charge equal to the minimum charge which would have been billed had the Customer not terminated service.

B. Non-Payment of Bills
A discontinuance of service notice for nonpayment of a delinquent account will be mailed at least fifteen (15) calendar days prior to termination of service. At least twenty four (24) hours prior to termination of service, notification by telephone shall be given or at least forty eight (48) hours prior to termination of services a written notice of termination shall be posted in a conspicuous place at the premises.

A Customer's service may be discontinued for non-payment of a bill for service provided at any previous location served by the utility if that bill is not paid in accordance with these tariffs.
If a Customer is receiving more than one service, any or all services may be discontinued when any service, regardless of location, is discontinued for non-payment.

The utility will not terminate service to a Customer on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the utility are not accessible to the public. Service wrongfully terminated shall be restored without charge for the restoration of service, and a notification thereof shall be mailed to the Customer at the billing address.

C. Unsafe Equipment

1. The utility may deny or discontinue service to a Customer when:

    a. The utility determines, using commonly accepted Industry Standards including, but not limited to, those published by the National Fire Protection Association (NFPA), Uniform Building Code (UBC), and the American National Standards Institute (ANSI),that the Premises' piping, appliances, or other equipment or the use of either, is unsafe, or;

    b. Any governmental agency, authorized to enforce laws, ordinances, or regulations involving gas facilities and/or the use of gas, notifies the utility in writing that the Customer's gas facilities and/or use of gas is unsafe or not in compliance with such laws, ordinance, or regulations.

2. Communications on Unsafe Equipment
At the time of denial or discontinuance of service as stated in Section 11.C the utility will;

    a. Post a written notice, stating the reason for denial or discontinuance and referring to this Section, at a conspicuous place at the premises, or

    b. Personally deliver the written notice to the occupant of the Premises, and

    c. Within 24 hours of service termination or denial of service, send a copy of the written notice to the Customer in the mail to the billing address.

3. Restoration of Service
The utility will not connect or restore service until:

    a. The utility determines the Customer's gas facilities, appliances or other gas equipment, or the use of either, has been made safe, or

    b. The utility has received written notice from the appropriate governmental agency that the Premises meet applicable laws, ordinances or regulations. It is the Customer's responsibility to resolve the matter with the governmental agency.

4. Responsibility for Inspection
The utility does not assume any responsibility of inspecting or repairing the Customer's gas facilities, appliances or other gas equipment or any part thereof and assumes no liability therefore.

D. Unauthorized Use
The utility may discontinue service if the acts of the Customer or the conditions upon his/her Premises indicate intent to deny the utility full compensation for services rendered, including, but not limited to, tampering or unauthorized use. Discontinuance of service for nonpayment of bill for unauthorized use shall be in accordance with the provisions of these tariffs for service.

E. Fraud
The utility may refuse or discontinue service if the acts of the Customer or condition on his/her Premises indicate intent to defraud the utility.

F. Non-Compliance with the Utility's Tariffs
Utility may discontinue service to a Customer in the event that Customer fails to comply with any provision of its tariffs relating to payment (except where a dispute as to the correctness of the bill has been raised and is pending as set forth in Section 10.A) or the safety of the Customer’s equipment, if, after written notice delivered to the Customer’s billing address of premises, the Customer fails to comply with the notice within seven (7) days. This notice may be waived when, in the opinion of the utility, either a dangerous condition has been discovered or a bona fide emergency is found to exist on a Customer's Premises, or in the case of a Customer utilizing the service in such a manner as to make it dangerous for occupants of the Premises, thus rendering the immediate discontinuance of service to the Premises imperative.

G. Usage of Service Detrimental to Other Customers
The utility will not provide service to gas equipment, the operation of which will be detrimental to other gas service, using commonly accepted Industry Standards including, but not limited to the Uniform Building Code (UBC), American National Standards Institute (ANSI), and those published by the National Fire Protection Association (NFPA), and will discontinue gas service to any Customer who continues to operate such equipment after being notified by the utility to discontinue operation.

12. RATES

The rates to be charged by the utility for gas service will be the rates in effect and on file in the utility's office(s) and online at www.islandenergy.com.

13. TEMPORARY SERVICE

The utility shall, if it will not result in undue hardship to its existing Customers, such as limited system capacity or excessive pressure drop, furnish Temporary Service under the following conditions:

1. The Applicant shall pay, in advance or otherwise as required by the utility, the full estimated cost installed, plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.

2. The Applicant shall establish credit as required by Section 6.A, except that the amount of deposit prescribed by Section 7.A shall not exceed the estimated bill for the duration of service.

14. SHORTAGE OF GAS SUPPLY AND INTERRUPTION OF DELIVERY

A. Shortage and Interruption

The utility will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of gas to the Customer, and to avoid any shortage or interruption of delivery of same. The utility will not be liable for interruption or shortage or insufficiency of supply, or any loss or damage occasioned thereby, if same is caused by Inevitable Accident, Acts of God, fire, strikes, riots, war or any other cause not within its control. It shall be deemed to be beyond the control of the utility where the interruption is due to an unanticipated failure of any part of the utility's systems.

B. Temporary Suspension for Repairs

The utility, whenever it shall find it necessary for the purpose of making repairs or improvements to its system, will have the right to suspend temporarily the delivery of gas. In all such cases, reasonable notice as circumstances will permit will be given to the Customer by telephone, communications mailed to the Customer, or publication in a local paper, and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable, and, if practicable, at such times as will cause the least inconvenience to the Customers. In the event of a planned suspension of service for repairs or improvements where the utility has complied with the notice provisions of this Section or the Customer otherwise receives actual notice, utility shall not be liable for interruption or shortage or insufficiency of supply, or any loss or damage occasioned thereby.

C. Apportionment of Supply during Time of Shortage

Should a shortage of supply ever occur, the utility will apportion its available supply of gas among its Customers in the manner that appears to the utility to be most equitable under conditions then prevailing.

D. Curtailment Priorities

The utility may find it necessary to establish curtailment priorities in order to meet a curtailment of gas service to comport with supplier(s) or transporter(s) curtailment requirements. If this becomes necessary the utility shall do so in a timely manner in order to remain in compliance with all provisions involved with the purchase of gas for the service territory.

E. Liability of Utility

The utility shall not, by taking action pursuant to any portion of Section 14 or any other provision of these tariffs, be liable for any loss, damage, or injury, established or alleged, which may result or be claimed to result there from. In no event shall the utility be responsible for consequential, indirect, special, incidental, punitive or exemplary damages, or damage or loss caused by reason of loss of use, loss of profits or revenues, or cost of capital.

15. DISTRIBUTION LINE EXTENSIONS OR RELOCATIONS

This Section is applicable to changes to gas distribution lines of the utility's standard voltages necessary to furnish permanent gas service to Applicants.

A. Standards

The utility follows PG&E standards for primary and secondary distribution lines. The Applicant should use the PG&E Greenbook to plan, design, and engineer gas distribution line projects.

B. Ownership
The facilities installed under the provisions of this Section up to the Customer Service Point, shall be owned, operated, and maintained by the utility, except for Substructures and enclosures that are on, under, within, or part of a building or structure owned or under the control of Customer.

C. Point of Connection
The utility shall determine the point on the utility's system from which any extension will be made.

D. Private Lines
The utility may, at its sole discretion, serve an Applicant from connection facilities that are not owned, operated, and maintained by the utility.

E. Right of Way
Where new installations of, or changes to, gas distribution lines or facilities result in the need to locate such new facilities outside of utility's existing easements, Applicant shall, at its own cost, be responsible for conducting any engineering work or survey work necessary in order to provide utility with a description of the new location suitable for incorporation into a Grant of Easement or dedication of a PUE as part of a subdivision or other map, for the purpose of conveying to the utility an adequate easement for the maintenance, repair and replacement of the new or relocated facilities. If service facilities must cross property owned by a third party to serve Applicant, it is Applicant’s responsibility to obtain and transfer to utility appropriate rights-of-way or easements, satisfactory to the utility for the maintenance, repair and replacement of the new or relocated facilities, at no cost to the utility.

F. Route of Line
The length and route of a distribution line project will be determined or approved by the utility based on the distance along the shortest most practical, available and acceptable route which is clear of obstructions from the utility’s nearest permanent and available distribution facility.

G. Applications and Contracts; Exceptions

1. Each Applicant for a distribution line shall be required to submit to utility for its consideration and approval an application defining the project along with a deposit in the sum of Five Thousand Dollars ($5,000), after which the Applicant shall execute a Working Contract prior to the utility approving and participating in the project. $1,400 of the deposit will be used for project administrative support and is non-refundable. The remaining $3,600 of the deposit will be returned to Applicant after all invoices issued by utility for the project are paid in full and Applicant’s responsibilities under the Working Contract or other agreement with utility are fulfilled. The utility reserves the right to apply the non-refundable portion of the deposit towards unpaid project related invoices.

2. In the event a project for a distribution line has an estimated overall cost of $20,000 or less, a Working Contract may not be required provided 1) the Applicant signs a short form agreement which includes the obligation to maintain certain minimum insurance coverage and indemnify utility against claims or losses caused by Applicant during the course of the project for which the application is submitted, 2) the utility is to conduct all of the work necessary for completion of the project, including the design and installation of all new facilities, and 3) no transfer of title to facilities or easements is required.

3. Applicant and utility may agree that utility shall conduct all of the work necessary for completion of the project, including the design and installation of all new facilities.

4. If the utility is to conduct all of the work as set forth under Section 15(G)(2), Applicant shall remain responsible for all costs and expenses incurred by utility. Further, Sections 15(H)(2) through (9) shall not apply.

H. Applicant Responsibilities for New Distribution Facilities

Applicant is responsible for providing or installing the following items at Applicant's expense by Qualified Personnel, as defined herein, prior to the utility finalizing a distribution line, accepting dedication of the facilities, and connecting them to the utility's facilities:

1. All necessary information to the utility in order for the utility to design the new, relocated or expanded facilities, including but not limited to: improvement plans, grading plans, load information for the overall project to be served, site map, and preferred meter and other facility locations. Any of these items that require approval of the City of Vallejo shall be so approved before any construction begins. Where utility agrees to allow Applicant to design the facilities, Applicant shall provide sufficient information to allow utility to review and approve the design submitted by Applicant.

2. Coordination in joint trench planning and engineering with Qualified Personnel in conformance with utility standards.

3. All necessary trenching, back-filling, and other digging as required, subject to utility inspection.

4. All substructures and conduits, subject to utility inspection.

5. All poles and superstructures, subject to utility inspection.

6. All pipes, valves, regulators, and other gas equipment, all of which is to be completed by qualified personnel, and performed to the utility's standards, and are to be subject to utility inspection. The Applicant shall prepare the gas connection to the utility's facilities, but, will not make the final connection to the utilities facilities.

7. All protective structures set forth in the utility's standards, subject to utility inspection.

8. All manufacturers' warrantees commensurate with the utility's standards, including a one year warranty on all workmanship and normal operations on newly installed facilities.

9. Qualified Personnel shall mean personnel who:

   a. Are technically competent to perform the work;

   b. Have access to, and utilize the proper equipment to perform the work;

   c. Have demonstrated financial responsibility commensurate with the scope of the work to be performed;

   d. Have adequate insurance coverage, such as workers compensation, liability and property damage;

   e. Furnish a surety bond for performance of the work if required;

   f. Are licensed in California for the work being performed;

g. Are properly qualified for specific skill required including, but not limited to, the State of California High Voltage Safety Orders (Title 8, Chapter 4, Subchapter 5, Group 2); and

h. Comply with applicable laws including, but not limited to, Equal Opportunity Regulations, OSHA, and EPA.

I. Utility Responsibilities for New Distribution Facilities
The utility will, at Applicant's expense:

1. Specify the point, or points, on the utility system from which Applicant will extend distribution lines.

2. Design the distribution facilities such that they conform to the standards of the utility as well as all applicable federal, state and local codes and ordinances for utility installations (such as, but not limited to the California Business and Professions Code). Where utility agrees to allow Applicant to design the facilities, utility shall review and approve the design submitted by Applicant.

3. Inspect facilities installed by Applicant.

4. Connect conductors to the utility's facilities.

5. Make any necessary arrangements of the utility's facilities to accommodate connection of Applicant's facilities.

6. Perform final testing prior to acceptance of the facilities.

7. Invoice Applicant on a monthly basis for all appropriate utility costs incurred, as defined herein, as the project is worked on and completed, with a final invoice upon completion. If project is expected to be or a duration of 60 days or less, Utility may choose to bill Applicant for all costs with a single final invoice upon completion.

J. Dedication of Facilities
Upon acceptable testing and acceptance by utility of the facilities for use in distribution of gas, ownership of all such facilities shall be transferred to the utility by a bill of sale.

K. Development Refund for New Residential Subdivisions

In the event a Qualified Developer (as defined under Section 22.D) engages in any residential redevelopment in residential areas identified in the Mare Island Re-use Plan, as amended from time to time, the utility will provide refunds to cover a portion of the development costs for newly connected residential load, on a per unit basis. The amount of the refund shall be strictly limited to $83 per single-family unit; $60 per multifamily unit of no more than eight units per building; and $45 per unit for multifamily units of greater than eight units per building. Refunds will be specified in the contracts defining the connection project and will include all monies the Applicant will receive from the utility associated with the project. This one-time refund shall become applicable after 90 days of occupancy of each unit and payable within 45 days of receipt of notice from such Developer and the transfer of facilities and easements in accordance with the Working Contract. The fund from which the refunds are drawn from shall be identified as the "Residential Reimbursement Fund". The Residential Reimbursement Fund was funded through the collection of two percent (2%) of the Gross Annual Receipts for the gas services provided by utility. The Residential Reimbursement Fund had a maximum balance of One Hundred Thousand Dollars ($100,000). Once the balance in the Residential Reimbursement Fund reaches the maximum level the collection at the rate set forth herein was suspended until the fund level dropped below One Hundred Thousand Dollars ($100,000). Any obligation to contribute to under this provision was terminated on June 30, 2013. On June 30, 2013 the fund balance was at its maximum level of $100,000. The Utility will continue to pay refunds for development costs for newly connected residential loads from the Fund until the fund is depleted at which time any obligations of the Utility under this section shall cease. If a refund is sought and payable under this Section 15 L for any given project, no other refund or reimbursement can be applied for under these tariffs.

L. Utility Expense; Contract Labor and Overhead
All costs and expenses incurred by the utility under this Section 15 shall be fully reimbursed to the utility by Applicant as such charges are incurred and billed for by the utility. The rate for contract labor and overhead is set forth in Rate Schedule MISC. All invoices shall include a detailed breakdown for the costs incurred.

16. SERVICE CONNECTIONS

This Section is applicable to the connection of new Customers to the utility's distribution system at standard utility pressures necessary to furnish gas service to Applicant.

A. Standards
The utility follows PG&E standards for primary and secondary distribution lines. The Applicant should use the PG&E Greenbook to plan, design, and engineer gas distribution line projects.

B. Ownership
The facilities installed under the provisions of this Section up to the Customer Service Point, shall be owned, operated, and maintained by the utility, except for Substructures and enclosures that are on, under, within, or part of a building or structure owned or under the control of Customer.

C. Private Lines
The utility may, at its sole discretion and under certain terms and conditions, serve an Applicant from connection facilities that are not owned, operated, and maintained by the utility.

D. Right of Way
Where new installations of, or changes to, gas distribution lines or facilities result in the need to locate such new facilities outside of utility's existing easements, Applicant shall, at its own cost, be responsible for conducting any engineering work or survey work necessary in order to provide utility with a description of the new location suitable for incorporation into a Grant of Easement or dedication to of a PUE as part of a subdivision or other map, for the purpose of conveying to the utility an adequate easement for the maintenance, repair and replacement of the new or relocated facilities. If service facilities must cross property owned by a third party to serve Applicant, it is Applicant's responsibility to obtain and transfer to utility appropriate rights-of-way or easements, satisfactory to the utility for the maintenance, repair and replacement of the new or relocated facilities, at no cost to the utility.

E. Temporary Service
Facilities for temporary service shall be installed in accordance with this Section 16. The Applicant shall be responsible for all costs related to the design, installation and removal of requested facilities.

F. Applications and Contracts; Exceptions

1. Each Applicant for a Customer connection shall be required to submit to utility for its consideration and approval an application defining the project along with a deposit in the sum of Five Thousand Dollars ($5,000), after which The Applicant shall execute a Working Contract prior to the utility approving and participating in the project. $1,400 of the deposit will be used for project administrative support and is non-refundable. The remaining $3,600 of the deposit will be returned to Applicant after all invoices issued by utility for the project are paid in full and Applicant's responsibilities under the Working Contract or other agreement with utility are fulfilled. The application fee shall apply to the project, which may include both gas and electric components. The utility reserves the right to apply the non-refundable portion of the deposit towards unpaid project related invoices.

2. In the event a project for a Customer connection has an estimated overall cost of $10,000 or less, a Working Contract may not be required provided a) the Applicant signs a short form agreement which includes the obligation to maintain certain minimum insurance coverage and indemnify utility against claims or losses caused by Applicant during the course of the project for which the application is submitted, b) the utility is to conduct all of the work necessary for completion of the project, including the design and installation of all new facilities, and c) no transfer of title to facilities or easements is required.

3. Applicant and utility may agree that utility shall conduct all of the work necessary for completion of the project, including the design and installation of all new facilities.

4. If the utility is to conduct all of the work as set forth under Section 16(F)(2) or (3), Applicant shall remain responsible for all costs and expenses incurred by utility. Further, Sections 16(I)(2) through (9) shall not apply.

G. Obligation of Customer to Provide Access

1. The Applicant shall be responsible for providing the utility with ready access to the premises.

2. The utility shall at all times have the right to enter and leave Applicant's premises for any purpose connected with the furnishing of gas service. The purposes include, but are not limited to, meter reading, inspection, testing, routine repairs, replacement, maintenance, emergency work, and the exercise of any and all rights secured to it by law, or under the utility's tariffs.

3. If the utility determines that its access to premises is impaired then the Applicant or Customer will at their expense either correct the access or clearance infractions or pay the utility its costs to relocate the facility to a new location which is acceptable to the utility. Applicant or Customer will be responsible for the expense of such relocation along with any expense that is incurred in relocating non-utility facilities. Failure to comply with corrective measure within 30 days of notification by the utility can result in discontinuance of service.

H. Connections to Utility Equipment

Only personnel authorized by the utility are allowed to connect or disconnect service conductors to or from the utility's facilities, remove meters, remove the utility owned facilities, or perform any work upon the utility owned facilities. Failure to abide by this provision may result in discontinuance of service, and may result in additional legal actions taken by the utility.

I. Applicant Responsibilities for Service Installation

Applicant is responsible for providing and installing the following items at Applicants expense by Qualified Personnel (as defined in Section 15.H.9 hereinabove), conforming to the utility's standards, prior to the utility connecting the Customer to the utility's facilities:

1. All necessary information to the utility in order for the utility to design the new, relocated or expanded facilities. Such information may include but is not limited to: improvement plans, grading plans, load information for the overall project to be served, site map, and preferred meter and other facility locations. Any of these items that require approval of the City of Vallejo shall be so approved before any construction begins. Where utility agrees to allow Applicant to design the facilities, Applicant shall provide sufficient information to allow utility to review and approve the design submitted by Applicant.

2. Coordination in joint trench planning and engineering with Qualified Personnel in conformance with utility standards.

3. All necessary trenching, back-filling, and other digging as required, subject to utility inspection.

4. All substructures and conduits, subject to utility inspection.

5. All poles and superstructures, subject to utility inspection.

6. All pipes, valves, regualators, and other gas equipment required to complete the connection of the Applicant's facilities to the utility's distribution system, subject to utility inspection. The Applicant shall prepare the gas connection to the utility's facilities but will not make the final connection to the utility's facilities.

7. All protective structures set forth in the utility's standards, subject to utility inspection.

8. All manufacturers' warrantees commensurate with the utility's standards, including a one year warranty on all workmanship and normal operations on newly installed facilities.

9. Provide the utility with evidence that all required local government inspections have been satisfactorily cleared before requesting connection.

J. Utility Responsibilities for Service Installation

The utility will at Applicant's expense:

1. Determine the point on the utility's system at which the connection will be made.

2. Design the distribution facilities such that they conform to the standards of the utility as well as all applicable federal, state and local codes and ordinances for utility installations (such as, but not limited to the California Business and Professions Code). Where utility agrees to allow Applicant to design the facilities, utility shall review and approve the design submitted by Applicant.

3. Inspect facilities installed by Applicant.

4. Connect conductors to the utility's facilities.

5. Make all necessary arrangements for the utility's facilities to accommodate connection of Applicant's facilities.

6. Invoice Applicant on a monthly basis for all utility costs incurred as the project is worked on and completed. All invoices shall include a detailed breakdown for the costs incurred.

K. Dedication of Facilities

Upon acceptable testing and acceptance by the utility of the facilities for use in distribution of gas, ownership of all such facilities shall be transferred to the utility.

L. Metering Facilities

1. General

a. The Applicant is responsible for the installation of a meter base that meets the utility's standards and that will accommodate a utility meter(s) unless the service connection was installed by the utility.

b. The utility will meter the delivery of all natural gas, unless otherwise provided for in the utility's tariffs.

c. All utility meters and associated metering equipment shall be located at some protected location on the Applicant's premises as approved by the utility.

d. The load served at each meter location will be clearly designated by the Customer. Load served behind one meter may not be transferred to be served by another meter unless the Customer received prior utility approval.

2. Number of Meters

A single meter is required for each single enterprise operating in one building or group of buildings or other development on a single premises such as, but not limited to, a commercial business, school campus, industrial manufacturer, residence, or recreational vehicle or mobile home park, unless otherwise approved by the utility.

The utility will normally install only one meter for each premises except:

a. When otherwise required or allowed under the utility's rate schedules,

b. When determined by the utility, for its operating convenience to be consistent with its engineering design,

c. When required by law or local ordinance; or,

d. When additional services are granted by the utility.

Master metering may be approved if, in the opinion of the utility, master metering is in the best interest of the parties involved. However, if the master meter Customer submeters and furnishes gas to individual tenants, the rates and charges to the tenant must not exceed those charges that would apply if the tenant were purchasing gas directly from the utility.

3. Multiple Occupancy
In a building with two or more tenants, or where the utility furnishes more than one meter on the same premises, the utility's meters shall normally be grouped at one central location or as otherwise specified by the utility. In such cases each meter position or socket shall be clearly and permanently marked by the Applicant, Customer, or owner of the premises to indicate the particular unit, occupancy, or load supplied by it.

M. Required Connection Equipment

The Applicant, or Customer, shall, at their sole liability, risk and expense, be responsible to furnish, install, own, maintain, inspect, and keep in good and safe condition, all facilities of any kind or character on Applicant's or Customer's premises that are not the responsibility of the utility but are required for the Applicant or Customer to receive service. Such equipment shall include but not be limited to termination equipment, valves, pipes and all equipment within all buildings, connectors, meter bases and sockets, meter and instrument housing, service valves, machinery and apparatus of any kind or character.

N. Liability

The utility shall incur no liability for damage, loss or injury occasioned by:

1. Applicant or Customer owned equipment in support of Applicant's or Owner's transmission and delivery of energy, or;

2. The active or passive negligence, omission of proper protective devices, want of proper care, or wrongful act of Applicant or Customer or any of Applicant's or Customer's agents, employees or licensees in installing, maintaining, using, operating or interfering with the utility's equipment.

O. Facility Tampering

The Applicant or Customer shall provide a suitable means acceptable to the utility for placing the utility's seals on meter rings and covers of service enclosures and instrument enclosures that protect unmetered and pressuriszed pipes. Only utility authorized employees shall be authorized to break such seals once installed. However, in an emergency the utility may allow a public authority or other appropriate party to break the seal. Any unauthorized tampering with utility seals or connection of Applicant or Customer owned facilities to unmetered pipes is prohibited and is subject to discontinuance of service and other appropriate actions.

P. Building Code Requirements

Any service equipment and other related equipment owned by the Applicant or Customer as well as any vault, room, enclosure, or lifting facilities for the installation of the utility equipment, shall conform to applicable laws, codes, and ordinance of all governmental authorities having jurisdiction.

Q. Reasonable Care

Applicant or Customer shall exercise reasonable care to prevent the utility's natural gas equipment and related facilities that are located on the Applicant's or Customer's premises from causing or suffering damage, destruction or interference, and will inform the utility of any such potential or actual damage, destruction or interference immediately. Applicant or Customer may be required to install protective devices, including a mechanical protection (barrier posts, etc.), suitable to the utility if the utility deems it appropriate. Applicant or Customer must also install any protective devices necessary to protect itself and third parties from suffering injury or damage from, or causing damage to, the utility's electrical equipment and related facilities. However, utility reserves the right to require modification or removal of such protective devices if such protective devices interfere with utility's provision of services or control of utility's facilities.

R. Government Inspection

The utility will only establish service to the Applicant or Customer following notice from the governmental authority having jurisdiction that the facilities have been installed and inspected in accordance with any applicable laws, codes, ordinances, rules or regulations, and are safe to pressurize.

S. Damaged Facilities

When others damage the utility's facilities, the repair will be made by the utility at the expense of the party responsible for the damage. Applicants and Customers are responsible for repairing their own facilities.

T. Relocations and Rearrangements

The Customer shall be responsible for the costs incurred by the utility for any relocation or rearrangement of utility equipment that is the result of any work conducted, or caused to be conducted within the utility's service territory. Any change to the utility's system required under this section will be subject to the application and construction process described in Section 15 as applicable.

U. Enlargements

The Customer shall be responsible for the costs incurred by the utility to meet any load increase at the Customer's facilities, plus any repair of any damage done due to the Customer overloading the utility's equipment.

V. Utility Expense; Contract Labor and Overhead

All costs and expenses incurred by the utility under this Section 15 shall be fully reimbursed to the utility by Applicant as such charges are incurred and billed for by the utility. The rate for contract labor and overhead is set forth in Rate Schedule MISC. All invoices shall include a detailed breakdown for the costs incurred.

17. NON-STANDARD AND SPECIAL FACILITIES

A. General

Special Facilities are considered to be existing, enlarged or new facilities installed, used and/or maintained by the utility at the Applicant's request in addition to, as enlargements of, as alternate to, or in substitution for, the standard facilities which the utility would normally install, maintain or use and which represent additional costs to the utility over normally installed facilities. These facilities can include, but are not limited to, Customer connection costs, installation and/or maintenance of facilities downstream of the meter, and facilities where the cost is in excess of the standard connection costs. Except where provided by rate schedule, installation and/or maintenance of special facilities will be made at the utility's option, provided the type of special facilities requested is acceptable to the utility and the utility agrees to the installation and/or maintenance of the special facilities, under the conditions set forth in this Section.

B. Customer Status

A Temporary Service Customer will not be eligible to apply for Special Facilities.

C. Utility Limitations
The utility shall install/maintain the requested facilities so long as the facilities do not pose, in the opinion of the utility, a hardship on the utility.

D. Basis of Cost
The Applicant will execute a contract covering the installation and/or maintenance of special facilities. In addition to providing for the payment of charges as determined under a rate schedule, the contract will provide for the following:

1. An estimate of the cost of the special facility that the Applicant is requesting the utility to install and/or maintain; and,

2. The one-time payment amount equal to the portion of the total estimated cost of the facility multiplied by a factor of 1.75. This payment shall not be refundable should Customer's use of the special facilities not last as long as initially projected for any reason.

E. Payment Schedule
At the mutual agreement of the utility and the Customer a contract may be entered into that will provide for extended payments of the amount calculated in 17.D.

F. Contract Responsibilities
If the utility is required to alter or rearrange the special facilities Applicant shall be notified of such necessity and shall be responsible for all costs the utility incurs in converting this service or shall terminate service under this agreement.

G. Ownership of Equipment
At all times, Special Facilities shall remain the property of the utility.

H. Termination Provisions
The Applicant may terminate a Special Facility contract on 30-day notice unless otherwise specified within a mutually agreed to contract between the Customer and the utility.

18. METER TESTS AND ADJUSTMENTS OF BILLS

A. General
When regular, accurate meter readings are not available or the gas usage has not been accurately measured, the utility may estimate the Customer's gas usage for billing purposes on the basis of information including, but not limited to, the physical condition of the metering equipment, available meter readings, records of historical use and the general characteristics of the Customer's load and operation.

B. Meter Tests
Any Customer may, upon not less than 15 working days notice, require the utility to test the accuracy of any meter through which service is provided to the Customer. When a Customer requests a meter test within 24 months of the completion of a meter test finding that the meter is operating accurately and where the results of the prior test were provided to the Customer, the Customer shall pay the utility $50.00, escalated by CPI from January 1997, in advance for the meter test.

The amount so charged will be returned to the Customer if the meter is found, upon test, to register more than 2% fast, or slow, under conditions of normal operation.

The Customer shall have the right to require the utility to conduct the test on the meter serving that Customer in the Customer's presence, or in the presence of an expert or other representative appointed by the Customer at the time of the request for a meter test.

All meters will be tested at the time of their installation and no meter will be placed in service or allowed to remain in service that has an error in registration in excess of 2% under conditions of normal operation.

C. Adjustment of Bills for Meter Error

A meter error is incorrect gas registration resulting from a malfunctioning or defective meter or pressure correction device. It does not include billing error, unauthorized use, or an error in registration caused by meter tampering by an unauthorized person. It also does not included conditions such as incorrect meter readings, meter dial-overs, or switched meters. Where meter error is discovered as the result of a meter test, the utility may render an adjusted bill to the Customer for the amount of the undercharge, and shall issue a refund or credit to the Customer for the amount of the overcharge, computed back to the date that the utility determines the meter error commenced, except that the period of adjustment shall not exceed one year. Such adjusted bill shall be computed in accordance with the following:

1. Fast Meter. If a meter is found to be registering more than 2% fast, the utility shall refund to the Customer the amount of the overcharge based on the corrected meter readings or the utility's estimate of the gas usage either for the known period of meter error or, if the period of error is not known, for the period during which the meter was in use, in either situation not exceeding six months.

2. Slow Meter. If a meter is found to be registering more than 2% slow, the utility may bill the Customer for the amount of the undercharge based on corrected meter readings or the utility's estimate of the gas usage either for the known period of meter error or, if the period of meter error is not known, for the period the meter was in use, in either situation not exceeding 6 months.

3. Non-registering Meter. If a meter is found to be non-registering, the utility may bill the Customer for the amount of the undercharge based on the utility's estimate of the gas service used but not registered, for a period not exceeding one year.

D. Adjustment of Bills for Billing Error

A billing error is an error by the utility that results in incorrect billing charges to the Customer. Billing errors may include incorrect meter reads or clerical errors by a utility representative such as applying the wrong rate, wrong billing factor, or an incorrect calculation. Billing error does not include meter error or unauthorized use, nor any error in billing resulting from meter dial over caused by other than the utility, switched or mismarked meters by other than the utility, inaccessible meter, failure of the Customer to notify the utility of changes in the Customer's equipment or operation, or failure of the Customer to take advantage of a rate or condition of service for which the Customer is eligible.

Where the utility overcharges, or undercharges, a Customer as the result of billing error, the utility may render an adjusted bill for the amount of the undercharge, and shall issue a refund or credit to the Customer for the amount of the overcharge, for the period of the billing error, but, not exceeding one year.

E. Adjustment of Bills for Unauthorized Use
Unauthorized use is the use of energy in noncompliance with the utility's tariffs or applicable law. It includes, but, is not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of gas whereby the utility is denied full compensation for gas service provided.

Where the utility determines that there has been unauthorized use of gas service, the utility may bill the Customer for the utility's estimate of such unauthorized use. Such estimated billing shall indicate unauthorized use for the most recent three years and, separately, unauthorized use beyond the three year period for collection as provided by law. However, nothing in this Section shall be interpreted as limiting the utility's rights and/or remedies in any provisions of any applicable law.

F. Limitation on Adjustment of Bills for Energy Use
For any error in billing not defined as billing error, meter error, or unauthorized use, the utility is not required to adjust the bill. However, any billing adjustment not specifically covered in the tariffs for an undercharge or overcharge shall not exceed one year.

G. Interest on Bills for Unauthorized Use
The utility will bill and collect interest at a rate which is the lesser of eighteen (18) percent per annum on unauthorized use billings from the date the unauthorized use commenced or the maximum interest allowed by law, as well as on any amortized repayment agreements.

H. Recovery of Associated Costs for Unauthorized Use
The utility will bill and collect the associated costs resulting from the unauthorized use including, but not limited to, investigative, repair and equipment damage costs.

19. SUPPLY TO SEPARATE PREMISES AND RESALE

A. Separate Metering
Separate Premises, even though owned by the same Customer, will not be supplied through the same meter, except as may be specifically provided for in the Rate Schedules.

B. Furnishing and Metering of Gas
Each single family dwelling unit, multi-family dwelling unit, mobile home park space, or non-residential tenant space shall be individually metered by the utility.

C. Other Uses and Premises

1. A Customer shall not furnish or use gas received from the utility upon other Premises, except for the utility's operating convenience, or for other purposes than those specified in the Customer's application for service or in the applicable Rate Schedule.

2. Sub-metering of gas is prohibited except as provided for in this Section.
In the event that gas is sub-metered other than as provided for in this Section, the utility may either discontinue service to the Customer, or furnish gas directly to the sub-metered entity at the utility's option.

20. SPECIAL SERVICE CHARGES

The Customer may, at their discretion, request the utility and the utility at its discretion may provide, the service of investigation of the Customer's gas system on the Customer's side of the meter. Such investigation shall be conducted at a fee in accordance with Rate Schedule MISC. The Customer shall be informed of an estimate of these fees in advance of the inspection.

21. FACILITY RELOCATION FUND

A. *General*

As part of the ongoing efforts to redevelop Mare Island, a facility relocation fund ("Relocation Fund") will be established to provide financial assistance to the City of Vallejo ("City") or a Qualified Developer (as defined herein) for use in the relocation or reworking of electric and gas utility facilities in conjunction with City's redevelopment activities on Mare Island. There shall be but one fund from which both electric and gas relocation projects may receive funding. The same application procedure will be applicable to both and withdrawals from the Relocation Fund for gas projects will reduce the funds availability for electric projects and visa versa.

B. Contributions To Fund/Maximum Balance

The utility will commence regular contributions to the Relocation Fund by the collection of two percent (2%) of the gross annual receipts from the sale of electricity and gas by the utility. The Relocation Fund shall have a maximum balance of Three Hundred Fifty Thousand Dollars ($350,000) at any one time. Contributions to the Relocation Fund shall continue on an ongoing basis until the maximum balance is attained. At such time the maximum balance is attained, all collections for this fund and contributions by the utility shall cease. If a withdrawal causes the balance in the Relocation Fund to drop below the maximum balance herein established, utility shall once again commence making contributions under these same terms beginning on the month following the month during which the Relocation Fund was so reduced. The Relocation Fund shall not be increased by receipt of interest on its balance at any time. Any interest earned on the principal balance shall be directed into utility's operational account for general purpose use. There shall be no monetary obligation by the utility under this Section 21 beyond the balance contained in the Relocation Fund.

C. Withdrawal From Fund

The City or any Developer under contract with the City for the redevelopment of any portion of Mare Island ("Qualified Developer") may request assistance from the Relocation Fund for use in utility relocation made necessary by redevelopment activities on Mare Island. Any application of funds from the Relocation Fund must be utility related and limited to relocating electric and gas facilities in conformance with Mare Island Reuse Plan, as amended from time to time. The amount of support under the Relocation Fund is limited to the balance of the Relocation Fund as determined hereunder.

E. Procedures for Withdrawal

The City or a Qualified Developer may request a withdrawal from the Relocation Fund for use consistent with Mare Island Reuse Plan under the following criteria:

1. The City or Qualified Developer may request funds in support of the relocation of electric and/or gas distribution facilities owned by the utility on a specific project-by-project basis.

2. Such request shall be tendered to the utility in writing, indicating the specific project, and the amount requested, the time frame during which relocation activities should be completed, and any other information or data pertaining to the project which is required by the utility to meet both the funding and relocation requirements associated with the project.

3. The City and the utility shall work together to develop a form of request satisfactory to meet the needs of the City, any Qualified Developer and the utility.

4. The City and the utility shall endeavor to communicate on an ongoing basis so that any projects might be foreseen, and may be approached as efficiently as possible.

5. The City or any single Qualified Developer Shall not be entitled to a withdrawal of more than fifty percent (50%) of the Relocation Fund balance as it exists on the date and at the time of the submittal of the application under this section, after having deducted all amounts which are the subject of prior applications under consideration. In the event a prior application is denied prior to a final determination on the later application, the funds available to the later Applicant shall be recalculated as if the prior application had not been made. Prior to payment hereunder, the City or a Qualified Developer must (a) have submitted a project application, (b) paid the application fee, (c) entered into a Working Contract with utility, (d) completed the project in compliance with all of the terms of its agreements with utility and (e) be in compliance with these tariffs. Any failure to comply with the requirements of this Section shall result in the restoration of the funds earmarked for the City or a Qualified Developer to the Relocation Fund. The application for a withdrawal from the Relocation Fund will be processed in the order in which the applications are submitted.

6. In the event that the City or a Qualified Developer otherwise meets all of the criteria set forth in this Section 21 and the Executive Director has agreed to fund in whole or in part the relocation project, such Applicant may request to have the utility carry out the relocation project. The utility, if it accepts responsibility for the design and construction of the relocation project, shall charge the Relocation Fund for all engineering, design, construction, labor, equipment and other costs and expenses, to the extent of the funds would otherwise be available to the City or a Qualified Developer. Any costs above and beyond the funds available hereunder shall be the sole responsibility of the Applicant as otherwise provided under these tariffs. For relocation project with estimated cost less than $10,000, the utility General Manager shall have sole discretion to decide whether the utility will take on the project or not. For relocation project with estimated cost over $10,000, the Executive Director shall have sole discretion to decide whether the utility will take on the project or not.

7. The Executive Director of Pittsburg Power Company (“PPC”) shall review each request for withdrawal from the Relocation Fund for all projects with an estimated cost of more than $10,000, and shall, at the Executive Director’s sole discretion, decide to fund or not to fund the requested relocation project out of the Relocation Fund. The Executive Director’s decision will be based on the finding of whether or not the project is viable and can be completed successfully, is consistent with the Reuse Plan, as amended from time to time, and is consistent with the conditions of this Section. For all projects with an estimated cost of $10,000 or less, the General Manager shall be responsible for the review and determination whether or not to approve the application, and in making such determination shall exercise the same discretion as that exercised by the Executive Director on projects with an estimated cost of more than $10,000.

8. For projects with an estimated cost of more than $10,000, a City or Qualified Developer who is not satisfied with the decision of the Executive Director, has recourse by appeal to the full Board of Directors of PPC (“Board”). In which event the City or Qualified Developer shall, within ten (10) days of the mailing of the Executive Director’s written decision, submit a written appeal containing all arguments in favor of the use of Relocation Funds for project, along with any relevant exhibits demonstrating compliance

with the conditions of this Section to the Board. The Board will thereafter consider the appeal in a timely manner at a regular noticed meeting and its decision shall be final. For projects with an estimated cost of $10,000 or less, the decision not to approve the use of funds from the Relocation Fund will, at the request of the Applicant, be reviewed by the Executive Director, whose determination shall be final.

9. The amount of funding available to the City or Qualified Developer under this procedure is strictly limited to the amount determined under Section 21(F)(5) above.

10. All funds held in and distributed from the Relocation Fund are public funds within the meaning set forth in California Labor Code sections 1720, et seq., and may or may not be subject to the prevailing wage laws contained therein. The City or Qualified Developer shall indemnify the utility and PPC against any and all claims regarding any failure to pay prevailing wages.

F. Limited Obligation
Other than as set forth in this Section 21 and in Sections 15.K, the utility shall incur no other obligation to fund the utility facility expenses incurred by the City or any developer.

G. Termination
The relocation fund shall terminate at the earlier of the following dates: a) the date on which those Qualified Developers having charge of redevelopment pursuant to the Reuse Plan, as amended from time to time, have completed their work or b) February 1, 2025.

22. CALIFORNIA PUBLIC BENEFITS PROGRAM FOR NATURAL GAS

A. General
Public Utilities Code Section 890 imposed a surcharge on all natural gas consumed in California and Section 892 requires that the surcharge be remitted to the State Board of Equalization. Section 898 exempts Island Energy, as a municipal utility, from the requirement of collecting and remitting the surcharge if its published tariffs offer certain public benefits programs such as home weatherization services, rate assistance for low-income customers, cost-effective energy efficiency and conservation activities, and public interest research and development.

B. Island Energy Public Benefits Fund for Natural Gas
The Island Energy Public Benefits Fund for Natural Gas charge is one percent (1%) of of the applicable Island Energy Delivery Charge, per therm.

The Public Benefits Fund for Natural Gas charge shall appear as a separate line item on the utility bills. The fee will be collected on the natural gas revenues of all Customers tied to Island Energy's distribution system. The collected funds will be maintained in a separate account and disbursed for the Public Benefits Program for Natural Gas.

D. Island Energy Public Benefits Programs
The Island Energy Public Benefits Funds will be used to fund the following programs on a first come, first serve basis subject to available funds:

1. Residential Energy Advisory Services Program
Island Energy will provide free on-site residential energy analysis and advice on how to conserve energy. Also, Island Energy will provide free educational brochures and mailings to its customers demonstrating how they can conserve energy through demand side management techniques.

2. Residential Low Income Assistance Program
Island Energy will provide discounted natural gas rates to assist eligible low-income residential Customers with paying their utility bills. To be eligible to receive assistance from this program, an interested Customer must file an application with the utility and provide a copy of his/her U.S. Tax Return from the previous year along with other proof which is sufficient to establish all household income. To obtain the benefit under this program the total household income for any Applicant shall not exceed those amounts shown on the table below for the corresponding number of persons residing in the household. Eligible Applicants will receive a 20% discount on their residential gas rate. If a Customer's financial situation is changed and no longer fulfill the low-income eligibility criteria, the Customer must notify the utility within thirty (30) days of the change. Each Customer receiving the reduced rate under this Program must reapply for eligibility at least once a year on or before the anniversary date of the first bill received showing a discount under this Program. In addition, the utility may request an updated verification of household income at its discretion. If the utility establishes that the Customer is no longer eligible for the program, the Customer will be removed from the program and the utility may render corrected billings under the full rate schedules hereunder for the period of ineligibility. Such customer will also be reported to the appropriate law enforcement agencies for fraud.

Number of Persons in Household	Maximum Annual Household Income
1-2	$31,300
3	$36,800
4	$44,400
5	$52,000
6	$56,600
Each additional member, add:	$7,600

3. Home Weatherization Services
The utility offers rebates for home insulation and installation of energy efficient windows. This program does not allow for reimbursements to developers of residential or commercial developments. In order to be considered for this rebate, the Customer must complete, sign and submit a Home Weatherization Program application form to the utility, along with an original or legible copy of the purchase receipt. A utility representative may call to schedule a physical inspection of the installed insulation or windows prior to issuing a rebate. Rebates under this program are the lesser of: (a) 50% of weatherization costs up to a maximum amount of $1,000; or (b) 50% of the balance of the Public Benefits Fund for Natural Gas at the time the application is approved.

4. Commercial Energy Efficiency Rebate Program
This program is designed to provide certain rebates for designated energy conservation measures to commercial customers who receive natural gas service from the utility. Commercial customers desiring to improve energy efficiency within their facilities and seek to take advantage of this program may file an application with the utility in the form provided by the utility and posted on its website. The following additional requirements shall apply:

a. The Applicant must be able to demonstrate that recently installed improvements or planned improvements, for which it seeks contribution to the expense of the improvements, will result in a reduction in the use of natural gas by at least 10%. The application must be accompanied by: (a) copies of any executed contract with a contractor who is going to install the energy efficiency improvement measures; (b) copies of any reports demonstrating the actual or, in the event the improvements have not yet been installed, anticipated energy savings; (c) invoices for qualified energy efficiency products purchased and installed, or to be installed; and, (d) any other supporting information.

b. A utility representative may call to schedule a physical inspection of the planned or installed improvements or request further information in order to evaluate if and to what extent, the improvements qualify for reimbursement under this program.

c. Funds originally earmarked under one application will be made available to other Customers if the Applicant fails to submit all required supporting documents and install the proposed energy efficiency improvements within the required time period.

d. After installation and a three month window allowing the utility to collect natural gas consumption data from the service location which successfully demonstrates the requisite energy reduction, the utility will make the appropriate reimbursement. The utility has sole discretion to determine the applicable rebate amount and program eligibility and its determination shall be final in all cases.

e. Reimbursement is subject to funds available under the Public Benefits Fund Program and will be made available in the order in which all applications are received. . Rebates under this program are the less of (a) 50% of the project equipment cost up to a maximum amount of $35,000; or (b) 50% of the balance of the Public Benefits Fund for Natural Gas at the time the application is approved.

f. The natural gas rebate catalog provides rebate calculations based on expected natural gas savings for replacement of the following types of equipment:

- Space heating
- Water heating
- Commercial Kitchens

Other types of equipment which improve the efficiency of natural gas consumption may be eligible for similar rebates using the natural gas rebate catalog calculations if the equipment is shown to improve efficiency under generally accepted engineering principles.

SHEET NO. 17-18-GS-1
CANCELING SHEET NO. 16-17-GS-1

Rate Schedule GS-1

METERED INDUSTRIAL/COMMERCIAL GAS SERVICE

APPLICABILITY

This service is available to all non-residential Customers receiving metered gas service

TERRITORY

Applicable throughout the service territory.

RATES

Basic Service Fee, per meter per day $0.50

Island Energy Delivery Charge, per Therm.........................$1.00

Energy Cost Pass Through, per Therm (See Special Condition 3.)

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 2.1 of this Tariff.

2. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and reinitiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

3. As frequently there are changes to the charges for natural gas delivered to Island Energy there will be a change to the Energy Cost Pass Through Rate. This rate will equal the forecast total price for natural gas delivered to Island Energy divided by the forecast sales, plus an amortization of any prior over, or under, collections.

Rate Schedule GS-2

METERED RESIDENTIAL GAS SERVICE

APPLICABILITY

This service is applicable to all residential Customers receiving metered gas service. A residential Customer is defined as using a low-pressure domestic service for heating, cooking, water heating, or a combination thereof, in single family dwellings, flats, and apartments, separately metered by the utility and low-pressure service used in common for residential purposes by tenants in multi-family dwellings.

TERRITORY

Applicable throughout the service territory

RATES

Basic Service Fee, per meter per day $0.15

Island Energy Delivery Charge, per Therm $1.00

Energy Cost Pass Through, per Therm (See special condition 3.)

The minimum charge on the Rate Schedule shall be equal to the Basic Service Fee.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in 2.01.
2. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.
3. As frequently there are changes to the charges for natural gas delivered to Island Energy there will be a change to the Energy Cost Pass Through Rate. This rate will equal the forecast total price for natural gas delivered to Island Energy divided by the forecast sales, plus an amortization of any prior over, or under, collections.

SHEET NO. 98-04-SE
CANCELING SHEET NO. None

Rate Schedule SE
SERVICE ESTABLISHMENT FEE

APPLICABILITY

Applicable to all gas Customers requesting service from the utility, where all facilities are in place to allow the establishment of service by a single meter.

TERRITORY

Applicable throughout the service territory.

RATES

Service Establishment Charges

During normal working hours $15.00
During normal working hours with less than
four hours notice...$30.00
During non-working hours $60.00

SPECIAL CONDITIONS

1. The service establishment charge provided for herein is in addition to the charges calculated in accordance with all other charges and applicable tariffs. The charge will be made each time an account is opened, and will include a turn-on or reconnection of gas service requiring a meter set or change of name on the account, or additional meter read.

SHEET NO. 14-07-MISC
CANCELING SHEET NO. 05-04-MISC

Rate Schedule MISC
MISCELLANEOUS FEES

APPLICABILITY

Applicable to all gas Customers requesting miscellaneous services from the utility.

TERRITORY

Applicable throughout the service territory.

RATES

Project Application Fee

$5,000 deposit is required at the time when a project application is submitted to Island Energy. $1,400 will be charged against this deposit as administrative fee.

Island Energy Labor Rates

During normal working Published City of Pittsburg Full Cost Hourly Rate
(7:30am to 4:00 pm) Monday through Friday and not holidays)

During non-normal working hours .... 1.5 times Published City of Pittsburg Full Cost Hourly Rate

There will be a 1 hour minimum charge per event, billed in increments of one-half hour thereafter.

Project Administration Charge

In the case that the Utility handles contractor contracts and materials for the Customer, project costs including but not limited to equipment, materials, engineering and contractor fees will be subject to a 15% mark up to cover project administration costs.

Island Energy

energy solutions for Mare Island

Electric

Tariff Schedules

Applicable to

Island Energy

I. GENERAL INFORMATION

1. Territory Served. Island Energy ("the utility") supplies all electric service in the entire area referred to as Mare Island, in the City of Vallejo, CA.

2. Measurement. Measurements will be made by use of a standard electric meter furnished by the utility unless otherwise specified on the rate schedule.

3. Confidentiality of Customer Information. The utility will maintain the confidentiality of all customer information, including identification information and all data associated with gas, electric and other service consumption. Customers may request such information for their own use in writing from the utility, and such data will be provided in a timely manner.

II. ELECTRIC RULES

1. DEFINITIONS

Applicant: A person or entity requesting the utility to supply electric service, relocate electric facilities, or upgrade electric facilities.

Billing Period: A period of time during which utility services are measured and for which such services are invoiced to Customers. The billing period will generally be between 27 and 33 calendar days.

Cabling: Conductors, connectors, switches, and auxiliary equipment, as required by the utility for construction of distribution facilities, connection to the utility, relocation of facilities, or upgrade of electric facilities.

Conduit: Ducts, pipes or tubes of certain metals, plastics and other materials acceptable to the utility, for the installation and protection of electric wires or cables. This shall include concrete encasements unless otherwise specified by the utility's standards.

Customer: The person or entity in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or, in the absence of a signed instrument, by the utility's receipt of payment of bills regularly issued in that person's name.

Customer Service Point: The point of connection where the facilities of the utility and the wiring of the Customer's premises meet and are connected.

Developer: A company (or individual) which develops land or changes and enhances the use of a parcel of land or an existing building for some new purpose within the service area of utility.

Electronic Transfer: Paper-less exchange of data and/or funds, usually involving computer and telecommunications technology.

Eligible Customer Generator: A Customer who uses a renewable electrical generation facility with a total capacity of not more than one megawatt, that is located on the customer's owned, leased, or rented premises, and is interconnected and operates in parallel with the electrical grid, and is intended primarily to offset part or all of Customer's own electrical requirements, consistent with Public Utilities Code section 2827(b)(4).

Eligible Expenses: Eligible Expenses are defined as electrical equipment purchase expenses incurred in the installation of new commercial electrical distribution systems, including transformers, switches and electric cabling, but not the relocation or rearrangement of the existing electrical system, pursuant to a Working Contract. Eligible Expenses do not include expenses incurred under the Working Contract for excavation, conduits, substructures and protective structures. Applicant shall remain responsible for the cost of all relocation, rearrangement and removal work, unless the work qualifies for reimbursement under Section 22.

Inevitable Accident: An occurrence causing an interruption in service which is outside of the control of the utility and which the utility could not have prevented by the utility's reasonable diligence in its operation of the subject facilities. Occurrences caused by the age of the utility systems shall not be deemed preventable.

Mailed: Any notice or other communication will be considered "mailed" when it is sent by Electronic Transfer or enclosed in a sealed envelope, properly addressed, and deposited in any United States Post Office box, postage prepaid.

Maximum Demand: The maximum demand shall be the average kilowatt input during the fifteen-minute interval in which the consumption of electric energy is greater than during any other fifteen-minute interval in the billing period as indicated or recorded by instruments installed, owned and maintained by the utility. In the case of hoists, elevators, furnaces, or other loads where the energy demand is, in the utility's opinion, intermittent or subject to violent fluctuations, the utility may base the maximum demand on a 60 second, or 5 minute, interval instead of a fifteen minute interval. If the maximum demand has not been measured by utility, it may be determined by test, or estimated, at the option of the utility.

Mixed Use Residential/Commercial Development: Any development which incorporates both residential and commercial uses i.e. first floor retail or educational and second or third floor residential.

Net Energy Metering: Measuring the difference between the energy supplied through the electric grid to the Customer and the energy generated by an Eligible Customer-Generator and fed back to the electric grid over a 12-month period, as described in subdivisions (c) and (h) of California Public Utilities Code Section 2827.

Net Surplus Customer-Generator: An Eligible Customer-Generator that generates more energy in a 12-month period than is supplied by the Utility to the Eligible Customer-Generator during the same 12-month period.

Net Surplus Energy: All energy generated by an Eligible Customer-Generator measured in kilowatt-hours over a 12-month period that exceeds the amount of energy consumed by that Eligible Customer-Generator.

Net Surplus Energy Compensation: Compensation, either monetary or as a billing credit, at a per kilowatt-hour rate, offered by the Utility to the Net Surplus Customer Generator for Net Surplus Energy.

New Permanent Load: A New Permanent Load is a new load resulting from and/or benefited by the improvement or expansion of the existing electrical system pursuant to a Working Contract.

Paid or Payment: Funds received by the utility through postal service, the utility payment office, credit card payments to the utility , or deposited in the utility bank account by electronic transfer.

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated or undedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served. In the case of a premises on which a master meter is installed, premises shall refer to all of those residences, dwelling units, mobile home spaces, stores, offices or other places of business for which the consumption of electricity is measured and assessed by the master meter.

Primary: Electric service that is taken at or above 2 kilovolts, but below 25 kilovolts provided that the service is taken from regularly available service voltages. The utility retains the right to change the voltage level that is to be considered to be regularly available upon reasonable notice to the Customer.

Protective Structures: Are curbs, fences, retaining walls, grading, sound barriers, posts, barricades and other structures as required by the utility to protect its facilities or equipment.

Ready Access to Premises: Access to the utility's facilities made available by the Customer or Applicant in a manner that is safe and unobstructed to the utility personnel and vehicles. The utility personnel will not come in contact with unrestrained animals while accessing utility equipment. The utility will have unobstructed ability to reach all utility equipment

Renewable Electrical Generation Facility: A facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

Secondary: Electric service that is taken below 2,000 volts and service that does not qualify as primary.

Substructures: The surface and subsurface structures necessary to contain or support the utility's electric facilities. These include, but are not limited to such items as splice boxes, pull boxes, equipment vaults and enclosures, foundations or pads for surface mounted equipment.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of a limited duration. Service which, in the opinion of the utility, is for operations of a speculative character or the permanency of which has not been established, also is considered temporary service.

Vessel: A means of transportation on water used for recreational, navigational or commercial purposes.

Working Contract: The Working Contract shall be that contractual agreement entered into by and between the utility and an Applicant for performing electrical transmission or distribution system work under these Tariffs.

2. DESCRIPTION OF SERVICE

A. General

The character of service available at any particular location should be ascertained by inquiry at the utility's office. The utility's rate schedules are applicable for service where the Customer purchases its entire electrical requirements from the utility, except when such rate schedules specifically provide otherwise. Alternating current service of approximately 60-cycle frequency will be supplied. Voltages referred to in the tariff schedules are nominal voltages.

B. Phase and Voltage Specifications

1. Standard Voltages

Standard voltages of the utility are as follows:

a. Secondary Voltages

Secondary voltages are 120, 120/208, 120/240, 240, 480, 277/480, 2400, 4160 and 6930 volts, where available and applicable.

b. Primary Voltages
Primary voltages are 12,000 volts, where available and applicable.

c. Transmission Voltages
Voltages of 115,000 volts and above are transmission voltages. For its operating convenience, the utility may elect to supply a Customer from lines of transmission voltage.

c. Customer Utilization Voltages.
All Customer-owned utilization equipment must be designed and rated in accordance with the following utilization voltages specified by the American National Standard C84.1 if Customer equipment is to give satisfactory performance:

Normal Utilization Voltage	Minimum Utilization Voltage	Maximum Utilization Voltage
120	110	125
208	191	216
240	220	250
277	254	289
480	440	500

The differences between the service and utilization voltages are for voltage drop in Customer wiring and utility operations.

2. Single-phase Service

a. For 120-volt services the maximum connected load allowed is one 15 amp plus one 20 amp branch circuit. The maximum motor allowed is a 1-1/2 hp motor.

b. For 120/208 volt services the maximum connected load is a 400 amp main switch. Where the utility maintains 4-wire connected service, the single-phase service shall be limited to a 100 amp main switch.

c. For 120/240 volt services the maximum connected load is a 400 amp main switch. The maximum motor load allowed is a 10-hp motor.

d. For 480 volt services the minimum connected load is 15 kVA and the maximum connected load shall be a 400 amp main switch unless prior utility approval is obtained.

e. For 2400 volt services, and above, the minimum connected load and the maximum connected load will vary by location and will be subject to utility approval.

3. Three-phase Service

a. The minimum connected load requirement for 3-phase service is dependent on the nature and availability of the utility's facilities at any specific location.

Volts	Maximum Demand Allowed	Maximum Main Switch Capacity Allowed
208	1,000 kVA	4,000 amperes
240	1,000 kVA	4,000 amperes
480	3,000 kVA	4,000 amperes
> 480	varies by location	varies by location

b. Loads on 3-phase service must be balanced between phases in accordance with good engineering practice, as determined by the utility. In no cases will the load on any one phase exceed twice that on any other phase.

c. Loads in excess of the above stated loads may be served at the utility's discretion. Check with the utility for specifications required.

d. Utility Authority to Modify Specifications
The utility may modify the voltage and phase specification due to service conditions at the location involved.

e. Utility Authority to Limit Motor Size
The utility may limit the size, and other characteristics, of the largest motor that may be operated in any part of its system.

C. Motor Protection and Equipment
Customer's motor equipment must conform to the following requirements:

1. Motors and related equipment shall be equipped by the Customer to avoid any damage due to power outages and restorations of service, power surges, or high or low voltage fluctuations.

2. Motors shall be equipped with protective equipment needed to protect against damage due to overheating.

3. Three-phase motors shall be equipped to protect against damage due to reverse-phase and open-phase conditions.

D. Allowable Motor Starting Currents

1. The starting current drawn from the utility's lines shall be considered the nameplate locked rotor current, or that guaranteed by the manufacturer. At its option, the utility may determine the starting current by test, using a stop ammeter with not more than 15% over swing; or an oscillograph disregarding the value shown for the first 10 cycles subsequent to energizing the motor.

2. The maximum connected load by service voltage in the above sections shall include, in the case of motor load, the starting current drawn from the utility in addition to all other load.

3. At the utility's sole discretion, the Customer may be required, at the Customer's expense, to install reduced voltage starting or other suitable means that limit the starting current to any motor.

E. Interference with Service

1. Customers who operate equipment that causes detrimental voltage fluctuations (including, but not limited to hoists, welders, radio transmitters, X-ray apparatus, elevator motors, compressors, and furnaces) must reasonably limit such fluctuations upon request by the utility or discontinue service at the request of the utility. The Customer will be required to provide corrective measures necessary to limit voltage fluctuations at its expense. Any damage resulting from voltage fluctuations shall be the responsibility of the Customer causing such fluctuations.

2. Arc furnace service installations are subject to the utility's approval.

3. Any Customer who superimposes a current of any frequency upon any part of that Customer's electrical system, other than the current supplied by the utility, shall at that Customer's expense, prevent the transmission of such current beyond the Customer's electrical system.

4. Customers shall at all times comply with good engineering practices (such as the requirements of the Institute of Electrical and Electronics Engineer's (IEEE) Recommended Practice 519) in order to minimize any detrimental voltage disruption.

F. Welder Service

Where electric welders are served the utility may bill the Customer for any applicable demand charges based on the a 60 second, 5 minute, or 15 minute integrated demand basis in lieu of the normal demand billing period.

G. Power Factor

The utility may require the Customer to provide, at the Customer's expense, equipment to increase the operating power factor at the utility's service connection point to the Customer to not less than 90%, lagging or leading.

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The utility, at its sole discretion, shall be authorized to install kVAR metering along with kW metering where the Customer is, in the utility's opinion, of sufficient size and may have a power factor such that billing in this manner is appropriate.

H. Wave Form

The utility may require that the waveform of current drawn by Customer equipment of any kind be in conformity with good engineering practices (such as the requirements of the Institute of Electrical and Electronics Engineers' (IEEE) Recommended Practice 519).

I. Liability

Customer shall be and remain liable for any and all damages caused to the utility facilities or third parties as a result of Customer's failure to comply with the requirements of these tariffs or the proper use of Customer's equipment.

Nothing in any of these tariffs is intended to create any new or additional liability to the utility beyond that required by statute. It is the intent of the tariffs to limit the liability of the utility to the greatest extent allowed by law, and to maintain for the utility all applicable immunities and defenses allowed by law.

Utility shall have no liability for any damage, loss or injury caused in whole or part by Applicant's or Customer's active or passive negligent act or omission or reckless, wanton or intentional act.

All of Applicant's or Customer's duties under each of these tariffs involving safety, maintenance, repair or installation of facilities, including any duty to give notice to the utility of conditions of the facilities, shall also constitute a duty from the Applicant or Customer to all third parties with respect to those facilities, regardless of who owns or controls the facilities. Applicant's or Customer's failure to comply with these tariffs shall constitute a breach of duty to any injured or damaged third party, and Applicant or Customer shall be liable to any injured or damaged third party for any such injury or damages.

If any portion of any of these tariffs is determined by a court of competent jurisdiction to be illegal, it shall be severed from these tariffs and all other portions of these tariffs shall remain in full force and effect. Each and every section of these tariffs would have been adopted separately, even if any other section of the tariffs had not been adopted.

J. Indemnification

Customer or Applicant shall defend, indemnify and hold harmless utility against any claim, demand, loss or liability arising out of or related in any way to utility's electrical equipment or facilities located on Customer's or Applicant's premises, to the fullest extent allowed by law. This duty to defend, indemnify and hold harmless shall arise even in the case of the active or passive or sole negligence of utility, or utility's reckless, wanton, malicious, fraudulent or intentional acts or omissions.

3. APPLICATION FOR SERVICE

A. Application

1. An application for service is required. Each Applicant for service may be required to sign an application form provided by the utility. The application forms may vary depending upon the type of service requested by the Applicant. Applicants desiring special rates and/or services may be required to complete additional forms and/or contracts in accordance with the utility's applicable tariffs.

2. The application is a request for service and it does not bind the utility to serve except under its tariffs and under reasonable conditions. The application does not bind the Applicant to take service for a longer period than the minimum requirement of the utility's tariffs. The service tariffs constitute the terms and conditions of the agreement between the utility and the Customer for service rendered, unless otherwise agreed to in writing.

3. Pursuant to the tariffs, the utility may at its sole discretion assess the Applicant's ability to pay its electricity charges. Such assessment may include a credit check initiated by the utility at the Applicant's expense, contact of commercial references, or other measures, as discussed and agreed between the utility and Applicant.

B. Information Required on Application

In addition to the information the utility may require from Applicants in order to establish credit, all Applicants shall provide such other information as the utility may reasonably require for service. This information includes, but is not limited to, the legal name of the Applicant(s), the name of the Applicant's spouse or other adults residing at the premises, the service address, billing address, date service is wanted, whether electric service has previously been supplied to the premises, whether Applicant is the owner, agent or tenant of the premises, and the rate schedule desired (if optional schedules are available). In addition, the Applicant may be required to provide information necessary to the design, installation, maintenance and operation of the utility's facilities, including the proposed end use(s), the connected load, the number of residential dwelling units/spaces, the size or character of the appliance or apparatus to be installed, and other information required under the utility's applicable tariffs. The utility may also request credit information and authorization to run a credit check. Commercial and industrial accounts will be required to provide their North America Industrial Classification System (NAICS) Code(s).

C. Changes in Load or Operation

It is the Customer's responsibility to notify the utility in writing within 15 days if the Customer makes any change in the connected load, in the number of residential dwelling units/spaces, or in the size or character of its appliances or apparatus. Such change(s) may require a new application for service and/or a change in the utility's service facilities and may result in the Customer being transferred to a different tariff schedule and payment obligations for service upgrades.

D. Joint and Several Liability for Service/Beneficial Use

Where two or more Applicants join in one application or contract for utility service, they shall be jointly and severally liable under the terms of the application/contract and shall be billed by means of a single periodic bill mailed to the Customer designated to receive the bill.

Whether or not the utility obtained a joint application or contract for residential service, where there is evidence that an adult(s) other than the Applicant resided at the premises and benefited from utility service, the other adult(s) and the Applicant shall be jointly and severally liable for service rendered while such other adults resided at the premises.

E. False or Inaccurate Information

The utility may refuse to provide service or may discontinue or disconnect service and/or may re-bill the account when:

1. Information provided to the utility on the application is false, incomplete, or inaccurate; or

2. The Applicant has applied for service under a fictitious name or under the name of another to avoid payment of any utility bill; or, that the Applicant has requested service in his/her legal name to assist another in avoiding payment of any utility bill; or;

3. The Applicant and/or other adults residing with the Applicant have received the benefit of service without paying for it and are attempting to change the name on the account to avoid payment of any utility bill.

In the event of a re-bill, the utility shall provide the Customer with the reason for such a re-bill.

4. CONTRACTS

Whether or not these tariffs require a written contract, the utility may require, in its sole discretion, a Customer to enter into a written contract as a condition to providing service. Contracts will be required when service is delivered under different rates, terms and conditions than set forth within the tariffs, in which event the Customer and the utility shall acknowledge that the contract is in lieu of normal service.

5. SPECIAL INFORMATION AVAILABLE FOR CUSTOMERS

A. Tariffs Available

A copy of the Gas and Electric Tariffs are available at utility's office at 440 Walnut Avenue on Mare Island during normal work hours and can be viewed online at www.islandenergy.com.

B. Standards Available

The utility follows PG&E approved standards for all materials, design, construction, and services as documented in the PG&E's Greenbook.

6. ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

Each Applicant for metered service is required to establish their credit to the satisfaction of the utility before service will be rendered.

A. Establishment of Credit

The Applicant's credit will be deemed established:

1. If Applicant is the owner of record of and occupier in fact of the premises upon which the utility is requested to furnish service.

2. If the Applicant makes a cash deposit with the utility to secure the payment of any bills for service to be furnished by the utility under the application as provided in Section 7.

3. If the Applicant has previously been a Customer of the utility and has paid all bills for service for a period of 12 consecutive months immediately prior to the date when the Applicant for service previously ceased to take service from the utility, provided such service occurred within two years from date of the new application for service.

B. Re-establishment of Credit

1. An Applicant who has been an electric Customer of the utility and whose service has been discontinued for failure to pay their electric bills within the last 12 months of service may be required to re-establish their credit by making the regular cash deposit.

2. A Customer who fails to pay bills as provided in Section 9 may be required to pay said bills and re-establish credit by depositing, in cash, the amount provided for in Section 7.A.2. The requirement for the re-establishment of credit will apply regardless of whether or not service has been discontinued for such non-payment.

3. Where the financial condition of a Customer has changed so that the Customer represents a potential credit risk; or where the utility has received information that a Customer has left another utility's service territory with a bill that was unpaid 90 days or more after the billing date, the Customer may be required, as a condition of continued service, to re-establish credit pursuant to Section 7.A.2.

7. DEPOSITS

A. Amount of Deposit

1. Establishment of Credit
The amount of deposit required to establish credit may be established by the utility pursuant to an assessment of the Applicant's credit worthiness. For commercial accounts covering gas and/or electric service, a deposit is required, the amount of which shall normally be twice the Customer's maximum monthly bill, but no more than three times the Customer's monthly average bill, as estimated by the utility for a business of similar size and character. For residential accounts covering gas and/or electric service, a flat rate of $200 deposit will apply. This amount is deemed to be no more than twice the average monthly bill of an Island Energy residential customer. The utility will have sole discretion in determining the deposit amount, provided that the utility will not exercise undue economic hardship on Applicants.

2. Re-establishment of Credit
The amount of deposit required to re-establish credit shall normally be twice the maximum monthly bill, but may be as high as three times the Customer's maximum monthly bill, as determined by the utility and in conformance to the rules stated in Section 7.A.1. In addition, the Customer will be required to pay all amounts in arrears, all late payment fees, and a re-connection fee of $15.00 if service has been disconnected. If service has been disconnected by any action other than the removal of a meter the reconnection fee shall be $250.00 instead of $15.00. These fees shall be doubled if reconnection is requested by the Customer during times outside of normal work hours.

B. Return of Deposit

The Customer's deposit will be applied to the Customer's bill during the first billing period after one (1) full year has elapsed, provided that the Customer has paid all utility bills on time and in full for the prior twelve months. The utility may retain the deposit longer than one (1) year if a Customer demonstrates late payment practices. If the service is discontinued by request of the Customer while a deposit is held, then the balance of any deposit remaining after the closing bill for service has been settled will be returned to the Customer by draft. Any overdue bill may be deducted from the deposit and the service may be discontinued until the deposit is restored to the original amount. No interest will be earned on deposit.

8. NOTICES

A. Notices to Customers

1. Generally
When notices from the utility to a Customer are required, they will be given in writing, either mailed, as defined in Section II, 1, to the Customer's mailing address, or delivered to Customer's service address, except that in emergencies the utility may give verbal notices in person or by telephone.

2. Notice of Discontinuance of Service

a. Monthly bills for service are due and payable upon presentation and will be considered late if payment is not received by the utility within twenty (20) days after the postmark date. A fifteen (15) day notice of discontinuance of service for nonpayment of a delinquent account will be mailed at least fifteen (15) calendar days prior to termination of service, setting forth the date set for termination. An additional notice will be sent to the service address when the occupants are renters and not responsible for the utility bill. Additional notice will include information on renters legal rights should Utility not receive payment.

b. When no payment has been received by the utility within fourteen days after the 15-day notice set forth in subsection a. above was mailed, a written twenty-four (24) hour service termination notice shall be posted in a conspicuous place at the premises at least twenty-four (24) hours prior to termination of service.

c. Prior to terminating service to Multiple Occupancy Residential Buildings and Mobile Home Parks, all procedures as required by law will be followed.

d. The Utility reserves the right to report any delinquency of payment to any appropriate credit reporting agencies and potential new utility providers.

B. Third Party Notification
For residential Customers who are 65 years of age or older, or who are “dependant adults” as defined in section 15610.23 of the Welfare and Institutions Code (generally one who has physical or mental limitations that restrict his or her ability to carry out normal activities or to protect his or her rights), a third party notification service, whereby the utility will attempt to notify a person designated by the Customer to receive notification when the Customer’s account is past due and subject to termination. The consent of the third party shall be required and the third party shall not incur any liability for the account by virtue of the fact he or she consents to receive such third party notification.

C. Notices from Customers
Notices from a Customer to the utility may be given by written communication mailed to the utility's office, or physically delivered by the Customer, or the Customer's agent, at the utility's office, except when written notice is specifically required within these tariff's or in any written agreement.

Any Customer may initiate a complaint or request an investigation concerning service or charges by delivering a written complaint or request setting forth all of the facts necessary for utility to understand the nature of the complaint or request, including copies of any statements in issue.

9. RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills

1. Bills for service will be rendered either once a month, or as otherwise required for opening and closing bills, or as provided under applicable tariff.

2. Meters for Customers who receive metered service will be read as nearly as practical at regular intervals.

3. For billing purposes, each meter upon the Customer's premises will be considered separately and readings of two or more meters will not be combined.

B. Basis of Usage Used in Billings

1. All Customers who receive metered service will be billed on a monthly basis. When meters are read at regular intervals, each bill will be based on meter registrations, except as provided for herein. Estimated consumption may be used as the basis for billings, except for the month ending with the actual meter read. The actual meter registrations shall be used, less the estimated consumption used to calculate the previously estimated bills.

2. If the utility is unable to read the Customer's meter on the scheduled reading date, the utility may bill the Customer for estimated consumption during the billing period, and make any necessary corrections when a reading is obtained. Estimated consumption for this purpose will be calculated considering the Customer's prior usage, the utility's experience with other Customers of the same class in that area, and the general characteristics of the Customer's operations. Adjustments for any underestimate or overestimate of a Customer's consumption will be reflected on the first regularly scheduled bill rendered and based on actual reading following the period of estimation.

C. Customer Requested Meter Re-reads

When a Customer requests that the utility re-read the same meter, after a meter reading has taken place on the normal reading date, the utility will charge the Customer $15.00. The $15.00 charge will be returned to the Customer if upon re-reading the meter is found that the meter was read inaccurately such that the Customer was over-billed.

D. Form of Bill Transfer

At the mutual option of the Customers and utility, bills may be transferred to Customers electronically. Customers requesting this service may be required to complete additional forms and agreements. Either party may discontinue electronic transfers with a 30 day written notice.

E. Payment of Bills

Bills for service are due and payable upon presentation. Payment shall be delivered to the office of the utility by post, phone, by electronic funds transfer or delivered to an authorized personnel of the utility. Bills rendered where the Customer’s service is being removed, where the Customer is vacating the premises, or where the Customer is discontinuing the service shall be paid on presentation.

1. Late Payment Fee for Residential and Commercial Accounts
For residential and commercial accounts, unpaid balances on bills not received within twenty (20) days after being mailed to the Customer shall be subject to a late payment fee of $15 or 3 percent (3%) of the unpaid balance of the original bill, whichever is more .

2. Late Payment Fee for Municipal Accounts
For municipal accounts, unpaid balances on bills not postmarked or received within twenty-five(25) days after being mailed to the customer may be subject to a one and one-half percent (1 ½%) late payment fee or penalty.

3. Late Payment Fee for State Agencies
Where an account serves a state agency and payment is not received within 50 calendar days after the date of mailing of a bill, the late payment charge applicable to that account will be at a rate of one (1%) percent above the rate accrued on June 30th of the prior year by the Pooled Money Investment Account (PMIA), but not to exceed 15 percent, all as set forth in Government Code Section 926.17(b)(1). Such rate may be applied to and accrue on a state agency account only after 50 days from the date the bill was mailed. The State of California

shall be responsible for notification to the utility as to which accounts serve state agencies. The provision of the above paragraph shall apply only after such notification.

4. Late Payment for Large Government Contractors
Where a customer derives majority of his/hers revenue from contracts with agencies of the United States of America government and its average monthly utility bills, summed across all of its utility accounts with Island Energy, in excess of $25,000 may apply to the utility for designation as a large government contractor. Island Energy reserves the right to perform a full credit check prior to designating a customer as a large government contractor. For accounts held by large government contractors, unpaid balances on bills not received with fifty (50) days after being mailed to the Customer shall be subject to a late payment fee of three percent (3%) of the unpaid balance of the original bill and shall be subject to the Discontinuation of Service provisions in the utility’s tariff.

5. Returned Checks
Bills paid by a check that is dishonored, shall be subject to $25 returned check charge. This charge will be added to the Customer’s bill for each occurrence.

6. Additional Service Charge
The utility may require the payment of an additional collection charge if the utility sends an authorized representative to the Customer's premises to (1) effect collection of or (2) discontinue service for non-payment on a past due account. The collection charge shall be twenty-five ($25) per visit to the premises.

7. Waiving of Minimum Bills
In case the Customer is unable to use the utility's service by reason of strikes, accidents, fires, bankruptcy or any cause beyond the Customer's control, the payment of the minimum charge may be waived by the utility during the time the Customer is unable to use such service.

10. DISPUTES

A. Disputed Bill

When a Customer disputes or questions their bill, they should first request an explanation from the utility. If the Customer thereafter believes they have been billed incorrectly they will be required to, bring or send the bill and a statement supporting their belief that their bill is not correct to:

Island Energy
440 Walnut Avenue
Mare Island, CA 94592-0001

To avoid having service turned off during the dispute the Customer must enclose payment for the full amount of the bill made out to Island Energy. If the Customer is unable to pay the amount in dispute, they must inform the utility verbally or in writing of their inability to pay. Utility service will remain on until the utility completes its review of the Customer’s bill. The utility will review the basis of the amount billed and communicate the results of its review to the Customer within 10 working days of receipt of the Customer’s statement of dispute.

If it is found that the Customer’s bill was not overstated by more than 2%, the Customer’s payment will be disbursed accordingly, and the Customer will be assessed for a Twenty Five Dollar ($25) disputed bill charge during the next billing period.

If it was found that the Customer’s bill was overstated by more than 2%, the utility will bear the cost of the investigation, and the Customer’s overpayment will be promptly refunded or credited to the next month’s bill, per the Customer’s choice.

B. Termination When Bill Disputed

A Customer who does not pay the full amount due, even when subject to dispute, shall be subject to the same termination for non-payment terms and conditions as any other Customer not disputing their bill.

11. DISCONTINUANCE OF SERVICE

A. Customer's Request for Service Discontinuance

When a Customer desires to terminate their service, they shall give the utility notice in writing two days before the desired termination date. . A Customer may be held responsible for all service furnished at the premises until two days after receipt of such notice by the utility, or until the date of termination specified in the notice, whichever date is later.

In the event that a Customer terminates service under any rate schedule and re-initiates service under the same, or any other, rate schedule at the same location within 12 months, there will be a reconnection charge equal to the minimum charge which would have been billed had the Customer not terminated service.

B. Non-Payment of Bills

A discontinuance of service notice for nonpayment of a delinquent account will be given in accordance with Section 8.a.2 above.

A Customer's service may be discontinued for non-payment of a bill for service provided at any location served by the utility if that bill is not paid in accordance with these tariffs.

If a Customer is receiving more than one service, any or all services may be discontinued when any service, regardless of location, is discontinued for non-payment.

Prior to terminating service for non-payment of bills to Multiple Occupancy Residential Buildings, Mobile Home Parks, and single family residences where occupant is a renter, all procedures as required by law will be followed.

The utility will not terminate service to a Customer on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the utility are not accessible to the public. Service wrongfully terminated shall be restored without charge for the restoration of service, and a notification thereof shall be mailed to the Customer at the billing address.

C. Unsafe Equipment

1. The utility may deny or discontinue service to a Customer when

    a. The utility determines, using commonly accepted industry standards including, but not limited to, those published by the National Fire Protection Association (NFPA), Institute of Electrical and Electronic Engineers (IEEE), and the National Electrical Manufacturers' Association (NEMA), that the premises' wiring, or other electrical equipment, or the use of either, is unsafe, or;

    b. Any governmental agency, authorized to enforce laws, ordinances, or regulations involving electrical facilities and/or the use of electricity, notifies the utility in writing that the Customer's electrical facilities and/or use of electricity is unsafe or not in compliance with such laws, ordinance, or regulations.

2. Communications about Unsafe Equipment

At the time of denial or discontinuance of service as stated in Section 11.C the utility will

    a. Post a written notice, stating the reason for denial or discontinuance and referring to this rule, at a conspicuous place at the premises, or;

b. Personally deliver the written notice to the occupant of the premises, and

c. Within 24 hours of service termination or denial of service, send a copy of the written notice to the Customer in the mail to the billing address.

3. Restoration of Service
The utility will not connect or restore service until

a. The utility determines the Customer's electrical wiring or equipment, or the use of either, has been made safe, or

b. The utility has received written notice from the appropriate governmental agency that the premises meet applicable laws, ordinances or regulations. It is the Customer's responsibility to resolve any matter with a governmental agency.

4. Responsibility for Inspection
The utility does not assume any responsibility of inspecting or repairing the Customer's wiring or other equipment or any part thereof and assumes no liability therefore.

D. Unauthorized Use
The utility may discontinue service if the acts of the Customer or the conditions upon his/her premises indicate intent to deny the utility full compensation for services rendered, including, but not limited to, tampering or unauthorized use.

E. Fraud
The utility may refuse or discontinue service if the acts of the Customer or condition on his/her premises indicate intent to defraud the utility.

F. Non-Compliance with the Utility's Tariffs
The utility may discontinue service to a Customer in the event that Customer fails to comply with any provision of its tariffs if, after written notice delivered to the Customer's billing address of premises, the Customer fails to comply with the notice within seven (7) days. This notice may be waived when, in the opinion of the utility, either a dangerous condition has been discovered or a bona fide emergency is found to exist on a Customer's premises, or in the case of a Customer utilizing the service in such a manner as to make it dangerous for occupants of the premises, thus rendering the immediate discontinuance of service to the premises imperative.

G. Usage of Service Detrimental to Other Customers
The utility will not provide service to electrical equipment, the operation of which will be detrimental to other electric service, using commonly accepted Industry Standards including, but not limited to, those published by the National Fire Protection Association (NFPA), Institute of Electrical and Electronic Engineers (IEEE), and the National Electrical Manufacturers' Association (NEMA), and will discontinue electric service to any Customer who continues to operate such equipment after being notified by the utility to discontinue operation.

12. RATES

The rates to be charged by the utility for electric service will be the rates in effect and on file in the utility's office(s) and online at www.islandenergy.com at all times..

13. TEMPORARY SERVICE

The utility shall, if it will not result in undue hardship to its existing Customers, such as limited system capacity or excessive voltage drop, furnish temporary service under the following conditions:

1. The Applicant shall pay, in advance or otherwise as required by the utility, the estimated cost of installation, plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.

2. The Applicant shall establish credit as required by Section 6, except that the amount of deposit prescribed by Section 7 shall not exceed the estimated bill for the duration of service.

14. SHORTAGE OF ELECTRICAL SUPPLY AND INTERRUPTION OF DELIVERY

A. Shortage and Interruption

The utility will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of electric energy to the Customer, and to avoid any shortage or interruption of delivery of same. The utility will not be liable for interruption or shortage or insufficiency of supply, or any loss or damage occasioned thereby, if same is caused by Inevitable Accident, Act of God , fire, strikes, riots, war or any other cause not within its control. It shall be deemed to be beyond the control of the utility where the interruption is due to an unanticipated failure of any part of the utility's systems.

B. Temporary Suspension for Repairs

The utility, whenever it shall find it necessary for the purpose of making repairs or improvements to its system, will have the right to suspend temporarily the delivery of electric energy. In all such cases, reasonable notice as circumstances will permit will be given to the Customer by telephone, communications mailed to the Customer, or publication in a local paper, and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable, and, if practicable, at such times as will cause the least inconvenience to the Customers. In the event of a planned suspension of service for repairs or improvements where the utility has complied with the notice provisions of this Section or the Customer otherwise receives actual notice, utility shall not be liable for interruption or shortage or insufficiency of supply, or any loss or damage occasioned thereby.

C. Apportionment of Supply during Time of Shortage

Should a shortage of supply ever occur, the utility will apportion its available supply of electricity among its Customers in the manner that appears to the utility to be most equitable under conditions then prevailing.

D. Liability of the Utility

The utility shall not, by taking action pursuant to any portion of Section 14 or any other provision of these tariffs, be liable for any loss, damage, or injury, established or alleged, which may result or be claimed to result there from. In no event shall the utility be responsible for consequential, indirect, special, incidental, punitive or exemplary damages, or damage or loss caused by reason of loss of use, loss of profits or revenues, or cost of capital.

15. PRIMARY AND SECONDARY DISTRIBUTION LINE PROJECTS

This Section is applicable to changes to electric distribution lines of the utility's standard voltages necessary to furnish permanent electric service to Applicants.

A. Standards

The utility follows PG&E standards for primary and secondary distribution lines. The Applicant should use the PG&E Greenbook to plan, design, and engineer primary and secondary distribution line projects.

B. Ownership
The facilities installed under the provisions of this Section up to the Customer Service Point, shall be owned, operated, and maintained by the utility, except for Substructures and enclosures that are on, under, within, or part of a building or structure owned or under the control of Customer.

C. Point of Connection
The utility shall determine the point on the utility's system from which any extension will be made.

D. Private Lines
The utility may, at its sole discretion, serve an Applicant from connection facilities that are not owned, operated, and maintained by the utility.

E. Right of Way
Where new installations of, or changes to, electric distribution lines or facilities result in the need to locate such new facilities outside of utility's existing easements, Applicant shall, at its own cost, be responsible for conducting any engineering work or survey work necessary in order to provide utility with a description of the new location suitable for incorporation into a Grant of Easement or dedication of a PUE as part of a subdivision or other map, for the purpose of conveying to the utility an adequate easement for the maintenance, repair and replacement of the new or relocated facilities. If service facilities must cross property owned by a third party to serve Applicant, it is Applicant's responsibility to obtain and transfer to utility appropriate rights-of-way or easements, satisfactory to the utility for the maintenance, repair and replacement of the new or relocated facilities, at no cost to the utility.

F. Route of Line
The length and route of a primary or secondary distribution line project will be determined or approved by the utility based on the distance along the shortest most practical, available and acceptable route which is clear of obstructions from the utility's nearest permanent and available distribution facility.

G. Applications and Contracts; Exceptions

1. Each Applicant for a primary or secondary distribution line shall be required to submit to utility for its consideration and approval an application defining the project along with a deposit in the sum of Five Thousand Dollars ($5,000), after which The Applicant shall execute a Working Contract prior to the utility approving and participating in the project. $1,400 of the deposit will be used for project administrative support and is non-refundable. The remaining $3,600 of the deposit will be returned to Applicant after all invoices issued by utility for the project are paid in full and Applicant's responsibilities under the Working Contract or other agreement with utility are fulfilled. The utility reserves the right to apply the refundable portion of the deposit towards unpaid project invoices.

2. In the event a project for a primary or secondary distribution line has an estimated overall cost of $20,000 or less, a Working Contract may not be required provided 1) the Applicant signs a short form agreement which includes the obligation to maintain certain minimum insurance coverage and indemnify utility against claims or losses caused by Applicant during the course of the project for which the application is submitted, 2) the utility is to conduct all of the work necessary for completion of the project, including the design and installation of all new facilities, and 3) no transfer of title to facilities or easements is required.

3. Applicant and utility may agree that utility shall conduct all of the work necessary for completion of the project, including the design and installation of all new facilities.

4. If the utility is to conduct all of the work as set forth under Section 15(G)(2), Applicant shall remain responsible for all costs and expenses incurred by utility. Further, Sections 15(H)(2) through (9) shall not apply.

H. Applicant Responsibilities for New Distribution Facilities

Applicant is responsible for providing or installing the following items at Applicant's expense by Qualified Personnel, as defined herein, prior to the utility finalizing a primary or secondary distribution line, accepting dedication of the facilities, and connecting them to the utility's facilities:

1. All necessary information to the utility in order for the utility to design the new, relocated or expanded facilities, including but not limited to improvement plans, grading plans, load information for the overall project to be served, site map, and preferred meter and other facility locations. Any of these items that require approval of the City of Vallejo shall be so approved before any construction begins. Where utility agrees to allow Applicant to design the facilities, Applicant shall provide sufficient information to allow utility to review and approve the design submitted by Applicant.

2. Coordination in joint trench planning and engineering with Qualified Personnel in conformance with utility standards.

3. All necessary trenching, back-filling, and other digging as required, subject to utility inspection.

4. All substructures and conduits, subject to utility inspection.

5. All poles and superstructures, subject to utility inspection.

6. All wiring, cabling, switches, transformers, and other electrical equipment, all of which is to be completed by qualified personnel, and performed to the utility's standards, and are to be subject to utility inspection. The Applicant shall prepare the electrical connection to the utility's facilities, but, will not make the final connection to the utilities facilities.

7. All protective structures set forth in the utility's standards, subject to utility inspection.

8. All manufacturers' warrantees commensurate with the utility's standards, including a one year warranty on all workmanship and normal operations on newly installed facilities.

9. Qualified Personnel shall mean personnel who:

    a. Are technically competent to perform the work;

    b. Have access to, and utilize the proper equipment to perform the work;

    c. Have demonstrated financial responsibility commensurate with the scope of the work to be performed;

    d. Have adequate insurance coverage, such as workers compensation, liability and property damage;

    e. Furnish a surety bond for performance of the work if required;

    f. Are licensed in California for the work being performed;

    g. Are properly qualified for specific skill required including, but not limited to, the State of California High Voltage Safety Orders (Title 8, Chapter 4, Subchapter 5, Group 2); and

    h. Comply with applicable laws including, but not limited to, Equal Opportunity Regulations, OSHA, and EPA.

I. Utility Responsibilities for New Distribution Facilities
The utility will, at Applicant's expense:

1. Specify the point, or points, on the utility system from which Applicant will extend distribution lines.

2. Design the distribution facilities such that they conform to the standards of the utility as well as all applicable federal, state and local codes and ordinances for utility installations (such as, but not limited to, the California Business and Professions Code). Where utility agrees to allow Applicant to design the facilities, utility shall review and approve the design submitted by Applicant.

3. Inspect facilities installed by Applicant.

4. Connect conductors to the utility's facilities.

5. Make any necessary arrangements of the utility's facilities to accommodate connection of Applicant's facilities.

6. Perform final testing prior to acceptance of the facilities.

7. Invoice Applicant on a monthly basis for all appropriate utility costs incurred, as defined herein, as the project is worked on and completed, with a final invoice upon completion. If project is expected to be or a duration of 60 days or less, Utility may choose to bill Applicant for all costs with a single final invoice upon completion.

J. Dedication of Facilities
Upon acceptable testing and acceptance by utility of the facilities for use in distribution of electricity, ownership of all such facilities shall be transferred to the utility by a bill of sale.

K. Development Refunds for New Residential Subdivisions
In the event a Qualified Developer (as defined under Section 22.D) engages in any residential redevelopment in residential areas identified in the Mare Island Re-use Plan, as amended from time to time, the utility will provide refunds to cover a portion of the development costs for newly connected residential load, on a per unit basis. The amount of the refund shall be strictly limited to $301 per single-family unit; $263 per multifamily unit of no more than eight units per building; and $226 per unit for multifamily units of greater than eight units per building. Refunds will be specified in the contracts defining the connection project and will include all monies the Applicant will receive from the utility associated with the project. This one-time refund shall become applicable after 90 days of occupancy of each unit and payable within 45 days of receipt of notice from such Developer and the transfer of facilities and easements in accordance with the Working Contract. The fund from which the refunds are drawn from shall be identified as the "Residential Reimbursement Fund". The Residential Reimbursement Fund was funded through the collection of two percent (2%) of the Gross Annual Receipts for the electric services provided by utility. The Residential Reimbursement Fund had a maximum balance of One Hundred Thousand Dollars ($100,000). Once the balance in the Residential Reimbursement Fund reached the maximum level the collection at the rate set forth herein was suspended until the fund level drops below One Hundred Thousand Dollars ($100,000). Any obligation to contribute to the Fund under this provision was terminated on June 30, 2013. On June 30, 2013 the fund balance was at its maximum level of $100,000. The Utility will continue to pay refunds for development costs for newly connected residential loads from the Fund until the fund is depleted at which time any obligations of the Utility under this section shall cease. If a refund is sought and payable under this Section 15K for any given project, no other refund or reimbursement can be applied for under these tariffs.

L. Reimbursement Policy in New Commercial Development
Utility will provide a monetary reimbursement to an Applicant who is a Qualified Developer for a percentage of those Eligible Expenses associated with and incurred in the construction and

placement of new electrical transmission or distribution system or systems which result New Permanent Load in excess of 150,000 kWh per month averaged over a 12 month period, in amounts stated in Rate Schedule NCE. Such electrical transmission and/or distribution systems may serve commercial and industrial utility customers or may be constructed to serve Mixed Use Residential/Commercial Development. Section K above applies to purely residential construction whereas this Section L includes mixed Use Residential/Commercial Development. In addition, any reimbursement under this Section L shall be subject to the following:

1. Such reimbursements are subject to submission of approved Applications, execution of a Working Contract, utility acceptance of the electrical systems, transfers of facilities to utility, dedication or grant of necessary easements to utility and such other applicable terms and conditions set forth in these tariffs.

2. Nothing herein is intended to provide for multiple reimbursements, and reimbursable amounts contributed to or advanced to an Applicant under conditions of any other rule will be reimbursed in accordance with the provisions of that rule only. There shall be no duplicating reimbursements under these Tariffs. If reimbursement is being sought under either Section 15K or 22 no reimbursement can be provided hereunder. Reimbursements under the various sections are mutually exclusive.

3. When two (2) or more parties make joint contributions or advances on the same new electrical transmission or distribution system, reimbursements will be distributed to these parties in the same proportion as their individual contributions or advances bear to the total Eligible Expenses.

4. Any determination by the utility as to what constitutes an Eligible Expense shall be final and binding on all Applicants. Any relocation or rearrangement of utility’s existing facilities, at the request of an Applicant, shall be at the Applicant’s expense or reimbursable under Section 22.

M. Utility Expense; Contract Labor and Overhead
All costs and expenses incurred by the utility under this Section 15 shall be fully reimbursed to the utility by Applicant as such charges are incurred and billed for by the utility. The rate for contract labor and overhead is set forth in Rate Schedule MISC. All invoices shall include a detailed breakdown for the costs incurred.

16. SERVICE CONNECTIONS

This Section is applicable to the connection of new Customers to the utility’s distribution system at standard utility primary and secondary voltages necessary to furnish electric service to Applicant.

A. Standards
The utility follows PG&E standards for primary and secondary distribution lines. The Applicant should use the PG&E Greenbook to plan, design, and engineer primary and secondary distribution line projects.

B. Ownership
The facilities installed under the provisions of this Section up to the Customer Service Point, shall be owned, operated, and maintained by the utility, except for Substructures and enclosures that are on, under, within, or part of a building or structure owned or under the control of Customer.

C. Private Lines
The utility may, at its sole discretion and under certain terms and conditions, serve an Applicant from connection facilities that are not owned, operated, and maintained by the utility.

D. Right of Way

Where new installations of, or changes to, electric distribution lines or facilities result in the need to locate such new facilities outside of utility's existing easements, Applicant shall, at its own cost, be responsible for conducting any engineering work or survey work necessary in order to provide utility with a description of the new location suitable for incorporation into a Grant of Easement or dedication of a PUE as part of a subdivision or other map, for the purpose of conveying to the utility an adequate easement for the maintenance, repair and replacement of the new or relocated facilities. If service facilities must cross property owned by a third party to serve Applicant, it is Applicant's responsibility to obtain and transfer to utility appropriate rights-of-way or easements, satisfactory to the utility for the maintenance, repair and replacement of the new or relocated facilities, at no cost to the utility.

E. Temporary Service

Facilities for temporary service shall be installed in accordance with this Section 16. The Applicant shall be responsible for all costs related to the design, installation and removal of requested facilities.

F. Applications and Contracts; Exceptions

1. Each Applicant for a Customer connection shall be required to submit to utility for its consideration and approval an application defining the project along with a deposit in the sum of Five Thousand Dollars ($5,000), after which The Applicant shall execute a Working Contract prior to the utility approving and participating in the project. $1,400 of the deposit will be used for project administrative support and is non-refundable. The remaining $3,600 of the deposit will be returned to Applicant after all invoices issued by utility for the project are paid in full and Applicant's responsibilities under the Working Contract or other agreement with utility are fulfilled. The application fee shall apply to the project, which may include both gas and electric components. The utility reserves the right to apply the refundable portion of the deposit towards unpaid project invoices.

2. In the event a project for a Customer connection has an estimated overall cost of $10,000 or less, a Working Contract may not be required provided a) the Applicant signs a short form agreement which includes the obligation to maintain certain minimum insurance coverage and indemnify utility against claims or losses caused by Applicant during the course of the project for which the application is submitted, b) the utility is to conduct all of the work necessary for completion of the project, including the design and installation of all new facilities, and c) no transfer of title to facilities or easements is required.

3. Applicant and utility may agree that utility shall conduct all of the work necessary for completion of the project, including the design and installation of all new facilities.

4. If the utility is to conduct all of the work as set forth under Section 16(F)(2) or (3), Applicant shall remain responsible for all costs and expenses incurred by utility. Further, Sections 16(I)(2) through (9) shall not apply.

G. Obligation of Customer to Provide Access

1. The Applicant shall be responsible for providing the utility with ready access to the premises.

2. The utility shall at all times have the right to enter and leave Applicant's premises for any purpose connected with the furnishing of electric service. The purposes include, but are not limited to, meter reading, inspection, testing, routine repairs, replacement, maintenance, emergency work, and the exercise of any and all rights secured to it by law, or under the utility's tariffs.

3. If the utility determines that its access to premises is impaired then the Applicant or Customer will at their expense either correct the access or clearance infractions or pay the

utility its costs to relocate the facility to a new location which is acceptable to the utility. Applicant or Customer will be responsible for the expense of such relocation along with any expense that is incurred in relocating non-utility facilities. Failure to comply with corrective measure within 30 days of notification by the utility can result in discontinuance of service.

H. Connections to Utility Equipment

Only personnel authorized by the utility are allowed to connect or disconnect service conductors to or from the utility's facilities, remove meters, remove the utility owned facilities, or perform any work upon the utility owned facilities. Failure to abide by this provision may result in discontinuance of service, and may result in additional legal actions taken by the utility.

I. Applicant Responsibilities for Service Installation

Applicant is responsible for providing and installing the following items at Applicants expense by Qualified Personnel (as defined in Section 15.H.9 hereinabove), conforming to the utility's standards prior to the utility connecting the Customer to the utility's facilities:

1. All necessary information to the utility in order for the utility to design the new, relocated or expanded facilities. Such information may include but is not limited to: improvement plans, grading plans, load information for the overall project to be served, site map, and preferred meter and other facility locations. Any of these items that require approval of the City of Vallejo shall be so approved before any construction begins.

2. Coordination in joint trench planning and engineering with Qualified Personnel in conformance with utility standards.

3. All necessary trenching, back-filling, and other digging as required, subject to utility inspection.

4. All substructures and conduits, subject to utility inspection.

5. All poles and superstructures, subject to utility inspection.

6. All wiring, cabling, switches, transformers, meter bases and other electrical equipment required to complete the connection of the Applicant's facilities to the utility's distribution system, subject to utility inspection. The Applicant shall prepare the electrical connection to the utility's facilities but will not make the final connection to the utility's facilities.

7. All protective structures set forth in the utility's standards, subject to utility inspection.

8. All manufacturers' warrantees commensurate with the utility's standards, including a one year warranty on all workmanship and normal operations on newly installed facilities.

9. Provide the utility with evidence that all required local government inspections have been satisfactorily cleared before requesting connection.

J. Utility Responsibilities for Service Installation

The utility will at Applicant's expense:

1. Determine the point on the utility's system at which the connection will be made.

2. Design the distribution facilities such that they conform to the standards of the utility as well as all applicable federal, state and local codes and ordinances for utility installations (such as, but not limited to the California Business and Professions Code).

3. Inspect facilities installed by Applicant.

4. Connect conductors to the utility's facilities.

5. Make all necessary arrangements for the utility's facilities to accommodate connection of Applicant's facilities.

6. Invoice Applicant on a monthly basis for all utility costs incurred as the project is worked on and completed. All invoices shall include a detailed breakdown for the costs incurred.

K. Dedication of Facilities

Upon acceptable testing and acceptance by the utility of the facilities for use in distribution of electricity, ownership of all such facilities shall be transferred to the utility.

L. Metering Facilities

1. General

   a. The Applicant is responsible for the installation of a meter base that meets the utility's standards and that will accommodate a utility meter(s) unless the service connection was installed by the utility.

   b. The utility will meter the delivery of all electric power and energy, unless otherwise provided for in the utility's tariffs.

   c. All utility meters and associated metering equipment shall be located at some protected location on the Applicant's premises as approved by the utility.

   d. The load served at each meter location will be clearly designated by the Customer. Load served behind one meter may not be transferred to be served by another meter unless the Customer received prior utility approval.

2. Number of Meters

A single meter is required for each single enterprise operating in one building or group of buildings or other development on a single premises such as, but not limited to, a commercial business, school campus, industrial manufacturer, residence, or recreational vehicle or mobile home park, unless otherwise approved by the utility.

The utility will normally install only one meter for each premises except:

   a. When otherwise required or allowed under the utility's rate schedules,

   b. When determined by the utility, for its operating convenience to be consistent with its engineering design,

   c. When required by law or local ordinance; or,

   d. When additional services are granted by the utility.

Master metering may be approved if, in the opinion of the utility, master metering is in the best interest of the parties involved. However, if the master meter Customer submeters and furnishes electricity to individual tenants, the rates and charges to the tenant must not exceed those charges that would apply if the tenant were purchasing electricity directly from the utility.

3. Multiple Occupancies

In a building with two or more tenants, or where the utility furnishes more than one meter on the same premises, the utility's meters shall normally be grouped at one central location or as otherwise specified by the utility. In such cases each meter position or socket shall be clearly and permanently marked by the Applicant, Customer, or owner of the premises to indicate the particular unit, occupancy, or load supplied by it.

M. Required Connection Equipment

The Applicant, or Customer, shall, at their sole liability, risk and expense, be responsible to furnish, install, own, maintain, inspect, and keep in good and safe condition, all facilities of any kind or character on Applicant's or Customer's premises that are not the responsibility of the utility but are required for the Applicant or Customer to receive service. Such equipment shall include but not be limited to termination equipment, conduits, conductors and all equipment within all buildings, connectors, meter bases and sockets, relays, meter and instrument transformer housing, service switches, circuit breakers, fuses, wire ways, metered conductors, machinery and apparatus of any kind or character.

N. Coordination

When, as determined by the utility, Applicant's or Customer's load is of sufficient size as to require coordination of response time characteristics between electrical devices (circuit breakers, fuses, relays, etc.), it will be the Applicant's responsibility to provide such coordination.

O. Liability

The utility shall incur no liability for damage, loss or injury occasioned by:

1. Applicant or Customer owned equipment in support of Applicant’s or Owner’s transmission and delivery of energy, or;;

2. The active or passive negligence, omission of proper protective devices, want of proper care, or wrongful act of Applicant or Customer or any of Applicant’s or Customer’s agents, employees or licensees in installing, maintaining, using, operating or interfering with the utility's equipment..

P. Facility Tampering

The Applicant or Customer shall provide a suitable means acceptable to the utility for placing the utility’s seals on meter rings and covers of service enclosures and instrument enclosures that protect unmetered and energized conductors. Only utility authorized employees shall be authorized to break such seals once installed. However, in an emergency the utility may allow a public authority or other appropriate party to break the seal. Any unauthorized tampering with utility seals or connection of Applicant or Customer owned facilities to unmetered conductors is prohibited and is subject to discontinuance of service and other appropriate actions.

Q. Building Code Requirements

Any service equipment and other related equipment owned by the Applicant or Customer as well as any vault, room, enclosure, or lifting facilities for the installation of the utility equipment, shall conform to applicable laws, codes, and ordinance of all governmental authorities having jurisdiction.

R. Reasonable Care

Applicant or Customer shall exercise reasonable care to prevent the utility's electrical equipment and related facilities that are located on the Applicant's or Customer's premises from causing or suffering damage, destruction or interference, and will inform the utility of any such potential or actual damage, destruction or interference immediately. Applicant or Customer may be required to install protective devices, including a mechanical protection (barrier posts, etc.), suitable to the utility if the utility deems it appropriate. Applicant or Customer must also install any protective devices necessary to protect itself and third parties from suffering injury or damage from, or causing damage to, the utility's electrical equipment and related facilities. However, utility reserves the right to require modification or removal of such protective devices if such protective devices interfere with utility’s provision of services or control of utility’s facilities.

S. Government Inspection

The utility will only establish service to the Applicant or Customer following notice from the governmental authority having jurisdiction that the facilities have been installed and inspected in accordance with any applicable laws, codes, ordinances, rules or regulations, and are safe to energize.

T. Damaged Facilities

When others damage the utility’s facilities, the repair will be made by the utility at the expense of the party responsible for the damage. Applicants and Customers are responsible for repairing their own facilities.

U. Relocations and Rearrangements

The Customer shall be responsible for the costs incurred by the utility for any relocation or rearrangement of utility equipment that is the result of any work conducted, or caused to be conducted within the utility's service territory. Any change to the utility’s system required under this section will be subject to the application and construction process described in Section 15 as applicable.

V. Enlargements

The Customer shall be responsible for the costs incurred by the utility to meet any load increase at the Customer’s facilities, plus any repair of any damage done due to the Customer overloading the utility's equipment.

W. Utility Expense; Contract Labor and Overhead

All costs and expenses incurred by the utility under this Section 16 shall be fully reimbursed to the utility by Customer as such charges are incurred and billed for by the utility. The rate for contract labor and overhead is set forth in Rate Schedule MISC. All invoices shall include a detailed breakdown for the costs incurred.

17. NON-STANDARD AND SPECIAL FACILITIES

A. General

Special facilities are considered to be existing, enlarged or new facilities installed, used and/or maintained by the utility at the Applicants request in addition to, as enlargements of, as alternate to, or in substitution for, the standard facilities which the utility would normally install, maintain or use and which represent additional costs to the utility over normally installed facilities. These facilities can include, but are not limited to, power quality conditioning equipment, peaking equipment, Customer connection costs, installation and/or maintenance of facilities downstream of the meter, facilities where the cost is in excess of the standard connection costs, and alternate service equipment. Except where provided by rate schedule, installation and/or maintenance of special facilities will be made at the utility's option, provided the type of special facilities requested is acceptable to the utility and the utility agrees to the installation and/or maintenance of the special facilities, under the conditions set forth in this Section.

B. Customer Status

A temporary service customer will not be eligible to apply for special facilities.

C. Utility Limitations

The utility shall install/maintain the requested facilities so long as the facilities do not pose, in the opinion of the utility, a hardship on the utility.

D. Basis of Cost

The Applicant will execute a contract covering the installation and/or maintenance of special facilities. In addition to providing for the payment of charges as determined under a rate schedule, the contract will provide for the following:

1. An estimate of the cost of the special facility that the Applicant is requesting the utility to install and/or maintain; and,

2. A one-time payment amount equal to the total estimated cost of the facility multiplied by a factor of 1.75. This payment shall not be refundable should Customer's use of the special facilities not last as long as initially projected for any reason.

E. Payment Schedule

At the mutual agreement of the utility and the Customer a contract may be entered into that will provide for extended payments of the amount calculated in Section 17.D.

F. Contract Responsibilities

If the utility is required to alter or rearrange the special facilities, including but not limited to the conversion of overhead facilities to underground, Applicant shall be notified of such necessity and shall be responsible for all costs the utility incurs in converting this service or shall terminate service under this agreement.

G. Ownership of Equipment

At all times, special facilities shall remain the property of the utility.

H. Termination Provisions

The Applicant may terminate a special facility contract upon 30-day notice to utility unless otherwise specified within a mutually agreed to contract between the Customer and the utility.

18. METER TESTS AND ADJUSTMENTS OF BILLS

A. General

When regular, accurate meter readings are not available or the electric usage has not been accurately measured, the utility may estimate the Customer's energy usage for billing purposes on the basis of information including, but not limited to, the physical condition of the metering equipment, available meter readings, records of historical use and the general characteristics of the Customer's load and operation.

B. Meter Tests

Any Customer may, upon not less than 15 working days' notice, require the utility to test the accuracy of any meter through which service is provided to the Customer. When a Customer requests a meter test within 24 months of the completion of a meter test finding that the meter is operating accurately and where the results of the prior test were provided to the Customer, the Customer shall pay the utility a meter test charge of fifty-five (55) dollars in advance for the meter test.

The amount so charged will be returned to the Customer, upon completion of the test, if the meter is found to register more than 2% fast or slow under conditions of normal operation.

The Customer shall have the right to require the utility to conduct the test on the meter serving that Customer in the Customer's presence, or in the presence of an expert or other representative appointed by the Customer at the time of the request for a meter test.

All meters will be tested at the time of their installation and no meter will be placed in service or allowed to remain in service that has an error in registration in excess of 2% under conditions of normal operation.

C. Adjustment of Bills for Meter Error

A meter error is incorrect kilowatt-hour, kilovar-hour, or demand registration resulting from a malfunctioning or defective meter. It does not include billing error, unauthorized use, or an error in registration caused by meter tampering by an unauthorized person. It also does not include conditions such as grounds, shorts, incorrect meter readings, meter dial-overs, improper load wiring (including other Customers' circuits connected to the wiring), accounting errors, switched meters, improper Customer wiring, blown fuse in one energized conductor, or incorrect meter sizing.

Where meter error is discovered as the result of a meter test initiated by either the Customer or the utility, the utility may render an adjusted bill to the Customer for the amount of the undercharge, and shall issue a refund or credit to the Customer for the amount of the overcharge, computed back to the date that the utility determines the meter error commenced, except that the period of adjustment shall not exceed one year. Such adjusted bill shall be computed in accordance with the following provisions.

1. ***Fast Meter*** - If a meter is found to be registering more than 2% fast, the utility shall refund to the Customer the amount of the overcharge based on the corrected meter readings or the utility's estimate of the energy usage either for the known period of meter error or, if the period of error is not known, for the period during which the meter was in use, in either situation not exceeding one year.

2. ***Slow Meter*** - If a meter is found to be registering more than 2% slow, the utility may bill the Customer for the amount of the undercharge based on corrected meter readings or the utility's estimate of the energy usage either for the known period of meter error or, if the period of meter error is not known, for the period the meter was in use, in either situation not exceeding one year.

3. ***Non-registering Meter*** **-** If a meter is found to be non-registering, the utility may bill the Customer for the amount of the undercharge based on the utility's estimate of the electric service used but not registered, for a period not exceeding one year.

D. Adjustment of Bills for Billing Error

A billing error is an error by the utility that results in incorrect billing charges to the Customer. Billing errors may include incorrect meter reads or clerical errors by a utility representative such as applying the wrong rate, wrong billing factor, or an incorrect calculation. Billing error does not include meter error or unauthorized use, nor any error in billing resulting from meter dial-over caused by other than the utility, switched or mismarked meters by other than the utility, inaccessible meter, failure of the Customer to notify the utility of changes in the Customer's equipment or operation, or failure of the Customer to take advantage of a rate or condition of service for which the Customer is eligible.

Where the utility overcharges or undercharges a Customer as the result of billing error, the utility may render an adjusted bill for the amount of the undercharge, and shall issue a refund or credit to the Customer for the amount of the overcharge, for the period of the billing error, but, not exceeding one year.

E. Adjustment of Bills for Unauthorized Use

Unauthorized use is the use of energy in noncompliance with the utility's tariffs or applicable law. It includes, but, is not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of energy whereby the utility is denied full compensation for electric service provided.

Where the utility determines that there has been unauthorized use of electric service, the utility may bill the Customer for the utility's estimate of such unauthorized use. Such estimated billing shall indicate unauthorized use for the most recent three years and, separately, unauthorized use beyond the three year period for collection as provided by law. However, nothing in this Section shall be interpreted as limiting the utility's rights and/or remedies in any provisions of any applicable law.

F. Limitation on Adjustment of Bills for Energy Use

For any error in billing not defined as billing error, meter error, or unauthorized use, the utility is not required to adjust the bill. However, any billing adjustment not specifically covered in the tariffs for an undercharge or overcharge shall not exceed one year.

G. Interest on Bills for Unauthorized Use

The utility will bill and collect interest at a rate which is the lesser of eighteen (18) percent per annum on unauthorized use billings from the date the unauthorized use commenced or the maximum interest allowed by law, as well as on any amortized repayment agreements.

H. Recovery of Associated Costs for Unauthorized Use

The utility will bill and collect the associated costs resulting from the unauthorized use including, but not limited to, investigative, repair and equipment damage costs.

19. SUPPLY TO SEPARATE PREMISES AND RESALE

A. Separate Metering

Separate premises, even though owned by the same Customer, will not be supplied through the same meter, except as may be specifically provided for in the rate schedules.

B. Furnishing and Metering of Electricity

Each single family dwelling unit, multi-family dwelling unit, mobile home park space, or non-residential tenant space shall be individually metered by the utility.

C. Marinas and Small Craft Harbors

1. The utility will furnish electrical service to a privately or publicly owned marina or small craft harbor through a master-meter. The master-meter Customer may sub-meter tenant usage aboard a vessel moored in an individual boat slip or berth at the marina or harbor but may not sub-meter any other tenant usage (e.g., stores, gas pumps on docks, or any land-based facility).

2. If the master meter Customer sub-meters and furnishes electricity to individual boat slips or berths for tenant usage aboard a vessel, the rates and charges to the tenant must not exceed those charges that would apply if the tenant were purchasing electricity directly from the utility.

D. Other Uses and Premises

1. A Customer shall not furnish or use electricity received from the utility upon other premises, except for the utility's operating convenience, or for other purposes than those specified in the Customer's application for service or in the applicable rate schedule.

2. Sub-metering of electricity is prohibited except as provided for in this Section.

3. In the event that electricity is sub-metered other than as provided for in this Section, the utility may either discontinue service to the Customer, or furnish electricity directly to the sub-metered entity at the utility's option.

20. SPECIAL SERVICE CHARGES

A. Customer Electrical System Faults

If a Customer contacts the utility concerning a lack of power, the utility shall provide the following services at no charge to the Customer:

1. The utility will verify whether or not power is being supplied to the Customer side of the meter base servicing the Customer.

2. The utility will inform the Customer that the lack of power, when power is being supplied to the Customer side of the meter base, is due to a problem on the Customer's side of the meter.

B. Special Services
The Customer may, at its discretion, request the utility, and the utility, at its discretion, may provide the service of investigation of the Customer's electrical system on the Customer's side of the meter to determine the cause of the lack of power. Any such investigation shall be conducted at a fee in accordance with rate schedule MISC. The Customer shall be informed of an estimate of these fees in advance of the inspection.

21. CUSTOMER-OWNED GENERATION-QUALIFIED FACILITIES

A written contract for service will be required wherein a Customer operates a cogeneration or small power productions facility that meets that criteria for a qualifying facility (QF) as defined by Title 18, Code of Federal Regulations (CFR) Section 292.101(b)(1) and meets the design standards of the utility.

Any generation connected by a Customer must be approved in writing by the utility.

22. FACILITY RELOCATION FUND

A. *General*
As part of the ongoing efforts to redevelop Mare Island, a facility relocation fund (“Relocation Fund”) will be established to provide financial assistance to the City of Vallejo (“City”) or a Qualified Developer (as defined herein) for use in the relocation or reworking of electric and gas utility facilities in conjunction with City’s redevelopment activities on Mare Island. There shall be but one fund from which both electric and gas relocation projects may receive funding. The same application procedure will be applicable to both and withdrawals from the Relocation Fund for gas projects will reduce the funds availability for electric projects and vice versa.

B. Contributions To Fund; Maximum Balance
The utility will commence regular contributions to the Relocation Fund by the collection of two percent (2%) of the gross annual receipts from the sale of electricity and gas by the utility. The Relocation Fund shall have a maximum balance of Three Hundred Fifty Thousand Dollars ($350,000) at any one time. Contributions to the Relocation Fund shall continue on an ongoing basis until the maximum balance is attained. At such time the maximum balance is attained, all collections for this fund and contributions by the utility shall cease. If a withdrawal causes the balance in the Relocation Fund to drop below the maximum balance herein established, utility shall once again commence making contributions under these same terms beginning on the month following the month during which the Relocation Fund was so reduced. The Relocation Fund shall not be increased by receipt of interest on its balance at any time. Any interest earned on the principal balance shall be directed into utility’s operational account for general purpose use. There shall be no monetary obligation by the utility under this Section 22 beyond the balance contained in the Relocation Fund.

C. Withdrawal From Fund
The City or any Developer under contract with the City for the redevelopment of any portion of Mare Island (“Qualified Developer”) may request assistance from the Relocation Fund for use in utility relocation made necessary by redevelopment activities on Mare Island. Any application of funds from the Relocation Fund must be utility related and limited to relocating electric and gas facilities in conformance with Mare Island Reuse Plan, as amended from time to time. The amount of support under the Relocation Fund is limited to the balance of the Relocation Fund as determined hereunder.

D. Procedures for Withdrawal
The City or a Qualified Developer may request a withdrawal from the Relocation Fund for use consistent with Mare Island Reuse Plan under the following criteria:

1. The City or Qualified Developer may request funds in support of the relocation of electric

and/or gas distribution facilities owned by the utility on a specific project-by-project basis.

2. Such request shall be tendered to the utility in writing, indicating the specific project, and the amount requested, the time frame during which relocation activities should be completed, and any other information or data pertaining to the project which is required by the utility to meet both the funding and relocation requirements associated with the project.

3. The City and the utility shall work together to develop a form of request satisfactory to meet the needs of the City, any Qualified Developer and the utility.

4. The City and the utility shall endeavor to communicate on an ongoing basis so that any projects might be foreseen, and may be approached as efficiently as possible.

5. The City or any single Qualified Developer shall not be entitled to a withdrawal of more than fifty percent (50%) of the Relocation Fund balance as it exists on the date and at the time of the submittal of the application under this section, after having deducted all amounts which are the subject of prior applications under consideration. In the event a prior application is denied prior to a final determination on the later application, the funds available to the later applicant shall be recalculated as if the prior application had not been made. Prior to payment hereunder, the City or a Qualified Developer must (a) have submitted a project application, (b) paid the application fee, (c) entered into a Working Contract with utility, (d) completed the project in compliance with all of the terms of its agreements with utility and (e) be in compliance with these tariffs. Any failure to comply with the requirements of this Section shall result in the restoration of the funds earmarked for the Qualified Developer to the Relocation Fund. The application for a withdrawal from the Relocation Fund will be processed in the order in which the applications are submitted.

6. In the event that the City or a Qualified Developer otherwise meets all of the criteria set forth in this Section 22 and the Executive Director has agreed to fund in whole or in part the relocation project, such Applicant may request to have the utility carry out the relocation project. The utility, if it accepts responsibility for the design and construction of the relocation project, shall charge the Relocation Fund for all engineering, design, construction, labor, equipment and other costs and expenses, to the extent Relocation Funds have been approved for use on the relocation project. Any costs above and beyond the funds available hereunder shall be the sole responsibility of the Applicant. For relocation project with estimated cost of $10,000, or less the utility General Manager shall have sole discretion to decide whether the utility will take on the project or not. For relocation projects with an estimated cost of over $10,000, the Executive Director shall have sole discretion to decide whether the utility will take on the project or not.

7. The Executive Director of Pittsburg Power Company (“PPC”) shall review each request for withdrawal from the Relocation Fund for all projects with an estimated cost of more than $10,000, and shall, at the Executive Director’s sole discretion, decide to fund or not to fund all or part of the requested relocation project out of the Relocation Fund. The Executive Director’s decision will be based on the finding of whether or not the project is viable and can be completed successfully, is consistent with the Reuse Plan, as amended from time to time, and is consistent with the conditions of this Section. For all projects with an estimated cost of $10,000 or less, the General Manager shall be responsible for the review and determination whether or not to approve the application, and in making such determination shall exercise the same discretion as that exercised by the Executive Director on projects with an estimated cost of more than $10,000.

8. For projects with an estimated cost of more than $10,000, a City or Qualified Developer who is not satisfied with the decision of the Executive Director, has recourse by appeal to the full Board of Directors of PPC (“Board”). In which event the City or Qualified Developer shall, within ten (10) days of the mailing of the Executive Director’s written decision, submit a written appeal containing all arguments in favor of the use of Relocation Funds for project,

along with any relevant exhibits demonstrating compliance with the conditions of this Section to the Board. The Board will thereafter consider the appeal in a timely manner at a regular noticed meeting and its decision shall be final. For projects with an estimated cost of $10,000 or less, the decision not to approve the use of funds from the Relocation Fund will, at the request of the Applicant, be reviewed by the Executive Director, who's determination shall be final.

9. The amount of funding available to the City or Qualified Developer under this procedure is strictly limited to the amount determined under Section 22(F)(5) above.

10. All funds held in and distributed from the Relocation Fund are public funds within the meaning set forth in California Labor Code sections 1720, et seq., and may or may not be subject to the prevailing wage laws contained therein. The City or Qualified Developer shall indemnify the utility and PPC against any and all claims regarding any failure to pay prevailing wages.

E. Limited Obligation

Other than as set forth in this Section 22 and in Sections 15.K and 15.L, the utility shall incur no other obligation to fund the utility facility expenses incurred by the City or any developer.

F. Termination

The relocation fund shall terminate at the earlier of the following dates: a) the date on which those Qualified Developers having charge of redevelopment pursuant to the Reuse Plan, as amended from time to time, have completed their work or b) February 1, 2025.

23. CALIFORNIA PUBLIC BENEFITS PROGRAM

A. General

AB 1890 is California’s comprehensive electric restructuring legislation which became effective on September 23,1996. The passage of AB 1890 deregulated the electricity industry and established broad funding and allocation guidelines to support statewide Public Benefits Program in energy efficiency, renewable technology, low-income and RD&D that might not otherwise be funded in a more competitive environment. Public Utilities Code Section 385 requires each local publicly owned electric utility shall establish a nonbypassable, usage based charge on local distribution service to support the Public Benefits Program.

B. California Public Benefits Program Funding

Pursuant to Public Utilities Code Section 385, the minimum charge to be collected by the publicly owned utilities for the Public Benefits Program is the lowest expenditure level of the three largest investor owned electrical corporations in California on a percentage of revenue basis, taking other considerations into account, Based on the formula and numbers supplied by the California Energy Commission, it is suggested that the appropriate number for publicly owned utilities is 2.85% of their total revenue collected or, in the case of a partial or full discontinuation of service, what would have been collected.

C. Island Energy Public Benefits Fund

The Pittsburg City Council, acting as the Board of Director of Island Energy by resolution No. 07-177, has approved the establishment of Island Energy Public Benefits Fund on December 1, 2007. The requirement of Public Benefits Program is 2.85% of Island Energy’s total electric revenue requirement The PBP charge per kWh is calculated based on the utility’s forecasted sales and revenue requirement annually.

The Public Benefits Fund charge shall appear as a separate line item on the utility bills. The fee will be collected on the electric revenues of all Customers tied to Island Energy’s distribution system. The collected funds should be maintained in a separate account and disbursed for the Public Benefits Program.

D. Island Energy Public Benefits Programs

The Island Energy Public Benefits Funds will be used to fund the following programs on a first come first serve basis subject to available funds:

1. Residential Energy Advisory Services Program

Island Energy provides free on-site residential energy analysis and advices on how to conserve energy. Also, Island Energy will provide free educational brochures and mailings to its customers demonstrating how they can conserve energy through demand side management techniques.

2. Efficient Lighting Program

Island Energy promotes high efficiency by providing compact fluorescent light bulbs (CFLs) to residential and commercial customers in order to increase the utilization of high efficiency lighting products. Island Energy will provide up to five CFL light bulbs.

3. Appliance Efficiency Program

Island Energy offers rebates for Energy Star-rated appliance replacements, including dishwashers; clothes washers; refrigerators and air conditioners to eligible Island Energy residential or business customers. This program does not allow for reimbursements to developers of residential or commercial developments. It is the Customers' responsibilities to complete, sign and submit an Appliance Efficiency Program application from, along with an original or legible copy of the purchase receipt, to the utility's office for a rebate. A utility representative may call to schedule a physical inspection of the installed appliances prior to issuing a rebate. The utility may evaluate the energy efficiency of the particular appliance or appliances and determine the applicable rebate.

Qualifying Energy Star-rated products are listed on the Environmental Protection Agency's web site at www.energystar.gov . Application Form, terms and instructions are available at the utility's offices and on the utility's website.

The rebate amounts for qualifying Energy Star-rated appliances are:

Dishwasher	\$50
Clothes Washer	\$75
Refrigerator	\$50
Room Air Conditioner	\$50

4. Commercial Energy Efficiency Rebate Program

This program is designed to provide certain rebates for designated energy conservation measures to commercial customers who receive electric service from the Utility. Commercial customers who wish to improve energy efficiency within their facilities and seek to take advantage of this program may file an application with the utility in the form provided by the utility and posted on its website. The following additional requirements shall apply:

a. The Applicant must be able to demonstrate that recently installed improvements or planned improvements, for which it seeks contribution to the expense of the improvements, will result in a reduction in the use of energy by at least 10%. The application must be accompanied by a) copies of any executed contract with a contractor who is going to install the energy efficiency improvement measures, b) copies of any reports demonstrating the actual or, in the event the improvements have not yet been installed, anticipated energy savings, c) invoices for qualified energy efficiency products purchased and installed, or to be installed, and, d) any other supporting information.

b. A utility representative may call to schedule a physical inspection of the planned or installed improvements or request further information in order to evaluate if and to what extent the improvements may qualify for reimbursement under this program.

c. Funds originally earmarked under one application will be made available to other customers if the Applicant fails to submit all required supporting documents and install the proposed energy efficiency improvements within the required time period.

d. After installation and a three month window allowing the utility to collect electric consumption data from the service location which successfully demonstrates the requisite energy reduction, the utility will make the appropriate reimbursement. The utility has sole discretion to determine the applicable rebate and program eligibility and its determination shall be final in all cases.

e. Reimbursement is subject to funds available under the Public Benefits Fund Program and will be made available in the order in which all applications are received. The total rebate amount shall not exceed $35,000 for any single application.

f. Currently there are catalogs providing specific information on requirements and rebates for the following three types improvements:

- Lighting Fixtures
- Compressed Air Systems
- Commercial Motors & Process Improvements

For energy efficient improvements which are other than Lighting Fixtures, Compressed Air Systems, Commercial Motors & Process Improvements, the available rebate shall be calculated under the formula applicable to Commercial Motors & Process Improvements.

5. Residential Low Income Assistance Program

This program is designed to provide discounted electric rates to assist eligible low-income residential customers with their utility bills. To be eligible to receive assistance from this program, an interested Customer must file an application with the utility and provide a copy of his/her U.S. Tax Return from the previous year along with other proof which is sufficient to establish all household income. To obtain the benefit under this program the total household income for any Applicant shall not exceed those amounts shown on the table below for the corresponding number of persons residing in the household. Eligible Applicants will receive a 20% discount on their residential electric rate at each tier. If a Customer's financial situation is changed and no longer fulfill the low-income eligibility criteria, the Customer must notify the utility within thirty (30) days after the change occurs. Each Customer receiving the reduced rate under this Program must reapply for eligibility at least once a year on or before the anniversary date of the first bill received showing a discount under this Program. In addition, the utility may request an updated verification of household income at its discretion. If Verification establishes that the Customer is no longer eligible for the program, the Customer will be removed from the program and the utility may render corrected billings under the full rate schedules hereunder for the period of ineligibility. Such customer will also be reported to law reinforcement department for fraud.

Number of Persons in Household	Maximum Annual Household Income
1-2	$31,860
3	$40,180
4	$48,500
5	$56,820

6	$65,140
Each additional member, add:	$8,320

6. Solar Incentive Program
Certain rebates will be provided for the purchase and installation of new Solar Energy Systems by residential and commercial customers who comply with the requirements of Section 24. This program does not allow for reimbursements to developers of residential or commercial developments. The terms and application process are fully described under Section 24: Solar Incentive Program.

7. New Investment in Renewable Energy Resources and Technologies
This program is designed to provide funds for the construction and installation of Utility owned renewable generation within the Utility's service area. Such generation would be connected to Utility's distribution grid and provide the Utility with renewably generated electricity for resale.

8. Administrative Costs for Public Benefits Fund Sponsored Programs.
This program allows the Utility to recuperate administrative costs and staff time for developing and implementing new Public Benefits programs, managing existing programs and verification of energy efficiency measures and renewable technologies installed.

9. Electric Vehicle Incentive
This program applies to verified current owners of plug in electric vehicles and hybrids with an electric range in excess of 30 miles per charge

a. Rebate for installation of a level 2 (240volt) charging station. Installation must be performed by a qualified electrician and inspected by the utility technician. The utility will provide rebate to cover the actual out-of-pocket costs, including EV charger purchase cost (minus rebates from manufacture and other government agencies), installation and permit cost of installing of a level 2 (240volt) electric vehicle charging station.

b. To be eligible for the program, customers must fill out the EV Charger Rebate Application and submit the application along with all supporting documentation to Island Energy via mail or email.

c. Applicant must present documentations to show they own a plug in electric vehicle or hybrid with an electric range in excess of 30 miles per charge. Documentation is required at time of initial application for the program and must be provided between July 1 and July 31 of every subsequent year.

d. Applicant is responsible for obtaining all required permits from the City of Vallejo.

e. The incentive offer is on a first-come, first served basis and is effective until funding is expended or the program is discontinued.

24. SOLAR INCENTIVE PROGRAM II

A. General
California Senate Bill 1 requires publicly owned utilities that sell electricity at the retail level, to adopt, implement, and fund a solar incentive program for the purpose of investing in, and encouraging the increased installation of residential and commercial solar energy systems on or before January1, 2008. Publicly owned utilities shall offer monetary incentives for up to the first megawatt of

alternating current generated by an eligible solar energy system, within certain limitations, of at least $2.80 per installed watt or at a rate determined by the publicly owned utility's governing board. The Utility has sole discretion to change the rebate rate or to cancel the Solar Incentive Program at any given time.

After December 31, 2017, Island Energy's incentive rate of Solar Incentive Program has sunset to $1.00/installed Watt and the Solar Incentive Program has come to an end. In a continued effort to encourage residential solar installation on Mare Island, a successor program, the Solar Incentive Program II is adopted on July 1, 2017. The Solar Incentive Program II is available to residential solar installations only and the maximum amount of any application is capped at $5,000.

B. Program Eligibility and General Requirements

1. Solar Program Incentive will be made available to all residential customers who take electric service from Island Energy on Mare Island on a first come first serve basis.

2. All PV solar systems receiving incentives from Island Energy must be connected to Island Energy's distribution system, with the provision that all applications are approved by the utility and shall be consistent with the California Energy Commission's rules for customer generating facility interconnections.

3. All photovoltaic ("PV") solar systems installed within the utility's service area on Mare Island must be installed in conformance with the manufacturer's specifications and in compliance with the utility's engineering criteria for interconnection to the utility's electric distribution system and all applicable electrical and building code standards.

4. The solar energy system should be located on the same premises where the consumer's electricity demand is located. A customer cannot interconnect a solar-electric system to Island Energy's distribution system without an executed Interconnection and New Metering Agreement (if the total rated generating capacity used by Eligible Customer-Generators is less than 5 percent of Utility's aggregate customer peak demand) or Interconnection and Exported Renewable Energy Agreement (if the total rated generating capacity used by Eligible Customer-Generators exceeds 5 percent of Utility's aggregate customer peak demand) allowing the interconnection to proceed.

5. All components in the solar energy system must be new and unused and have not previously been placed in service in any location and for any other application. All solar energy system must have a minimum 10-year warranty to protect against defects and undue degradation of electrical generation output.

6. Eligible solar technologies must primarily generate electricity. "PV" refers to flat-plate non-concentrating photovoltaic modules, and "other solar electric generating technologies" refers to all solar electric generating technologies except flat-plate non-concentrating photovoltaic modules.

7. All major solar energy system components eligible for Public Benefits Fund under SB1 shall be included on the Energy Commission's Eligible Equipment Lists. This includes PV modules, other solar electric generating technologies, inverters, and meters. Information on solar energy system components can be found at http://www.GoSolarCalifornia.org.

8. The solar energy systems receiving monetary incentives are intended primarily to offset part of the consumer's own electricity demand. The solar system must produce at least 1 kilowatt (kW) and no more than 1 megawatt (MW) alternating current rated peak electricity, accounting for all system losses, and meet or exceed the eligibility criteria established in this Tariff.

C. Program Participants

1. Host Customer
The Host Customer is the owner or tenant of the premises where the PV solar system will be installed. The Host customer must have a valid utility account with Island Energy at the time the application is submitted.

2. System Owner
The System Owner is the owner of the PV solar system at the time the incentive is paid. In the case of third-party-owned (or leased) system, the third party is the system owner.

3. Program Applicant
The program applicant may be the Host Customer, the System Owner or an assigned designee such as the Installer or Solar Panel Seller. While the applicant is the primary contact for the Solar Incentive Program application process, the system owner remains the legal party to the PV solar system during the life span of the system unless the Host Customer elects to purchase the PV solar system for its residual value during the life time of the system.

D. Program Installer

All eligible PV solar systems shall be installed by individuals with a current A, B, C-10, or C-46 contractor license. Roofing contractors with a current C-39 license may place PV panels in accordance with the limitations of their license; however, electrical connections shall not be made by a roofing contractor. Installation by certified installers is encouraged, though not required. Systems may be self-installed by the purchaser.

The utility will conduct system inspection visit in order to verify that the system is installed as represented in applications, are operational, interconnected and conform to all utility criteria. The utility reserves the right to disqualify installers from future program participation for failed inspections due to gross negligence, fraud, or uncorrected mechanical failures.

E. System Sizing

Solar customers may size their solar systems to offset up to 100% of their annual electricity usage. The utility evaluates solar system size based on the customer's historical load of the previous 12 months. The utility will not provide a rebate for the oversized portion of a solar system.

F. Incentive Assessment and Structure

1. For PV solar systems installed at residential premises, the utility will provide an incentive at a value of $1.00 per installed watt rebate, up to $5,000 or 50% of the installed cost for each installation, whichever is less, subject to funds available under the Public Benefits Program, with the customer being responsible for all other costs of installation, including the required meters;

2. The utility uses the California Solar Incentive's (CSI) Expected Performance Based Buy-down (EPBB) calculator for PV system under 30 Kilowatts (kW) and Performance Based Incentive (PBI) calculators for system 30 kW and above as reference to determine rebate amount. The EPBB incentive is a one-time payment paid at the time the system is installed and inspected by the utility and the payment is based on expected electrical output of the solar system. The PBI incentive is paid on a fixed dollar per kilowatt-hour of metered electrical output of the solar system over the course of five years. The EPBB and the PBI payment are intended to be financially equivalent.

Timeline	FY 2017-2018	FY 2018-2019
Incentive Rate	$1.00/Installed Watt	$1.00/Installed Watt

3. Additions to existing system are only allowed for systems that met program requirements at the time of installation. The newly added generating equipment shall be selected from the current lists of eligible equipment and meet the current requirements, including the requirement for a 10-yeaar warranty. All of the current program eligibility criteria and documentation requirements apply to the added equipment.

4. The Solar Incentive Program II rebate is intended and limited for residential electric retail customers who install PV systems on their premises within the utility's services area. No rebate will be available for PV solar system installed by developers who build, construct, retrofit or rehabilitate real property for the purpose of resell or lease.

5. All rebate amounts offered shall be effective for 180 days from the time stamp on the customer's approved application. If a customer has not proceeded with the PV installation within 180 days of application approval the utility will assume the customer has abandoned the project and the approved application will expire, and offered rebate amount will be made available to other customers. The customer may reapply after the 180 days has expired.

6. For PV solar system smaller than 30 kW, rebate payment will be made to the Host Customer, the System owner or a designated third party as indicated on the Island Energy Solar Incentive Program Application Form.

7. For PV solar system 30 kW and above, the incentive is paid monthly over a 5-year term based on the actual energy generated. The system owner must provide monthly production data to the utility for calculation of the performance based incentive up to five years, or until reach the $50,000 rebate cap for commercial solar application

G. Site Inspection and System Verification

To be eligible for the Solar Incentive Program rebates, all Host Customers, System Owners and all Applicants must agree to provide Island Energy access to the site and any available data and information collected on the system for a period up to 10 years.

Island Energy will conduct site inspection to verify solar systems are installed as represented in applications, are operational, interconnected and conform to the eligibility criteria of the Solar Incentive Program before the system can be energized.

H. Ownership of Environmental Attributes

The System Owner shall assign the utility any and all environmental attributes, including but not limited to renewable energy credits, green tags and carbon credit/allowances generated by the PV solar system that receives rebate on during the entire lifetime of the PV Solar system. The utility shall have sole discretion and full benefits of any and all environmental attributes, renewable energy credit, carbon credit/allowances and energy deduction with respect to the system that received rebate from the utility.

I. Net Energy Metering Program and Exported Renewable Energy Program

Before July 1, 2016, the total rated solar generating capacity installed by Eligible Customer-generators exceeded the 5% threshold of the Utility's aggregate customer peak demand and the Utility closed the Net Energy Metering Program. Customers who have previously been approved for the Net Energy Metering Program remain eligible for the program. Customers who move into premises with a system previously been approved for the Net Energy Metering Program are also eligible for the program providing they sign the interconnection and Net Energy Metering agreement. Increase in the generating capacity of systems eligible for the Net Energy Metering program is not permitted.

After July 1, 2016, the successor program Exported Renewable Energy Program is available to solar customers where a new system would be installed. Solar customer-generators who are on the Exported Renewable Program will be compensated for their exported solar power at the average annual energy purchase price determined by the Utility's annual Rate Case. For program details please refer to Rate Schedule ERE.

The below table illustrates the differences between the two Programs.

Net Energy Metering (NEM) Program	Exported Renewable Energy (ERE) Program
• Full retail credit for excess solar generation during a 12-month cycle • Allow to bank excess solar generation credits of a 12-month cycle • Energy net surplus compensated at annual energy acquisition rate at the end of a 12-month cycle • Monthly meter service fee applied • Public Benefits Charge billed on annual net consumption	• No banking of excess solar generation • Exported energy compensated at annual energy acquisition rate • Energy charges and credits applied on a monthly basis • Monthly meter service fee applied • Public Benefits Charge billed on monthly electricity consumption

J. Solar System Sizing and Application Process

1. Obtain a Solar PV Rebate Application Form and an Interconnection and Exported Renewable Energy Agreement. Fill out the application form and submit it to the Utility with the required support documents via internet, mail or office drop-off. The utility will process all completed applications within thirty (30) days.

2. Upon receiving approval from the utility, the Customer must sign the Interconnection Agreement to participate in Island Energy's Solar Incentive Program and Exported Renewable Energy Program.

3. Receive a building permit from the City of Vallejo. It is recommended to get application approval from the utility before obtaining the building permit.

4. After receiving the building permit, the Customer should begin the installation process within 180 days of receiving the utility's approval or the application will expire.

5. Upon completion of the installation, obtain a building safety inspection from the Building Department of the City of Vallejo.

6. The utility will be notified by the Building Department of Vallejo, and the utility will perform a utility inspection and replace the regular meter with a bi-directional meter. Once the bidirectional meter is installed, your solar system is interconnected to the utility's grid.

7. A rebate check will be issued for newly installed systems to the solar customer or a designated third party as indicated on the application form within 4-6 weeks after the solar system is interconnected to the grid. The utility has sole discretion on the final rebate amount.

8. All Solar customers and solar services companies must follow the application process in this Tariff. Any violation of this application process may lead to cancellation of the rebate.

K. Application Attachments

1. Recent utility bill showing electric usage of the service location

2. Purchase order, contract or lease for the PV system installation, showing equipment size and proof of the 10-year warranty

3. Shading Analysis, if not minimal shaded

4. Energy Audit Report for Commercial Customers (not required for residential customers)

L. Non-Bypassable Charges

Customer-Generators shall not be exempt from certain charges paid by other Customers in order to avoid any shortfall, resulting in a shifting of the burden of these charges to the remaining non-generating Customers. These charges may include all or some of the following: a) the Public Benefits Program (Section 23, California Public Benefits Program), b) Outstanding Power Purchase Costs ("OPPC") c) Capital Improvement Debt ("CID") (Repayment of loans for capital improvements made necessary as a result of the aging electrical system) and d) Operational Financial Assistance ("OFA") (Repayment of loans made necessary during periods where there are shortfalls in cash flow necessary to meet current obligations in between rate adjustments), and either appear as a line item on the monthly bill to all Customers or as a debt to be repaid as part of the yearly rate case.

25. INVESTMENT RECOVERY CHARGES

A. General

The provisions under this Section shall be applicable to Customers who were served by the utility on or after August 2nd, 2008 ("Starting Date"), but have commenced receiving all or a portion of their electrical load from energy supply parties other than Island Energy or self-generation by cogeneration, renewable technologies or any other type of self-generation that is dedicated wholly or in part to serve all or a portion of a Customer or group of Customers' load while the Customers physically located at the same location or remain within Island Energy's service area on or after August 2, 2008 ("Departing Load").

B. Purpose.

The purpose of this Section is to insure that the repayment of certain major expenses incurred by Island Energy in reliance on the committed Customer load at the Starting Date and the anticipated load growth due to the redevelopment of Mare Island do not shift to the remaining Customers as a result of a withdrawal from service in whole or in part by a Customer or group of Customers.

C. Investment Recovery Charges Definitions.

Investment Recovery Charges ("IRCs") consist of the following components:

1. Outstanding Power Purchase Costs ("OPPC") represent the difference between the resource costs under the power purchase contract in existence on the departure date and the market price as determined under section 6 below.[1] These are commitments that were entered into during the period of time the Departing Load Customer was served by the utility and that extended beyond the last day of service to the Departing Load Customer ("Departure Date").

2. Capital Improvement Debt ("CID") represents the costs of capital projects that the utility undertook to develop infrastructure to serve Customers during the period of time the Departing Load Customer was served by the utility. The cost of the CID is calculated by dividing the cumulative debt incurred by the utility for such projects by the anticipated load for the area.[2]

3. Operational Financial Assistance ("OFA") are those financial assistances from Pittsburg Power Company made necessary to support Island Energy's on-going operation and to provide safe and reliable services to Customers during periods of time when these

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[1] Negative values shall not be taken into consideration.

[2] Area is broken down into the north island and the south island, the dividing line being G Street. Capital improvement projects undertaken for the sole benefit of the north island shall be reimbursed by north island customers only. I.E. Section 15L. Otherwise the "Area" will be defined as the entire service area for Island Energy.

necessary expenses were not covered by the revenues received by utility and the Departing Load Customer was served by the utility.

4. Public Benefits Program (“PBP”) charge is a usage-based and non-bypassable charge required by law to support energy related Public Benefits Programs in energy efficiency, renewable technology, low-income and RD&D that might not otherwise be funded.

D. Departing Load Period Profile

The Departing Load Customer’s OPPC, CID, OFA and PBP obligations will be calculated based on metered consumption. Customers should provide meter consumption data to the utility after their load being served by sources other than the utility, subject to the utility’s verification to assure reliability of such consumption data and/or information.

If metered consumption is not available, then the Departing Load Customer’s monthly consumption estimates will be based on the Customer’s historical load by one of the following methods:

1. For Departing Load Customers with a load history less than 12 months prior to receipt by the utility of the Notice of Departure, the average of previous usage history will be used to project future consumption.

2. For Departing load Customers with a minimal 12 months load history, the average of the 12-month period prior to the receipt by the utility of the Notice of Departure will be used to project future consumption.

3. For Departing Load Customers with 36 months or more of usage history, the average 12-month energy usage, with such average measured over the prior 36 months of usage, will be used to project future consumption.

In the event the 12-month average usage differs from the 36-month average usage by more than 25%, the 36-month average will be used unless there is sufficient evidence to demonstrate that the 12-month usage is more indicative of the Customer’s future electric usage, and then the 12-month average will be used to project the Customer’s future electric requirement.

E. Investment Recovery Charges Calculation

1. Outstanding Power Purchase Costs

OPPC is the monetary difference per kWh between power purchase price under committed contracts in effect as of the Departure Date and the Market Price Benchmark as determined pursuant to Section 6 below. The OPPC of Departing Load Customers is calculated by multiplying the Customer’s monthly consumption by the monetary difference between the utility’s prevailing rates (ES-1 and ES-2 Schedule for commercial and residential classes, respectively) and market price benchmark per kWh. In the event that the OPPC calculation results in a value less than zero it will not be factored into the total calculation for the IRC.

2. Capital Improvement Debt

The annual debt service requirement on CID is determined by amortizing capital improvement expenditures at the prevailing interest rate. The applicable annual debt service requirements will be divided by the annual forecasted consumption on the anticipation of serving all Customers in the utility service area. The CID charge will be posted in Island Energy’s tariff by July 1st for each fiscal year. The actual collection of debt service will be reconciled against the repayment schedule of CID. Charges or credits will be absorbed in the following year’s repayment schedule.

3. Operational Financial Assistance

The OFA repayment obligation of the Departing Load Customer shall be calculated by dividing the annual debt service requirement for the OFA on the Departure Date by the annual forecasted consumption by all Customers in the utility service area. The OFA charge will be based on a per kWh amount and will be posted in the utility's tariff by July 1st for each fiscal year. The actual collection of debt service will be reconciled against the repayment schedule of OFA. Charges or credits will be absorbed in the following year's repayment schedule.

4. Public Benefits Programs
The collection of PBP Fee from Island Energy's Customers is a state requirement. The current rate is 2.85% of Island Energy's total electric revenue. The Public Benefit Program charge per KWh is calculated based on the Utility's annual forecasted sales and revenue requirement.

5. Total Investment Recovery Charge
The Total IRC, expressed as dollars per MWh, will be the summation of the OPPC, CID, OFA and PBP charges and multiplied by the Customer's average load as determined pursuant to Section D.

6. Market Price Benchmark
The market price benchmark will be based on an average of Megawatt Daily published forward price indications for the coming calendar year at NP15. The average will be calculated over the period of October 1 through October 31 of the year prior to that being considered. This average published price multiplied by 0.87 will be the market price benchmark for resources that the Utility classifies as base load. The 0.87 factor is the average ratio of 7x24 spot prices to 6x16 spot prices and is used to convert the published price, which is for 6x16 products, to a base load price. For resources that the Utility classifies as peaking, the market price benchmark will be the average published price without such adjustment.

F. Payments and Collections

1. Payments
Upon departing the utility, Departing Load Customers are obligated to make monthly payments to the utility over the duration of the IRC. The duration will be determined by the outstanding debts that the utility incurred to provide safe and reliable services and its amortization schedule. The utility will issue monthly bills in accordance with the provisions of this Schedule. Customers shall pay to the utility within 20 days of receipt of the bill. Failure to pay monthly IRC payments constitutes a violation of this tariff and breach of the Customer's obligation to the utility. Opportunity to cure this breach is described in Section G.

2. Procedures for Implementation
Departing Load Customers are obligated to notify the utility of their intent to discontinue or reduce utility electric service in accordance with the following procedure:

A Departing Load Customer shall notify the utility at least 30 days in advance in writing of its intent to displace all or a portion of its load with service from another utility (the "Notice of Departure") or, in the event of a reduction in load as a result of participating in the Solar Incentive Program notice will be deemed complete upon commencement of generation). The Departing Load Customer shall specify in its Notice of Departure the following:

a. The date on which the Customer will reduce or discontinue its electric service ("Date of Departure");

b. A description of the load that will be displaced;

c. The name of the other utility or source from which the Departing Load Customer will acquire its electricity; and

d. The Departing Load Customer should choose whether they will provide metered consumption data to the utility on a monthly basis or their average monthly consumption will be determined by the stated billing determinants as described in Section D. At the Departing Load Customer's election, metered data can be used on a prospective basis.

3. Opportunity to Cure

Failure to provide a Notice of Departure including all the elements specified above, or a failure to make two consecutive IRC payments hereunder will constitute a violation of this tariff and a breach of the Customer's obligations to the utility. Utility will provide a notice of the violation to the Customer, specifying the Customer's failure to comply with this tariff and providing the Customer with 30 days to take action to cure the breach as defined below.

a. If the breach was a failure to provide a written Notice of Departure to the utility 30 days in advance, the Departing Load Customer is subject to a $500 fine and will be required to pay a deposit equal to two monthly IRC payments.

b. If the breach was a failure to pay two consecutive monthly IRC payments, to cure the breach the Customer must pay all delinquent monthly IRC payments plus a deposit equal to two monthly IRC payments.

c. The utility will apply the deposit to the Customer's outstanding IRC balance and refund any remaining balance when the Departing Load Customer's obligation to the utility expires.

4. Demand for Lump Sum IRC Payment

If the Customer does not cure the breach and pay the deposit as described in Section F(3) the utility may issue a demand for a Lump Sum Payment of the unpaid IRC responsibility.

The amount of the Lump Sum Payment should be equal to the summation of respective net present values of all applicable OPPC, CIID, OFA and PBP payments over the IRC repayment period.

5. Enforceability

If a Departing Load Customer fails to honor the demand for Lump Sum Payment of for the unpaid IRC responsibility within 30 days of issuance, the utility shall be entitled to enforce this obligation by filing suit to enforce this tariff in any court of competent jurisdiction and recover its costs and attorneys' fees incurred.

G. Departing Load Agreement

Departing Load Customers shall sign a Departing Load Agreement with the utility at least 5 days before the Date of Departure. The utility shall provide the Departing Load Agreement to the Customer after the receipt of the Notice of Departure. Whether a Departing Load Customer signs the Departing Load Agreement or not, such Customer will be deemed to have agreed to the terms of the Departing Load Agreement and terms stated in this tariff by taking retail service from the utility on or after August 2nd. 2008.

H. New Occupancy in Departing Load Premises

When a Departing Load Customer moves to a new location outside the utility's service area as it existed on or after August 2nd 2008, the obligation of the Investment Recovery Charges to that Customer will cease. New occupants who move into the utility's service area and resume such services from sources other than Island Energy will be subject to the IRC.

I. Dispute Solution

Departing Load Customers may request an adjustment to the Investment Recovery Charges or an investigation into their determination. Any Departing Load Customer whose request for an adjustment or request for an investigation has resulted in an adverse determination may appeal the determination within ten (10) business days from the date of the notice of the adverse determination to the utility's Board of Directors by letter (Notice of Appeal) setting forth the basis for the appeal and the facts to be considered by the Board at the time of the hearing. A date for the hearing on the appeal will be calendared within fifteen (15) days following the date of receipt of the Notice of Appeal. The date of the hearing shall be no later than forty-five (45) days from the date of receipt of the Notice of Appeal. Any determination by the Board shall be final and not reviewable.

26. MEDICAL RESIDENTIAL ELECTRICAL SERVICE DISCOUNT PROGRAM

A. Program Outline.
This program is designed for residential Customers who require certain medically necessary life support devices to sustain life or enable mobility. To qualify under this rule, the device must be used in the home within the utility's service territory and the medical equipment must run on electricity supplied by the utility.

A. Life Support Devices.
For the purpose of this Section, life support devices include, but are not limited to, respiration, iron lungs, hemodialysis machines, suction machines, electric nerve stimulators, pressure pads and pumps, aerosol tents, electrostatic and ultrasonic nebulizers, compressors, IPPB machines and motorized wheelchairs ("Life Support Device").Devices used for therapy rather than for life support generally do not qualify.

C. Qualification Requirements.
To qualify for the Medical Residential Electric Service Program, Applicant must provide certification by a physician or osteopath that the Applicant or a full-time resident in the Applicant's home is dependent on a Life Support Device used in Applicant's home or is a Paraplegic, Quadriplegic, Hemiplegic, or a Multiple Sclerosis patient with special electrical space hearting needs or air condition needs. Medical conditions other than the Paraplegic, Quadriplegic, Hemiplegic, or a Multiple Sclerosis may also qualify for this program if electrically operated equipment is used to sustain, restore or supplant a vital function if approved by the utility.

D. Program Discount.
Qualified Customers will receive up to 16.438 additional kWh per Day (approximately 500 kWh per month) during each billing period at Tier 1 rates. The remaining kWh usage will be billed at the regularly applicable rates. See Rate Schedule M.

E. Customers Responsibility.
Although the utility makes every effort to supply uninterrupted service to all of its Customers, continuous service cannot be guaranteed. In the event of a power outage, patients requiring the use of life-support equipment are responsible for providing their own backup power system or calling for medical emergency service. Customers are also required to complete a third party notification form for emergency purpose. The utility does not guarantee service on delinquent or past due accounts.

F. Funding.
The Medical Residential Electric Service Program will be funded through Island Energy's reserve.

SHEET NO. 17-18-CES-1
CANCELING SHEET NO. 16-17-CES-1

Rate Schedule CES-1

METERED SMALL COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to small industrial/commercial Customers whose single meter monthly electricity consumption is no greater than 86,400 kWh.

TERRITORY

Mare Island Vallejo, California

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic Service Fee, per meter per day $0.3220

Energy Charge, per kWh $0.22560

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day $0.3220

Energy Charge, per kWh $0.20789

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff.
3. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
4. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

Rate Schedule CES-2

METERED INDUSTRIAL/COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to industrial/commercial Customers whose single meter indicates its monthly electricity usage is between 86,400 and 360,000 kWh in any particular month. Customers whose monthly consumption falls in this range will be billed at this rate class for that particular month.

TERRITORY

Mare Island Vallejo, California

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic Service Fee, per meter per day $4.50760

Energy Charge, per kWh $0.19940

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day $4.50760

Energy Charge, per kWh $0.18914

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff.
3. Eligibility for Primary Voltage Service. The Utility at its sole discretion will determine whether a Customer may receive Primary Voltage Service.
4. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
5. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

SHEET NO. 17-18 CES-3
CANCELING SHEET NO. 16-17 CES-3

Rate Schedule CES-3

METERED LARGE INDUSTRIAL/COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to large industrial/commercial Customers whose single meter indicates its monthly electricity usage is between 360,000 and 720,000 kWh in any particular month. Customers whose monthly consumption falls in this range will be billed at this rate class for that particular month.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic Service Fee, per meter per day $19.3183

Energy Charge, per kWh………………………………………$0.17573

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day………………………..$32.1971

Energy Charge, per kWh……………………………………….$0.16027

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule will be supplied at the voltages listed above
3. Eligibility for Primary Voltage Service. The Utility at its sole discretion will determine whether a Customer may receive Primary Voltage Service.
4. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
5. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

Rate Schedule CES-4

METERED VERY LARGE INDUSTRIAL/COMMERCIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to very large industrial/commercial Customers whose single meter indicates its monthly electricity usage exceeds 720,000 kWh in any particular month. Customers whose monthly consumption exceeds this threshold will be billed at this rate class for that particular month.

TERRITORY

Mare Island of Vallejo, California, Unite States

RATES

Service Type

Secondary Voltage (120, 120/208, 120/240, 240, 480, 277/480)

Basic Service Fee, per meter per day $38.6365

Energy Charge, per kWh…………………………………...$0.16531

Primary Voltage (12,000 volts)

Basic Service Fee, per meter per day $48.2962

Energy Charge, per kWh……………………………………$0.14924

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule will be supplied at the voltages listed above
3. Eligibility for Primary Voltage Service. The Utility at its sole discretion will determine whether a Customer may receive Primary Voltage Service.
4. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
5. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.

SHEET NO. 17-18-RES-1
CANCELING SHEET NO. 16-17-RES-1

Rate Schedule RES-1

METERED RESIDENTIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to all residential Customers receiving metered service. A residential Customer is defined as using a single-phase domestic service for lighting, heating, cooking, water heating, and power, or a combination thereof, in single family dwellings, flats, and apartments, separately metered by the utility and to single-phase service used in common for residential purposes by tenants in multi-family dwellings.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

Basic Service Fee, per meter per day $0.3220

Monthly Electricity Usage <=4,500kWh

Energy Usage Charge, all kWh, $/kWh………………………$0.19580

The minimum charge on this rate schedule shall equal the Basic Service Fee times the number of days in a billing cycle.

The minimum charge on this rate schedule shall equal the Basic Service Fee.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this Rate Schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff.
3. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
4. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.
5. FERC Adjustments: As FERC could potentially legally change the terms and conditions in PG&E's electricity purchase contracts, any resulting incremental rate increase of electricity to Island Energy will be added to the Energy Charge above as a pass-through rate.

SHEET NO. 17-18-RES-2

Rate Schedule RES-2

METERED RESIDENTIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to all residential Customers with monthly electricity usage over 4,500 kWh. A residential Customer is defined as using a single-phase domestic service for lighting, heating, cooking, water heating, and power, or a combination thereof, in single family dwellings, flats, and apartments, separately metered by the utility and to single-phase service used in common for residential purposes by tenants in multi-family dwellings.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

Monthly Electricity Usage > 4,500kWh

Basic Service Fee, per meter per day $0.3220

Energy Usage Charge, all kWh, $/kWh……………………….$0.39336

The minimum charge on this rate schedule shall equal to the Basic Service Fee times the number of days in a billing cycle.

SPECIAL CONDITIONS:

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this Rate Schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff
3. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer
4. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.
5. FERC Adjustments: As FERC could potentially legally change the terms and conditions in PG&E's electricity purchase contracts, any resulting incremental rate increase of electricity to Island Energy will be added to the Energy Charge above as a pass-through rate.

SHEET NO. 17-18-LS
CANCELING SHEET NO. 16-17-LS

Rate Schedule LS
LIGHTING SERVICE

APPLICABILITY

This rate schedule applies to all electric Customers receiving unmetered service from the utility for lighting facilities that are controlled by an electronic photo-sensitive switch. This rate schedule further applies only to Customers that own, operate and maintain the lighting fixtures and wiring connected to the utility's system, and is limited to the lamp types and wattage ranges listed below.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

The total monthly charge per lamp is equal to the sum of the facility charge and the energy charge:

Facility Charge Rate, per lamp per month.. $0.20700

Energy Charge Rate, per kWh $0.15557

Monthly energy charges per lamp are calculated using the following formula:

(Lamp-wattage + Ballast-wattage) x 4100/12/1000 x Energy-rate
Where: Ballast-wattage = Lamp-wattage x ballast-factor

Ballast Factors by Lamp Type and Wattage Range:

Watt Range	Ballast Factor	Watt Range	Ballast Factor
INCANDESCENT		LIGHT EMITTING DIODES	
0 to 200	0.00%	0 to 50	0.00%
MERCURY VAPOR		HIGH PRESSURE SODIUM VAPOR (120 VOLT)	
1 to 75	31.00%	1 to 40	25.44%
76 to 125	17.07%	41 to 60	22.93%
126 to 325	13.69%	61 to 85	21.25%
326 to 800	11.22%	86 to 125	20.00%
801 +	10.34%	126 +	17.07%

Rate Schedule LS

LIGHTING SERVICE

(CONTINUED)

METAL HALIDE

1	to	85	25.44%
86	to	200	24.39%
201	to	375	22.93%
376	to	700	18.54%
701	+		13.27%

HIGH PRESSURE SODIUM VAPOR (240 VOLT)

1	to	60	40.49%
61	to	85	42.16%
86	to	125	37.56%
126	to	175	34.63%
176	to	225	18.54%
226	to	280	17.07%
281	to	380	14.35%
381	+		12.68%

LOW PRESSURE SODIUM VAPOR

1	to	40	75.61%
41	to	75	54.32%
76	to	110	46.34%
111	to	160	34.42%
161	+		26.83%

INDUCTION

0	to	200	3.45%

SPECIAL CONDITIONS

1. Type of Service: Service under this rate schedule will normally be provided only to multiple lighting systems that are supplied by the utility at a standard secondary voltage of 120 volts or 240 volts single-phase.
2. Photo Controls: This schedule is predicated on electronic type photo controls meeting ANSI standard C136.10, with a turn-on value of 1.0 foot-candles and a turn-off value of 1.5 foot-candles. Electro-mechanical or thermal type photo controls are not acceptable for this rate schedule.
3. Annual Operating Schedules: The rates under this schedule assume 4100 operating hours per year (approximately 11 hours per night), and apply to lights which will turn on and off once each night.
4. Light or Pole Numbering: Pole number sequencing and coding for single lights or multiple lights on a single pole shall be provided by the Customer in a format acceptable to the utility. The Customer shall provide physical numbering on lights or poles in order to facilitate accurate billing and inventory reporting prior to energizing facilities. Numbering must be legible from the ground.
5. Lighting Inventories: The Customer shall submit an initial inventory of the location, type and wattage for each light, including any non-conforming loads connected to the lighting system, in a format acceptable to the utility before the lighting system is connected to the utility system. An updated inventory shall be submitted annually after the initial inventory. The Customer shall inform the utility in writing within 30 days of any changes to the inventory.
6. Non-conforming loads: Any load other than the lighting loads listed in this rate schedule is a non-conforming load, and shall require approval from the utility before they are connected to an unmetered lighting service. Non-conforming loads will only be approved for governmental agencies. Each non-conforming load shall not exceed 150 watts per circuit, or light for individually connected lights. Any non-conforming load exceeding this limitation requires metering of the Customer's system at the utility's connection point. The monthly billed charges for approved unmetered non-conforming loads will be based on the rated or measured full-load input wattage and verified hours of operation.

SHEET NO. 98-04-MLS

Rate Schedule MLS

MOTOR LOAD SERVICE

APPLICABILITY

This schedule is applicable to all electric Customers receiving unmetered service from the utility for electric motor load. This is further restricted to Customers that own, operate, and maintain the electrical wiring from the motor to the utility's primary, or secondary, circuits that are in place to service Customers other than the motor load Customer.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

Basic Service Fee, per meter per day $0.15

Rated Horsepower Charge, per Horsepower, per day $6.00

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.
2. Voltage: Service under this schedule normally will be supplied at a standard available voltage in accordance with Section 2 of the tariff.
3. Voltage Regulators: Voltage Regulators, if required by the Customer, shall be furnished, installed, owned, and maintained by the Customer.
4. Reconnection Charge: In the event that a Customer terminates service under this Rate Schedule and re-initiates service under this, or any other, Rate Schedule at the same location within 12 months, there will be a Reconnection Charge equal to the minimum charge which would have been billed had the Customer not terminated service.
5. Ownership of Facilities: The utility may, at its option, with the agreement of the Customer, own the facilities connecting the lighting fixture to the utility's electrical system, provided that the Customer has made arrangements to pay for this service according to Section 17.
6. The Horse Power: The Horsepower of the motor shall be determined by the utility.

Rate Schedule SE

SERVICE ESTABLISHMENT FEE

APPLICABILITY

This schedule is applicable to all electric Customers requesting service from the utility, where all facilities are in place to allow the establishment of service by a single meter.

TERRITORY

Mare Island of Vallejo, California, United States

Rates

Service Establishment Charges

During normal working hours $15.00
During normal working hours with less than
Four-Hour Notice $30.00
During non-working hours $60.00

SPECIAL CONDITIONS

1. The service establishment charge provided for herein is in addition to the charges calculated in accordance with all other charges and applicable tariffs. The charge will be made each time an account is opened, and will include a turn-on or reconnection of electric service requiring a meter set or change of name on the account, or additional meter read.

SHEET NO. 09-10 MISC
CANCELING SHEET NO. 05-04-MISC

Rate Schedule MISC

PROJECT CHARGES AND FEES

APPLICABILITY

Applicable to any person or entity requesting the utility to supply electric service, relocate electric facilities, or upgrade electric facilities.

TERRITORY

Mare Island of Vallejo, California, United States

Rates

Project Application Fee

$5,000 deposit is required at the time when a project application is submitted to Island Energy. $1,400 will be charged against this deposit as administrative fee.

Island Energy Labor Rates

During normal working Published City of Pittsburg Full Cost Hourly Rate
(7:30am to 4:00 pm) Monday through Friday and not holidays)

During non-normal working hours .... 1.5 times Published City of Pittsburg Full Cost Hourly Rate

There will be a 1 hour minimum charge per event, billed in increments of one-half hour thereafter.

Project Administration Charge

In the case that the Utility handles contractor contracts and materials for the Customer, project costs including but not limited to equipment, materials, engineering and contractor fees will be subject to a 15% mark up to cover project administration costs.

Island Energy
energy solutions for Mare Island

SHEET NO. 09-10

Rate Schedule NCE

NEW COMMERCIAL ELECTRICAL SYSTEMS REIMBURSEMENT

APPLICABILITY

Applicable to monetary reimbursement to an Applicant for a percentage of those Eligible Expenses associated with and incurred in the construction and placement of new electrical distribution system or systems which result in New Permanent Load of 150,000 kWh per month averaged over a 12 month period under Section 15 L of these tariffs.

TERRITORY

Mare Island of Vallejo, California, United States

RATES

1. MAXIMUM REIMBURSEMENT: The total amount subject to reimbursement is Thirty-three Percent (33%) of Eligible Expenses of new commercial electrical systems.

2. PAYMENT CALCULATION: The amount of reimbursement owed to a Qualified Developer shall be determined based on the increase in incremental load (“Incremental Load Increase”) over the total load as determined during the fiscal year immediately prior to project completion (“Base Year”). The amount to be collected and made available for reimbursement shall be calculated by applying a factor of $0.005/kWh to the Incremental Load Increase (“Commercial Reimbursement). When two (2) or more parties make joint contributions or advances on the same new electrical transmission of distribution system, reimbursements will be distributed to these parties in the same proportion as their individual contributions or advances bear to the total Eligible Expense.

3. TIMING OF PAYMENT: Commercial Reimbursements shall be reconciled annually. Reimbursements hereunder shall be made without interest and shall be dispersed no later than September 30th following the fiscal year end for the fiscal year within which a claim for reimbursement hereunder has been made.

4. FINAL DETERMINATION: This is a voluntary program and may be terminated at any time. All collection and reimbursement shall in any event cease after the total of all obligations hereunder are paid or February 1, 2025, which ever event occurs first. All determinations relating to reimbursable amounts or credits made by utility shall be final.

SHEET NO. 17-18-M
SHEET NO. 09-10-M

Rate Schedule M

MEDICAL RESIDENTIAL ELECTRICAL SERVICE DISCOUNT

APPLICABILITY

This schedule is applicable to all residential Customers receiving metered service and qualify for the Medical Support Baseline Program

TERRITORY

Mare Island of Vallejo, California, United States

REQUIREMENTS

To qualify for the Medical Residential Electrical Service Discount you must provide certification by a physician or osteopath that you or a full time resident in your home is dependent on a medical equipment device used in your home, or is a Paraplegic, Quadriplegic, Hemiplegic, or a Multiple Sclerosis patient with special electric space heating needs or air conditioning needs. Medical conditions other than paraplegia, hemiplegia, quadriplegia, or multiple sclerosis may also qualify for this rate if electrically operated equipment is used to sustain, restore, or supplant a vital function if approved by the Utility.

RATES

Qualified Customers that participate in the Medical Emergency Number Discount Rate will receive 20% discount of their total utility bill.

MEDICAL EQUIPMENT DEVICE

A medical equipment device, for purposes of the Medical Residential Electrical Service Discount, is defined as any medical device requiring utility-supplied energy for its operation that is regularly required to sustain the life of a full-time resident in the home. Qualifying medical equipment includes, but is not limited to, respirators, iron lungs, hemodialysis machines, suction machines, electric nerve stimulators, pressure pads and pumps, aerosol tents, electrostatic and ultrasonic nebulizers, compressors, IPPB machines, and motorized wheelchairs. The term also includes air conditioning for all residential rate categories or electric heat for Customers on an electric space heat rate, for paraplegic, hemiplegic, or quadriplegic and multiple sclerosis patients. Devices used for therapy rather than for life support generally do not qualify.

SHEET No. 09-10-N

Rate Schedule N

LOW INCOME RESIDENTIAL ELECTRICAL SERVICE

APPLICABILITY

This schedule is applicable to all residential Customers receiving metered service and qualify for the Residential Electrical Low Income Assistance Program

TERRITORY

Mare Island of Vallejo, United States

REQUIREMENTS

Customers must submit an Application in the form set forth on the Island Energy Web Site. Each such Application must be accompanied by a copy of his/her U.S. Tax Return from the previous year along with other proof acceptable to the utility which is sufficient to establish all household income.

Customers shall be recertified for eligibility at least once per year, but the utility may request an updated verification of income at its discretion. It is the responsibility of the Customer to reapply on the anniversary date of the first application of the reduced rate hereunder.

It is the Customer's obligation to notify the utility within thirty (30) days once the Customer is no longer eligible for the Low Income Residential Electrical Service Rate. In the event it is determined that the Customer was not entitled to the reduced rate because the Customer did not provide accurate information the utility shall be entitled to recover all amounts to which it was entitled to under the regular rate schedules set forth in these tariffs.

RATES

Customers that qualify for the Low Income Residential Electrical Service Rate will receive a 20% discount of applicable residential electric rate at each tier. The rate option will be effective in the month following utility's approval of the application.

INCOME ELIGIBILITY

Number of Persons in Household	Maximum Annual Household Income
1-2	$30,500
3	$35,800
4	$43,200
5	$50,600
6	$58,000
Each additional member, add:	$7,400

Rate Schedule NEM

NET ENERGY METERING PROGRAM

APPLICABILITY

This schedule is applicable to Eligible Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a renewable electrical generation facility, as therein defined, located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with Utility's power system pursuant to an interconnection and metering agreement with Utility.

This Rate Schedule is available on a first-come, first-served basis until the total rated generating capacity used by Eligible Customer-Generators exceeds 5 percent of Utility's aggregate customer peak demand established when the Solar Incentive program began. Once the total rated generating capacity reaches 5 percent of Utility's aggregate customer peak demand, the Utility may at its sole discretion close this rate schedule to new customers. Customers who have been approved for this program will remain eligible for the program while they occupy the premises at which the approved system has been installed. Customers who move into premises with a system previously approved for the Net Energy Metering program are also eligible for the program providing they sign the Interconnection and Net Energy Metering agreement. Increases in the generating capacity of an approved system are not permitted.

TERRITORY

Mare Island of Vallejo, California United States

RATES

All rates charged will be in accordance with the Eligible Customer-Generator's otherwise applicable rate schedule on a Net Energy Metering basis. An Eligible Customer-Generator served under this schedule is responsible for all charges in its otherwise applicable rate schedule, including the Basic Service Fee, when applicable, regardless of the Customer's monthly or annual net generation.

Eligible Customer-Generators under this Rate Schedule are subject to any new or additional charges pursuant to the Customer's otherwise applicable rate schedule.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.

2. Agreement: In order for this schedule to apply, Customer must complete and sign the Island Energy Electric Interconnection Agreement for Electric Net Metering Service ("NEM Agreement"). This agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, and access to Customer's premises.

(CONTINUED)

3. Meter Requirements:

   a. Utility shall own, operate, and maintain a single meter on Customer's premises capable of registering the flow of electricity in two directions.
   b. If the existing meter on Customer's premises is not capable of measuring the flow of electricity in two directions or supplying time-of-use information, Customer shall be responsible for the expenses involved in the purchase and installation of the meter.
   c. Utility, at its expense, may install additional meters. However, if such meters are installed, the Net Energy Metering calculation shall yield an identical result to that of a single meter.

4. Billing:

   a. Customer's Net Energy Metering calculation shall be calculated over each normal monthly billing period within a 12-month period. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to Customer and the electricity generated by Customer and fed back to the grid over a normal one-month billing period.

   b. At the end of each one-month billing period, Utility shall determine if Customer was a net consumer or a net producer of electricity.

   c. In the event that the electricity supplied by Utility during the one-month billing period exceeds the electricity generated by Customer during the same period, Customer is a net energy consumer. If Customer was a net energy consumer, Utility shall bill Customer for the net energy consumption during such billing period based on the Customer's Rate Schedule and Customer shall pay for such net energy consumption monthly in accordance with Customer's monthly billing statement.

   d. In the event that the electricity supplied by Utility during the one-month billing period is less than the electricity generated by Customer during the same period, Customer is a net energy producer. If Customer is a net energy producer, any excess energy generated by the customer shall be carried forward to the following billing cycle as a monetary credit on the customer's account until the end of the 12-month period.

   e. If Customer's otherwise applicable tariff employs "baseline" and "over baseline" rates, any net monthly consumption of electricity shall be calculated according to the terms of the rate schedule. If Customer is a net generator over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as IE would charge for the baseline quantity of electricity during that billing period, and if the number of kilowatt-hours generated exceeds the baseline quantity, the excess shall be valued at the same price per kilowatt-hour as IE would charge electricity over the baseline quantity during the billing period.

   f. If Customer terminates service prior to the end of any 12-month period, Utility shall reconcile Customer's consumption and production of electricity and bill Customer for Net Energy Metering charges, or if appropriate, issue a final payment for any excess generation, based on the applicable Net Surplus Compensation rate.

(CONTINUED)

5. Net Surplus Compensation:

   a. If at the end of the applicable 12-month period, Customer is a Net Surplus Customer-Generator:

      i. Utility shall retain any Net Surplus Energy generated by Customer, including any associated environmental attributes or renewable energy credits (“REC”), and Customer’s monetary value shall be reset to zero for the subsequent 12-month period.
      ii. If Customer is eligible for Net Surplus Energy Compensation, such compensation shall be calculated over the 12-month period.

   b. In order to be eligible for Net Surplus Energy Compensation, Customer must: (1) elect a compensation option in Customer’s NEM Agreement; (2) certify that Customer has sole ownership of the environmental attributes and RECs associated with the energy generated from the Generating Facility; and (3) agree to transfer to Utility all rights, title, and interest Customer has to such environmental attributes and RECs.

   c. Utility’s Net Surplus Compensation rate shall provide just and reasonable compensation for the value of the Net Surplus Energy, while leaving other ratepayers unaffected.

   d. If Customer is eligible for Net Surplus Energy Compensation, Customer shall receive compensation pursuant to the method selected in Customer’s NEM Agreement.

6. Net Surplus Energy Compensation Rate:

   a. Utility’s Net Surplus Energy Compensation Rate is based on Utility’s avoided cost for energy. Utility’s Net Surplus Energy Compensation Rate is set at the value provided in the table below. The General Manager shall review the Utility’s Net Surplus Energy Compensation Rate on an annual basis. If a Net Surplus Energy Compensation Rate is not adopted for any individual year, the most recently adopted Net Surplus Energy Compensation Rate shall apply.

Year	$/kWh
July 1, 2017-June 30, 2018	0.0605

SHEET NO. 17-18-ERE
CANCELING SHEET NO. 16-17-ERE

Rate Schedule ERE

EXPORTED RENEWABLE ENERGY PROGRAM

APPLICABILITY

This schedule is applicable to Customer-Generators, operating a renewable energy generation facility located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with Utility's power system pursuant to an interconnection and metering agreement with Utility.

This Rate Schedule is available to customer-generators who do not qualify for the Net Energy Metering Program (Rate Schedule NEM) because the total rated generating capacity by Eligible Customers- exceeds 5 percent of Utility's aggregate customer peak demand.

TERRITORY

Mare Island Vallejo California

RATES

All rates charged for delivered energy will be in accordance with the Customer-Generator's otherwise applicable rate schedule. Customer-Generator's will receive a credit for electricity exported to the power system at a rate based on the Utility's avoided cost as stated below except that the credits for exported energy in any given billing period shall not exceed the charges for delivered energy in that month. A Customer-Generator served under this schedule is responsible for all charges in its otherwise applicable rate schedule, including the Basic Service Fee, when applicable, regardless of the Customer's monthly or annual net generation.

Customer-Generators under this Rate Schedule are subject to any new or additional charges pursuant to the Customer's otherwise applicable rate schedule.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this Rate Schedule are found either herein or in Section 1 of the tariff.

2. Agreement: In order for this schedule to apply, Customer must complete and sign the Island Energy Electric Interconnection Agreement for Exported Renewable Energy ("ERE Agreement"). This agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, and access to Customer's premises.

(CONTINUED)

3. Meter Requirements:

    a. Utility shall own, operate, and maintain a single meter on Customer's premises capable of registering the flow of electricity in two directions.
    b. If the existing meter on Customer's premises is not capable of measuring the flow of electricity in two directions or supplying time-of-use information, Customer shall be responsible for the expenses involved in the purchase and installation of the meter.
    c. Utility, at its expense, may install additional meters. However, if such meters are installed, the measurement of delivered and exported energy shall yield an identical result to that of a single meter.

4. Billing:

    a. There will be no charge for energy generated by customer's generating facility and consumed on by the customer at time of generation.

    b. Customer will be billed for all energy delivered according to the otherwise applicable rate schedule.

    c. Customer will receive a credit for exported energy below Customer's billing period maximum at a rate based on the Utility's avoided cost as stated below.

    d. If a solar customer's bill credit exceeds his/hers monthly electric charge, any excess credits will be carried over to the next month. Utility will issue cash payment for any excess bill credits at the 12^{th} month billing cycle or when the customer moves out.

    e. Customer is responsible for all taxes, fees and other charges for all delivered electricity

5. Exported Renewable Energy
    a. Utility shall retain all Exported Energy generated by Customer, including any associated environmental attributes or renewable energy credits ("REC").

6. Exported Energy Compensation Rate:

    a. Utility's Exported Energy Compensation Rate is based on Utility's avoided cost for energy. Utility's Exported Energy Compensation Rate is set at the value provided in the table below. The General Manager shall review the Utility's Exported Energy Compensation Rate on an annual basis. If a Exported Energy Compensation Rate is not adopted for any individual year, the most recently adopted Exported Energy Compensation Rate shall apply.

Year	$/kWh
July 1, 2016-June 30, 2017	0.0605

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

DATE: 5/23/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Introduction and Waive First Reading of an Ordinance Amending Section 3.26.030 of the Pittsburg Municipal Code Relating to Fiscal Sustainability and Reserve Funds

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

The Proposed Fiscal Sustainability Ordinance ("Ordinance") amendment will clarify the definition of the components of the existing General Fund Reserve that make up the established minimum unappropriated reserve balances at 30% of operating expenses for City's General Fund.

FISCAL IMPACT

There is no direct fiscal impact from adopting the proposed Ordinance Amendment. However, through adoption of the Amendment, the City is helping to ensure there will be sufficient funds available in the event of an emergency and to ensure one-time revenues are available to help balance future budgets.

RECOMMENDATION

City Council adopt the proposed Ordinance change allowing real property to be utilized in the General Fund Balance Reserve calculation.

BACKGROUND

Through Resolution 05-10414 the City Council created a Budget Stabilization Fund for the City's General Fund in FY 2004-05 with one-time savings to be used in the future as "rainy day" funds to help offset negative financial impacts caused by economic downturns. This resolution established a minimum General Fund reserve of 15% of the annual General Fund operating budget. The Government Finance Officers Association (GFOA) recommends reserves equal to at least 15% of operating expenses.

Beginning with the FY 2010-11 budget process, staff developed a multi-year General Fund balancing plan (currently called the 7-year General Fund Balancing Plan) that projected General Fund expenditures and revenues using somewhat conservative assumptions and programmed the amount of Budget Stabilization Funds the City could annually draw down to balance future General Fund budgets. During the FY 2011-12 budget process, the City Council established that the City could not use more than $2 million from the Budget Stabilization Fund to balance the General Fund budget in any given fiscal year. The goal of the multi-year General Fund balancing plan has been to gradually balance the City's General Fund budget through revenue increases, expenditure reductions, and use of the Budget Stabilization Fund by FY 2017-18 such that total operating revenues meet or exceed total General Fund operating expenses.

Concurrent with developing a multi-year General Fund balancing plan, the Staff began working on developing a fiscal sustainability ordinance which established minimum reserve levels for the City's various operating funds as well as establish guidelines for the City's Budget Stabilization Fund.

Due to events beyond the control of the City, staff now realizes that to maintain compliance with the Fiscal Sustainability Ordinance starting in FY 2018-19 a change was necessary to the Ordinance 12-1363 which was approved December 17, 2012.

The proposed amendment adds clarification language to Section 3.26.030 of the ordinance defining the makeup of the 30% General Fund Reserve by adding paragraph C, D & E as follows:

CURRENT PMC PROVISIONS: Section 3.26.030 General Fund Reserves

A. There is established within the General Fund, a "General Fund Reserve", which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters.

B. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, money from the General Fund shall be unappropriated, and shall be deposited into the General Fund Reserve. The minimum funding level within the General Fund Reserve shall be thirty percent (30%) of the City's General Fund Operating Expenses. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum General Fund Reserve level during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance.

PROPOSED AMENDMENT

Add the following:

C. The thirty percent (30%) minimum funding level within the General Fund Reserve of the City's General Fund Operating Expenses shall consist of the following:

1. A minimum of two-thirds of the 30% (i.e., 20%) shall be held in cash and liquid investments consistent with the City's Investment Policy; and

2. An amount not to exceed one-third of the 30% (i.e., up to 10%) may be held in real property owned and designated by the City, where such real property has an appraised

value of at least 125% of the dollar amount which the real property constitutes within the City's General Fund Reserve.

D. Before the City sells, or otherwise encumbers in such a manner as to significantly impair the value of, any real property referenced in Section C.2 above, the City shall comply with Section E hereof and:

1. Identify replacement real property prior to the sale or encumbrance of the current designated property, provided that the City Council approves such replacement;

2. Direct proceeds from the sale or encumbrance of the current designated property into the General Fund Reserve to maintain the minimum required funding;

3. Increase the amount held in cash or liquid investments to maintain the minimum required funding; or

4. Take any combination of the above actions, such that the City maintains the minimum required funding.

5. Should the sale of any property result in the General Fund Reserve balance being greater than the 30% minimum funding level, the proceeds in excess of the 30% minimum funding level will be deposited into the Budget Stabilization Fund or handled in accordance with the requirements of the Ordinance.

E. To designate real property as being held to satisfy the City's minimum General Fund Reserve requirement under Section C.2 above, the City shall identify the property by APN and/or address by a resolution adopted at a public hearing at a duly noticed regular City Council meeting. The City may remove the real property from this designation only by a subsequent resolution adopted at a public hearing at a duly noticed regular City Council meeting.

SUBCOMMITTEE FINDINGS

The Finance Committee reviewed the proposed Ordinance change at its meeting on May 11, 2017 and recommended that staff bring it to the City Council for review and adoption.

STAFF ANALYSIS

The existing Fiscal Sustainability Ordinance established the minimum unappropriated reserves at 30% of operating expenses for the General Fund Balance and further restricted the reserve amount to be held from money as per paragraph B above, "money from the General Fund shall be unappropriated, and shall be deposited into the General Fund Reserve".

The proposed Fiscal Sustainability Ordinance amendment will allow for up to 10% of the reserves to be held in real property with a value of at least 125% of the dollar amount being utilized. The ability to use real property is an acceptable practice per Governmental Financial Officers Association (GFOA) and staff has also confirmed with the City's external auditors, Maze & Associates, that holding of real property is an acceptable practice among Cities.

Finally, the proposed Ordinance Amendment requires adoption of a City Council resolution by a 4/5 vote from the City Council to vary the policies established within the established ordinance.

ATTACHMENTS: Amended Fiscal Sustainability Ordinance

Report Prepared By: Brad Farmer, Director of Finance

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

An Ordinance of the City of Pittsburg Amending Chapter 3.26.030 to the Pittsburg Code Relating to Fiscal Sustainability and Reserve Funds	ORDINANCE Municipal No. 17-

The City Council of the City of Pittsburg DOES ORDAIN as follows:

SECTION 1. Recitals.

A. In order to ensure the fiscal sustainability of the City, the City desires to protect its revenues and ensure proper fiscal responsibility; and
B. The City desires to maintain a reserve funds in case of an emergency; and
C. The City desires to maintain a minimum balance in the City's Budget Stabilization Fund; and
D. By ensuring minimum funding levels for reserve funds, the City desires to minimize the need to rely on one-time measures and funding sources to balance its budget, while protecting the City from major deficits and over spending.

SECTION 2. Adding Chapter 3.26 "Fiscal Sustainability and Reserve Funds" to Title 3 "Revenue and Finance" of the Pittsburg Municipal Code

Title 3 "Revenue and Finance" of the Pittsburg Municipal Code is hereby amended to include Chapter 3.26 "Fiscal Sustainability and Reserve Funds," which shall read as follows:

Section 3.26.010 Purpose and Definitions.

A. The purpose of this chapter is to establish policies and procedures to ensure the City maintains unappropriated fund balances, "Reserves" in the City's funds.

B. For purposes of this Ordinance, the following terms shall have the following meanings:

1. "City's Operating Expenses" shall mean the City's General Fund operating expenses of the City as set forth in the City's annual budget which generally includes staff costs and operating expenses of the City, and excludes the capital project appropriations.

2. "One-time Revenues" shall mean those revenues that the City receives on a one-time or non-regular basis. For example, such revenues may include, but are not limited to, proceeds from the sale of surplus land, one-time unexpected sales tax allocations associated with capital improvements from local retailers, grants, lump sum payments of project fees, non-reoccurring sales tax of fee revenue, etc.

3. "Unappropriated Reserves" shall mean unappropriated operating revenues excluding capital project and program appropriations which originate from funding sources that are restricted to projects or programs.

Section 3.26.020 General Fund Account

There is established a “General Fund” into which all sums of money collected by the City for any purpose whatsoever shall be deposited, unless otherwise provided by ordinance or resolution directing the deposit into a specific fund other than the General Fund.

Section 3.26.030 General Fund Reserves

A. There is established within the General Fund, a “General Fund Reserve”, which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters.
B. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, money from the General Fund shall be unappropriated, and shall be deposited into the General Fund Reserve. The minimum funding level within the General Fund Reserve shall be thirty percent (30%) of the City’s General Fund Operating Expenses. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum General Fund Reserve level during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance.
C. The thirty percent (30%) minimum funding level within the General Fund Reserve of the City’s General Fund Operating Expenses shall consist of the following:
   1. A minimum of two-thirds of the 30% (i.e., 20%) shall be held in cash and liquid investments consistent with the City’s Investment Policy; and
   2. An amount not to exceed one-third of the 30% (i.e., up to 10%) may be held in real property owned and designated by the City, where such real property has an appraised value of at least 125% of the dollar amount which the real property constitutes within the City’s General Fund Reserve.
D. Before the City sells, or otherwise encumbers in such a manner as to significantly impair the value of, any real property referenced in Section C.2 above, the City shall comply with Section E hereof and:
   1. Identify replacement real property prior to the sale or encumbrance of the current designated property, provided that the City Council approves such replacement;
   2. Direct proceeds from the sale or encumbrance of the current designated property into the General Fund Reserve to maintain the minimum required funding;
   3. Increase the amount held in cash or liquid investments to maintain the minimum required funding; or
   4. Take any combination of the above actions, such that the City maintains the minimum required funding.
   5. Should the sale of any property result in the General Fund Reserve balance being greater than the 30% minimum funding level, the proceeds in excess of the 30% minimum funding level will be deposited into the Budget Stabilization Fund or handled in accordance with the requirements of the Ordinance.
E. To designate real property as being held to satisfy the City’s minimum General Fund Reserve requirement under Section C.2 above, the City shall identify the property by APN and/or address by a resolution adopted at a public hearing at a duly noticed regular City Council meeting. The City may remove the real property

from this designation only by a subsequent resolution adopted at a public hearing at a duly noticed regular City Council meeting.

Section 3.26.040 Budget Stabilization Fund

A. There is established a "Budget Stabilization Fund" which shall provide the City a cushion to help absorb costs during economic downturns and/or budget shortfalls.
B. The target minimum funding level within the Budget Stabilization Fund shall be no less than $2.0 million dollars or five percent (5%) of the City's General Fund Operating Expenses, whichever is greater. The City Council shall, on a best efforts basis, take such steps as necessary to meet the minimum funding level during the budget process each year.
C. The target maximum funding level for the Budget Stabilization Fund shall be no more than $7.5 million dollars or twenty-five percent (25%) of the annual City's General Fund Operating Expenses, whichever is greater.
D. Additional Deposits into the Budget Stabilization Fund shall include:
    1. One-time General Fund Revenues and/or projected recurring revenues that exceed ten percent (10%) or more from the previous fiscal year shall be deposited into the Budget Stabilization Fund.
    2. Fiscal year-end General Fund surpluses shall also be deposited into the Budget Stabilization Fund.
E. Appropriations from the Budget Stabilization Fund require a majority vote of the City Council, and may be made in order to balance the General Fund budget.

Section 3.26.050 Infrastructure Repair and Replacement Fund

A. There is established an "Infrastructure Repair and Replacement Fund" which shall provide funding for additional repairs and capital improvements projects related to the City's infrastructure including streets, roads, parking lots, and storm drains.
B. Once the Budget Stabilization Fund reaches the maximum funding level, seventy five percent (75%) of the available, excess revenues that would normally be placed into the Budget Stabilization Fund shall be deposited into the Infrastructure Repair and Replacement Fund.
C. Appropriations from the Infrastructure Repair and Replacement Fund shall require a majority vote of the City Council.

Section 3.26.060 Other Post-employment Benefits (OPEB) Fund

A. There is established an "Other Post-employment Benefits ("OPEB") Fund" which shall be available to provide funding to reduce the City's General Fund's portion of unfunded OPEB liabilities, including for example, retiree health benefits.
B. Once the Budget Stabilization Fund reaches the maximum funding level, twenty five percent (25%) of the available, excess revenues that would normally be placed into the Budget Stabilization Fund shall be deposited into the OPEB Fund.
C. Appropriations from the OPEB Fund shall require a majority vote of the City Council.

Section 3.26.070 Internal Service Fund Reserves

A. The City maintains the following Internal Service Funds which provides funding to allocate costs for services provided to all City departments:
    1. Information and Communication Systems
    2. Fleet Maintenance
    3. Building Maintenance
    4. Fringe Benefits
    5. Liability Insurance

B. It is established within each of these Internal Services Funds an Unappropriated Reserve which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, the unappropriated reserve level within Internal Services Funds shall be thirty percent (30%) of the Internal Services Funds' annual budget excluding capital project and equipment appropriations. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum Internal Services Funds' Reserve levels during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance. The thirty percent (30%) reserve level may be exceeded.

Section 3.26.080 Enterprise Fund Reserves

A. The City maintains the following enterprise funds for enterprise operations:
    1. Water
    2. Sewer
    3. Waterfront Operations
    4. Marina

B. It is established within each of these Enterprise Funds an Unappropriated Reserve which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, the target unappropriated reserve level within each Enterprise Fund Reserves shall be thirty percent (30%) of each Enterprise Fund's fiscal year operating expenses, excluding capital project appropriations. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum Enterprise Funds' Reserve levels during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance. The thirty percent (30%) reserve level may be exceeded.

Section 3.26.090 Council Action Required

Except as otherwise stated in this Chapter, any variance from the policies established within this Ordinance, shall require adoption of a City Council resolution by a 4/5 vote of the City Council. The Council resolution shall set forth the following:

A. A statement of findings supporting the appropriation of reserves or temporary modification of funding levels required by this ordinance; and

B. A plan for replenishing the reserves within a reasonable time period when the appropriation causes a reserve to fall below minimum funding levels; and
C. A description of the circumstances or event constituting an emergency.

SECTION 3. Effective Date

This ordinance shall be in full force and effective thirty (30) days after its adoption.

SECTION 4. Publication

The City Clerk shall either (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation or (b) have a summary of the ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again 20 days after adoption.

The foregoing ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on June 5, 2017 and was adopted and ordered published at a meeting of the City Council held on ___ by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

____
Marilyn Craft, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

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

DATE: 5/23/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Measure P Citizens Oversight Committee Report – Proposed Use of Measures P and M Funds for FY 2017-18

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

On June 5, 2012 the voters of Pittsburg passed Measure P, the Pittsburg Preservation of Citywide Services Temporary Funding Transactions and Use Tax Ordinance. The ordinance established a one-half of one percent (0.5%) use and transaction tax. On June 7, 2016, the voters of Pittsburg passed Measure M, extending the use and transaction tax to June 30, 2035. Both of these measures requires the establishment of a Citizens Oversight Committee ("Committee") charged with making recommendations to the City Council ("Council") for the use of the Measure P and M tax revenue. This item is the Committee's report on the use of Measure P funds and for the proposed uses of the Measure P and M funds for FY 2017-18.

FISCAL IMPACT

There is no fiscal impact in accepting the Committee's report on the proposed uses of FY 2017-18 Measure P and M funds.

RECOMMENDATION

Accept the Committee's report.

BACKGROUND

On June 5, 2012 the voters of Pittsburg passed Measure P, establishing a one-half of one percent (0.5%) use and transaction tax, On June 7, 2016, the voters passed Measure M extending the use and transaction tax to June 30, 2035.

Both ballots required a Citizens Oversight Committee that is charged with reviewing the use of and making recommendations to the City Council for future uses of the tax revenues.

SUBCOMMITTEE FINDINGS

N/A

STAFF ANALYSIS

The Committee is to (1) receive information from City staff on the receipt of revenue and the expenditure of funds from the Measures, (2) provide recommendations to the City Council on the use of the Measures revenue, (3) shall produce a report that records the results of its recommendations for expenditure of the revenue generated from the tax, and (4) present the report to the City Council at a public meeting and be made a public record. Committee meetings will open to the public and subject to the Brown Act.

The Committee met two times to review the City's General Fund budget and proposed uses of Measure P and M funds for FY 2017-18. The attached report describes the background of Measures P and M, the City's financial condition, and City staff's proposed uses of Measure P and M funds as well as the Committee's recommendation. Committee members will present their report to City Council during the June 6, 2017 Council meeting.

ATTACHMENTS: Measure P and M Citizens Oversight Committee Opinion
Measure P and M Citizens Oversight Committee Report

Report Prepared By: Brad Farmer, Director of Finance

June 5, 2017

To: City Council

From: Measure P - M Citizens Oversight Committee

Re: Measure P Fund usage for FY 2015-16 and FY 2016-17 year to date

We the members of the Measure P and Measure M Citizens Oversight Committee have reviewed both the revenues generated and the expenditures of Measure P funds by the City of Pittsburg for the fiscal year (FY)2015-16 and the current year's (FY 2016-17) revenues and expenditures through April 27, 2017. We find the City has met the requirements and is in compliance with the allowed expenditures as established by the ballot presented to the voters for the original Measure P. Starting with the upcoming FY 2017-18, the City will incorporate the additional requirements of Measure M as approved by the voters in June 2016.

The Committee recommends the allocation and use of Measure P funds as incorporated in the attached report for FY 2017-18. The Committee also expressed concern about the reliance upon Measure P and future Measure M funds by both the Senior Center and Youth programs. The Committee recommends that goals be established for both the Senior Center and Youth programs to explore alternative resources, such as grants, fundraisers or increasing rental fees, thus enabling additional funds to be redirected to repair the roads.

The Committee will meet again in the fall to review the final results of the fiscal year 2016-17 Measure P revenues and expenditures. After the review in the fall, the Committee will once again report our findings and any recommendations we may have at that point.

Respectfully,

Wolfgang Croskey, Chairperson
Edward Borjon, Member
Faye Fields, Member
Nancy Hairsine, Member
Dennisha Marsh, Member

City of Pittsburg, CA
Measure P and MCitizens Oversight Committee Report
Proposed Use of 2017-18Measure P Funds

Background of City of Pittsburg's Financial Condition

In 2012, the City faced decreasing revenues, including a 26 percent decrease in sales and property taxes since 2008, amounting to a loss of approximately $2.6 million annually. In addition, the costs to provide essential city services to residents continued to increase. The City had already reduced staff and consolidated City Departments to cut costs. The City had 275 full-time employees in 2008, and through early retirements and not filling vacant positions, the City reduced this number to 239 employees in 2011. In an attempt to further reduce costs, the fiscal year ("FY") 2011-12 budget called for leaving four (4) police department positions vacant, eliminating the budget for police and maintenance employees at public events, closing the Buchanan Swim Center, and eliminating 14positions, including eight layoffs.

The City predicted that without an increase in revenues, the City would havea General Fund deficit in FY 2012-13 of approximately $2.7 million, which would have required the City to make additional cuts to City services including a reduction in Police Department services and closing the Senior Center. Faced with severe reductions in income to the General Fund, it would have been very difficult for the City Council to balance the City's budget without cutting the Police Department's budget.

To avoid reductions in vital City services, the City Council placed Measure P on the June 2012 ballot to temporarily increase the City's sales tax. Pittsburg's voters approved Measure P and the City began collecting the new sales tax beginning in October 2012.

City of Pittsburg's 2012 Sales Tax - Measure P Language

"To provide funding that stays in Pittsburg and cannot be seized by the State, to be used for Public Safety, gang prevention, job creation programs for local residents, to keep the Senior Center open, to maintain other City services, shall the City of Pittsburg enact a temporary, half-cent sales tax for five years, reduced to one-quarter cent for five years, then the increase be terminated, altogether, with citizen's oversight committee, mandatory audits and consistent community reporting?"

To which 73.69% of Pittsburg's voters said "yes".

Again in FY 2015-16, the City projected that without an extension of Measure P, vital City services currently funded by Measure P would face reductions as Measure P would reduce by 50% in FY 2017-18 and 50% in FY 2022-23. An election to extend Measure P was placed upon the June 2016 ballot, referred to as Measure M.

City of Pittsburg's 2016 Sales Tax - Measure MLanguage

"To provide funding that stays in Pittsburg and cannot be seized by the State, to be used for Public Safety, gang preventions, job creation programs for local residents, Senior Center operations, repair roads, operate youth programs, and maintain other City Services, shall the City of Pittsburg extendits current half-cent sales tax through fiscal year 2034-35, providing $3.6-$3.8 million annually, then the increase be terminated, altogether, with citizens' oversight, mandatory audits and consistent community reporting?"

<u>To which 81.31% of Pittsburg voters once again said "yes".</u>

Since the passage of Measure M in June 2016, both Measure P and Measure M will be referred to as Measure M starting in FY 2017-18.

Measure P and M Citizen's Oversight Committee

Measure P and M required the establishment of a Citizens Oversight Committee ("Committee") charged with making recommendations to the City Council for the use of the Measure P and M tax revenue.The Committee is charged with:

1. Receiving information from City staff on the receipt of revenues and the expenditures of funds from Measure P and M,
2. Providing recommendations to the City Council on the future use of Measure P and M revenues,
3. Producing an annual report that records the results of its recommendations for expenditure of the revenue generated from the tax, and
4. Presenting this report to the City Council at a public meeting making it part of the public record.

On March 21, 2016,the City Council empaneled a five member Committee with two representatives from the Chamber of Commerce and three current members of the City's Community Advisory Commission ("CAC"). Committee Members must be a Pittsburg resident and registered voter. Members serve two-year terms.

The City Council appointed the following people to the Committee:

Nancy Hairsine - Chamber of Commerce Representative
Wolfgang Croskey - Chamberof Commerce Representative
Dennisha Marsh - CACRepresentative
Edward Borjon - CAC Representative
J. Faye Fields, CAC Representative

The following is a summary of the past use and proposed future uses of both Measure P and M. . To adhere to the intent of both MeasuresP and M for the FY 2017-18budget, staff and the committee propose the following funding levelsfor FY 2017-18:

	Police Services	%	Senior Center	%	Economic Development	%	Roads	%	Youth	%	Fiscal Year Totals
FY 2012/13 Actuals	2,143,082	86%	299,035	12%	49,839	2%					**2,491,956**
FY 2013/14 Actuals	3,099,204	86%	432,447	12%	72,074	2%					**3,603,725**
FY 2014/15 Actuals	3,647,341	89%	327,851	8%	122,944	3%					**4,098,136**
FY 2015/16 Actuals	3,687,655	89%	331,475	8%	124,303	3%					**4,143,433**
FY 2016/17 Projected	3,601,436	89%	323,725	8%	124,200	3%					**4,049,361**
FY 2017/18 Recommended	3,593,325	86%	332,434	8%	124,662	3%	25,000	1%	80,000	2%	**4,155,421**

At the April 26 and May 11, 2017Committee meetings, City staff presented the following rationales for the proposed allocation:

Public Safety – While the Police Department comprises 61.2% of the City's General Fund budget, staff recommends maintaining the 86% allocation proceeds to police services. This level of funding provides reassurance to the residents and businesses of Pittsburg, and reflects the City Council's priority to fund Public Safety while keeping Pittsburg's crime rates low. These levels of funding provide the Police Department the ability to:

(1) Maintain current staffing levels,
(2) Continue the work of the Narcotics Division,
(3) Commit resources to identification and investigationof human trafficking,
(4) Continue to use Community Service Specialists to provide support to Police Officers including handling bookings of arrestees,
(5) Track illegal gun ownership, and
(6) Continue the Violent Crime and Gang Suppression enforcement activities.

Senior Center–The proposed allocation of eight percent (8%)provides 81.5% of the total operating budget for the Senior Center during this next FY 2017-18. Activity fees, rental income and donations cover the balance of the annual costs. This funding will maintain existing staffing, activities and programming as previously provided by the Senior Center.

Economic Development–The proposed allocation of three percent (3%) provides Economic Development with the ability to support the Future Build job training program, provide permit fee waivers to reduce blighted properties, provide marketing tools (i.e.

www.thinkpittsburg.com site selection website), and staffing for business attraction and retention activities throughout the City.

Roads Program – The proposed allocation of one percent (1%) will be used forroad improvements during FY 2017-18.

Youth Programs – The proposed allocation of two percent (2%) will be used toensure current youth programs are maintained during FY 2017-18.

Measure P and M Oversight Committee Findings

The Committee reviewed the City'sactual receipts and expendituresfor FY2015-16 and FY 2016-17 year-to-date actual receipts and expenditures, finding their uses to be in compliance with the original requirements of Measure P. The Committee also reviewed the FY 2016-17 year-to-date receipts and uses of funds and found their uses to be in compliance with the original requirements of Measure P.

The Committee reviewed the projected revenues and uses for FY 2017-18 and recommends the above allocation as presented in this report. However, the Committee also expressed concerned about the reliance upon Measure P and future Measure M funding by both the Senior Center and Youth programs. The Committee recommends that goals be established for both the Senior Center and the Youth programs to explore alternative resources, such as grants, fundraisers,or increasing rental rates; thus enabling additional funds to be redirected to repair the roads.

TheMeasure P &M Oversight Committee members expressed gratitude to the voting public who passed Measure M to continue the programs currently funded through Measure P. In addition to expanding the funding requirements to incorporate roads, youth, and other City services with the revenuesto be received from the Measure.

The Committee will meet in the fall of 2017 to review the final revenues and expenditures of Measure P for FY 2016-17. At that time, the Committee will make additional recommendations for any excess or shortages based upon the actual receipts from the FY 2016-17 Measure P funds received.

CITY OF PITTSBURG
CITY COUNCIL/AGENCY CONCURRENT MEETING MINUTES

DATE: May 15, 2017

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

CITY COUNCIL/AGENCY MEMBERS
Marilyn Craft, Mayor/Chair
Dwaine “Pete” Longmire, Vice-Mayor/Chair
Sal Evola, Council/Agency Member
Juan Antonio Banales, Council/Agency Member
Jelani Killings, Council/Agency Member
Michelle King, Agency Member
Annie Hill Herring, Agency Member

APPOINTED OFFICIALS
Joe Sbranti, City Manager/Executive Director
Ruthann Ziegler, City Attorney/Legal Counsel
Alice E. Evenson, City Clerk/Agency Secretary (elected)
Nancy Parent, City Treasurer (elected)

Mayor Craft called the meeting of the City Council to order at 7:03 P.M. in the City Council Chamber at City Hall, 65 Civic Avenue, Pittsburg, CA after convening at 5:00 P.M. for a Budget Workshop.

ROLL CALL

Vice Mayor/Chair Longmire was absent and excused.

PLEDGE OF ALLEGIANCE

Boy Scout Troup 48 presented the colors and led the Pledge of Allegiance.

PROCLAMATION

Arbor Day

Scout Troup 48 received the proclamation for Arbor Day.

CITY MANAGER REPORTS/REMARKS

Assistant City Manager Evans announced upcoming Neighborhood Improvement Team meetings and other events throughout the City.

CITIZENS REMARKS

Cecelia Anderson, Pittsburg, commented on Railroad Avenue sidewalk maintenance, lack of police patrols in her gated community, and the need for rent control.

Bruce Ohlson, Pittsburg, thanked Director Don Buchanan and police officer whose name he did not know that helped him in a recent situation.

Willie Mims, Pittsburg, stated he was disappointed in the response the City Council had recently in the matter of a safe haven/sanctuary city resolution.

Joshua Samuel, Antioch, voiced concerns about proposed budget cuts to the Chamber of Commerce.

Andrea Zarate, Pittsburg, voiced concerns regarding funding youth events, particularly the non-profit People Who Care (PWC).

PUBLIC HEARING

4. Introduce and Waive Further Reading of an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program and Approving the MCE Joint Powers Agreement

Mayor Craft opened the public hearing.

Bruce Ohlson, Pittsburg, stated approval of this model would be the end of the business model for PG&E. He noted no one from PG&E was in attendance. He also spoke about the benefits of solar power.

Bruce Croskey, Pittsburg, questioned the difference between what PG&E vs. MCE allows with regard to solar. He also questioned PG&E's maintenance fees for hardware and wiring vs. production of electricity.

There being no one to speak further, Mayor Craft closed the public hearing.

On motion by Member Evola, seconded by Member Killings, to introduce and waive first reading of the ordinance and carried by the following vote:

AYES: Banales, Evola, Killings, Craft
ABSENT: Longmire

5. Adoption of an Ordinance to Rescind and Amend the Pittsburg Municipal Code, Title 15, Buildings and Construction, to Adopt by Reference the 2016 California Building Code, Residential Code, Electrical Code, Mechanical Code, Plumbing Code, Historical Building Code, Green Building Standards Code, Existing Building Code and Energy Code with State of California and Local Amendments

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 Evola, seconded by Member Banales, to adopt the ordinance and carried by the following vote:

AYES: Banales, Evola, Killings, Craft
ABSENT: Longmire

6. Introduction and Waive First Reading of an Ordinance Adopting a Development Agreement for the Sky Ranch II Residential Subdivision

Mayor Craft opened the public hearing.

Louis Parsons, Discovery Builders, stated he appreciated staff's work on the development project.

There being no one to speak to the item, Mayor Craft closed the public hearing.

On motion by Member Evola, seconded by Member Banales, to introduce and waive first reading of the ordinance and carried by the following vote:

AYES: Banales, Evola, Killings, Craft
ABSENT: Longmire

CONSIDERATION

7. Adoption of a Minute Order to Approve a City Council Recess for Summer Months

On motion by Member Evola, seconded by Member Killings, to recess July 3, 2017 and carried by the following vote:

AYES: Banales, Evola, Killings, Craft
ABSENT: Longmire

CONFLICT OF INTEREST STATEMENT

There were no conflict of interest statements.

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

On motion by Member Evola, seconded by Member Banales, to adopt the Consent Calendar and carried by the following vote:

AYES: Banales, Evola, Killings, Craft
ABSENT: Longmire

8. Minutes of May 1, 2017

9. Rejection of Claim #17-0025 Allstate Insurance for Oscar Espinoza

10. Adoption of a Pittsburg Power Company Resolution to Approve Agreements with Landis+Gyr to implement an Advanced Metering Infrastructure System and Authorize Associated Equipment Purchases

11. By Minute Order, Adopt City Goals and Priorities for FY 2017-18

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 2016-2017

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 2016-2017

14. Receive and File the Treasurer's Report for the Quarter Ending March 31, 2017

COUNCIL MEMBER REPORTS/REMARKS

Member Killings stated he had no subcommittee meetings to report on, but did participate in the Pittsburg Rotary event that helped with gathering food for the Philippines.

Member Banales attended the Pittsburg Power Company subcommittee where the rate case was reviewed.

Mayor Craft attended the Stoneman Elementary School science fair.

AUDIENCE REMARKS

There were no audience remarks prior to Closed Session.

CONVENE IN CLOSED SESSION

The Council convened in Closed Session at 8:08 P.M. for the following item:

1. CONFERENCE WITH LABOR NEGOTIATORS (Section 54957.6):

Agency designated representatives: Joe Sbranti, Garrett Evans; Employee organizations: Police Managers' Group (PMG) and Police Officers' Association (POA)

Mayor Craft stated there was no reportable action taken in Closed Session.

ADJOURNMENT

The City Council meeting was adjourned at 8:55 P.M. to June 5, 2017.

Respectfully submitted,

Alice E. Evenson, City Clerk

CLAIM PRESENTED TO THE CITY OF PITTSBURG 17-0028

Please read the instructions on the back before completing. FORM 4.1

1. Claimant's Name: (*Please Print*) Shannon O. Murphy Sr.
Claimant's Address: 2 Marina Blv. #15-85
City, State, Zip: Pittsburg, CA. 94565
Day Phone: (925) 483-1128 Eve: ( ) Same

Reserved for Filing Stamp
RECEIVED
MAY 11 2017
CITY MANAGER
City Claim No.:

2. When did the damage or injury occur?
Month: 12 Day: 05 Year: 2016 Time: 5:00 approx. a.m. or p.m.

3. At which location did the damage or injury occur? Police Report No.:
Public Sidewalk at Overpass Highway 4 - Railroad Ave, near Bliss St. + See claim's Attachment for details (other).

4. a. What happened and why is the City responsible?
Eye injury, Panick Attack. City's contractors @ BART Construction, and companies (Sub Contractors), liable also.

b. Name and position of responsible City Employee(s), if known:
San Francisco Bay Area Rapid Transit - BART. - Stacy and Witbeck

5. What damage or injury occurred? See Attachment to Claim.

6. Claim amount (only if less than $10,000): See Attachment to Claim -
If the amount exceeds $10,000, please check the court for appropriate jurisdiction:
_____ Municipal Court (claims up to $25,000) _____ Superior Court (claims over $25,000)

7. How did you arrive at the amount claimed? Please attach documentation.
See Attachment to Claim - Claimant ask restitution / compensation for now, then, and future medical treatments: (settlement).

8. I declare under penalty of perjury under the laws of the State of California that the following information is true and correct, and that this declaration was executed on April 12, 2017, at Pittsburg CA.

Shannon O. Murphy Sr.
Signature of Claimant or Representative

9. Official Notices and Correspondence
If represented by an insurance company or an attorney, please provide the information requested below:
Name and Capacity: (*please print*)

Address:

City, State, Zip:

Daytime Phone: ____________ Evening: ____________

SHANNON O. MURPHY ESQ. SR.
2 MARINA BLV., SUITE #15-B5
PITTSBURG, CA. 94565
(925)483 - 1128
ATTORNEY FOR: SHANNON O. MURPHY SR. (IN PRO PER).

RE: CLAIM AGAINST THE CITY OF PITTSBURG

SHANNON O. MURPHY SR. DBA., SHEETMETAL AND ASSOCIATES, Plaintiff(s), vs. CITY OF PITTSBURG Defendant(s).	Case No.: (pending). Claim No: ____________ Attachment Pertain Official Claim Form ; (answers for all numbered interrogative , relevant, as can insert for apply).

Here the claimant Shannon O. Murphy Sr. does apply for attach this legal documentations for city's claim(s) forms as (relevant).

DATED: April 22, 2019

Shannon O. Murphy Esq. Sr.

Shannon O. Murphy Esq. Sr.
In Pro Per.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P.O. Box 12688
Oakland, CA 94604-2688
(510) 464-6000

March 27, 2017

Shannon O. Murphy, Sr.
2 Marina Blvd., Suite #15 – B5
Pittsburg, CA 94565

Dear Mr. Murphy,

This will confirm today's telephone conversation.

Your claim for injury to your eye, arises out of ongoing construction of an e-BART Station in Pittsburg, CA. The insurance for this project is handled under a CCIP (Contractor Controlled Insurance Program). The contractor in this case is Stacy and Witbeck / Amoroso. They are responsible for any indemnity settlement that they deem is owed to you arising out of contractor's negligence.

You may contact Brian Sena, Corporate Risk Manager at Stacy and Witbeck, Inc., 2800 Harbor Bay Parkway, Alameda, CA 94502-6580. Office (510) 995-1628.

Please direct all further communications and correspondences to their attention. I have advised them of your preference to receive communications by mail or email.

Sincerely yours,

OFFICE OF THE
CONTROLLER/TREASURER

Steve Shatz
Liability Risk Analyst
Risk & Insurance Management

cc: Brian Sena

Stacy and Witbeck
AMOROSO
MODERN RAILWAY SYSTEMS

January 6, 2017

Mr. Shannon Murphy
2 Marina Blvd., Suite #15 – B5
Pittsburg, CA 94565

Re: Claim against BART for bodily injury

Dear Mr. Murphy:

Please accept the enclosed as formal notice of response to the attached claim notice provided t to BART representatives. BART has sent your claim for alleged bodily injury of 12/5/16 to our attention as the general contractor on the project. As we understand it a piece of insulation blew from the project and got into your eye. In order to further investigate your claim could you please provide us more details as to the exact time and place of the incident, any witnesses, and additional details you think may be relevant. Additionally in order for us to assess the potential claim value could you please provide us with copies of any receipts for initial medical care and follow up.

Should you have any questions or need additional information please feel free to email me at bsena@stacywitbeck.com

Sincerely,

Brian Sena
Corporate Risk Manager
Stacy and Witbeck, Inc.
2800 Harbor Bay Parkway
Alameda, CA 94502

CC: Steve Shatz - BART

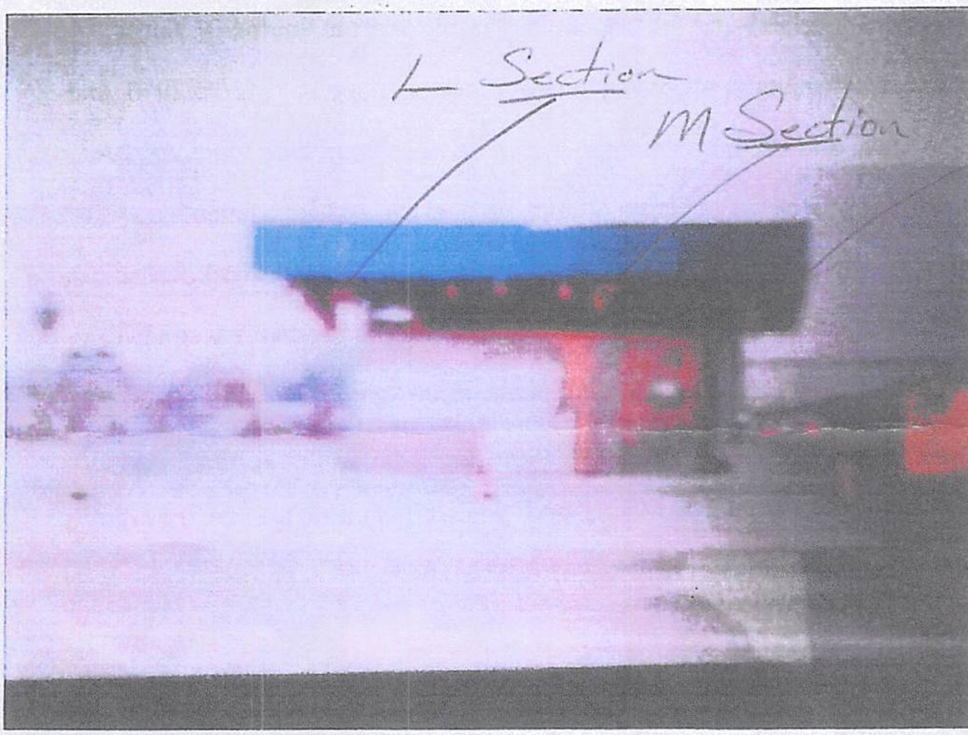
Gmail

Shannon Murphy <omurphyesq.sr@gmail.com>

(no subject)
1 message

9254831128@pixmbl.com <9254831128@pixmbl.com> Mon, Apr 24, 2017 at 5:48 PM
To: omurphyesq.sr@gmail.com

Sent from my mobile.



L Section

M Section

R Section

ALL point OSHA Violation(s)

@ Danger to Pittsburg's Public Sect

@ Railroad Ave near Bliss St BART STATION (Relevant)

Insulation, cause injury to Pittsburg's public / private jurisdiction. 12/05/2017, 5p.m.

See Insulation under rim of Rooftop. (hangings);
Insulation — (Pink squares, rectangles)

Gmail **Shannon Murphy <omurphyesq.sr@gmail.com>**

BART claim

9 messages

Brian Sena <bsena@stacywitbeck.com> Fri, Mar 31, 2017 at 1:28 PM
To: "omurphyesq.sr@gmail.com" <omurphyesq.sr@gmail.com>
Cc: Steven Shatz <SShatz@bart.gov>

Mr. Murphy:

I am very sorry that it is taken me so long to get back to you. This got rerouted a bit within our company but has made it back to my desk. I am in receipt of your attached fax regarding the piece of insulation you allege got into your eye. Unfortunately the information you sent does not contain any documentation of the damages you suffered (medical costs, lost wages, etc.). This will require us to do a full investigation on our end and potentially involve some of our subcontractors. Before I go too far down that path are you able to quantify your perceived damages if our internal investigation finds that we are at fault?. Having that information will allow our firm to make a determination on how involved we need to get our subcontractors, our insurance company and our subcontractors insurance companies involved.

Also, I have copied BART risk management on this email. BART has formerly turned this claim over to us and we are handling. I will keep them in the loop but there is no reason to pursue through them as this took place on an active construction site that we were managing.

I will be out of the office next week but will have access to email and will respond accordingly.

Thanks,

Brian

Brian Sena

Corporate Risk Manager

Stacy and Witbeck, Inc.

SKMBT_C65217033113080.pdf
2019K

Shannon Murphy <omurphyesq.sr@gmail.com> Mon, Apr 24, 2017 at 5:06 PM
To: Brian Sena <bsena@stacywitbeck.com>

Mr. Sena, Brian,

I am Mr. Murphy Sr. as able to communicate, I hope, with you this type E- mail transmission, today, 4/24/2017, I find yours here for

observe attend my continued BART claim, yours now exclaim jurisdiction(s) also.
I am very sorry you could not attend my claim's presentation(s) especially direct to yours Stacy and Witbeck company(s), sooner, but,
I am very weary in attend mine exclaim injury(s) according to BART incident happened 12/05/2016, and others injury(s) I have given
you access to discover I do maintain, and occur treatment(s) by the VA hospital located Martinez, CA. 94553.
I hope you, and yours at Stacy and Witbeck will act more prompt, respect my exclaim injuries, now appointed by BART, yours also
liabilities concern; I have provided you with faxed documentation you did request, and I had available send you at that time, I assure
you there are more which do attend this claim's (relevant), although I find further evidentiary sends to you, by yours company(s),
at this time not only more time and energy consuming, but irrelevant, since I am poised to attend shortly a commence lawsuit(s),
name liable BART as defendant(s) at one class- action lawsuit, then Stacy and Witbeck, as defendant(s) another class-action lawsuit,
and finally after claim against the City of Pittsburg is applied, and "denied" fair consideration, they should become defendant(s) other,
class-action lawsuit, I, and my valuable, competent attorney(s), will commence filing process and procedures at Superior Court, juris.,
State of California, Contra Costa County, before 07/15/2017.

Sir, I have no further patience regards your exclaim investigation(s) relevant, I have already notified OSHA, the incident / injury(s)
now pertain to, since you, and BART have flagrantly, and disrespectfully ignored my telephone communications, and other, I record,
attend this unjust claim's progress you, yours exclaim care for provide me.

I will attempt to send you now the hopeful at final "all you else require of me attend this unfair claim's process", "evidence", one of
many photographs taken of the incident's site occur on 12/05/2016, approx.. time: 5:00p.m. ; I hope you will apply "this evidence",
concern you may associate it with regards more careful attention I already provided you, Stacy and Witbeck, a "proposal to settle",
at yours part, the entire by legal case(s) (relevant).

Although Sirs, I have prepared the documents perform the City of Pittsburg's claim's jurisdiction(s), and an appropriate "complaint"
to the Mayor's, and other city's manger's jurisdiction(s), I have yet presented "them", for there/their file attentions; May you please
contact me again more "formally in writing" we may discontinue mentioned, include City of Pittsburg complaint / claim's applications,
and before lawsuit(s) maintain commence place.

Please may you review my sent you "Proposal to Settement" occur to support ours best interests, provide more "safe and speedy"
legal attentions.

ATTENTIONS SUPPORT

OURS,

SHANNON O. MURPHY

ESQ. SR.

Sheetmetal & Associates

(CEO).

[Quoted text hidden]

Brian Sena <bsena@stacywitbeck.com> Mon, Apr 24, 2017 at 9:17 PM

To: Shannon Murphy <omurphyesq.sr@gmail.com>

Information received and forwarded to our insurance company. I will follow up with our insurance adjuster in the morning and make sure they contact you.

Thanks,

Brian

Brian Sena

Corporate Risk Manager

Stacy and Witbeck, Inc.

2800 Harbor Bay Parkway

Alameda, CA 94502-6580

Office (510) 995-1628

Cell (650) 483-4745

From: Shannon Murphy [mailto:omurphyesq.sr@gmail.com]
Sent: Monday, April 24, 2017 5:06 PM
To: Brian Sena <bsena@stacywitbeck.com>
Subject: Re: BART claim

[Quoted text hidden]

Shannon Murphy <omurphyesq.sr@gmail.com> Wed, Apr 26, 2017 at 3:31 PM
To: Brian Sena <bsena@stacywitbeck.com>

Mr. Sena, Brian

I am grateful for your prompt response here at these recent transmissions E-mail communication, since 4/24/2017.
I do now still appreciate yours at Stacy and Witbeck concern my injury(s) claim regards, and BART's also now still liabilities,
I am now since you have recent stated me, that yours regards insurance company, associate(s) will contact me regarding
this your jurisdiction claim process, preparing here also pertain settlement arrangement(s) should you, and associates above
mentioned decide fair responsibilities I exclaim by my professional knowledge yours about Stacy and Witbeck are liable for
assumed there by this claim's injury(s) exclaim occur 12/05/2016, and further, it, they respond associate, (relevant).

I am enclosing for here, attachment, a send by "regular mail" legal documents as for regards I have mentioned prior
at my E-mail send to you, for your review, and apply as they may be also relevant at your discretion transmit to that insurance

company, associate(s) resource now say available we confer, consult with; The attachment send contains Claim Against City
of Pittsburg, and relevant Complaint to City of Pittsburg respectively concern I will apply if called for essential and necessary.

I am prepared, as I do associate these recent claims to the City of Pittsburg, by correct professional jurisdiction(s)
collaborate with my legal company named Sheetmetal & Associates, located here in Pittsburg, Ca., to dismantle and eliminate
these prepared documents above mentioned regards claims to be commence apply file to the City of Pittsburg, CA. as soon
as yours, or your insurance company associate(s) contact me for regards we settle this injury(s) claim(s) matter at once;
Regards so that no further responsibilities, liable by Stacy and Witbeck, there, their construction contractor(s) will remain,
and also discontinue mine and Sheetmetal & Associate's proceed lawsuit Superior Court of California, as would become relevant.

This send by regular mail, legal documents should arrive you by 4/28/2017, and since I have not yet heard from your insurance
company associate(s) as of yet, today 4/26/2017, I will only allow an additional 10 days from the 28th of April, for appropriate a
decent response from yours at there, theirs concern insurance associate proceedings, that kind progress, relinquish at for above
mentioned relevant, and as include claims ready for apply City of Pittsburg.

Thank You,

Shannon O. Murphy Esq.

Sr.

(Claimant)

SHEETMETAL &

ASSOCIATES

[Quoted text hidden]

Shannon Murphy <omurphyesq.sr@gmail.com> Fri, Apr 28, 2017 at 5:48 PM
To: Brian Sena <bsena@stacywitbeck.com>

Mr. Sena, B. ,

Sir, I am here now today 4/28/2017, attempt converse with you regards your prospect receipt the relative include (relevant),

and City of Pittsburg's legal documents we at Sheetmetal & Associates have sent yours at Stacy and Witbeck, by "regular mail".

I hope you will arrange appropriate those legal document'(s) suggest, and associate reply to me by this send, as soon as possible.

Thank You,

Shannon O. Murphy

Esq.

SHEETMETAL &

ASSOCIATES

(A

Legal Co.).

[Quoted text hidden]

Brian Sena <bsena@stacywitbeck.com> Sun, Apr 30, 2017 at 2:03 PM
To: Shannon Murphy <omurphyesq.sr@gmail.com>

Mr. Murphy:

We have not received the packet of information that you sent but I suspect it will arrive on Monday and we will review. I will let you know on Monday as soon as we receive it.

Thanks,

Brian

Brian Sena

Corporate Risk Manager

Stacy and Witbeck, Inc.

2800 Harbor Bay Parkway

Alameda, CA 94502-6580

Office (510) 995-1628

Cell (650) 483-4745

From: Shannon Murphy [mailto:omurphyesq.sr@gmail.com]
Sent: Friday, April 28, 2017 5:48 PM

[Quoted text hidden]

[Quoted text hidden]

Shannon Murphy <omurphyesq.sr@gmail.com> Tue, May 2, 2017 at 5:01 PM
To: Brian Sena <bsena@stacywitbeck.com>

Mr. Sena, B.

I do thank you, and here confirm yours read, the most recent E-mail trnsm., sent by you apparent 30/Apr. ;
I will assume also that you will receive the evidentiary attachment(s),

[Quoted text hidden]

Brian Sena <bsena@stacywitbeck.com> Tue, May 2, 2017 at 5:05 PM
To: Shannon Murphy <omurphyesq.sr@gmail.com>

Thank you Mr. Murphy. It was received today and I will review. I have also sent a copy to our insurance company.

Thanks,

Brian

Brian Sena

Corporate Risk Manager

Stacy and Witbeck, Inc.

2800 Harbor Bay Parkway

Alameda, CA 94502-6580

Office (510) 995-1628

Cell (650) 483-4745

From: Shannon Murphy [mailto:omurphyesq.sr@gmail.com]
Sent: Tuesday, May 02, 2017 5:02 PM

[Quoted text hidden]

[Quoted text hidden]

Shannon Murphy <omurphyesq.sr@gmail.com> Tue, May 2, 2017 at 5:53 PM
To: Brian Sena <bsena@stacywitbeck.com>

Mr. Sena, B.,

I am here today, and as for yesterday's send to you, at/to Stacy and Witbeck, for continue BART claim's results;
I have not heard from you since past Apr./30 message (E-mail), as for now suggests you may still be without receipt the
latest legal documents sent to yours, by me, before then April, 2017.

Please do continue communicate with me, and my legal company Sheetmetal & Associates, prompt, concern our
last regards City of Pittsburg complaint's and claim's documents imply, therefore yours should attend as soon as possible.

Sincerely,

Shannon O. Murphy Esq.

Sheetmetal & Associates
(A Legal Co.)

IMG_20170424_152338.jpg
488K

NAME: SHANNON O. MURPHY SR.
ADDRESS: 2 MARINA BLV. #15 – B5
PITTSBURG, CA. 94565

CLAIM PRESENTED TO THE CITY OF PITTSBURG,
ATTACHMENT FOR INQUIRE BY INTERROGATIVES @ 5, 6, AND 7.

CLAIMANT Shannon Murphy Sr. here states here for response as described to above respect 5,6,7 of relevant city jurisdiction claim form that ...

I do present this claim to the City of Pittsburg as for regards I exclaim there/theirs should be held liable for the just concerns relevant the general public's welfare, as also includes safety, since relevant claimant Murphy was injured on 12/05/2016, while I was traveling on foot, using public sidewalk, across street overpass progress Railroad Ave., near Bliss St.; I was sustain injury to my left-eye, and state here due to the city's relevant allow construction, as for contractor(s) relevant, and BART, (San Francisco Bay Area Rapid Transit) do, did associate there now, then, since injury occurred when piece of pink fiberglass insulation as used for BART's new, under construction Pittsburg station, flew into my eye and caused distraction, and dangerous, by that spontaneous injury(s), there, during busy vehicle traffic present. Claimant Murphy holds liable the City of Pittsburg support (relevant) his injury(s), as for law(s) state (relevant), and for since also Bart, and for relevant construction, there/their contractor(s) company(s), failed respect Mr. Murphy's injury claim, cause him still to date 04/12/2017, four months after he presented there claim, further injury(s), illness, include mental, emotional, psyche, disturb him recoveries.

Claimant Shannon Murphy Sr. asks this city for $10,000.00 compensation, relevant restitution for occur his visits to VA clinic's urgent care, and as associates billing(s).

I declare by penalty of perjury that the above information is true and correct with respect the City of Pittsburg, as relevant, laws of the State of California.

Date: 04/12/2017 Print: Shannon O. Murphy Sr. Sign: Shannon O. Murphy Sr.
(CLAIMANT)

CASE NAME: SHANNON O. MURPHY ESQ. SR.
ADDRESS: 2 MARIN BLV., SUITE# 15 – B5
PITTSBURG, CA. 94565

TELE: (925) 483 - 1128

ATTORNEY FOR SHANNON O. MURPHY SR. – (IN PRO PER./SE.).

RECEIVED
MAY 11 2017
CITY MANAGER

BEFORE THE

CITY OF PITTSBURG

COMPLAINT NO: ________________>

SHANNON O. MURPHY SR.
(Complainant),

CASE NO: ________________.

VS.

COMPLAINT
(CITY'S JURISDICTION(S).

SAN FRANCISCO BAY AREA
RAPID TRANSIT, (BART).

(Defendant(s).

HERE FOR THE PLAINTIFF SHANNON O. MURPHY SR. IS THIS COMPLAINT RELEVANT COMPONENT(S) FOR TO ACT SOLE, AND OR MAINTAIN APPROPRIATE ATTACHMENT, RELATIVE CITY OF PITTSBURG'S, AT STANDARD THIS COMPLAINT'S JURISDICTIONS. HERE PLAINTIFF MURPHY STATES AND ALLEGES THAT THE FOLLOWING DID OCCUR BY / AT THE DEFENDANT(S) RESPONSIBLE PREMISES LIABILITY(S), AND SINCE THAT DEFENDANT(S); BART DOES MAINTAIN OPERATE AN RELEVANT OPEN TO PUBLIC, ELECTRIC RAILWAY(S) SYSTEM(S) THAT ALLOWS THE TRAVEL OF IT'S PATRON(S) THROUGH, AND TO ACCORDS CITY OF PITTSBURG RLEATIVE LAND JURISDICTIONS, THAT THIS COURT'S COMPLAINT BE AS APPROPRIATE FOR FILE HERE NOW, 05/11/2017, AS BY FOR EMPHASIS REPORT INJURY, JURISDICTION BY THIS CITY'S PUBLIC CITIZEN.

COMPLAINT PRESENTED TO THE CITY OF PITTSBURG,
ATTACHMENT FOR INTERROGATORIES AS RELEVANT.

COMPLAINANT Shannon Murphy Sr. here states here for response as described, respect relevant city jurisdiction(s) pertain any other form by this type complaint formal, in writing to this city's jurisdiction, that progress the foregoing ...

I did present claim to the City of Pittsburg as for regards I exclaim there/theirs should be held liable for the just concerns relevant the general public's welfare, as also includes safety, since relevant claimant Murphy was injured on 12/05/2016, while I was traveling on foot, using public sidewalk, across street overpass progress Railroad Ave., near Bliss St.; I was sustain injury to my left-eye, and state here due to "the city's relevant allow construction", as for contractor(s) relevant, and BART, (San Francisco Bay Area Rapid Transit) do, did associate there now, then, since injury occurred when piece of pink fiberglass insulation as used for BART's new, under construction Pittsburg station, flew into my eye and caused distraction, and dangerous, by that spontaneous injury(s), there, during busy vehicle traffic present. Claimant Murphy holds liable the City of Pittsburg support (relevant) his injury(s), as for law(s) state (relevant), and for since also, as BART, for relevant construction, there/their contractor(s) company(s), failed to respect Mr. Murphy's injury claim, cause him still to date 04/12/2017, four months after he presented there claim, further injury(s), illness, include mental, emotional, psyche, disturb him recoveries ; Relevant, BART's assume disrespect to Mr. Murphy by their contractor's procure, Stacy and Witbeck assigned, resume relevant claim for injury, presented to BART, occur flagrant disorder at the claim's process, ignore their claim's associate Murphy.

Claimant Shannon Murphy Sr. asked the city for $10,000.00 compensation, relevant restitution for occur his visits to VA clinic's urgent care, and as associates billing(s).

I declare by penalty of perjury that the above information is true and correct with respect the City of Pittsburg, as relevant, laws of the State of California.

Date: 04/13/2017 Print: Shannon O. Murphy Sr. Sign: Shannon O. Murphy Sr.
(Complainant)

COMPLAINT PRESENTED TO THE CITY OF PITTSBURG,
ATTACHMENT FOR INTERROGATORIES AS RELEVANT.

COMPLAINANT Shannon Murphy Sr. here states here for response as described. respect relevant city jurisdiction(s) pertain any other form by this type complaint formal, in writing to this city's jurisdiction, that progress the foregoing ...

I did present claim to the City of Pittsburg as for regards I exclaim there/theirs should be held liable for the just concerns relevant the general public's welfare, as also includes safety, since relevant claimant Murphy was injured on 12/05/2016, while I was traveling on foot, using public sidewalk, across street overpass progress Railroad Ave., near Bliss St.: I was sustain injury to my left-eye, and state here due to "the city's relevant allow construction", as for contractor(s) relevant, and BART, (San Francisco Bay Area Rapid Transit) do, did associate there now, then, since injury occurred when piece of pink fiberglass insulation as used for BART's new, under construction Pittsburg station, flew into my eye and caused disfunction, and dangerous, by that spontaneous injury(s), there, during busy vehicle traffic present.

Claimant Murphy holds liable the City of Pittsburg support (relevant) his injury(s), as for laws(s) state (relevant), and for since also, as BART, for relevant construction, there/their contractor(s) company(s), failed to respect Mr. Murphy's injury claim, cause him still to date 04/12/2017, four months after he presented there claim, further injury(s), illness, include mental, emotional, psycho, disturb him recoveries ; Relevant, BART's assume disrespect to Mr. Murphy by their contractor's procure, Stacy and Witbeck assigned, resume relevant claim for injury, presented to BART, occur flagrant disorder at the claim's process, ignore their claim's associate Murphy.

Claimant Shannon Murphy Sr. asked the city for $10,000,000.00 compensation, relevant restitution for occur his visits to VA clinic's urgent care, and as associates billing(s).

I declare by penalty of perjury that the above information is true and correct with respect the City of Pittsburg, as relevant laws of the State of California.

Date: 04/13/2017 Print:______________ Sign: ______________________________
(Complainant)

SHANNON O. MURPHY ESQ. SR.
2 MARINA BLV., SUITE #15-B5
PITTSBURG, CA. 94565
(925)483 - 1128
ATTORNEY FOR: SHANNON O. MURPHY SR. (IN PRO PER).

RE: CLAIM AGAINST THE CITY OF PITTSBURG

SHANNON O. MURPHY SR. DBA., SHEETMETAL AND ASSOCIATES, Plaintiff(s), vs. CITY OF PITTSBURG Defendant(s).	Case No.: (pending). Claim No:__________ Attachment Pertain Official Claim Form ; (answers for all numbered interrogative , relevant, as can insert for apply).

Here the claimant Shannon O. Murphy Sr. does apply for attach this legal documentations for city's claim(s) forms as (relevant).

Shannon O. Murphy Esq. Sr.
In Pro Per.

Pink Insulation @ BART
PITTSBURG STATION
12/05/2017
Hanging from Roof's
Underside
Cause Eye injury, psche, emotional
distress to claimant Murphy Sr.

BART
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P.O. Box 12688
Oakland, CA 94604-2688
(510) 464-6000

March 27, 2017

Shannon O. Murphy, Sr.
2 Marina Blvd., Suite #15 – B5
Pittsburg, CA 94565

Dear Mr. Murphy,

This will confirm today's telephone conversation.

Your claim for injury to your eye, arises out of ongoing construction of an e-BART Station in Pittsburg, CA. The insurance for this project is handled under a CCIP (Contractor Controlled Insurance Program). The contractor in this case is Stacy and Witbeck / Amoroso. They are responsible for any indemnity settlement that they deem is owed to you arising out of contractor's negligence.

You may contact Brian Sena, Corporate Risk Manager at Stacy and Witbeck, Inc., 2800 Harbor Bay Parkway, Alameda, CA 94502-6580. Office (510) 995-1628.

Please direct all further communications and correspondences to their attention. I have advised them of your preference to receive communications by mail or email.

Sincerely yours,

OFFICE OF THE
CONTROLLER/TREASURER

Steve Shatz
Liability Risk Analyst
Risk & Insurance Management

cc: Brian Sena

Stacy and Witbeck
AMOROSO
MODERN RAILWAY SYSTEMS

January 6, 2017

Mr. Shannon Murphy
2 Marina Blvd., Suite #15 – B5
Pittsburg, CA 94565

Re: Claim against BART for bodily injury

Dear Mr. Murphy:

Please accept the enclosed as formal notice of response to the attached claim notice provided t to BART representatives. BART has sent your claim for alleged bodily injury of 12/5/16 to our attention as the general contractor on the project. As we understand it a piece of insulation blew from the project and got into your eye. In order to further investigate your claim could you please provide us more details as to the exact time and place of the incident, any witnesses, and additional details you think may be relevant. Additionally in order for us to assess the potential claim value could you please provide us with copies of any receipts for initial medical care and follow up.

Should you have any questions or need additional information please feel free to email me at bsena@stacywitbeck.com

Sincerely,

Brian Sena
Corporate Risk Manager
Stacy and Witbeck, Inc.
2800 Harbor Bay Parkway
Alameda, CA 94502

CC: Steve Shatz - BART

SHEETMETAL & ASSOCIATES (A Legal Co.)
SHANNON O. MURPHY ESQ. SR.
* 2 MARINA BLV., #15 – B5
PITTSBURG, CA. 94565
TELE: (925) 483-1128

DATE: 05 /11/ 2017

RECEIVED
MAY 11 2017
CITY MANAGER

TO: CITY OF PITTSBURG - MAYOR
Attn: Complaint's Application, Executive Concern Appropriate
RE: BART – caused injury to public sect.

Dear Mayor,

On this complaint to your business location, 65 Civic Ave, the above, at attention's place may you by yours accords provided me complainant, SHANNON MURPHY SR., with appropriate feedback, decision. Please may yours is at request for consider this complaint, apply appropriate enforcement action(s) by decision. Please as for just mine complaint's disposition to occur this decision, respond me for yours decision and applied, in writing to the above captioned address.

Please contact me as for appropriate regards the foregoing, and results... (925) 483-1128. *See caption also.

Sincerely Yours,

Shannon O. Murphy Esq. Sr.
Pittsburg Resident (Claimant).

Sheetmetal & Associates – (CEO).

CASE NAME: SHANNON O. MURPHY ESQ. SR.
ADDRESS: 2 MARIN BLV., SUITE# 15 – B5
PITTSBURG, CA. 94565

TELE: (925) 483 - 1128

ATTORNEY FOR SHANNON O. MURPHY SR. – (IN PRO PER./SE.).

BEFORE THE
CITY OF PITTSBURG

COMPLAINT NO: ________________>

SHANNON O. MURPHY SR.
(Complainant),

CASE NO: ________________.

VS.

COMPLAINT
(CITY'S JURISDICTION(S).

SAN FRANCISCO BAY AREA
RAPID TRANSIT, (BART).

(Defendant(s).

____/

HERE FOR THE PLAINTIFF SHANNON O. MURPHY SR. IS THIS COMPLAINT RELEVANT COMPONENT(S) FOR TO ACT SOLE, AND OR MAINTAIN APPROPRIATE ATTACHMENT, RELATIVE CITY OF PITTSBURG'S, AT STANDARD THIS COMPLAINT'S JURISDICTIONS. HERE PLAINTIFF MURPHY STATES AND ALLEGES THAT THE FOLLOWING DID OCCUR BY / AT THE DEFENDANT(S) RESPONSIBLE PREMISES LIABILITY(S), AND SINCE THAT DEFENDANT(S); BART DOES MAINTAIN OPERATE AN RELEVANT OPEN TO PUBLIC, ELECTRIC RAILWAY(S) SYSTEM(S) THAT ALLOWS THE TRAVEL OF IT'S PATRON(S) THROUGH, AND TO ACCORDS CITY OF PITTSBURG RLEATIVE LAND JURISDICTIONS, THAT THIS COURT'S COMPLAINT BE AS APPROPRIATE FOR FILE HERE NOW, 05/11/2017, AS BY FOR EMPHASIS REPORT INJURY, JURISDICTION BY THIS CITY'S PUBLIC CITIZEN.

COMPLAINT PRESENTED TO THE CITY OF PITTSBURG, ATTACHMENT FOR INTERROGATORIES AS RELEVANT.

COMPLAINANT Shannon Murphy Sr. here states here for response as described, respect relevant city jurisdiction(s) pertain any other form by this type complaint formal, in writing to this city's jurisdiction, that progress the foregoing ...

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Date: 04/13/2017 Print: Shannon O. Murphy Sr. Sign: Shannon O. Murphy Sr.

(Complainant)

SHANNON O. MURPHY ESQ. SR.
2 MARINA BLV., SUITE #15-B5
PITTSBURG, CA. 94565
(925)483 - 1128
ATTORNEY FOR: SHANNON O. MURPHY SR. (IN PRO PER).

RE: CLAIM AGAINST THE CITY OF PITTSBURG

SHANNON O. MURPHY SR. DBA., SHEETMETAL AND ASSOCIATES, Plaintiff(s), vs. CITY OF PITTSBURG Defendant(s).	Case No.: (pending). Claim No: ______________ Attachment Pertain Official Claim Form ; (answers for all numbered interrogative , relevant, as can insert for apply).

Here the claimant Shannon O. Murphy Sr. does apply for attach this legal documentations for city's claim(s) forms as (relevant).

Shannon O. Murphy Esq. Sr.
In Pro Per.

Pink Insulation @ BART
PITTSBURG STATION
12/05/2017

Hanging from Roof's
Underside

Cause — Eye injury, psche, emotional
distress to claimant Murphy

BART
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P.O. Box 12688
Oakland, CA 94604-2688
(510) 464-6000

March 27, 2017

Shannon O. Murphy, Sr.
2 Marina Blvd., Suite #15 – B5
Pittsburg, CA 94565

Dear Mr. Murphy,

This will confirm today's telephone conversation.

Your claim for injury to your eye, arises out of ongoing construction of an e-BART Station in Pittsburg, CA. The insurance for this project is handled under a CCIP (Contractor Controlled Insurance Program). The contractor in this case is Stacy and Witbeck / Amoroso. They are responsible for any indemnity settlement that they deem is owed to you arising out of contractor's negligence.

You may contact Brian Sena, Corporate Risk Manager at Stacy and Witbeck, Inc., 2800 Harbor Bay Parkway, Alameda, CA 94502-6580. Office (510) 995-1628.

Please direct all further communications and correspondences to their attention. I have advised them of your preference to receive communications by mail or email.

Sincerely yours,

OFFICE OF THE
CONTROLLER/TREASURER

Steve Shatz
Liability Risk Analyst
Risk & Insurance Management

cc: Brian Sena

Stacy and Witbeck
AMOROSO
MODERN RAILWAY SYSTEMS

January 6, 2017

Mr. Shannon Murphy
2 Marina Blvd., Suite #15 – B5
Pittsburg, CA 94565

Re: Claim against BART for bodily injury

Dear Mr. Murphy:

Please accept the enclosed as formal notice of response to the attached claim notice provided t to BART representatives. BART has sent your claim for alleged bodily injury of 12/5/16 to our attention as the general contractor on the project. As we understand it a piece of insulation blew from the project and got into your eye. In order to further investigate your claim could you please provide us more details as to the exact time and place of the incident, any witnesses, and additional details you think may be relevant. Additionally in order for us to assess the potential claim value could you please provide us with copies of any receipts for initial medical care and follow up.

Should you have any questions or need additional information please feel free to email me at bsena@stacywitbeck.com

Sincerely,

Brian Sena
Corporate Risk Manager
Stacy and Witbeck, Inc.
2800 Harbor Bay Parkway
Alameda, CA 94502

CC: Steve Shatz - BART

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

DATE: 5/17/2017

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution to Approve a Purchase Order and Statement of Work with National Information Systems Cooperative to Implement a Customer Information and Billing System for Island Energy

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

Staff recommends the Pittsburg Power Company (PPC) Board approve a Purchase Order and Statement of Work with National Information Solutions Cooperative (NISC) to implement a Customer Information and Billing (CIB) system for Island Energy. These new systems will modernize Island Energy's customer measurement and revenue collection systems allowing it to lower costs, provide greater customer value and respond to regulatory changes.

FISCAL IMPACT

The expected cost to implement the new CIB system is $84,150. This cost will primarily be funded by the Capital Outlay/ Gas Electric account (580-46115-3007) which has a current balance of $67,294 after deducting the previously approved $292,325 cost for implementing the Landis+Gyr Advanced Metering Infrastructure (AMI) system. In addition, a transfer of $34,000 from Island Energy's reserves to the account is requested to cover the shortfall and for contingency purposes. The annual cost for the system is $27,021 which is included in the Island Energy budget and rate case and recovered from rate payers.

RECOMMENDATION

The PPC Board authorizes the Executive Director to submit a membership application to NISC. The Board also approves the Purchase Order (PO) and Statement of Work (SOW) from NISC and authorizes the Executive Director to accept minor language modifications and electronically sign them.

BACKGROUND

California's mandates for increased use of electricity generated from renewable resources have increased the complexity of the utility business. The requirement to offer net energy metering to customers choosing to install solar systems requires metering and billing systems that can provide credits for excess generation. The growth of utility scale renewable generation has changed when excess electricity is available on the California grid. State regulators are encouraging or requiring Time of Use (TOU) rates to better match electricity demand to its supply. Island Energy's current metering and billing systems are not capable of supporting either net metering or TOU rates.

Modern Advanced Metering Infrastructure (AMI) systems are capable of capturing electricity delivered to and received from customers, along with other types of electricity usage information, on an interval as frequent as every 15 minutes. These measurements are transmitted to central collecting devices which in turn communicate the information to a centralized data repository. Recently developed customer information and billing systems can retrieve this information and use it to calculate bills and provide actionable energy usage data to Island Energy and its customers.

This combination of modern AMI and CIB systems will support net metering and TOU billing needs. These systems will also allow Island Energy information to help identify load losses and guide future facility investment decisions.

SUBCOMMITTEE FINDINGS

At its April 18, 2017 meeting, the Pittsburg Power Company Subcommittee received information from staff about the CIB systems, the required agreements and supported staff's recommendations.

STAFF ANALYSIS

In November 2016, PPC issued separate Requests for Proposals (RFPs) for a Customer Information and Billing system.

CIB proposals were received from six vendors (Continental Utility Systems Inc – CUSI, FluentGrid, MuniBilling, National Information Systems Cooperative – NISC, Harris Computer System, and Tyler Technologies). Staff narrowed the vendors to CUSI and NISC for more in depth investigation based on cost, experience and proposal responsiveness. Ultimately staff determined NISC was the only vendor able to offer a fully integrated solution at an acceptable cost. NISC references were all excellent which may be reflective that it is a cooperative owned by its customers. The set up cost with NISC is $84,150. There is no software license cost rather there is a $27,021 annual use fee which includes hosting the application on NISC servers. Implementation of the NISC system will allow staff in Pittsburg City Hall and the Island Energy business offices to access the utility's billing system. Previously access has been restricted to the Island Energy offices.

Staff has confidence in the capabilities of the vendor and expects it to complete its work within the proposed costs. However, implementation of any new technology carries risks that some important elements for success may be unknown. For this reason staff is requesting $34,000 be transferred from Island Energy's unrestricted reserves to increase the budget for account 580-46111-3007. This amount will provide for proposed project costs plus a 20% contingency.

ATTACHMENTS: Resolution
NISC Statement of Work
NISC Purchase Order
NISC Master Software and Services Terms and Conditions
NISC Master Definitions

Report Prepared By: Peter Guadagni, Power Company Manager

BEFORE THE PITTSBURG POWER COMPANYOF THE CITY OF PITTSBURG

In the Matter of:

A Resolution Approving a Purchase Order and Statement of Work with National Information Systems Cooperative to Implement a Customer Information and Billing System for Island Energy	)))))	RESOLUTION NO.17-

The Board of Directors of the Pittsburg Power Company (PPC),a Joint Powers Authority,DOESRESOLVE as follows:

WHEREAS,California's mandates for increased use of electricity generated from renewable resources have increased the complexity of utilities operating in the state;and

WHEREAS, therequirement to offer net energy metering to customers choosing to install solar systems requires billing systems that can account for credits for excess generation; and

WHEREAS, the growth of utility scale renewable generation has changed when excess energy is available on the California grid leading regulators to encourage or require the use of Time of Use (TOU) electricity billing rates; and

WHEREAS, Island Energy's current billing systems is not capable of supporting either net metering or TOU rates; and

WHEREAS, current commercially available Customer Information and Billing (CIB) systems will support Island Energy's net metering and TOU rate needs; and

WHEREAS, CIB systems provide additional benefits including a reduction in billing errors, and information to identify load losses and guide future facility investment decisions; and

WHEREAS,Requests for Proposals for CIB systems were issued in November 2016; and

WHEREAS,staff evaluated proposals based on ability to meet requirements, cost, references, and ability to adapt to future needs; and

WHEREAS, the staff of Pittsburg recommendsthe proposal from National Information Systems Cooperative (NISC) for a CIB system be accepted.

NOW, THEREFORE, the Board of Directorsfinds and determines as follows:

Section 1. Thetransfer of $34,000 from Island Energy unrestricted reserves to its Capital Outlay/ Gas Electric account (580-46115-3007) is approved to provide ample funding and a contingency amount for unexpected expenses.

Section 2. The Executive Director is hereby authorized to submit an application for Associate Membership in NISC.

Section 2. The Executive Director is hereby authorizedto sign the NISC Statement of Work and Purchase Order including accepting minor changes in the documents.

Section 3. The Finance Director is hereby authorized and directed to execute apurchase order to National Information Services Cooperative in the amount $84,150 for implementation and conversion services.

Section 4. The Finance Director is hereby authorized to increase the purchase order National Information Services Cooperative, if necessary due to unexpected expenses, providing the total budget of the Island Energy Capital Outlay/ Gas Electric account (580-46115-3007) is not exceeded

Section 5. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the Pittsburg Power Companyat a regular meeting on the 5th day ofJune 2017, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Marilyn Craft, Mayor

ATTEST:

____
Alice E. Evenson, Secretary

iVUE | NiSC
The vision to see. The power to do.

Pittsburg Power Company

Utility
Enterprise Software
Statement of Work

May 9, 2017

National Information Solutions Cooperative, Inc.

One Innovation Circle
Lake Saint Louis, MO 63367

3131 Technology Drive NW
Mandan, ND 58554

1380 County Highway B
Shawano, WI 54166

8801 Prairie View Lane SW, Suite 100
Cedar Rapids, IA 52404

Phone (866) 999-6472
www.nisc.coop

Disclaimer

All data files and examples are intended to be fictional. Any resemblance to real individuals or companies is coincidental.

Copyright Notice

Trademark Notice

Confidentiality Notice

This document contains Confidential and/or NISC Propriety Information. The content is for the sole use of the intended recipient(s) and may contain confidential and privileged information.

Updated: 10/28/16
Version: 3.1

1. NISC Contract Overview

This Statement of Work ("SOW") is an Ordering Document under the NISC Software and Service Master Terms and Conditions ("NISC Master T&Cs"). The NISC Master Definitions set forth definitions of certain terms that are used but not otherwise defined in this SOW.

This SOW, together with the NISC Master T&Cs, the NISC Master Definitions, any other Ordering Documents and any applicable Additional Terms and Conditions, forms the Agreement between you and us with respect to the Software, Services and/or Equipment described in this SOW. The currently in effect NISC Master Definitions, the NISC Master T&Cs, and all Additional Terms and Conditions are available at https://community.nisc.coop/community/member/member_resources/nisc-terms-conditions. We agree to provide to you and you agree to receive from us the Software, Services and Equipment described in this SOW, all subject to the Agreement.

2. Enterprise Project Approach

2.1. Statement of Work

The SOW is a guideline for the work needed to implement iVUE® Solutions chosen by Pittsburg Power Company (PPC). Due to the robust nature and diverse functionality of iVUE, each functional area described in the SOW is assigned a Project Owner. The timeline, tasks, and task owners are documented in the project plan.

This SOW may be customized, based on initial discovery, to accommodate the needs of PPC's implementation. The SOW includes scope, project approach, a description and activities of the purchased products or services, deliverables, and assumptions.

2.1.1. Member Specific:

None Identified.

2.2. Scope

PPC has engaged National Information Solutions Cooperative (NISC) for the implementation and support of an Enterprise Software solution. This will include analysis, configuration and implementation of required hardware and software; data conversion mapping; onsite training; coordinating production "Go-Live" and standard production support as stated in the Purchase Order that has been attached.

2.2.1. Member Specific:

None Identified.

2.3. Project Management

NISC manages projects with a blend of methods: Project Management Institute (PMI), and Agile & Adaptive Project Management. A project plan, created using Smartsheet, identifies the Tasks, Start Dates, Finish Dates, Owner, Dependencies, and Deliverables.

PPC desires that the iVUE® implementation project proceed as a "side-by-side" partnership between PPC and NISC with NISC taking the lead role on the project. PPC Project Manager(s) and Project Sponsor(s) will be assigned for the business areas involved. Ex: Technical Services (Tech), CC&B, SmartHub®, etc. A Project Plan has been included and the items identified in the sample will be included in the tailored Project Plan for PPC.

PPC further desires that both parties adhere to a common Project Management Methodology that corresponds to software industry Best Practices including the following Process Areas: Initiating, Planning, Executing, Controlling / Quality Assurance, and Closing.

The NISC Project Manager for each area is the person that will oversee and handle that part of the implementation, and ensure NISC is meeting the timelines and work outlined in the attached sample Project Plan.

The PPC Project Manager/Sponsor is the person PPC has identified to be the focal point for the project. This person will work closely with the NISC Project Managers and be the main point of contact for PPC. The PPC Project Manager manages the PPC team members and coordinates all activities and deliverables, which are the responsibility of PPC.

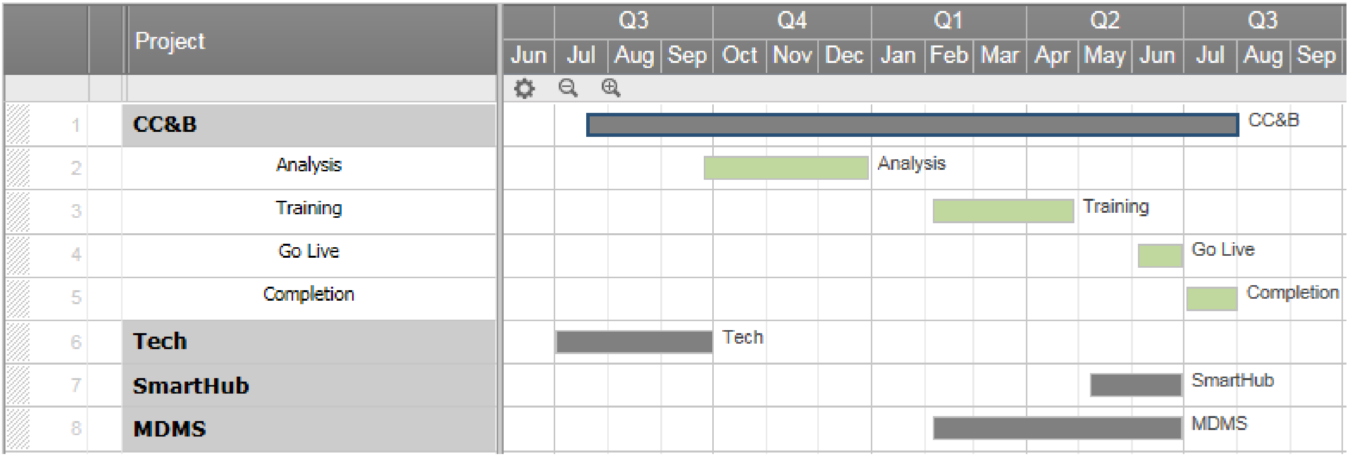
NISC and PPC will use commercially reasonable efforts to maintain a stable Project team, and minimize changes in members of the Project team. NISC shall notify PPC, and vice-versa, in writing prior to any changes to key personnel on the Project team.

2.3.1. Member Specific:

None Identified.

2.4. Project Plan

The Project will follow a Project Plan that identifies the work breakdown structure for the activity and tasks. The project plan includes the dates, project deliverables, and the resources. In addition, there will be Controlling/Quality Assurance Processes, which includes Configuration / Integration Management, Risk Management, Change Management, Communication Plan, Problem/Resolution Escalation. The project plan is established and agreed upon during the project transition call or kick-off call. Smartsheet is used to deliver the project milestone dates. The **sample** Gantt chart below reflects a summary level project timeline. The intent of this chart is to show the typical length of each project, and one possible timing methodology for implementing these projects. PPC's specific project timeline will be determined during the project transition call and/or kick-off call:



2.4.1. Member Specific:

None Identified.

2.5. Resource Management

Resource Management is essential in executing a project successfully. NISC will work with PPC to effectively monitor and balance resources while working on the iVUE implementation. The following table shows the primary project roles and responsibilities.

ROLE	Responsibility	Reports To	Project Involvement
PPC Project Sponsor	*Primary contact from PPC. Manages the project for PPC and will coordinate with the NISC team on all project activities.*	N/A	High
NISC Enterprise Project Facilitator	*Schedules and leads up to four enterprise level status calls. Escalation point for NISC project managers and PPC personnel, when needed*	NISC Division Managers	Low
NISC Project Managers	*Responsible for all implementation aspects including analysis, configuration, testing, and validation. Conducts training and helps to identify any project issues. Accountable for ensuring the project adheres to the statement of work.*	NISC Division Managers, PPC Project Team	High
NISC Data Conversion Programmer	*Responsible for the analysis, data field mapping, and conversion of data from legacy system to iVUE. Partner with NISC Project Manager to extract, transform, and load data to meet the needs of the project.*	Project Managers	Medium

NISC Development Team	*Responsible for development of any new functionality per the statement of work (custom processes, reports, screens), which will include the analysis, software development, testing, and deployment of changes.*	Project Managers	Medium
NISC Technical Consultants	*Responsible for installing and configuring technical equipment and hardware necessary to run NISC software*	Technical Team Lead	Low
NISC Trainers and Project Assistants	*As needed, additional resources from NISC will be used to assist with training or to help with Go-Live weeks.*	Project Managers	Low
PPC Training Staff	*Staff from PPC that will be utilized to lead training, develop training documentation and follow through with individual PPC users. May serve as Train-the-Trainer leads.*	PPC Project Sponsor	Medium
PPC Business Process Owners	*PPC staff that will coordinate the business process functions, provide information as it relates to the "as-is" and work to configure, test and validate data through the conversion. Will be the subject matter expert for PPC.*	PPC Project Sponsor	High

2.6. Configuration / Integration Management

NISC will work with PPC to identify software requirements that are addressed using iVUE software Configuration Management or custom programming. Where possible, NISC tries to reduce the use of custom programming for PPC. If custom programming is necessary, it will follow the standard change management process stated below.

2.6.1. Member Specific:

None Identified.

2.7. Risk Management

NISC will manage risk in partnership with PPC by using proven Project Management processes validated through multiple, successful iVUE implementation projects.

Risk Management requires that any Risk, which may negatively affect the project time, scope (functionality & quality) or cost be identified and listed on the Risk Register. The register will be part of scheduled status calls that occur throughout the project lifecycle. In the early stages, status calls will be no less than once a month, then every other week and then weekly as the live date approaches. Status calls are included on the PPC Project Plan.

The business area Project Managers/Implementers will be responsible for maintaining the Risk Register. NISC's iVUE CR Portal is accessible by PPC at any time for an immediate dynamic and up to date list. The Risk Register will be reviewed during the Status Calls. NISC will manage risk in partnership with PPC, by having clear, timely, and honest communications during these status calls.

2.7.1. Member Specific:

None Identified.

2.8. Change Management

It is understood that any change to the hardware, software, functional requirements or Project Plan requires the written agreement of both parties. A primary objective for the PPC iVUE implementation will be to minimize the need for custom programming or other changes that potentially add risk, cost or time to the project. Either party can initiate the Change Management Request. The NISC Project Manager(s), in collaboration with the PPC Project Manager, must document all Change Management Requests.

NISC, for our internal use, wrote iVUE Support to capture and track our customer contacts, requests, issues, etc. An NISC employee creates a Change Request (CR), which captures the issue, resolutions, interactions, estimates, estimate approvals, communications, etc. The unique CR number assigned can be used to track the CR and is immediately viewable using NISC's CR Portal, accessible through the Internet.

2.8.1. Member Specific:

None Identified.

2.9. Communication Plan

The PPC iVUE implementation will adhere to a Project philosophy of "when in doubt, communicate". The Project will use Formal and Informal communication methods.

Throughout the project life cycle, it is imperative NISC ensures and confirms that risks, issues, decisions, and action items have a corresponding CR or are on a project document.

Formal Project communication will include the following:

- Sales to Implementation Transition
- Enterprise Project Kickoff meeting
- Scheduled Tech Project Status Calls
- Scheduled CC&B Project Status Calls
- Scheduled Integrated Solutions (SmartHub, MDMS®, Payments) Project Status Calls
- Transmittal of Project Deliverables
- Change Management Review Process
- Problem/Resolution Escalation

Informal Project communication will include the following examples:

- E-mail questions and responses
- Business area focused status calls
- Clarification calls and e-mail transmittals that do not require utilizing a Formal Communication process

- CR Portal

2.9.1. Member Specific:

None Identified.

2.10. Problem / Resolution Escalation

The PPC iVUE implementation will adhere to a project philosophy of "solving problems at the lowest possible level". The NISC and PPC Project Managers will attempt to resolve issues before escalation.

In the event there are problems or issues requiring escalation, the Enterprise Facilitator, along with the PPC and NISC Executive Sponsors will serve as the point of escalation and solution. Requestors will notify the Executive Sponsors via email if an issue requires escalation. Notwithstanding the project philosophy, nothing will be construed as to restrict project stakeholders from advancing issues to the Executive Sponsors.

Risks/Issues escalated to the Executive Sponsors will be added to the Risk Register.

2.10.1. Member Specific:

None Identified.

2.11. Project Training

Training for all aspects of the NISC software is an integral part of the project implementation. NISC provides several opportunities throughout the project to train and practice on the software either through in-person instructor led training, self-led training through online tools, or Member led training. Learning, acceptance, validation, and verification of the software are key milestones of the project. Unless otherwise noted in the document, training for all software and modules follows the same general process.

- ✓ NISC provides initial Training through WebEx and NISC's Pathways®. Users can access pathways remotely during and after normal business hours.
- ✓ Standard onsite training events include:
  - Technical Services administration functionality and backup instructions
  - CC&B Scenario Training
  - CC&B Process Training
- ✓ It is important to provide each learner a workstation, as this is a hands-on learning opportunity.
- ✓ On-Site training is delivered Monday through Friday during normal business hours. Travel time for onsite training will occur Monday – Friday during normal business hours. If additional training or trips are requested NISC standard hourly rates apply.
- ✓ Training events should be attended by all users, NISC project managers will work with PPC to develop training schedules.
- ✓ NISC recommends a train the trainer concept as a follow up to on-site training, this provides additional training and can be provided by PPC Subject Matter Experts

- ✓ Where possible NISC has developed training manuals and guides for the various NISC software applications.
- ✓ It is vital the PPC continues to reinforce this knowledge after the training. PPC personnel should consider paralleling or re-iterating their work in iVUE prior to Go-Live. This will ensure all aspects of the application are understood and users prepared for Go-Live.
- ✓ Additional project training can be provided; PPC must request this training through NISC project managers and seek approval from Executive Sponsors.

2.11.1. Member Specific:

None Identified.

2.12. Project Closure

The final step with each implementation is the Project Closure. For areas that have separate support teams, this will involve a transition to support meeting where your Project Manager and support team staff will provide information on how to reach out to the support team with any support questions. They will discuss the support process and any regularly scheduled training opportunities that are available to you. In addition, any outstanding charges pertaining to the conversion or implementation in this SOW will be submitted for billing. Those may include:

- ✓ Payment Milestones as described in the PO or Change Order
- ✓ Implementation expenses as identified in the PO or Change Orders
- ✓ Outstanding custom programming as identified in the PO or Change Orders.

3. Enterprise Project Kick-off

3.1. Description & Activities

After the contract documents are completed, the NISC Sales Team will transition PPC to the NISC Implementation Professional Service Team Lead(s) and Enterprise Facilitator. At this time, the project dates will be agreed upon and many of the project documents delivered in the Project Portfolio. The Portfolio may also be used as an organizational tool throughout the implementation. Prior to the analysis onsite visit, our iVUE Project Team will be introduced to PPC.

PPC will also be invited to a Project Kickoff call to review the Enterprise Project Management approach and the tools available during the implementation life cycle. PPC is encouraged to include all employees involved with the project to provide them an understanding of the implementation process.

3.2. Specific Requests

None Identified.

3.3. NISC Deliverables

- NISC Sales to Implementation Transition Call Agenda & Meeting
- Invitation to NISC's iVUE Searching and Navigation Training (a one-hour remote session, repeated two times per month)
- iVUE Project Portfolio
- Invitation to Community Landing Page

3.4. Member Deliverables

- Attend and participate in the NISC Sales to Implementation Team Transition Call
- Approve project dates
- Participate in the Project Kickoff Meeting
- Review the contents of the Project Portfolio

3.5. Assumptions

✓ The Purchase Order / Proposal and Statement of Work (SOW), and all other Ordering Documents are executed by both parties and have been reviewed by the NISC Implementation Team Leads and PPC Key Stakeholders.

4. Custom Outputs

4.1. Description & Activities

Crystal Reports software is used to generate custom and standard reports. The Project Manager will create a Change Request (CR) for custom outputs not identified in the Proposal.

PPC will have access to the Entity Relationship Diagram (ERD), which can be used for any reporting completed by PPC. An ERD is a visual picture of the relationships between the entities in the database. The ERD can help better understand the relationships between tables including how the information associates with each other. If you would like NISC to create a Custom Output, the Project Manager will create a CR capturing your requirements. The Report Writing Team will review the request and generate a Time and Cost estimate to be approved by PPC's Project Sponsor.

Training is recommended and offered through the NISC National IT Learning Center initiative. Training classes are available for CC&B report developers. Pre-requisite courses are required prior to attending NISC training courses. Training held at NISC does not include travel expenses such as hotel, airfare, car rental, etc. Please review training course options and pricing on NISC's web site for more information.

NISC expects any Member attending the NISC-led training class on the use of Crystal Reports for iVUE, to meet one of the following report writing experience levels:

- Two years report writing experience on relational tables and have completed Web-based Crystal Reports training I and II.

- Two years report writing experience on non-relational tables (IQ) and have completed Instructor-led Crystal Reports classes I and II.
- Without report writing experience, the applicant should successfully complete an Introduction to – Relational Database class and Instructor led Crystal Reports classes I and II.

4.2. Specific Requests

None Identified.

4.3. NISC Deliverables

None Identified.

4.4. Member Deliverables

- Design Layout and business criteria to be used for programming and testing
- CR Estimate Approval for costs and design
- Custom Report Sign-Off (Test Acceptance)

4.5. Assumptions

✓ Custom Outputs may include reports, forms, queries, etc.
✓ When changes to a standard output are requested, it is a custom output
✓ Approval of CR for custom outputs include approval of the costs and the design
✓ Most, not all, of the custom outputs are created using Crystal software

NISC has Crystal writers to create your custom requests, costs are in the proposal. PPC may create their own custom Crystal outputs, assuming they have a good working knowledge of Crystal Software. NISC provides the iVUE training needed to create Crystal reports and place in the iVUE left navigation.

5. Third-Party Integration (TPI)

5.1. Description & Activities

Third Party Integration includes both standard and custom integration that is needed as part of the project deliverables. Standard integration is available within the standard software releases and has undergone testing through the iVUE release cycle process. Custom integration is written specifically for a customer and is not included as standard software. Where possible, NISC utilizes MultiSpeak compliant integrations to third party vendors. NISC may use proprietary integration where deemed necessary to meet the needs of a third party interface. On-going maintenance and support of interfaces along with compatibility testing of NISC enhancements is part of the NISC support fee.

5.2. Specific Requests

✓ PPC and NISC have agreed upon Standard, MultiSpeak and Custom interfaces as follows:
- MultiSpeak - AMI
- Standard - AMI Import, AMR Hand-held Interface

- Custom –
  - N/A

5.3. NISC Deliverables

- Use of MultiSpeak standard integration methods
- Necessary contracts and applications for supported third party integration
- Flow diagrams (where necessary) to outline data integration paths
- MultiSpeak Interoperability testing (where necessary)

5.4. Member Deliverables

- List of Third Party Vendors and contact information, if others are identified during discovery a Custom Programming Estimate for Approval may be required.

5.5. Assumptions

- ✓ Custom Programming may be a batch update or real time update depending on requirements and available resources.
- ✓ PPC can create their own exports from IVUE using Crystal assuming they have a good working knowledge of Crystal reports and a good working knowledge of the database structure for iVUE.
- ✓ NISC provides the iVUE training needed to create Crystal reports and place in the iVUE left navigation. Refer to the Custom Output section in the Statement of Work.

6. Technical Services Installation

6.1. Description & Activities

The purpose of the Technical Services Installations is to configure the technical environment necessary to run the iVUE software. This technical environment consists of the necessary iVUE services accessed from the work station via a RemoteApp and VPN connectivity.

A Technical Services project manager/implementer is assigned to your installation. An assessment will be completed on the technical infrastructure requirements (i.e., desktop, network and server assessment) by the NISC Technical Project Manager.

6.2. Specific Requests

- PPC has elected to deploy an NISC Application Server Provider (ASP) hosted solution.
  - iVUE CC&B and ABS
    - Deployment Methodology: NISC server hosted
    - Notes: PPC connects to NISC hosted solution via a VPN using a remote desktop session.

- iVUE AppSuite™
  - Deployment Methodology: Applications residing on the Cooperative Cloud
  - Notes: Applications configured as indicated on the Purchase Order.
- Payment Gateway™
  - Deployment Methodology: Applications residing on the Cooperative Cloud
  - Notes: Applications configured as indicated on the Purchase Order.
- CallCapture SecurePay™
  - Deployment Methodology: Applications residing on the Cooperative Cloud
  - Notes: Applications configured as indicated on the Purchase Order.
- SmartHub
  - Deployment Methodology: Applications residing on the Cooperative Cloud
  - Notes: Applications configured as indicated on the Purchase Order.

- Hardware located at PPC needs to meet NISC iVUE hardware specifications

6.3. NISC Deliverables

- NISC will provide and maintain an adequate server environment for each NISC hosted solution
- These systems will be installed by NISC at an approved hosting site and placed on a 48-month depreciation cycle to assure industry acceptable performance of the NISC software solutions.
- Train member on tools to deploy iVUE to each workstation
- All technical work done by NISC will be completed remotely

6.4. Member Deliverables

- PPC will provide a local area network and a commercial grade firewall with static IP capable of IPSec Point to Point VPN and adequate capacity between PPC and NISC's hosting site
- NISC recommends a redundant Internet connection via a different ISP for failover Internet and VPN connectivity option
- Provide client PCs based on NISC's minimum specifications
- Provide a laser check printer with MICR toner. All laser check items can be purchased from NISC
- PPC will provide additional third party hardware and software as needed
- Static IP address information for each on-site server
- Internal DNS entries created for each on-site server
- Printer information, including IP address, number of trays, and postscript support for each iVUE printer. Printers need a static IP address and resident postscript or PCL language. Printers attached to local workstations are not supported for ASP printing
- Provide Epson H6000IV or Ithaca brand network attached receipt printers for iVUE Cash Register™ application. Epson receipt printer can be purchased from NISC
- Deploy iVUE to each workstation based on training provided by NISC
- Sign off of Technical Install Acceptance Plan

6.5. Assumptions

✓ NISC's Technical Project Manager has reviewed the Purchase Order and Statement of Work

✓ MDMS and SmartHub are designed on distributed and redundant cloud architecture. Any single node failure is handled automatically and does not affect application availability. Three copies of the MDMS and

SmartHub data are maintained across data store nodes in the local cluster for redundancy. The distributed nature of the MDM and SmartHub data stores can be extended to cover more than one location for location redundancy. NISC maintains a primary and secondary datacenter each with multiple ISPs and redundant power. The MDM readings and SmartHub data are replicated to the secondary datacenter in real time over dedicated fiber links. Other data stores containing MDM reference data are replicated hourly to the secondary datacenter. If the primary datacenter is completely lost, the secondary datacenter can service the MDM and SmartHub applications within 24hours of the primary datacenter failure. This results in a RTO of 24hours and a RPO of one hour. Payment Gateway data is backed up off site daily.

7. Data

7.1. Description & Activities:

The iVUE Implementation includes the conversion of the legacy consumer billing, accounting, and certain E&O data. NISC, in collaboration with PPC, will create a custom conversion program to convert data and configure iVUE to best meet business needs.

7.2. Specific Requests:

None identified.

7.3. NISC Deliverables:

- Analysis Agenda & onsite visit
- Access to NISC's CR Portal
- PPC's Data Conversion Program, modified through life cycle up to Go-Live
- PPC iVUE environment is configured

7.4. Member Deliverables:

- Data formatted to meet NISC's data file requirements
- Conversion Analysis – complete & return by due date
- Provide process schedules
- Provide tariffs, policies, and regulations to be used for the setup and configuration
- Analysis questionnaires - complete and return (AMI, Bill Print, Conversion, and Delinquent) by due dates
- Balancing reports from legacy software that corresponds to the data file sends.
- Data extract and send to NISC via NISC's DropZone secure file transfer.
    - Remove the line feeds and carriage returns within a data field when dumping the data.
- Test Acceptance Plan Template, Data tab, modify as needed
- Test Acceptance Plan, data tab, complete and sign 10 days prior to Go-Live

7.5. Assumptions:

✓ NISC requires that the data is provided in one of the following formats:

- comma separated values ASCII, Oracle 10g/11g dump file, fixed record length ASCII

✓ CC&B Data Conversion
- CC&B Data files include all billing information: Customer, Account, Services, Meters, Transformers, Distribution Equipment, Devices, Deposits, Budget Billing, Location, Transactions, Closed Service Orders, Payments, Usages, Readings, Revenue, Notes, Credit History, Deposits, etc.
    - Open “Change of Service” Service Orders will not be converted from the legacy system during this process. “Change of Service” includes any Service Order that deals with moving in or moving out of a customer. It is recommended that PPC clean up as many as possible prior to the live data cutoff. Any remaining Open “Change of Service” Service Orders from the legacy system at that time will then need to be keyed into iVUE after CC&B is live.
- The initial set of CC&B data is expected to be delivered from PPC to NISC 1-2 months before the CC&B Analysis onsite event
- NISC will convert up to five (5) years of CC&B data history

✓ MDMS Data Load
- MDMS conversion includes loading one (1) year of readings
- Data must be provided in an NISC CMEP or other NISC approved file format
- Auditing and reconciliation of imported data is limited to counts of imported data by reading type and number of rows in import files
- NISC does not provide reconciliation to the 3rd party system
- All imported readings can be viewed with the MDMS Meter Measurements screen. All other MDMS functionality utilizing reading is dependent on the association of historical information in CIS for the meter, customer, and service location. This additional CIS information provides meter association to service location, multipliers, rates, electrical path information and other data.

✓ The quality of the converted data is dependent upon the quality of the input data.

✓ The legacy data is the input source and is included in the implementation fee.

✓ Data from other input sources / databases will be considered through the Change Management process. The additional charges for data input from sources other than the legacy data will be billed at NISC’s hourly labor rate.

8. Payments

8.1. Description & Activities:

NISC offers a number of payment options to provide PPC many avenues for collection of payment from the customer. They vary by payment method, how the payment is processed and the agreements in place for the payment method.

NISC’s PCI compliant Payment Gateway’s offers protection of your cardholder data within the Payment Cardholder Industry (PCI) rules and regulation. NISC utilizes First Data for credit card processing and ProfitStars’s ECHO (Electronic Clearing House Org) for electronic check processing. All reporting, storage, processing and transmitting of card information is completed through the NISC Payment Gateway hosted in our PCI-compliant environment. NISC's cloud applications utilize the NISC Cooperative Cloud. This Cloud hardware and infrastructure, owned and managed by NISC, is co-located at a hosting partner’s datacenter. This hosting partner is Basin Electric, a G&T and ISP provider located in Bismarck, ND.

This section is intended only to give PPC an overview of the options available. Under the Member Specific Assumptions in this section, those options that PPC has selected at the time of this SOW will be implemented.

Payment options include:

- Batch Payment keyed or scanned with a wand style scanner, typically check payment only
- Cash Register Payments – over the counter type payments, can be cash, check, or credit card. A VeriFone MX925 card terminal can be integrated with the Cash Register entry to encrypt the credit card at the point of swipe.
- Recurring Payments – recurring draft administered by PPC personnel, can be bank account, debit card or credit card. Credit card data is stored in the NISC Payment Gateway only.
- SmartHub Web and Mobile – Customer initiates either a one-time payment or recurring payment, can process bank account, debit card or credit card.
- CallCapture Secure Payments IVR - pay-by-phone solution can accept bank account, debit card or credit card for one-time payments or signing up for recurring payments.
- RemitPlus – a comprehensive, turnkey, electronic check posting and check conversion remittance processing system to process checks and bill stubs. Check images can be transmitted to your bank instead of sending the actual paper checks, reducing the float time and errors in posting. Check and stub images are available to view in iVUE transaction history.
- Online Bill Pay Interface (OBI) – payments made by PPC customers through their banks bill payment. An automated file is received by PPC to process the payment on iVUE. This interface can save time and reduce cash float by automating online payments for nearly all online bill payment services. Instead of receiving paper checks to deposit, you receive an electronic remittance file and all payments are automatically deposited into your bank account the following day. This interface includes MasterCard RPPS and Fiserv.
- Pay Now – Customer initiates a one-time payment from a web page linked to your home page. Pay Now validates their last name and account number, and then allows them to make a payment without having to register for SmartHub and log in. Payment forms accepted are e-checks, debit and credit cards.
- Virtual Terminal – allows PPC employees to make payments for miscellaneous items. This is a "stand-alone" payment solution for taking miscellaneous payments by e-check, debit and credit card.
- Kiosk – gives customers unattended access to make payments at remote payment Kiosk's strategically located throughout PPC's service territory, providing the customer the ability to pay their bill without traveling to the office or having access to the Internet. Payment types accepted can be cash, e-checks, debit and credit cards. Kiosks can be used in your office lobby or at remote locations throughout your territory. An Internet connection is required and can be a wired or wireless network connection.
- MoneyGram - payments made by PPC customers at Wal-Mart, CVS Pharmacies and other locations. A real-time web service interface is available to process the payments into iVUE CC&B.

8.2. Specific Requests:

✓ Payment types selected by PPC with this Statement of Work:
- Batch Payment keyed or scanned with a wand style scanner, typically check payment only
- Cash Register Payments

- Recurring Payments
- SmartHub Web and Mobile Payments
- CallCapture Secure Payments IVR
- Online Bill Payment Interface (OBI)

8.3. NISC Deliverables:

- An NISC contact person is assigned to each payment solution to work closely throughout the entire cycle in the transition to NISC's payment solutions. Issues found will be handled through the contact person for training and support issues such as fixes, enhancements and balancing issues.
- NISC will monitor the entire transition process and provide any assistance with issues or payment reconciliation. Any issues found preventing completion of a process will be resolved.
- NISC, as your payment service provider, is required to be PCI compliant on the NISC Payment Gateway and is currently compliant at the highest level 1 which requires an annual on-site audit by a qualified service auditor.

8.4. Member Deliverables:

- PPC will complete the First Data and ProfitStars Merchant Applications with all the necessary information at least 90 days in advance of live date. First Data and ProfitStars are third party vendors used to process credit card and e-check transactions.
- PCI Compliance Requirements - A Self-Assessment Questionnaire (SAQ) must be completed by each merchant annually based on the specific methods of each payment channel. Some internal procedures may need to be changed and a review of policy and procedures related to PCI compliance is encouraged. NISC can assist in answering questions about which questionnaire PPC should complete based on the processing model and specific questions about the site environment.

8.5. Assumptions:

None Identified

9. iVUE Customer Care and Billing

9.1. Project Scope

Work Packages on the Project Plan include but are not limited to Conversion Project Kickoff, Project Communications, Data & Analysis, Third-Party Integration, Custom Outputs, Training, Go Live, Post Live Consultation & Support, and Project Closure.

NISC will work with the Member to identify software requirements that is addressed using iVUE CC&B software Configuration Management or custom programming. If additional custom programming is identified, the Change

Management process will be followed. Third party integration is identified and described within the Third-Party Integration (TPI) section of this document.

CC&B consists of several smaller projects that run concurrently.

Delinquents
Bill Print
Bill Calculation

9.1.1. Member Specific Assumptions:

- ✓ Refer to the Data Section of this SOW document for details of the CC&B data conversion.

9.2. Messenger

9.2.1. Descriptions and Activities:

The ability to generate notifications from iVUE to Messenger is a powerful tool in creating electronic and letter based contacts for consumers. The process can be initiated either from a screen called On-Demand for Utility CC&B, Query builder for Telecom CC&B or through Reports that are setup using Job Manager. Once Messenger has received the data from iVUE, Messenger will determine based on the administration settings and consumer preferences how that message should be sent out either electronically or through a printed letter. This opens up the ability to send customers who have not previously selected an electronic communication the means for receiving vital information from the utility or telecom.

Configuration of the letter is based on the setup of templates that are created in Messenger. These templates can be dynamic so that customer specific information can be included into the letter. Letters can be printed in-house or sent to NISC's Automated Mailroom Services (AMS) to be printed and mailed. During the course of a day, these letters can be generated by the Member, and at a specified time, sent to NISC's AMS for printing. Once completed, the letters are fully tracked through ActiveTrace and can also be imaged through Document Vault provided the Member has purchased Document Vault.

Requirements:

- Must use AMS for bill print or delinquent notice printing
- SmartHub/Messenger required
- If Messenger Letters are selected, Document Vault is required in order to image Messenger Letters

9.2.2. Member Specific Requests:

None Identified

9.2.3. NISC Deliverables:

- Licensing of Messenger to enable and allow creation of Letters
- Included in this service:
  - Postage
  - Paper – Up to one page maximum
  - Simplex or Duplex printing
  - Envelopes
  - Intelligent Mail Barcode (IMB)
  - Printing, inserting, and mailing labor
  - Low yield, full color printing (5% or less coverage)

9.2.4. Member Deliverables:

- Members have the ability to design new or modify existing Crystal Reports and Messenger templates themselves to use with Messenger.

9.2.5. Assumptions:

✓ Messenger functionality enables the ability for your employees to send letters to NISC's AMS. If letters are sent to NISC's AMS, additional services and fees may apply.

✓ Items that are not included:
- Inserts
- Return envelopes
- Multiple pages
- Color yield beyond 5% coverage
- Creation of Crystal Reports to use within Messenger Letters
- Creation or modification of Messenger Templates

✓ If you would like NISC to create a Crystal report for messenger, setup a new template or modify an existing message template, the Change Management section of this SOW will be used.

9.3. Delinquents (DQ)

9.3.1. Description & Activities:

The research and information is used to setup the iVUE CC&B Delinquent configuration and credit history impact. The required outputs and communication venue(s) to the customer, such as Reminders, Finals, Cutoffs, Email Delinquent, Phone Contact, etc. are determined. The delinquent outputs are designed and programmed by the NISC Bill Print / Delinquent programming team, including configuration of User Defined Options setup specific to PPC processes.

9.3.2. Specific Requests:

None Identified

9.3.3. NISC Deliverables:

- Project Portfolio & Flash Drive - Delinquent Questionnaire
- Delinquent Notice Examples
- Delinquent Process Training Guide & Training – Customized
- Delinquent Outputs

9.3.4. Member Deliverables:

- Delinquent Questionnaire – Complete & Return by due date on Instructional Letter
- Delinquent Policies, Procedure, and Regulations
- Utility Test Acceptance Plan, Delinquent tab – Modify as needed
- Utility Test Acceptance Plan, Delinquent tab – Complete and Return 10 days prior to Go-Live

9.3.5. Assumptions:

✓ NISC's standard delinquent functionality includes the following process where each process has the ability to update iVUE internal Credit History:
  - Penalty process is run against selected charges and has the ability to apply a percentage or flat charge to the customers' Accounts Receivable.
  - DQ1 (friendly reminder) process is run against selected charges and has the ability to apply a flat charge to the customers' Accounts Receivable. This process can either create a separate mailer to be sent to the customer or can be put on the customers' bill as reminder message.
  - DQ2 (last reminder) process is run against selected charges and has the ability to apply a flat charge to the customers' Accounts Receivable. This process can either create a separate mailer to be sent to the customer, can create a phone notification file, or can be put on the customers' bill as reminder message.
  - Cutoff process is run against selected charges and has the ability to apply a flat charge to the customers' Accounts Receivable. This process will produce a listing of those customers up for Disconnect for Non-Pay to be managed from iVUE Delinquent Collection process.
  - Disconnect for Non-Pay process is used in conjunction with the Cutoff selection process. Once an account is selected by via the Cutoff process the utility can than manage those accounts as they disconnect their meters in the field through the Delinquent Collection screen.

9.4. CC&B Bill Print (BP)

9.4.1. Description & Activities:

An NISC bill print team member will work closely with PPC to design and mock up the NISC bill print. PPC along with assistance from the CC&B Project Manager will be responsible for testing the bill print output. NISC will create a separate PDF image to be used in SmartHub and CC&B applications for the purpose of viewing a replica of the printed statement.

9.4.2. *Specific Requests:*

None Identified

9.4.3. *NISC Deliverables:*

- Project Portfolio & Flash Drive - Bill Print Questionnaire, Bill Print Examples
- Bill Print Mock-up, including OCRA (bar coding specification)
- Create billing statement for use in SmartHub and CC&B applications
- Test mailings to determine the time to delivery to utility customers.

9.4.4. *Member Deliverables:*

- Bill Print Questionnaire and samples of current bill
- Complete and return by due date on Instructional Letter
- Select design of the Bill Print
- Approve Bill Print Mock Up
- Utility Test Acceptance Plan, Bill Print tab, modified as needed
- Utility Test Acceptance Plan, Bill Print tab, complete and return 30 days prior to Go-Live

9.4.5. *Assumptions:*

✓ Print sample bills to verify color expectations, information printed, graphs, etc.
✓ NISC will assist PPC in understanding the parameters for converting bill image history. NISC will not perform the conversion if the decision is made to convert the historical bill images.

9.5. *Bill Calculation (BC)*

9.5.1. *Description & Activities:*

Prior to the analysis trip, the CC&B Project Manager will review your Rate Tariffs and other bill calculation relevant information supplied to NISC.

After the analysis onsite visit, the Project Manager will follow the Change Management for items discovered outside of PPC Rates and agreed upon PPC Functional Requirements.

It is vital for NISC and PPC to validate that the configuration is setup to ensure the customers' bills are accurate. One of the validation tools used is a process, Bump Readings, which populates the current reading and bills the usage, which matches the usage from the prior month's legacy billing. The output displays the differences for each account. The Bump Readings and Bill Calculation Compare processes are run several times for testing purposes after the Scenario Training event up to Go-Live.

9.5.2. *Specific Requests:*

None Identified

9.5.3. NISC Deliverables:

- Configuration setup – administrative options, control records, and user defined options
- Bump Reading & Bill Calculation Compare outputs for testing purposes

9.5.4. Member Deliverables:

- Rate Tariffs
- Process Schedule
- Custom Programming Approval – if applicable
- Utility Test Acceptance Plan, Bill Calculation tab, modify as needed
- Utility Test Acceptance Plan, Bill Calculation tab, completed and returned

9.5.5. Assumptions:

None Identified

9.6. Training

9.6.1. Description & Activities:

Learning, acceptance, validation, and verification of the software are integral milestones of the project. NISC provides onsite training opportunities as well as WebEx Sessions and Pathways (online) courses.

The onsite training events include the Technical Services administration functionality and backup instructions, the CC&B Scenario Training, and the CC&B Process Training.

It is vital the PPC continues to reinforce this knowledge after the training. PPC personnel should consider paralleling or re-iterating their work in iVUE prior to Go-Live. This will ensure all aspects of the application are understood and users prepared for Go-Live.

All training, Test Acceptance and Validation are completed by the CC&B Project Manager and the PPC users.

NISC provides initial CC&B training through WebEx and NISC's Pathways. iVUE Basic CC&B Navigation and Searching is presented by a live trainer via WebEx twice a month in which employees are required to attend at least once prior to Scenario Training. iVUE – CC&B: Basic Philosophy is offered through NISC's Pathways. Employees are required to complete iVUE – CC&B: Basic Philosophy prior to Scenario training. iVUE – CC&B: Basic Philosophy is a good resource for new employees and refresher training after the software has been installed.

The CC&B Scenario and Test Acceptance training allows the users to select units of information trained by an NISC employee either at NISC or PPC's office.

The processes PPC requires are trained, tested, verified, and validated. The processes included are the billing procedures, delinquent procedures, ACH or EFT procedures, reconciliation, batch import of readings and/or payments, etc. This learning event is considered mock live and therefore related reports are reviewed at this time, as well.

If PPC determines there is a need for additional training weeks or additional resources for Go-Live, you may inform your Project Manager or the CC&B Implementation Team Lead. The costs for additional onsite visits will be considered through the Change Management process.

9.6.2. Specific Requests:

None Identified

9.6.3. NISC Deliverables:

- CC&B Basic Philosophy Pathways - Self-guided
- CC&B Searching and Navigation Training Event
- Scenario Training Desktop Reference, includes Top 10 learning needs
- Scenario Training Agenda – Customized
- Scenario Training Kickoff Slide Presentation
- Scenario Training Guide and onsite formal training event
- Process Training Course Outline
- Process Training Guide – Customized and onsite training event
- Miscellaneous Receivables - Remote Training
- Scenario /Process training

9.6.4. Member Deliverables:

- Scenario Training Review Questions - Complete
- Fully participate in the training events
- Reiterate or duplicate work after training up to Go-Live
- Learner's know and can train their Top 10 uses of the software
- During and after Training, use and update the Utility Test Acceptance Plan, all tabs

9.6.5. Assumptions:

✓ All PPC's employees who will log into the iVUE software are required to attend some or all of the Scenario Training.
✓ PPC will download the Scenario Training Guide from NISC's Community and create a copy for each learner.

9.7. Work Flow – Service Orders (SO)

9.7.1. Description & Activities:

After the service order types, steps to complete the service order request, the order of the steps, and the work group responsible for each step are identified by PPC, the NISC Project Manager and PPC will customize the pre-loaded workflows in iVUE CC&B administration to match your business need. During the Scenario Training event, the use of the service orders is trained and the PPC users test the workflow setup.

9.7.2. Specific Requests:

None Identified

9.7.3. NISC Deliverables:

- iVUE CC&B Service Order Workflow training and assistance with workflow configuration
- iVUE CC&B training and assistance with screen related task management set-up

9.7.4. Member Deliverables:

- Define Service Order Types and the associated tasks, and resource groups
- PPC will work with NISC to define and document current business processes
- Assist in testing
- Build workflows, resources, resource groups and screen related task management

9.7.5. Assumptions:

- ✓ iVUE CC&B has standard service order outputs. PPC will review and provide the changes needed for each service order type. NISC's Crystal writers will provide an estimate for the changes, or if PPC has trained Crystal writer's they can opt to make the changes. See Custom Outputs section of the Statement of Work.

9.8. Work Management – Contact Tracking (CT)

9.8.1. Description & Activities:

After PPC has identified the types of contacts needed, the steps for each contact type, the order of the steps, and the work groups assigned to each task, NISC will configure the iVUE CC&B administrative screens to meet the business needs.

Contact Tracking is functionality available to PPC and is optional. When you choose to track calls and/or communications with your customers, this is an excellent tool to do so. The tool allows for a form of scripting, as well. Example of a type of contact: High bill complaints

9.8.2. Specific Requests:

None Identified

9.8.3. NISC Deliverables:

- CT Analysis
- CT Training
- CT Utility Test Acceptance Plan

9.8.4. Member Deliverables:

- CT Analysis, modify as needed
- CT Analysis, complete and return
- CT Test Acceptance – complete and return

9.8.5. Assumptions:

None Identified

9.9. Readings (RDGS)

9.9.1. Description & Activities:

The iVUE CC&B software provides the functionality to post readings from many sources and vendors, Automated Meter Reading (AMR), Advanced Metering Infrastructure (AMI), and Handhelds (HH).

9.9.2. Specific Requests:

None Identified

9.9.3. NISC Deliverables:

- Readings (AMI/AMR/Handheld) Questionnaire
- Configure interface based on Readings Questionnaire
- Review and Validate reports available and needed from the AMR Vendor

9.9.4. Member Deliverables:

- Readings (AMI/AMR/Handheld) Questionnaire complete and return by due date on Instructional Letter

9.9.5. Assumptions:

None Identified

9.10. Processes Management (PM)

9.10.1. Description & Activities:

In addition to the processes detailed in this SOW for example Bill Calculation, Bill Print, Delinquents, Remittance and Readings, iVUE provides for standard processes for Recurring Bank & Credit Card Payments, Security Deposit and Deposit Interest Accrual & Refunds, Uncollectable/Collection Agency/Bad Debt Write-offs, Credit Refunds, Transfer Inactive Balances, Month end, and Year end.

If there are new processes or functionality discovered, a Change Request (CR) will be created, as per the Change Management plan.

9.10.2. Specific Requests:

None Identified

9.10.3. NISC Deliverables:

- Configuration setup

- Standard activity/balancing reports
- CR for custom programming, estimate if applicable

9.10.4. *Member Deliverables:*

- Identify and document any Member specific processes (i.e. import &/or export files, specific state requirements, ftp transfers, etc.).
- Identify business needs and samples where applicable.
- CR Custom Programming design approval,
- CR Custom Programming estimate approval, if applicable
- Utility Test Acceptance Plan, Process tab – Complete and Return 40 days prior to Go-Live

9.10.5. *Assumptions:*

✓ NISC and PPC staff will configure all control records and test all processes prior to Go-Live

9.11. *Remittance*

9.11.1. *Description & Activities:*

The Remittance process is a NISC standardized process that allows for payments to be posted to the iVUE system through a file upload. This file layout can be used to import payments from a lockbox, third party processor, legacy application, or through other payment channels.

9.11.2. *Specific Requests:*

None Identified

9.11.3. *NISC Deliverables:*

- Remittance File Standard Layout
- CC&B Remittance Analysis
- Configure the Remittance Setup

9.11.4. *Member Deliverables:*

- CC&B Remittance Analysis Completed
- Test and Accept the Remittance Process

9.11.5. *Assumptions:*

None Identified

9.12. iVUE CC&B Go-Live

9.12.1. Description & Activities:

Data files are sent to NISC after the revenue month has been closed from the legacy system. The balancing reports and totals are sent at this same time. NISC will use the custom data conversion program to convert the data for the iVUE CC&B database. The data conversion takes place over an approximate two business days.

After the data is converted, the NISC programmer and Project Manager will work through balancing. Then the files will be moved to your system.

Prior to entering into your new iVUE system, the Project Manager, the Project Sponsor, and other Member personnel will complete and sign the Reconciliation sign off that compares the legacy CC&B, the converted CC&B and the total in the general ledger. Any difference will be identified on the sign off.

The Project Managers are onsite for approximately four days, one day of travel, to assist PPC through their first week of live and any processes that may need to be executed during this period.

It is highly suggested to have daily status meetings with your key users to ensure all issues are captured, the customers are being served well, and that the users are confident.

9.12.2. Specific Requests:

✓ NISC will provide a remittance layout that can optionally be used to import payments from PPC's CC&B during the expected days of down time.

9.12.3. NISC Deliverables:

- CC&B Conversion Reconciliation Acceptance
- Review Task list for Go-Live
- Critical Risk/Issues Completed

9.12.4. Member Deliverables:

- Utility Test Acceptance, modify as needed
- Utility Test Acceptance, completed, signed, and returned 10 business day prior to Go-Live
- Review and Modify Task list for Go-Live
- CC&B Conversion Reconciliation Acceptance – Completed, Signed, and returned prior to entry into iVUE

9.12.5. Assumptions:

✓ A replication/parallel month of all transactions and processes is not included in the scope of this work.

9.13. Post iVUE CC&B Go-Live Consultation

9.13.1. Description & Activities:

After PPC is live on iVUE CC&B, NISC will provide phone support. The first month, the Project Manager is your primary contact and our iVUE CC&B Conversion Support team is your secondary contact. The second month live on the software, NISC iVUE CC&B Conversion Support team is your primary contact for support and the Project Manager is your secondary contact, with the exception of critical needs and processes executed.

Approximately one month after Go-Live, your Project Manager is onsite for a post Go-Live consultation visit, about four days with a day of travel. This visit is customized to meet your needs, reconciling month-end, gathering totals for reporting purposes, reviewing processes that may need to be adjusted, additional training, etc.

9.13.2. Specific Requests:

None Identified

9.13.3. NISC Deliverables:

- Conversion Support email address
- Conversion Support phone number
- Post Go-Live onsite visit

9.13.4. Member Deliverables:

- Identify goals, objectives, and needs prior to the post Go-Live onsite visit.

9.13.5. Assumptions:

None Identified

9.14. Project Support & Closure

9.14.1. Description & Activities:

During this work package, project documents are finalized and stored. Approximately after two-month ends, the Project Manager and iVUE CC&B Support Team Lead(s) meet and review the completed transition document and open CR's. Approximately one to two weeks after the internal meeting, the Project Manager will schedule a transition meeting with PPC and introduce the iVUE CC&B Support Team Lead(s).

Refer to Section 2.12., Project Closure in this SOW for additional information regarding Project Closure.

9.14.2. Specific Requests:

None Identified

9.14.3. NISC Deliverables:

- Transition Document
- Transition Meeting Introduce Support
- Provide support information in the document "Support at a Glance"

9.14.4. Member Deliverables:

- Transition Document Reviewed
- Transition Meeting with iVUE CC&B Support

9.14.5. Assumptions:

None Identified

9.15. Project Completion

9.15.1. Description & Activities:

After the transition to support, PPC users will receive an email inviting them to provide valuable feedback regarding the implementation using an electronic survey tool. The survey includes information regarding the use of Project Management, the project manager's adherence to NISC's Shared Values, the quality and effectiveness of the training events, the quality and effectiveness of the project communications, the business need and the configuration of your iVUE CC&B Software, the support you received after Go-Live, and comments about the process or software.

9.15.2. Specific Requests:

None Identified

9.15.3. NISC Deliverables:

- Satisfaction Survey

9.15.4. Member Deliverables:

- Satisfaction Survey Completed

9.15.5. Assumptions:

None Identified

10. SmartHub®

10.1. Description & Activities

Put the power of data in the hands of your customers with mobile and Web apps that present and transfer data in real time. SmartHub®, a customer self-serve solution designed for the web and mobile devices, delivers account information, mobile payments and more in a secure environment.

After the third party contracts for merchant agreements are completed, returned, and approved, NISC will setup the configuration for SmartHub. In essence, SmartHub is used for bill presentment with mobile applications and communication platforms.

To comply with credit card processing security standards in the NISC-Hosted Payment Gateway, NISC will maintain Payment Cardholder Industry (PCI) security compliance and certification through an annual audit performed by an independent PCI Qualified Security Assessor.

10.2. Specific Requests

None Identified.

10.3. NISC Deliverables

- Sales to Implementation Transition
- SmartHub Welcome Kit:
    - Welcome Letter, Analysis Questionnaire, Project Charter, Project Plan, CSR Training Guide, Consumer Admin Training Guide, Messenger Admin Training Guide, Utility Test Acceptance Plan, Technical Infrastructure, Survey
- First Data & ProfitStars Application Contract
- Proxy Equipment Ordered & Installed (or configured as virtual machines)
- Gateway Coordination
- Software Configuration
- SmartHub domain setup
- Web-based Consumer, Messenger, Scenario, & Admin Training
- SmartHub Member Test Acceptance Plan
- Payment Reconciliation
- Satisfaction Survey

10.4. Member Deliverables

- First Data & ProfitStars Application – Complete and return at least 90 days prior to Go-Live
- Analysis Questionnaire – Complete and return
- Participate in SmartHub training opportunities
- SmartHub Member Test Acceptance Plan, Complete and return
- Payment Reconciliation Sign Off
- Satisfaction Survey Completed

10.5. Assumptions

- ✓ Not Included in data conversion:
  - ✓ Converting bill image history. NISC will assist PPC in understanding the parameters for converting bill image history. NISC will not perform the conversion if the decision is made to convert the historical bill images.
  - Historical SMS (text) message notifications
  - Historical bulk e-mail notifications
  - E-Check or credit card fees
  - Non-standard software upgrades, enhancements, and modules

11. iVUE AppSuite

11.1. Descriptions & Activities:

iVUE AppSuite allows the user to have convenient access to iVUE data, processes and procedures in a mobile environment on smart devices (iOS or Android Phones & Tablets).

11.2. Specific Requests:

None Identified

11.3. NISC Deliverables:

- Provide the Project Document, including hardware specifications
- Schedule Pathways Training as it relates to the product areas
- Setup administration records
- Pre-live testing

11.4. Member Deliverables:

- Review and sign off on the Project Document
- Participate in pre-live testing

11.5. Assumptions:

- ✓ iOS or Android Devices (Phone or Tablet)
  - Minimum System Requirement iOS 7+, Android 4.1+
- ✓ iVUE 2.29+
- ✓ Cloud Portal 2.15+
- ✓ NISC Payment Gateway with First Data and ProfitStars for Payment Posting
- ✓ iVUE Server on SLES10 or newer
- ✓ Employee Self Service functions in App will require iVUE ABS with Employee Self Service turned on
- ✓ Work Management Tasks will require NISC's Mobile WorkForce for data validation and communication back to iVUE that the field jobs have been completed.

- ✓ Map Viewer functions will require NISC's MapWise.
- ✓ Customer Care & Billing Features will require NISC CIS
- ✓ Outage viewing, reporting, editing will require NISC OMS.

12. Accounting & Business Solutions (ABS)

12.1. Project Scope

The Accounting & Business Solutions (ABS) products and services have been declined by PPC and are considered out of scope. However, within scope with this project will include natural interface extensions from CC&B. All inclusive, these are as follows:

- General Ledger account numbers allowing for CC&B transactions to post General Ledger transactions
- Extract/Interface to Eden Systems, third party financials (Island Energy to PPC)

To extract the above CC&B General Ledger transactions from ABS to the PPC's primary General Ledger, the ABS General Ledger Export standard process will be utilized. Configuration and processing of this standard extract is within scope of this project.

No additional ABS functionality nor any custom ABS interfaces are within scope of this project.

13. Automated Mailroom Services (AMS)

13.1. Description & Activities

The AMS department is responsible for developing, supporting, and coordinating printing and mailing, this includes customer bills, delinquents, cutoffs, and some mass mailing of letters and postcards. AMS services provided in this Statement of Work and accompanying Purchase Order includes:

- Print programs are developed and reside in-house at NISC
- Provide ability to print graphs, pictures, various fonts and messaging
- Bills and delinquents are printed and mailed within 24 hours of receiving the approved file from the member
- Typical delivery timeframes will be conveyed in the member specific assumptions below
- Special handles bills (finals, new connects, etc.) can be sent back to PPC for further handling and mailing if needed
- PDF image file is automatically sent via FTP to PPC for integration with iVUE
- All printing is done in-house at NISC
- All statements are pre-sorted for Intelligent Mail Barcode full service compliance, allowing for postal discounts

13.2. Specific Requests

- Full AMS Services

13.3. NISC Deliverables

- Creation, printing, inserting and mailing of statements
- Notification if there are any delays in producing and mailing of statements within the 24 hours of files being delivered to NISC
- Use of standard paper and envelopes
- Use of NISC ActivTrace system for mail tracking, scheduling and change of address
- NISC will bill PPC at the end of each month for services provided along with postage used
- NISC will bill double postage at the end of the first month of processing. This enables NISC to use PPC funds for postage going forward in the second month

13.4. Member Deliverables

- Design bill statements, delinquent notices, letters, postcards and any other special type print that NISC will print and mail
- Assist NISC with creation of criteria and files needed to make changes to any custom programs
- PPC will test and approve any changes that have been made to custom programs
- Approval of any estimates and changes that have been requested and have been developed by NISC

13.5. Assumptions

✓ Once the bill print and delinquent template has been approved, PPC will provide NISC 30 days advanced notice for changes
✓ NISC has the ability to outsource any special inserts (newsletter, marketing material, etc.)
✓ Full color, duplex printing is included in this Statement of Work and Purchase Order
✓ NISC will test all third party software used in the development and creation of statements and notices
✓ NISC will install and test all relevant postal software needed to maintain postal discounts

14. CallCapture Secure Payments Only

14.1. Descriptions & Activities:

The NISC CallCapture Secure Payments Interactive Voice Response (IVR) pay-by-phone system hosted within the NISC Payment Gateway allows your customers to check account balances, pay their bill and sign up for automatic, recurring payments by phone 24 hours a day. NISC's hosted IVR is PCI-Compliant for credit card and e-check processing.

14.2. Specific Requests:

None Identified.

14.3. NISC Deliverables:

- Hosted Secure Payment:

- Deliver Merchant Application completion for credit card and e-check processing
- Gateway and *iVUE configuration modifications*
- Provide CSR Training via WebEx
- Provide Payment reconciliation and balancing training via WebEx

14.4. Member Deliverables:

- Hosted Secure Payment:
  - Completion of Merchant Application for credit card and e-check processing
  - Complete CSR Training via WebEx
  - Complete payment reconciliation and balancing training via WebEx, including Financial group in training events

14.5. Assumptions:

- ✓ Hosted Secure Payments Proxy Server Requirements:
  - The hosted secure payments requires a local proxy server connected to a DMZ port on your firewall
  - Proxy Server connectivity requires two fixed public IP addresses within your existing subnet
  - An SSL certification is installed on the Proxy Server but not included in proposal. Purchase of the SSL certificate subscription is the responsibility of the customer.
- ✓ Calls transferred to CallCapture® via SIP, PRI, or T1 cannot then be transferred to the Hosted Secure Payments due to PCI compliance requirements
- ✓ Calls transferred to CallCapture® via Analog can be transferred to the Hosted Secure Payments and will comply with PCI requirements since CallCapture® can release analog calls when transferred.
- ✓ Some toll-free providers do not allow transfers to another toll-free number. NISC recommends that you validate this functionality with your toll free provider before deciding to allow call transfers from your PBX to the Hosted Secure Payment toll-free number

15. Meter Data Management Solution (MDMS)

15.1. Description & Activities:

The NISC Meter Data Management System ("MDMS") unlocks new efficiencies in utility operations by converting meter data into business intelligence. With user-configured analysis and reporting tools, MDMS enables users to proactively identify and isolate operational problems and respond quickly and intelligently to customer questions. MDMS is powered by the NISC cloud, delivering a compelling combination of system performance, risk mitigation, and cost savings. MDMS integrates with NISC iVUE® software solutions and leading data collection systems, among others.

15.2. Specific Requests:

MDMS requires interval-level meter data from an NISC-supported, MultiSpeak®-compliant, advanced metering infrastructure ("AMI") system, NISC-supported AMI-MDMS interface(s), MultiSpeak® interface(s), including the "customer-billing to meter-reading" (CB-MR) AMI interface, a local proxy and SSL certificate connected to a DMZ port, and a high-speed, internet connection with two fixed, public IP addresses.

15.3. NISC Deliverables:

- Setup and configuration of cloud environment
- Setup and configuration of local proxy
- Setup and configuration of meter data imports and VEE groups, rules, and thresholds
- Import of up to one (1) year of historical readings
- Deployment of MDMS, including Dashboard and Analytics
- Integration between NISC MDMS, iVUE® CC&B, iVUE® OMS, SmartHub®, and NISC-supported, AMI system
- Live or recorded web-based training of utility personnel
- Web-based, self-help tools
- Collection, storage, and management of units of measure required to support retail rates and additional, optional units of measure for select sub-set of total meters
- Daily and hourly collection for single phase meters and down to 15-minute collection for poly-phase meters
- Three (3) years of data storage
- Full product support and maintenance
- Hosting infrastructure and backup services
- Standard software upgrades and enhancements

15.4. Member Deliverables:

- NISC-supported export of meter data, including interval data, register readings, event codes, and/or quality codes, from AMI system (or existing MDM system)

15.5. Assumptions:

✓ Refer to the Data Section of this SOW document for details of the MDMS data conversion.
✓ Services not included:
  - Bill print modifications for inclusion of interval data
  - Configuration of time-based rates
  - Custom integration inconsistent with NISC-supported, standards-based interfaces
  - Custom programming
  - Additional hardware
  - On-site training, including NISC travel costs

- Collection, storage, and management of units of measure not required to support retail rates except for a select sub-set of total meters
- 15-minute collection for single phase meters
- Additional data storage beyond three (3) years
- Non-standard software upgrades and enhancements

16. CalltoOrder

16.1. Descriptions & Activities

CalltoOrder is an innovative PC/Web-based Administrative Tool developed by NISC's RD&Q development staff. It is downloaded from the Apple Store and is accessible on an iPad. This meeting app helps Board of Directors and groups who are separated by time and distance stay current and connected through shared access to agendas, lists, presentations and documents. With the tool, uploading meeting content to CalltoOrder is dramatically faster than building, mailing or posting documents. In short, CalltoOrder makes meeting content management simple.

16.2. Specific Requests

None Identified.

16.3. NISC Deliverables

- Project Initiation:
  - Welcome Packet
    - Letter of Acknowledgement, CalltoOrder Admin Overview PowerPoint
- Project Planning:
  - NISC Training Documents
  - URL Login for CalltoOrder in an informational email
  - NISC License Agreements
- Project Execution
  - Access Administrative Portal of CalltoOrder by way of URL provided by NISC
- Project Completion
  - Project billing at the time of URL provided to site

16.4. Member Deliverables

- PPC will be responsible for supplying the appropriate devices compatible with running the CalltoOrder application.
- PPC will work with NISC on the operating system requirements to run the CalltoOrder application.
- PPC will work with NISC on additional hardware purchases and installations that may be required to operate the CalltoOrder application.

16.5. Assumptions

✓ PPC will designate a CalltoOrder Administrator.

- ✓ CalltoOrder requires that the administrator take the responsibility of training all others within the organization on the features and functionality of the CalltoOrder application.
- ✓ PPC will ensure the hardware devices have the current requirements/specifications to run the CalltoOrder application.

17. Services Declined therefore not included in this Statement of Work

At the time of preparation and signing of this document, the following products have been declined by PPC. If at any time during the implementation process, or after that process is complete PPC determines they would like to implement any of the following products, they should contact the Enterprise Project Manager or Project Facilitator to get an amended Purchase Order and Statement of Work, and start the implementation process.

The Services declined therefore not included in this Statement of Work are:

- Enterprise Project Manager
- Capital Credits
- Work Management Consulting
- Mobile Workforce
- SmartTrack
- Document Vault
- RemitPlus
- MDMS-DA
- Prepaid
- MapWise
- Outage Management System (OMS)

18. E-Execution & Storage

This instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This instrument may be executed and/or stored in electronic format only; an electronic, scanned, or facsimile signature shall be valid for all purposes; and the destruction in the ordinary course of business of any document containing a "wet" signature shall not invalidate this instrument.

IN WITNESS WHEREOF, the Parties have set their hands.

Pittsburg Power Company
of **Pittsburg**, **CA**

Signature:
Name:
Title:
Date:

National Information Solutions Cooperative, Inc.

Signature:
Name:
Title:
Date:

NISC Software & Services
Purchase Order

05.09.2017.01

Pittsburg Power Company

Prepared for

Pittsburg Power Company

Pittsburg, CA

May 10, 2017

National Information Solutions Cooperative®

CONTENTS

1. NISC Contract Overview

The NISC Master Definitions set forth definitions of certain terms that are used but not otherwise defined in this Purchase Order ("PO"). This PO, together with the NISC Master T&Cs, any other Ordering Documents and any applicable Additional Terms and Conditions, forms the Agreement between you and us with respect to the Software, Services and/or Equipment described in this PO. The currently in effect NISC Master Definitions, the NISC Master T&Cs and all Additional Terms and Conditions are available at https://community.nisc.coop/community/member/member_resources/nisc-terms-conditions.

We agree to provide to you, and you agree to receive from us, the Software, Services and Equipment described in this PO, all subject to the Agreement.

2. Price Summary

The following is a summary of Charges for the Software, Services and Equipment in effect on the date of this PO. Implementation Services are detailed in the SOW.

Description	One-Time Fee	Monthly Recurring	Annual Recurring
iVUE Enterprise Implementation & Training ***Customer Care & Billing (CC&B)*** [3.1] *- analysis, implementation, training, and (6) on-site resource trips, and conversion up to 5-years of history* ***Automated Mailroom Services (AMS)*** *- Bill Print, Delinquent, and Cutoff Notice design and programming.* ***Technical Services*** *- System installation, admin training* ***CalltoOrder -*** *Boardroom Application* ***AppSuite -*** *iVUE for Mobile Devices* ***SmartHub -*** *Web Presentment & Customer Self Serve* ***Meter Data Management System (MDMS)*** ***CallCapture Secure Pay Only -*** *pay-by-phone*	$ 68,453	$ -	$ -
Estimated On-site Travel Expense Estimate [3.2] *6 On-site resource trips.Travel expense estimates to include hotel, airfare, and meals for on-site resource trips. Estimated at $1,900 ea. however, billed at actual*	11,400		
iVUE Enterprise Monthly Recurring [3.3] *Monthly Support Fee based on 533 Electric Primary Agreements , 377 Gas agreements and 2 Concurrent Users*		1,739	
ASP Hosted Services Monthly Recurring [3.4, 3.5] *iVUE ASP Monthly Hosting Services based on 533 Primary Agreements and 2 Concurrent Users*		225	
Automated Mailroom Services [3.6] *Estimated printing labor, paper, envelops, return envelopes, fees for Simplex, Full Color Low Yield bill for 533 bills per month. Postage not included.*		87	
Third Party Hardware & Software *Hardware and Infrastructure Software (Oracle, runtime licenses, etc.)*	297	-	-
Third Party Interface Fees [3.7] **and Custom Programming** [3.8] MultiSpeak Interfaces- *AMI* Standard Third Party Interfaces- *AMI Import, AMR Hand-held Interface* [3.9] Custom Interface- *None Yet Identified* Custom Programming - *None yet identified*	4,000	200	

NISC Payment Gateway[3.10] - PCI Payment Processing *NISC offers a variety of PCI compliant payment options for accepting credit card and electronic checks through multiple NISC payment channels. NISC will work with you to provide PCI compliant payment estimates to meet you and your customers needs*		**TBD**	
Additional Payment Options *Online Bill Interface (OBI) - $ .10 per transaction*		**TBD**	
iVUE Enterprise Total	**$ 84,150**	**$ 2,251**	**$ -**

3. **Price Assumptions**

The summary of Charges set forth in Section 2 is based on the following assumptions:

3.1. The iVUE CC&B implementation includes conversion of the legacy billing application and up to 5 years of history. The implementation does not include data conversion from other applications outside the legacy database and is billable above and beyond the implementation fee presented in this estimate.

3.2. On-site training will be Monday - Friday during normal business hours. Travel time for on-site training will occur during normal hours Monday - Friday. Travel expenses are estimated. Expenses are invoiced at actual.

3.3. The NISC bundled solutions monthly support is based on the number of agreements and users and is adjusted quarterly to reflect current agreement counts.

3.4. Each location must have a VPN termination; i.e. Main Office and Remote Office(s). There is a one-time setup fee of $200 per VPN; i.e. termination point. Configuration, updates, and maintenance of non-NISC managed firewalls is the sole responsibility of the Members firewall administrator. Members using non-NISC managed devices may be subject to support fees from NISC at current hourly rates if required. NISC offers managed firewall services. Contact the NISC VPN Group for services and estimates (tech-support-vpn@nisc.coop). The proposal assumes main office location; additional locations will incur the $200 termination fee.

3.5. The iVUE server, related hardware, and software is installed and hosted at Basin Technology Inc, (BTI), a subsidiary of Basin Electric Power Cooperative. Connectivity requires a high-speed Internet connection with a static IP address for iVUE ASP access. A dedicated connection to an ISP and a commercial grade firewall, capable of IPsec Point to Point VPN, is needed prior to install and is the Members responsibility. The Members Internet connection to the hosted iVUE equipment is crucial for continuous connectivity. A redundant Internet connection through a different ISP is recommended. The local ISP connectivity cost is the responsibility of the Member.

3.6. Automated Mailroom Services (AMS) recurring pricing is estimated as pricing is based on volume and number of billing cycles. The estimate includes envelopes, paper, and printing labor; however, consumables are subject to change based on current pricing and will bill at actual. FTP charges, inserts, and postage fees are not included. First month's postage is doubled to pre-fund the next month's postage. Please reference the detailed AMS page for detailed pricing.

3.7. Additional interfaces may be determined through discovery discussions during the analysis phase as well as throughout the iVUE implementation lifecycle as interface needs are identified. If additional interface requirements are discovered that are not included in the proposal, pricing will be provided at that time.

3.8. Custom programming for Crystal Reports will be invoiced at NISC's full hourly rate. All other custom programming requested to meet non-standard business requirements during the iVUE implementation will be invoiced at half the NISC hourly rate. Once transitioned to general support, custom programming requested will be invoiced at the full NISC hourly rate. Custom programming could include file fixes, data cleanup on the legacy application, additional bill calculations, delinquent notices, and/or cutoff notices. NISC's full hourly rate is $150 per hour.

3.9. NISC has a standard Hand-held interface for AMR. NISC has not integrated to Psion Hand-held Interface and assumes Psion will conform to NISC's standard interface formats currently in place.

3.10. The NISC Payment Gateway is required to process real-time payments to interface with iVUE and other related solutions including SmartHub Customer Self Serve solution.

4. Implementation Services and Implementation Fees

The following provides additional detail for the Implementation Fees. Charges for Costs and Travel Time are estimates only unless otherwise expressly noted. Unless otherwise expressly noted, we bill Travel Time at the NISC Travel Hourly Rate and we bill Costs at the actual cost to us.

If the Implementation Services require more than the stated number of on-site resource weeks, then we will bill our labor for such additional on-site resource weeks at 1/2 of the NISC Hourly Rate and will bill associated travel time at 1/2 of the NISC Travel Hourly Rate.

4.1. Enterprise Implementation Fees & Resources

Implementation Fees		
iVUE CC&B Only Implementation Fee	$	47,420
ASP Configuration & Setup Fee		200
SmartHub		5,133
Meter Data Management System (MDMS)		13,000
Call Capture Secure Pay Only		1,500
AppSuite		1,200
CallToOrder - bundled at no additional cost		-
Implementation Fee Total	**$**	**68,453**

4.2. Standard Implementation & Training Resource Trips

Standard Implementation & Training Resource Trips	*Trips*
CC&B Analysis	2
CC&B Training Trip - Scenario	1
CC&B Training Trip - Process	1
CC&B Live Week	1
CC&B Post Live Consulting	1
Included On-Site Resource Trips	**6**

4.3. Travel Expenses

Travel expenses include but may not be limited to airfare, meals, lodging, and car rental. Travel Costs are estimated at $1,900 per resource week as follows:

Travel Expense Estimate	NISC Staff On-Site	Estimate
Implementation On-Site Resource Trips	6	$ 11,400

5. Implementation Fees Billing

The Enterprise Implementation Resource Fees are invoiced using payment milestones as outlined below. One time fees outlined in the cost summary that that fall outside of the Enterprise Implementation Resource Fees are invoiced as the services are rendered or third party equipment is ordered. Milestones are invoiced as deliverables are met. Travel expenses are invoiced as they occur.

We will bill Implementation Fees based upon achievement of the following milestones:

Payment Milestone	Deliverable	Approximate Date	Amount
1	Project Kickoff	Approximate 11 months prior to CC&B Go-Live Date	$8,556
2	Requirement/Business Analysis	Approximate 9 months prior to CC&B Go-Live Date	$8,556
3	iVUE Software install-NISC Technical Services	Approximate 8 months prior to CC&B Go-Live Date	$8,556
4	Initial Configuration	Approximate 5 months prior to CC&B Go-Live Date	$8,556
5	Initial Set of Data Converted & Loaded	Approximate 4 months prior to CC&B Go-Live Date	$8,556
6	CC&B Training	Approximate 1 months prior to Go-Live Date	$8,556
7	Go-Live onsite visit	CC&B Go-Live Date	$8,556
8	Post go-live consultation	Approximate 1 month after CC&B Go-Live Date	$8,561
		Implementation Fees Total	**$68,453**

6. Monthly Recurring Fees

We charge for most Software and Services on a monthly recurring basis, with the Monthly Recurring Fees based on the number of agreements, the number of meters, the number of subscribers, service type, number of bills, concurrent user count and/or other metric and adjusted quarterly based on actual number of meters, agreements, subscribers, etc. All counts in this PO of the number of meters, subscribers, services, etc. are estimates only and the Monthly Recurring Fees will be based on actual number at the Go-Live Date. The Monthly Recurring Fees will be equal to the NISC Standard Monthly Recurring Fee Amounts then in effect. The Monthly Recurring Fees set forth in this PO are the NISC Standard Monthly Recurring Fee Amounts in effect as of the date of this PO and are subject to change pursuant to the NISC Master Terms and Conditions.

Monthly Recurring Fees include the cost of:

- Support Services (currently 24x7)
- Maintenance Releases (which includes enhancements, fixes and development of new features)
- License fees
- Use and access fees
- Ongoing use of online training resources – Pathways
- Collaboration portal access – The NISC Community
- Participation in Member Advisory Committees

6.1. iVUE CC&B and ABS Monthly Recurring Fees

The typical iVUE CC&B Monthly Recurring Fees are calculated based on the number and type of your services (Primary Service, Secondary Calculated Service, and Fixed Service), as well as the number of agreements for each service type, and concurrent user count.

When implementing a CC&B Only deployment, the CC&B Only rate is comprised of a percentage of the full CC&B and ABS combined billing rate. Board approved rates for a CC&B Only implementation is calculated at 80% of the full Primary, Secondary Calculated, and Fixed Service Monthly Recurring rates as outlined in Section 6.1.1., 6.1.2., and 6.1.3. Concurrent Monthly User Fees are not prorated but may be reduced to reflect CC&B only users.

6.1.1. Primary Service Monthly Recurring Fees

When implementing a CC&B only deployment, the Monthly Recurring Fees for CC&B only is comprised of a percentage of the full CC&B and ABS combined Monthly Recurring Fees. The Monthly Recurring Fees for the CC&B only rate is 80% of the full Monthly Recurring Fees for Primary Service.

The current Monthly Recurring Fees for CC&B and ABS Primary Service are as follows:

Primary Service Monthly Recurring Fees Tier Description	Per Unit Monthly Recurring Fees
Base Monthly Recurring Fees	$ 775.00
Agreements 1 – 10,000	0.290
Agreements 10,001 – 25,000	0.280
Agreements 25,001 – 35,000	0.165
Agreements 35,001 Plus	0.090

PPC's Electric accounts are identified as the Primary Service Type.

6.1.2. Secondary Calculated Service Monthly Recurring Fees

One or more Secondary Calculated Services may be included. A base Monthly Recurring Fee is incurred for each Secondary Calculated Service. All Secondary Calculated Services are combined for purposes of the following tiered structure. The current Monthly Recurring Fees for Secondary Calculated Services are as follows:

Secondary Calculated Service Monthly Recurring Fees Tier Description	Per Unit Monthly Recurring Fees
Base Monthly Recurring Fees	$ 125.00 per Secondary Calculated Service
Agreements 1 – 10,000	0.165
Agreements 10,001 Plus	0.090

Gas Secondary Calculated Services have been identified for PPC.

6.1.3. Fixed Service Monthly Recurring Fees

One or more Fixed Services may be included. A base Monthly Recurring Fee is incurred for each Fixed Service. All Fixed Services are combined for purposes of the following tiered structure. The current Monthly Recurring Fees for Fixed Services are as follows:

Fixed Service Monthly Recurring Fees Tier Description	Per Unit Monthly Recurring Fees
Base Monthly Recurring Fees	$ 75.00 per Fixed Service
All Agreements	0.090

No Fixed Service has been identified for PPC.

6.1.4. Concurrent User Monthly Recurring Fees

The iVUE CC&B and ABS concurrent user Monthly Recurring Fees are calculated based on the number of concurrent users you have. iVUE CC&B and ABS concurrent user Monthly Recurring Fees currently are as follows:

Concurrent User Monthly Recurring Fees Tier Description	Unit Price per Concurrent User
Users 1 – 10	$ 20.00
Users 11 – 40	10.00
Users 41 Plus	5.00

PPC has identified 2 CC&B concurrent users.

6.2. Automated Mailroom Services (AMS) Monthly Recurring Fees

AMS recurring fees consist of bill data processing, printing, inserting and consumables. The price summary assumes that PPC is requesting a simplex, full-color, low-yield bill print design.

6.6.1. Data Processing & Imaging

Data Processing and Imaging applies to all bills; including both printed and/or electronic only bills. Data Processing includes the rendering and indexing of the bill images. Data Processing and Imaging fee is as follows:

Data Processing	Unit Type	Unit Price
Data Processing & Imaging	Per bill	$ 0.03

6.6.2. Laser Print Fees

Laser Print Fees apply to all printed bills and are based on a bill print format of either simplex (single sided) or duplex (front and back). If a duplex print format is selected, all pages are subject to the duplex fee regardless of whether or not anything is printed on the back side of the page. Laser Print fees are as follows:

Simplex Laser Print:

Simplex Rate Description – front only	Unit Type	Unit Price
Black only	Per Page	$ 0.025
Color – low yield	Per Page	0.035
Color – medium yield	Per Page	0.045
Color – high yield	Per Page	0.055

Duplex Laser Print:

Duplex Rate Description – front/back	Unit Type	Unit Price
Black front / black back	Per Page	$ 0.05
Low color front / black back	Per Page	$ 0.06
Low color front / low color back	Per Page	0.07
Low color front / medium color back	Per Page	0.08
Low color front / high color back	Per Page	0.09
Medium color front / black back	Per Page	0.07
Medium color front / low color back	Per Page	0.08
Medium color front / medium color back	Per Page	0.09
Medium color front / high color back	Per Page	0.10
High color front / black back	Per Page	0.08
High color front / low color back	Per Page	0.09
High color front / medium color back	Per Page	0.10
High color front / high color back	Per Page	0.11

6.6.3. Inserting

Bill and Delinquent (DQ) page Inserting Labor includes the folding and inserting of printed bill pages. Additional Insert Labor for marketing or advertising material assumes inserts are pre-folded or have a finished cut size of the prefolded. Interting fees are as follows:

Insert Labor	Unit Type	Unit Price
Insert Labor – bill pages, DQ pages	Per Page	$ 0.04
Additional Insert Labor – Marketing / advertising material	Per Page	$ 0.02

6.6.4. Consumables – Paper, Envelopes

Consumables include paper and envelopes. Consumable pricing is subject to change based on current costs. Consumables are priced as follows:

Description	Unit Type	Unit Price
Paper – 8 ½” x 11”	Per page	$ 0.015
Carrier Envelope	Per envelope	0.022
Return Envelope	Per envelope	0.022

6.6.5. AMS Minimum Print Charge – There is a $35 minimum print charge per job. Since each job involves scheduling, postal reports, tray tags, printing, etc., the minimum fee covers these incidentals for jobs only consisting of a few pages. Once the number of pages printed exceeds the minimum charge, the minimum fee no longer applies.

6.6.6. AMS Postage - Postage is billed as a pass through item with no markup. NISC will pay the first month’s postage to get the actual amount dispersed. This amount will be doubled on the first invoice to recover the prior month’s postage and prefund the next month.

6.6.7. AMS Full Color Definitions:

The following color options identify the ink coverage used when printing:

- Low Color – is defined as light color usage.
- Medium Color yield – is defined as medium color usage. Medium coverage costs are $.01 more per image (page side) as low color yield.
- High Color yield – – is defined as heavy color usage for items such as pictures and images. High Coverage is $.02 more per image (page side) than low color yield. An image refers to one side of page. Duplexed pages consist of two (2) images

6.3. CallCapture Secure Payments Only Monthly Recurring Fees

CallCapture Secure Payments Only Monthly Recurring Fees are based on the total number of Primary Agreement Counts. CallCapture Secure Payments Only includes pay-by-phone functionality and uses the NISC PCI compliant Payment Gateway to process payments. CallCapture Secure Payments Only Monthly Recurring Fees currently are as follows:

CallCapture Secure Payments Only Monthly Recurring Fees Tier Description	Unit Price per Agreements
Per Agreements (Minimum of $100 per month applies)	$ 0.015

6.4. Application Service Provider (ASP) Hosting Monthly Recurring

We will provide certain Software to you on an application service provider basis. ASP hosting Monthly Recurring Fees are based on the total number of Primary Agreement Counts as well as concurrent iVUE users. The ASP hosting Monthly Recurring Fees currently are as follows:

ASP Hosting Monthly Recurring Fees Tier Description	Unit Price per Account
Base Monthly Recurring Fee	$ 100.00
Accounts 1 – 5,000	0.16
Accounts 5,001 – 10,000	0.10
Accounts 10,001 – 25,000	0.05

ASP User Monthly Recurring Fees Description	Unit Price per Concurrent User
Base Monthly Recurring Fee	$20.00

6.5. Meter Data Management System (“MDMS”) Monthly Recurring Fees

MDMS Monthly Recurring Fees are based on the total number of your active and inactive installed meters, including sub-meters. There currently is a minimum MDMS Monthly Recurring Fee of $500. MDMS Monthly Recurring Fees currently are as follows:

MDMS Monthly Recurring Fees Tier Description	Unit Price per Meter
Meters 1 - 10,000 (Minimum of $500 per month)	$ 0.06
Meters 10,001 – 25,000	0.05
Meters 25,001 – 35,000	0.03
Meters 35,001 Plus	0.02

6.6. SmartHub Monthly Recurring Fees

SmartHub Monthly Recurring Fees are based on the number of Primary Agreement Counts.

SmartHub Monthly Recurring Fees Tier Description	Unit Price per Agreements
Base Monthly Recurring Fees	$ 200.00
Agreements 1 – 10,000	0.010
Agreements 10,001 – 25,000	0.005
Agreements 25,001 – 35,000	0.006
Agreements 35,001 Plus	0.007

6.7. NISC Payment Gateway

All payment processing through our Software and Services is through the PCI-compliant NISC Payment Gateway. You must contract with our merchant service provider partners (currently First Data and/or ProfitStars) to accept credit card and/or eCheck payments. Multiple payment options and rates are available and provided by the merchant service providers, and are outlined in their contracts.

7. NISC Hourly Rate

The NISC Hourly Rate currently is $150.

8. NISC Travel Hourly Rate

The NISC Travel Hourly Rate is $130.

9. Taxes, Insurance, and Freight

All Charges set forth in this PO are exclusive of Taxes, insurance and freight, all of which are your responsibility.

10. Equipment and Third Party Software

Our Software and Services requires that you meet minimum technical requirements including network bandwidth, switchport availability, Internet connectivity, firewall/DMZ availability if needed, inter-office connectivity, minimum PC requirements, and PCI compliance infrastructure. You agree to meet all such requirements. In addition, our Software and Services may require certain Equipment (including printers, servers, and other devices) and Third Party Software (including database, runtime, and reporting software). We partner with third party vendors and can provide reselling services for the Equipment and Third Party Software that may be required for our Software and Services.

Below is a list of the Equipment and Third Party Software that we agree to provide and you agree to purchase:

Line Item	Description	Qty	Unit Price	Extended Price
iVUE Third Party Software & Hardware				
iVUE Software				
1	Use NISC ASP Hosted Third Party Software to include Oracle, iNet Crystal Clear and Micro Focus Application Server	1	$ -	$ -
2	Crystal Reports Professional	1	297	297
iVUE Equipment				
3	Use NISC's ASP Hosted Server to host iVUE	1	-	-
SmartHub Equipment				
4	ASP Deployment	1	-	-
CallCapture Hardware & Software				
5	Secure Pay Only - Use Hosted Licenses	4	-	-
			Third Party Hardware & Software Total	**$ 297**

10.1. Although NISC may provide first level support, all third party warranties are provided by the respective hardware and software manufacturer as outlined in the third party warranties as outlined in the NISC Master Terms and Conditions.

10.2. This PO reflects current third party manufacturer configurations and market pricing. Equipment Charges are subject to change. We manage the procurement of Equipment to best leverage hardware warranty periods for our Members. Therefore, the Equipment may not be purchased until closer to the start of the implementation project. If the manufacturer hardware configuration and/or Equipment Charges change, NISC we will provide you with an updated estimate with the latest Equipment options.

11. Interfaces

We support both MultiSpeak Interfaces and Standard Interfaces developed to integrate a number of third party software solutions with NISC's iVUE solution. MultiSpeak Interfaces and Standard Interfaces include our services to setup, configure, support, and test with Maintenance Releases. Our Charges for MultiSpeak Interfaces and Standard Interfaces do not include fees incurred or required from third party vendors.

11.1. MultiSpeak Interfaces Charges

NISC provides a MultiSpeak Interface bundle that consists of the more commonly used MultiSpeak interfaces. Additional MultiSpeak interfaces not included in this bundle, but supported by NISC, will be categorized as Standard Interfaces. The interfaces that we define as MultiSpeak for the purposes of the MultiSpeak rate are as follows:

- AMI
- GIS
- OMS
- Staking
- IVR

The MultiSpeak one-time fee includes the initial setup, installation, and training of the below identified MultiSpeak interfaces and is limited to one (1) vendor per interface type. If more than one vendor is utilized per interface type, or if future changes in third party vendors is made after the initial setup, additional professional services labor is billable and is not included in the $3,000 one-time fee.

The monthly recurring includes support and future testing and enhancements related to NISC software updates.

All third party software solutions using MultiSpeak must be MultiSpeak Web Service 3.0 compatible. This PO assumes that third party solutions you choose to integrate into iVUE meet these minimums. If unsure, please verify with your third party vendors.

NISC's interface fees do not include charges incurred by third party vendors to meet and support their MultiSpeak 3.0 requirements and are your responsibility.

MultiSpeak Interface Charges currently are as follows:

MultiSpeak	Unit Price
MultiSpeak One-Time Fee	$ 3,000
1st MultiSpeak Interface Monthly Recurring Fees	$ 100 per month
Additional MultiSpeak Interfaces Monthly Recurring Fees (Capped at $250 per month)	$ 50 each per month

The following MultiSpeak Interfaces have been identified:

- AMI

11.2. Standard Interface Charges

Standard Interfaces are maintained, supported, and tested with Maintenance Releases as a part of the Standard Interface Monthly Recurring Fees. Fees do not include charges incurred from third party vendors to maintain their end of the interface. Standard Interface Charges currently are as follows:

11.2.1. AMI Import Interface - This integration includes Import AMI Data (billable reading), Interval Reading Data, Batch Meter Exchange, Meter Inventory upload, Meter Test Upload and Transformer Upload. A one-time fee of $1,000 and Monthly Recurring Fees of $50 per month will be charged to all Members using the AMI Import Interface.

11.2.2. AMR - This integration provides you with the ability to perform Import Interval Reads, Meter test upload, Batch Meter Exchange, and Import AMI/AMR Reads. A $50 per month fee will apply to all Members using AMR Integration.

11.2.3. Online Bill Interface (OBI) – This interface is a process for automating online payments from the Member/Customer’s bank or through a bill payment service such as CheckFree or Metavante. A Monthly Recurring Fee of $.10 per payment will apply to all Members using the Online Bill Interface.

11.3. Custom Interfaces

We charge for Custom Interfaces based on labor hours spent developing the Custom Interfaces multiplied by the NISC Hourly Rate. Development and maintenance of Custom Interfaces is considered Other Services as defined in the NISC Master T&Cs. We charge for Custom Interfaces identified and included in the SOW at half of the NISC Hourly Rate. We charge for other Custom Interfaces (e.g., identified and developed outside of the iVUE implementation and after iVUE go-live) at the full NISC Hourly Rate. Custom Interfaces do not include Monthly Recurring Fees to cover labor for future testing, modification, or enhancement due to either third party software changes and/or Software changes. Any future modifications, testing, or enhancements needed by you will be charged by us at the NISC Hourly Rate.

No Custom Interfaces have been identified for you. However, if any additional Custom Interface requirements are discovered throughout the implementation, it will be managed through the change management section of the SOW.

12. Custom Programming

We charge for Custom Programming identified outside the scope of the SOW based on labor hours spent multiplied by the NISC Hourly Rate. Custom Programming does not include Monthly Recurring Fees to cover labor for future testing, modification, or enhancement due to either third party software changes and/or Software changes. We will charge for any future modifications, testing, or enhancements needed by you are billable at the NISC Hourly Rate.

No Custom Programming has been identified for you. However, if any additional Custom Programming requirements are discovered throughout the implementation, it will be managed through the change management section of the SOW.

13. Amendments to PO

Except as otherwise provided under the NISC Master Terms and Conditions, no amendment to this PO is effective unless it is in writing and signed by you and us.

14. E-Execution & Storage

This PO may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This PO may be executed and/or stored in electronic format only; an electronic, scanned, or facsimile signature shall be valid for all purposes; and the destruction in the ordinary course of business of any document containing a "wet" signature shall not invalidate this PO.

PITTSBURG POWER COMPANY	**NATIONAL INFORMATION SOLUTIONS COOPERATIVE, INC.**
Signature:	**Signature:**
Name:	**Name:**
Title:	**Title:**
Date:	**Date:**

NISC Master Software and Services Terms and Conditions

These NISC Master Software and Services Terms and Conditions, together with all applicable Ordering Documents and Additional T&Cs, apply to all Software, Services and Equipment.

1. **Definitions**. The NISC Master Definitions sets forth definitions of certain terms that are used but not otherwise defined in these NISC Master Software and Services Terms and Conditions.

2. **Software**.

a. License of Software. For the Term we grant you the License for the Software solely for the Permitted Use.

b. Open Source and Third Party Components.

i. Open-Source Components. The Software includes Open-Source Components licensed under the Open-Source Licenses. Your use of the Open-Source Components is subject to the terms and conditions of the Open-Source Licenses. To the extent required by the Open-Source Licenses, on written request to us, we will provide you with a complete, machine-readable copy of the source code for such Open-Source Components in accordance with the terms of the Open-Source Licenses at no cost to you.

ii. Third Party Software. All Third Party Software is owned by the applicable third party and you may only use Third Party Software in conjunction with the NISC Software unless otherwise expressly permitted. Your use of Third Party Software may also be governed by the terms of third party license or end user agreements. You must execute (if necessary) and comply with such third party licenses or end user agreements as the applicable third party may require. Without limits to generality of the foregoing, you agree to be bound by all third party licenses, and user agreements and terms and conditions for Third Party Software posted here. If, for any reason, more licenses of Third Party Software are required for your operations, you are responsible for any additional costs associated with obtaining the additional licenses.

c. Maintenance Releases/New Products. We will provide you with Maintenance Releases that from time to time we may make generally available to our similarly situated Members. The cost of Maintenance Releases is included in the Monthly Recurring Fees you pay to us. The configuration of new or previously unused components or functionality of Software is not included with Maintenance Releases. Those configuration services would be Other Services for which we may charge Other Services Fees. You will cooperate reasonably with us in installing Maintenance Releases in accordance with our suggested installation schedule. New Products that NISC may release from time to time are not included in the License. However, at your request, we will license to you any New Product that we make generally available to our similarly situated Members at the price and on the terms we offer to similarly situated Members, provided that you are in compliance with this Agreement.

3. Hosted Software and Services.

a. Access and Use**.** We will not provide the Hosted Software and Services to you in any tangible medium and the Hosted Software and Services will not be installed on any Member Systems. Your access and use of the Hosted Software and Services will be by remote electronic access. From time to time we may impose service usage and data storage limits on your use of Hosted Software and Services. We will apply such limits consistently to similarly situated Members. If you exceed any data storage limits we may assess additional Charges for excess data storage.

b. Our Additional Obligations with respect to Hosted Software and Services. We have the sole responsibility for, and control over, the operation, maintenance and management of the Hosted Software and Services, including the NISC Hosted Systems, the selection, deployment, modification and replacement of the NISC Hosted Systems and the applications underlying the Hosted Software and Services and the performance of maintenance, upgrades and repairs.

c. Your Additional Obligations with respect to Hosted Software and Services. Except to the extent undertaken by us in providing Support Services or Other Services, you have the sole responsibility for operating, maintaining and managing the Member Systems. You are solely responsible for any access or use of the Hosted Software and Services by any Person (other than us) using your access credentials or by or through the Member Systems or any other means controlled by you. You will set up, maintain and operate in good repair and in accordance with any applicable specifications all Member Systems on or through which you use or access the Hosted Software and Services. You must maintain an adequate local area connection and Internet connection necessary to use and access the Hosted Software and Services. You are solely responsible for the accuracy, quality, integrity and legality of the Member Data and the means by which you acquire it. You may not use the NISC Hosted Systems to store or transmit unlawful material or malicious code. You may not attempt to gain unauthorized access to the Hosted Software and Services or the NISC Hosted Systems or otherwise disrupt or damage the NISC Hosted Systems.

d. Data Backup and Retention. The NISC Hosted Systems perform routine data backups pursuant to the applicable Backup Policy. We may change our Backup Policy from time to time by posting the changes on the NISC Terms and Conditions Site. Upon your request, we will deliver to you the then most current back-up of Member Data as and when set forth in the Backup Policy. In the event of any loss, destruction, damage or corruption of the Member Data caused by the NISC Hosted Systems or the Hosted Software and Services, we will, as our sole obligation and liability and as your sole remedy, use commercially reasonable efforts to restore the Member Data from our most current backup in accordance with the Backup Policy. We will retain data backups for 30 days, after which point we may delete them in our discretion.

e. Availability. Subject to and conditioned on your compliance with this Agreement, we will use commercially reasonable efforts to provide to you access to and use of the core functions of the Hosted Software and Services in substantial conformity with the Documentation 24 hours per day, 7 days per week every day of the year, except for: (i) Scheduled Downtime; (ii) service downtime or degradation due to Force Majeure Events; or (iii) any other circumstance beyond our reasonable control. We will use commercially reasonable efforts to: (i) schedule Scheduled Downtime between the hours of Friday at 6:00 p.m. CST and Monday at 3:00 a.m. CST; and (ii) give you at least 8 hours prior notice of all Scheduled Downtime. If we materially fail to meet our commitments set forth in this Section, then you, as your sole and exclusive remedy and our sole liability, may terminate this Agreement pursuant to Section 7(b)(ii)(1) (our failing will be deemed a breach incapable of cure) with respect to the Hosted Software and Services for which we failed to meet the commitment and we will pay to you the amounts specified in Section 7(c)(iv) with respect to the terminated Hosted Software and Services.

4. Services and Equipment Purchases.

a. Support Services. We will provide Support Services to you to the same extent, nature and on the same basis as we generally provide to similarly situated Members. The NISC Support Standards sets forth our support channels, prioritization and estimated response times. We may change the NISC Support Standards from time to time upon posting the changes on the NISC Terms and Conditions Site. We will apply any changes equally to similarly situated Members. To the extent that you require Support Services materially in excess of those required by similarly situated Members and we reasonably determine that the cause of your excess usage is a need for additional training, we may require you to undergo additional training. The additional training will be Other Services for which we may charge Other Services Fees. Similarly, to the extent we reasonably determine the Services you seek as Support Services are outside the scope of the Support Services we offer to similarly situated Members, we may classify those Services as Other Services and charge Other Services Fees.

b. Implementation Services. We will provide to you the Implementation Services described in the Ordering Documents. Except to the extent otherwise provided in the Ordering Documents, the Implementation Services we will provide will be to the same extent, nature and on the same basis we generally provide to similarly situated Members when implementing similar software and services. We will use reasonable efforts to meet any performance dates for the Implementation Services specified in the Ordering Documents, but any such dates are estimates only.

c. Other Services. We will provide to you the Other Services described in the Ordering Documents. We will use reasonable efforts to meet any performance dates for the Other Services specified in the Ordering Documents, but any such dates are estimates only.

d. Equipment Purchases. We will sell to you, and you will purchase from us, the Equipment described in the Ordering Documents. Title and risk of loss to Equipment passes when delivered to the carrier for shipment.

5. Fees and Charges.

a. Monthly Recurring Fees. You must pay all Monthly Recurring Fees to us. The Monthly Recurring Fees for any Software or Services will commence on the applicable Go-Live Date unless the Ordering Documents expressly state otherwise. We charge for most Software and Services on a monthly recurring basis, with the Monthly Recurring Fees based on the number of agreements, the number of meters, the number of subscribers, service type, number of bills, concurrent user count and/or other metric. The Monthly Recurring Fees will be equal to the NISC Standard Monthly Recurring Fee Amounts then in effect. We will recalculate the Monthly Recurring Fees quarterly to account for changes in the metrics used to determine the amount of the Monthly Recurring Fees. You must certify to us all information necessary to accurately calculate the Monthly Recurring Fees (or any other Charges) upon our request. We may allocate the Monthly Recurring Fees among license, use and access fees, fees for Support Services, fees for Maintenance Releases and other components in our reasonable discretion and we may periodically adjust such allocations. We may separately state such allocations on our invoices.

b. Implementation Fees. You must pay all Implementation Fees to us. The amount of the Implementation Fees is the amount set forth in the applicable Ordering Documents. If the amount of the Implementation Fees is not stated in the applicable Ordering Documents, the Implementation Fees will be an amount equal to the hours billed by us for the Implementation Services multiplied by the NISC Hourly Rate then in effect. We will bill Implementation Services provided beyond those included in the base Implementation Fee at the NISC Hourly Rate then in effect. If your acts or omissions cause a material change to the dates estimated in the Ordering Documents for any Implementation Services, we may equitably adjust the Implementation Fees to account for increased costs and lost opportunities to us.

c. Third Party Fees. You must pay all Third Party Fees to us. Third Party Fees that are recurring will commence when we first incur the obligation to the third party. The amount of the Third Party Fees is an amount equal to the NISC Standard Third Party Fee Amounts then in effect.

d. Other Services Fees. You must pay all Other Services Fees to us. Unless otherwise expressly stated in the Ordering Documents, the amount of Other Services Fees will be the hours billed by us multiplied by the NISC Hourly Rate then in effect. Unless otherwise expressly stated in the Ordering Documents, all amounts for Other Services Fees set forth in the Ordering Documents are estimates only and you will be responsible for actual Other Services Fees.

e. Equipment Charges. You must pay all Equipment Charges to us. The amount of the Equipment Charges is the amount set forth in the applicable Ordering Documents. If the amount of the Equipment Charges is not stated in the applicable Ordering Documents, the Equipment Charges will be the costs charged to us for the Equipment plus any markup we generally apply to similar equipment sold to similarly situated Members.

f. Costs and Travel Time. All Monthly Recurring Fees, Implementation Fees, Third Party Fees and Other Services Fees are exclusive of Costs and Travel Time. You must pay to us all Costs and Travel Time associated with the Software and Services. Unless otherwise expressly stated in the Ordering Documents, all amounts for Costs and Travel Time set forth in the Ordering Documents are estimates only and you will be responsible for actual Costs and Travel Time. Unless otherwise expressly stated in the Ordering Documents, we will bill Travel Time at the NISC Travel Hourly Rate then in effect and will bill Costs at the actual cost to us.

g. Invoicing and Payment. We will invoice you periodically for Charges. Except as otherwise provided in this Section, you must pay our invoices by not later than thirty (30) calendar days after the date of the invoice. If the Ordering Documents specify that the Implementation

Fees or Other Services Fees are to be paid upon the achievement of certain milestones or the delivery of certain Deliverables, you must pay such Implementation Fees or Other Services Fees upon receipt of our invoice following the achievement of such milestones or the delivery of such Deliverables. If the Ordering Documents specify that the Implementation Fees or Other Services Fees are to be paid other than upon the achievement of certain milestones or the delivery of certain Deliverables, you must pay the Implementation Fees or Other Services Fees as provided in the Ordering Documents. If the Ordering Documents are silent as to the payment of Implementation Fees or Other Services Fees, then, at our option, you must pay the Implementation Fees or Other Services Fees: (i) upon signing the applicable Ordering Documents; or (ii) within thirty (30) days of the date of our invoice for the Implementation Fees or Other Services Fees. We may require payment in advance of any Third Party Fees or Equipment Charges.

h. Changes to Charges. Our Board of Directors establishes the NISC Standard Monthly Recurring Fee Amount, the NISC Hourly Rate, the NISC Travel Hourly Rate, the NISC Standard Third Party Fee Amount and the NISC standard markup for Equipment Charges. In setting those amounts, our Board of Directors considers a number of factors, including cost of service to Members, research and development needs to improve the Software and Services for Members and labor needs at NISC to maintain or enhance the Services provided to Members. We may periodically change the NISC Standard Monthly Recurring Fee Amount, the NISC Hourly Rate, the NISC Travel Hourly Rate, the NISC Standard Third Party Fee Amount and the NISC standard markup by posting notice of the change to the NISC Terms and Conditions Site. All changes are effective the first January 1 following the posting of the changes to the NISC Terms and Conditions Site. We will post notice of any changes to be effective the next January 1 by not later than July 31. Third Party Fees are subject to immediate change upon posting notice to the NISC Community from time to time for various reasons beyond our control, including, increased costs from the third parties, the requirement for additional licenses for Third Party Software and the requirement for additional Third Party Software.

i. Late Payments. If you do not pay any Charges by the due date, the past due amounts will bear interest at the rate of the lesser of 1.5% per month or the highest rate allowed by law until paid.

6. Taxes. All Charges are exclusive of Taxes. Other than taxes on our income, you are responsible for, and must pay, all Taxes, regardless of whether or not we are charged with collecting Taxes.

7. Term and Termination.

a. Term. The "Term" of this Agreement with respect to any specific Software or Services begins on the Effective Date for such Software or Services and continues until terminated by you or us pursuant to Section 7(b). Notwithstanding the foregoing, the "Term" of this Agreement with respect to Other Services that represent discrete projects (e.g., Custom Programming) begins upon execution of the Ordering Documents and ends upon completion of the Other Services. Unless otherwise specifically stated in the Ordering Documents, the initial term of this Agreement with respect to any specific Software or Services, commences on the Effective Date and continues until the date that is 12 calendar months after the Go-Live Date of such Software or Service (the "Initial Term").

b. Termination.

i. Termination by us. We may terminate this Agreement in its entirety with respect to all Software, Services or Equipment or with respect to any one or more Software, Services or Equipment, effective upon written notice to you, if (1) you fail to pay any Charges when due and you continue to fail to pay for more than 30 days after we deliver written notice of nonpayment to you; (2) you fail to pay any Charges when due on more than 3 occasions in any consecutive 12 calendar month period; (3) you breach any other provision of this Agreement and the breach is incapable of cure or it is capable of cure and you fail to cure it within 60 days after we provide you with written notice of the breach; (4) you are affected by an Insolvency Event; or (5) a NISC Competitor: (A) obtains any direct or indirect equity or similar interest in you (whether voting or non-voting, but excluding a routine cooperative membership interest arising from ordinary patronage with you); (B) acquires any substantial portion of the assets of you; (C) enters in to any direct or indirect merger with you or your Affiliates; or (D) otherwise purports to obtain any direct or indirect right to use or access the Software or Services through a transaction involving you or your Affiliates (in lieu of termination under Sections 7(b)(i)(1)-(3), we may elect to suspend providing any or all Services or Equipment or preclude you from accessing or using any or all Software until you pay all past due Charges or cure the other breach). (6) We may terminate this Agreement with respect to any specific Software, Services or Equipment for convenience upon 30 days advance written notice to you if the applicable Go Live Date has not occurred. (7) We may terminate this Agreement for convenience with respect to all Software, Services or Equipment or with respect to any one or more Software, Services or Equipment upon 12 months advance written notice to you.

ii. Termination by you. (1) If we breach this Agreement with respect to any Software, Services or Equipment and the breach is incapable of cure or we fail to cure the breach within 60 days after receiving written notice of the breach from you, you may terminate this Agreement with respect to the Software, Services or Equipment to which our breach relates effective upon written notice to us. (2) You may terminate this Agreement in its entirety upon written notice to us if we are affected by an Insolvency Event. (3) You may terminate this Agreement upon 30 days advance written notice to us with respect to any specific Software, Services or Equipment for convenience if the applicable Go Live Date has not occurred. (4) You may terminate this Agreement for convenience with respect to all Software, Services or Equipment or with respect to any one or more Software, Services or Equipment upon 12 months advance written notice to us.

c. Effect of Termination. Upon the termination of this Agreement in its entirety with respect to all Software, Services or Equipment or with respect to any one or more Software, Services or Equipment (in the case of a partial termination then the references to Software, Services or Equipment in Sections 7(c)(i) – (vii) refer only to the terminated Software, Services or Equipment):

i. Except to the extent necessary to provide the transition services pursuant to Section 7(d): (1) the License terminates and you must cease use, access and receipt of Software and Services and you must return or destroy all Software and our Confidential Information within 30 days (in the case of destruction, you will certify the destruction to our reasonable satisfaction); (2) our obligation to provide Software, Services or Equipment to you ceases; and (3) we must return or destroy all of your Confidential Information within 30 days (in the case of destruction, we will certify the destruction to your reasonable satisfaction).

ii. In all cases of termination, you must pay to us all unpaid Charges for Software, Services, or Equipment for periods prior to termination (to the extent any Charges are based upon progress billing, the achievement of milestones or Deliverables or similar method, then such charges will be calculated reasonably by us to reflect progress towards the milestone or Deliverables at the time of termination).

iii. If we terminate pursuant to Sections 7(b)(i)(1) – (5) or you terminate or purport to terminate for any reason (other than pursuant to Sections 7(b)(ii)(1)-(3)) and you fail to give us the 12 month notice required by Section 7(b)(ii)(4), you (in addition to any other amounts payable under Section 7(c)) must pay to us: (1) all Third Party Fees we remain obligated to pay with respect to Software or Services; (2) an amount equal to 75% of the Implementation Fees for Software or Services that would have been payable to us had the Implementation Services for such Software or Services been completed; (3) an amount equal to 100% of the Monthly Recurring Fees that would have been payable if the Agreement continued for 12 months following the termination or purported termination (in cases where the Go-Live Date has not occurred, the calculation of this amount will be based on the Go-Live Date occurring on the date estimated in the Ordering Documents and to the extent the amount of Monthly Recurring Fees is not definitively ascertainable the amount shall be calculated on our commercially reasonable estimate); (4), an amount equal to 75% of the Other Services Fees that would have been payable for Other Services if the Agreement continued for 12 months following the termination or purported termination (to the extent the amount of Other Services Fees is not definitively ascertainable the amount shall be calculated on our commercially reasonable estimate); and (5) all Equipment Charges for Equipment that we cannot cancel the order for or return without any cost or penalty.

iv. If you terminate pursuant to Sections 7(b)(ii)(1) or (2) we must pay you: (1) an amount equal to any prepaid Monthly Recurring Fees or Other Services Fees for Software or Services attributable to periods after the termination; (2) an amount equal to the Monthly Recurring Fees you paid us for the Software or Services during the 3 calendar months preceding termination; and (3) in the event of termination of Software or Services prior to the end of the Initial Term for such Software or Services, an amount equal to 1/12th of the Implementation Fees paid to us for such Software or Services for each full calendar month remaining in the Initial Term (up to a maximum of 6 months).

v. If we terminate pursuant to Section 7(b)(i)(6), we must pay to you an amount equal to 100% of the Implementation Fees for the Software or Services you paid to us prior to the termination.

vi. If you terminate pursuant to Section 7(b)(ii)(3), you (in addition to any other amounts payable under Section 7(c)) must also pay to us an amount equal to: (1) 100% of the Implementation Fees for Software or Services that would have been payable to us had the Implementation Services for such Software or Services been completed; (2) all Equipment Charges for Equipment that we cannot cancel the order for or return without any cost or penalty; and (3) 50% of the Monthly Recurring Fees you would have paid to us during the entire Initial Term.

vii. The amounts payable under Section 7(c) by us to you and by you to us are to compensate, in our case, us for the loss of revenue that will occur from an early termination or a termination without proper notice, and in your case, for the harm to you from a premature loss of the use of the Software and Services. The amounts do not constitute a penalty. We and you agree that the respective harm to you and us would be impossible or very difficult to accurately estimate, and that the amounts payable under Sections 7(c) are a reasonable estimate of the anticipated or actual harm to us and you in the event of an early termination or termination without proper notice. The payment of the amounts specified in Sections 7(c) are our and your sole remedy for an early termination or termination without proper notice, and the sole liability of you and us arising from an early termination or termination without proper notice and our loss of revenue from that termination and your premature loss of use of the Software and Services from an early termination. Notwithstanding the foregoing, subject to Section 11 (Limitations of Liability) and except for where this Agreement otherwise expressly provides for an exclusive remedy (including, without limitation, Section 9 (Warranties), Section 10 (Indemnification) and Section 3(e) (Availability) and Section 3(d) (Data Backup and Retention)), the parties may pursue such other equitable or legal remedies as may be available to them for breach of this Agreement, all of which are cumulative.

d. Transition Services. Upon the termination of this Agreement, provided that you are not in breach of this Agreement, we, upon your written request given not later than 30 days after giving notice of termination, will provide reasonable cooperation and assistance to you in transitioning the terminated Software or Services to an alternate service provider for a period not to exceed 90 days after termination. We will provide transition services on a purely "as is" basis without representation or warranty and we will bill you on an hourly basis at the NISC Hourly Rate then in effect for such services. You must pay all invoices for transition services upon receipt unless we require payment in advance. Scheduling of transition services will be dependent on our capacity. To the extent we cannot reasonably provide the transition services without requiring overtime or after hours work, we will bill for the services at 1.5 times the NISC Hourly Rate then in effect.

8. Intellectual Property Rights. We are licensing, not selling, the Software to you. You do not and will not have any ownership interest in the Software, or in any related Intellectual Property Rights. We (and our licensors with respect to Third Party Software) are and will remain the sole and exclusive owner of all right, title and interest in and to the Software and all Deliverables, including all Intellectual Property

Rights relating thereto. You unconditionally and irrevocably assign to us, your entire right, title and interest in and to any Intellectual Property Rights that you may now or hereafter have in or relating to the Software or Deliverables (including any rights in derivative works or patent improvements relating to either of them), whether held or acquired by operation of law, contract, assignment or otherwise. You must safeguard the Software (including all copies thereof) from infringement, misappropriation, theft, misuse or unauthorized access. You must not: (a) copy the Software (but you may make one copy of the Installed Software solely for testing, disaster recovery or archival purposes); (b) modify, adapt or otherwise prepare derivative works or improvements of any Software; (c) rent, lease, lend, sell, sublicense, assign, share, distribute, publish, transfer or otherwise make available, directly or indirectly, the Software to any Person or use the Software for the benefit of any other Person, except that to the extent the Software is designed for use by your members or customers, in which case you may make such Software available for their use subject to any applicable Additional T&Cs; (d) reverse engineer, disassemble, decompile, decode or adapt the Software, or otherwise attempt to derive or gain access to the source code of the Software; (e) use the Software in any manner that violates the rights of any Person or any Law; (f) use the Software for purposes of: (i) benchmarking or competitive analysis of the Software or (ii) developing, using or providing a competing software product or service; or (g) use the Software other than for the Permitted Use. As between you and us, you are and will remain the sole and exclusive owner of all right, title and interest in and to the Member Data including all Intellectual Property Rights relating thereto; provided, however that you grant to us a perpetual, non-exclusive and worldwide license to such Member Data to use Member Data to the extent necessary to perform our obligations under this Agreement and for our non-identifiable research, development and diagnostic purposes.

9. **Warranties**.

a. Software Limited Warranty. We warrant to you that during the Term the NISC Software will perform in substantial conformity with the Documentation the core functions described in the Documentation considered as a whole when operated and used by you as recommended in the Documentation and in accordance with this Agreement. The limited warranty does not apply to problems arising out of or relating to: (i) any operation or use of the Software other than as specified in the Documentation, including any incorporation in the Software of, or combination, operation or use of the Software in or with, any technology or service not specified for your use in the Documentation; (ii) your or any third party's negligence; (iii) the operation of, or access to, the Member Systems or a third party's system or network; or (iv) your breach of this Agreement. We have no obligations under the limited warranty if you fail to comply with your obligations under this Agreement. To the extent assignable, we will assign to you any manufacturer or supplier warranties for the Third Party Software which we receive.

b. Services Warranty. We warrant to you that: (i) we will perform the Services using personnel of required skill, experience and qualifications; (ii) we will perform the Services in a workmanlike manner and in a manner consistent with our performance of similar services to our other similarly situated Members; and (iii) the Services and any Deliverables will substantially conform to any applicable specifications set forth in the Ordering Documents or this Agreement. The limited warranty does not apply to problems arising out of or relating to your breach of this Agreement. We have no obligations under the limited warranty if you fail to comply with your obligations under this Agreement.

c. Equipment Warranty. We warrant to you that when delivered and for a period of 1 year thereafter, all Equipment recommended or specified by us is adequate to perform the functions for which we recommended or specified it; provided that you maintain and use the Equipment as recommended or specified and the Equipment operates and functions in accordance with the manufacturer specifications. You understand that you, at your cost, must upgrade or replace the Equipment from time to time or it will become obsolete or will no longer perform the necessary functions for which we recommended or specified it. To the extent assignable, we will assign to you any manufacturer or supplier warranties for the Equipment which we receive. We have no obligations under the limited warranty if you fail to comply with your obligations under this Agreement.

d. Sole Remedy. Your sole and exclusive remedy, and our entire liability, if we breach the software limited warranty set forth in Section 9(a), is that, at our option, we will within 60 days after you notify us in writing of the breach: (i) repair the NISC Software; (ii) replace the NISC Software with functionally equivalent software; or (iii) terminate this Agreement with respect to the NISC Software to which the breach of warranty applies and pay to you the amounts payable under Section 7(c)(iv) with respect to the terminated Software. If we fail to do any of the foregoing within the time prescribed, then your sole and exclusive remedy, and our entire liability, is for you to terminate this Agreement with respect to the NISC Software to which the breach of warranty applies and we will pay to you the amounts payable under Section 7(c)(iv) with respect to the terminated Software. Your sole and exclusive remedy, and our entire liability, if we breach the services limited warranty set forth in Section 9(b), is that, at our option, we will within 60 days after you notify us in writing of the breach: (i) correct any deficiencies in the Services; or (ii) terminate this Agreement with respect to the Services to which the breach of warranty applies and pay to you the amounts payable under Section 7(c)(iv) with respect to the terminated Services. If we fail to do any of the foregoing within the time prescribed, then your sole and exclusive remedy, and our entire liability, is for you to terminate this Agreement with respect to the Services to which the breach of warranty applies and we will pay to you the amounts payable under Section 7(c)(iv) with respect to the terminated Services. Your sole and exclusive remedy, and our entire liability, if we breach the equipment limited warranty set forth in Section 9(c), is that, at our option, we will within 60 days after you notify us in writing of the breach: (i) repair or replace the Equipment; or (ii) accept your return of the Equipment and refund to you the Equipment Charges you paid us for the Equipment.

e. DISCLAIMER OF WARRANTIES. EXCEPT FOR THE EXPRESS LIMITED WARRANTIES SET FORTH IN SECTIONS 9(a), (b) and (c), ALL SOFTWARE, PRODUCTS, INFORMATION, MATERIALS, EQUIPMENT AND SERVICES PROVIDED BY US ARE PROVIDED "AS IS." WE DISCLAIM ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHER (INCLUDING ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE), AND SPECIFICALLY DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT. THERE IS NO WARRANTY OR REPRESENTATION THAT THE OPERATION OF THE SOFTWARE, PRODUCTS, EQUIPMENT OR SERVICES WILL BE UNINTERRUPTED, FAULT TOLERANT, SECURE OR ERROR FREE.

10. Indemnification.

a. Indemnification by us. We will indemnify, defend and hold you harmless from and against any and all Losses you incur out of or relating to any Action by a third party (other than an Affiliate of you) to the extent that such Losses arise from any allegation in such Action that the NISC Software or Services, or your use of the NISC Software or Services in accordance with this Agreement, infringes any Intellectual Property Right of a third party arising under a Law of the United States. The foregoing obligation does not apply to the extent that such Action or Losses arise from any allegation of or relating to any: (i) Open-Source Components or Third Party Software; (ii) incorporation by the Software of, or combination, operation or use of the Software or Services in or with, any technology (including any software, hardware, firmware, system or network) or service not provided by us or specified for your use in the Documentation; (iii) modification of the Software other than: (1) by us; or (2) by you with our express written authorization and in strict accordance with our written directions and specifications; (iv) your failure to reasonably cooperate with us in the installation of any Maintenance Release, modification, update or replacement of the Software made available by us to you; (v) use of the Software or Services by or on behalf of you that is not permitted by this Agreement; or (vi) Action or Losses for which you are obligated to indemnify us pursuant to Section 10(b).

i. Mitigation. If the NISC Software or Services, or any part thereof, is, or in our opinion is likely to be, claimed to infringe, misappropriate or otherwise violate any third-party Intellectual Property Right, or if your use of the NISC Software or Services is enjoined or threatened to be enjoined, we may, at our option and sole cost and expense: (1) obtain the right for you to continue to use the NISC Software or Services substantially as contemplated by this Agreement; (2) modify or replace the NISC Software or Services, in whole or in part, to seek to make the NISC Software or Services non-infringing, while providing substantially equivalent features and functionality, and such modified or replacement software will constitute Software or Services under this Agreement; or (3) terminate this Agreement, in its entirety or with respect to the affected part or feature of the NISC Software or Services, effective immediately on written notice to you, in which event: (A) you will cease all use of the affected NISC Software or Services; and (B) we will pay to you the amounts payable under Section 7(c)(iv). If we fail to do any of the foregoing within 60 days after you notify us in writing of an Action to enjoin or threat to enjoin your use of the NISC Software or Services, then your sole and exclusive remedy, and our entire liability, is for you to terminate this Agreement with respect to the affected part or feature of the NISC Software or Services and we will pay to you the amounts payable under Section 7(c)(iv) with respect to the terminated NISC Software or Services.

ii. Sole Remedy. THIS SECTION 10(a) SETS FORTH YOUR SOLE REMEDIES AND OUR SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED OR ALLEGED CLAIMS THAT THIS AGREEMENT OR ANY SUBJECT MATTER HEREOF (INCLUDING THE SOFTWARE AND SERVICES AND/OR THE USE THEREOF) INFRINGES, MISAPPROPRIATES OR OTHERWISE VIOLATES ANY INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY.

b. Indemnification by you. You will indemnify, defend and hold us harmless from and against any and all Losses incurred by us in connection with any Action by a third party (other than an Affiliate of us) to the extent that such Losses arise out of or relate to any allegation: (i) of or relating to use of the Software, Services or Equipment by or on behalf of you that is outside the purpose, scope or manner of use authorized by this Agreement; or (ii) of or relating to any obligation you have to pay or report any Taxes, including those obligations identified in Section 6 (Taxes).

c. Indemnification Procedure. The Indemnitee must promptly notify the Indemnitor in writing of any Action for which the Indemnitee believes it is entitled to be indemnified. The Indemnitee must cooperate with the Indemnitor at the Indemnitor's sole cost and expense. The Indemnitor shall immediately take control of the defense and investigation of such Action and shall employ counsel reasonably acceptable to the Indemnitee to handle and defend the same, at the Indemnitor's sole cost and expense. The Indemnitee's failure to perform any obligations under this Section will not relieve the Indemnitor of its obligations under this Section except to the extent that the Indemnitor can demonstrate that it has been prejudiced as a result of such failure. The Indemnitee may participate in and observe the proceedings at its own cost and expense with counsel of its own choosing.

11. Limitations of Liability.

a. EXCLUSION OF DAMAGES. EXCEPT AS OTHERWISE PROVIDED IN SECTION 11(c), IN NO EVENT WILL EITHER WE OR YOU BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ITS SUBJECT MATTER UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE FOR ANY CONSEQUENTIAL, LOST PROFITS, INCIDENTAL, INDIRECT, EXEMPLARY, ENHANCED OR PUNITIVE DAMAGES, IN EACH CASE REGARDLESS OF WHETHER WE OR YOU WERE ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

b. CAP ON MONETARY LIABILITY. EXCEPT AS EXPRESSLY OTHERWISE PROVIDED IN SECTION 11(c), IN NO EVENT WILL OUR AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ITS SUBJECT MATTER, WHETHER ARISING UNDER OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR ANY OTHER LEGAL OR EQUITABLE THEORY, EXCEED: (i) WITH RESPECT TO ANY LIABILITY RELATED TO ANY SPECIFIC SOFTWARE, SERVICE OR EQUIPMENT, THE TOTAL OF THE CHARGES ACTUALLY PAID BY YOU TO US UNDER THIS AGREEMENT FOR SUCH SOFTWARE, SERVICE OR EQUIPMENT IN THE 12 CALENDAR MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM; AND (ii) WITH RESPECT TO ANY OTHER LIABILITY, THE TOTAL OF THE AGGREGATE CHARGES ACTUALLY PAID BY YOU TO US UNDER THIS AGREEMENT IN THE 12 CALENDAR MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THE FOREGOING LIMITATIONS APPLY EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

c. Exceptions. The exclusions and limitations in Section 11(a) and (b) do not apply to:

i. Losses arising out of or relating to a party's failure to comply with its obligations under Section 8 (Intellectual Property Rights), Section 14 (Data Security) or Section 15 (Use and Protection of Confidential Information); provided, however, that in cases of Losses to you that arise out of or relate to (1) our failure to comply with our obligations under Section 14 (Data Security) or (2) a release of Personal Information, a Security Breach or other similar incident for which we are liable, then the cap on our monetary liability set forth in Section 11(b) will apply but the amount of the cap will be an amount equal to the insurance proceeds actually payable (and subject to the applicable per claim and aggregate limits for claims by other Members) under the NISC Insurance Coverage for such Losses.

ii. Losses arising out of relating to our failure to comply with our obligations under Section 13 (Insurance);

iii. A party's indemnification obligations under Section 10 (Indemnification); provided, however, that Losses for which we are responsible for under our indemnification obligations under Section 10 (Indemnification) are subject to the cap on our monetary liability set forth in Section 11(b) but the amount of the cap (for which we are self-insuring) will be $5,000,000 in the aggregate (the "Indemnification Cap") for all Losses incurred by you and for all Losses incurred by other Members for which we are obligated to indemnify (for example, if prior to a Loss incurred by you for which we must indemnify you, we previously have paid amounts of indemnified Losses to other Members totaling $3,000,000, then the remaining $2,000,000 of the Indemnification Cap would be available for us to satisfy our indemnification obligations to you). As of the date of these NISC Master T&Cs we have not used any of the Indemnification Cap and the entire $5,000,000 of such Indemnification Cap is available for our indemnification obligations to our Members.

iv. A party's obligation to pay litigation costs and expenses in accordance with Section 20(l) (Litigation Costs and Expenses).

12. Your other Obligations. In addition to your other obligations under this Agreement, you will: (a) cooperate with us in all matters relating to the Software, Services and Equipment and provide such access to your facilities, data and personnel as we reasonably may request for purposes of furnishing the Software, Services or Equipment, including connectivity to the Member Systems to allow us remote access for purposes related to the Software, Services or Equipment; (b) respond promptly to our requests to provide direction, information, approvals, authorizations or decisions that are reasonably necessary for us to furnish the Software, Services or Equipment; (c) meet with and communicate with us as reasonably necessary for us to furnish the Software, Services or Equipment; (d) provide to us your materials or information as we may reasonably request to furnish the Software, Services or Equipment, including machine readable data and matching file descriptions in a format reasonably requested by us for all data files to be included in the conversion; (e) fulfill all of your obligations set forth in the Ordering Documents; (vi) comply with all conditions of membership in us and maintain your status as a Member; (f) comply with the minimum equipment specifications set forth in the Ordering Documents, as the same may be updated by us from time to time and, if applicable, the Additional T&Cs applicable to a virtualized environment; (g) except to the extent undertaken by us in providing Support Services or Other Services, be fully responsible for operating, maintaining and managing the Member Systems and you will set up, maintain and operate in good repair and in accordance with any applicable specifications all Member Systems on or through which you use or access Software or Services; and (h) comply with such guidance and instructions concerning the use of the Software, Services or Equipment or the operation of the Member Systems that we provide from time to time.

13. Insurance. A summary of our existing insurance coverage is available here (the "NISC Insurance Coverage"). During the Term, we will maintain policies of insurance covering substantially the same risks covered by the NISC Insurance Coverage with individual and aggregate limits not less than the limits of the NISC Insurance Coverage.

14. Data Security. We may have access to Personal Information in the course of providing the Software, Services or Equipment. We will comply with federal and state Laws applicable to our use and storage of Personal Information. We will use commercially reasonable efforts to prevent Security Breaches. We will maintain a commercially reasonable information security program and assess it periodically for new risks. Our information security program will include commercially reasonable administrative, physical and technical safeguards to prevent Security Breaches. If we have access to or will collect, access, use, store, process, dispose of or disclose credit, debit or other payment cardholder information, we will remain in compliance with the payment card industry data security requirements; provided, however, you also must remain in compliance with payment card industry requirements. You are responsible for knowing the payment card industry requirements applicable to you and for satisfying those requirements. Definitive guidance and advice on payment card industry standards is not included in the Services. To the extent we provide information to you on payment card industry standards, we do so only for general informational purposes and without any representation or warranty. We are not payment card industry consultants and you should consult with payment card industry experts as you deem appropriate. If we become aware of a Security Breach we may notify law enforcement or regulatory officials and we will notify you and others as required by applicable law. You are solely responsible for: (a) all Member Data, including its content and use; (b) all information, instructions and materials provided by or on behalf of you in connection with the Software, Services or Equipment; (c) the Member Systems; (d) the security and use of your access credentials; and (e) all access to and use (other than by us) of the Software or Services, with or without your knowledge or consent, directly or indirectly by or through the Member Systems, your access credentials or other access attributable in whole or in part to your failure to comply with your obligations under this Agreement. You must employ commercially reasonable physical, administrative and technical controls, screening and security procedures and other safeguards necessary to: (a) securely administer the distribution and use of access credentials and protect against any unauthorized access to or use of the Member Systems, the Hosted Software and Services, the NISC Hosted Systems or the Member Data; and (b) control the content and use of Member Data.

15. Use and Protection of Confidential Information. Recipient agrees not to disclose to anyone Confidential Information, except to those Affiliates and Representatives of Recipient who (a) have a need to know and to whom disclosure is necessary consistent with the purpose of this Agreement, and (b) who have joined in this Agreement or are otherwise bound by restrictions on use and disclosure at least as restrictive as this Agreement. Recipient shall be solely responsible for ensuring its own compliance with this Section. Recipient shall take precautions consistent with industry standards to protect Confidential Information, including, at a minimum, using the same degree of care to prevent the unauthorized access, use, dissemination, or publication of Confidential Information as Recipient uses to protect its own confidential information of a like nature. Recipient shall not use Confidential Information for any purpose other than the purpose of this Agreement, and specifically not for Recipient's own use beyond the purpose of this Agreement, or for the benefit of any third party. Recipient shall not alter, modify, disassemble, reverse engineer, or decompile any Confidential Information. We may include your name and/or other indicia in our lists of current or former Members in promotional and marketing materials. Subject to our obligation under Section 3(d), from time to time we may destroy your Confidential Information, Member Data or other of your information in our possession or control if we, in our reasonable discretion, determine we no longer need it to provide Software or Services. Notwithstanding anything in the Agreement to the contrary, you may not disclose any of our Confidential Information to a NISC Competitor without our prior consent, which we may give or withhold in our discretion.

16. **Changes to Terms and Conditions**. From time to time we may amend or replace these NISC Master T&Cs, the NISC Master Definitions or the Additional T&Cs or may adopt new Additional T&Cs that did not exist on the Effective Date (collectively, the "New or Amended T&Cs"). We will provide you notice of any New or Amended T&Cs by posting the New or Amended T&Cs on the NISC Terms and Conditions Site. That notice of the changes will be considered given when we post the notice on the NISC Terms and Conditions Site. The New or Amended T&Cs will be effective 2 months after we post them on the NISC Terms and Conditions Site. If you deliver a notice of termination to us pursuant to Section 7(b)(ii)(4) within 30 days after we post the New or Amended T&Cs on the NISC Community that specifies the reason for termination as your disagreement with the New or Amended T&Cs, then such New or Amended T&Cs will not apply to you during the 12 month termination period. Notwithstanding the foregoing, we may adopt New or Amended T&Cs immediately upon notice to you if required to comply with requirements from vendors of Third Party Software or by Law. In addition, if we develop new Software or Services we may adopt New or Amended T&Cs governing the new Software or Services that will become effective immediately upon your acceptance of the Ordering Documents for the new Software or Services.

17. **Changes to Software and Services.** We reserve the right in our discretion from time to time to make changes to the Software and Services that we feel are necessary or useful to: (a) maintain or enhance the their quality or their cost efficiency or performance; or (b) to comply with law or the rights of third-parties. We will apply changes uniformly to our similarly situated Members.

18. **Third Party Integration**. We currently provide and maintain integration points between our Software and a number of third party products. We solicit input from our Members on third party integration issues through several methods, including our Member advisory committees. Ultimately, we determine the maintenance of those integration points and the development of additional integration points in our discretion considering the needs of our Members generally and the costs and benefits of devoting resources to that process as opposed to the development and enhancement of our own products for the benefit of our Members. We do not and cannot make commitments that we will maintain or develop any specific third party integration points except as we may expressly agree to in the Ordering Documents.

19. **Calculation Accuracy**. We will initially configure the Software to make calculations (e.g., sales tax, payroll withholdings, rates, etc.) based on your specifications. We may monitor federal income tax rates from time to time and may provide information updates to you as a courtesy. We do not monitor state tax rates or other matters that may affect the accuracy of calculations after the initial configuration. All tax, rate and similar information we provide to you is provided on a purely "As Is" basis and your use of it is entirely at your risk. You are solely responsible for ensuring the appropriate tax, rate and similar information is being used to make calculations and to update the Software with the appropriate rates and information needed to ensure accurate calculations. You should test any changes and updates in a test environment to test for possible errors.

20. Miscellaneous.

a. Force Majeure. Neither we nor you will be liable to the other, or be deemed to have breached this Agreement, for any failure or delay in performance (except for any payment obligation), to the extent such failure or delay is caused by any Force Majeure Event. Either you or we may terminate this Agreement if a Force Majeure Event that materially impacts performance under this Agreement continues substantially uninterrupted for a period of 90 days or more. In the event of termination by you or us on account of a Force Majeure Event you will pay us the amounts set forth in Section 7(c)(ii).

b. Notices. Any notices or other communication under this Agreement must be in writing and will be treated as delivered (i) when received, if delivered by hand, (ii) on the date shown on the return receipt or courier or fax confirmation of delivery, if sent by a nationally recognized overnight courier, (iii) when transmitted, if sent by facsimile or email during addressee's normal business hours, (iv) on the next business day following transmission, if sent by facsimile or email after addressee's normal business hours, and (v) on the third day after the date mailed, if sent by certified or registered mail, return receipt requested, postage prepaid. Notices to you shall be sent to the notice address(es) provided in the Ordering Documents. Notices to us shall be sent to the following physical address with a copy to LegalNotices@nisc.coop:

National Information Solutions Cooperative, Inc.
Attn: General Counsel
One Innovation Circle
Lake Saint Louis, MO 63367

Notwithstanding the foregoing, to the extent this Agreement provides we may provide notice by posting on the NISC Terms and Conditions Site, such notice shall be deemed given and received when we make the post to the NISC Terms and Conditions Site. You agree to subscribe to and follow the NISC Terms and Conditions Site so that you receive notice of changes and additions posted to the NISC Terms and Conditions Site.

c. Interpretation. This Agreement is to be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

d. Entire Agreement. This Agreement (which includes these NISC Master T&Cs, the applicable Additional T&Cs, the applicable New or Additional T&Cs, the NISC Master Definitions and the Ordering Documents, all as the same may be amended), constitutes the sole and entire agreement of we and you with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the documents making up this Agreement, the following order of precedence governs: (i) first, all applicable Additional T&Cs, (ii) second, these NISC Master T&Cs, iii) third, the PO and LOAs, and (iv) fourth, the SOW.

e. Assignment. You may not assign or otherwise transfer any of your rights, or delegate or otherwise transfer any of your obligations or performance, under this Agreement without our prior written consent. We will not unreasonably delay or withhold consent. Any purported assignment, delegation or transfer in violation of this Section is void. This Agreement is binding on and inures to the benefit of you and us and our and your permitted successors and assigns.

f. No Third-party Beneficiaries. This Agreement is for the sole benefit of the you and us and our respective permitted successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer on any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

g. Amendment and Modification; Waiver. Except as set forth in Section 16 (Changes to Terms and Conditions), no amendment to this Agreement is effective unless it is in writing and signed by you and us. No waiver by either we or you of any of the provisions of the Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

h. Severability. If any provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. On such determination that any term or other provision is invalid, illegal or unenforceable, you and we shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

i. Survival. The provisions set forth in the following sections, and any other right, obligation or provision under this Agreement that, by its nature, should survive termination or expiration of this Agreement, will survive any expiration or termination of this Agreement: Section 2(b) (Open Source and Third Party Components), Section 6 (Taxes), Section 19, (Calculation Accuracy), Section 7(e) (Effect of Termination), Section 9 (Warranties), Section 10 (Indemnification), Section 11 (Limitations of Liability), Section 15 (Use and Protection of Confidential Information), and Section 20 (Miscellaneous).

j. Governing Law; Submission to Jurisdiction and Venue. This Agreement is governed by and construed in accordance with the internal laws of the State of Missouri without giving effect to any choice or conflict of law provision or rule that would require or permit the application of the laws of any jurisdiction other than those of the State of Missouri. If you commence an action against us arising out of or related to this Agreement or its subject matter, then we and you submit to the personal jurisdiction of the federal and state courts located in Missouri and the proper venue for such action is Missouri. If we commence an action against you arising out of or related to this Agreement or its subject matter, then we and you submit to the personal jurisdiction of the state and federal courts in your state of incorporation or organization and the proper venue for such action is such courts.

k. Waiver of Jury Trial. Each party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or its subject matter.

l. Litigation Costs and Expenses. In the event that any Action is instituted or commenced by either you or us against the other arising out of or related to this Agreement, the prevailing party shall be entitled to recover, in addition to any remedies to which the prevailing party may otherwise be entitled, the costs and expenses incurred by the prevailing party in conducting the Action, including actual and reasonable attorneys' fees, expert witnesses' fees and court costs.

m. Government Entities. We recognize that the Law applicable to government entities sometimes imposes restrictions not otherwise applicable to private entities. For example, the Law may limit the ability of a government entity to give a contractual indemnity. If you are a municipality or other government entity and if any of your obligations set forth in this Agreement would be unlawful under the Law applicable to you, then such obligation is automatically reformed to the extent necessary to render it lawful under the Law applicable to you while providing an obligation as close as possible to the original obligation set forth in this Agreement.

NISC Master Definitions

The following terms have the following meanings when used in any agreement or document referencing these NISC Master Definitions:

a. "Action" means any claim, suit, action or proceeding.

b. "Additional T&Cs" means at any time of determination with respect to a particular Software of Service, the document located here setting forth additional terms and conditions for such Software or Service in effect at such time.

c. "Affiliate" means, with respect to a Person, any legal entity that owns, is owned by, or is commonly owned with such Person. For purposes of this term, "own" means having more than 50% of the voting or non-voting equity rights or the right to direct the management or executive decision-making of the entity.

d. "Agreement" means, with respect to any Software, Services or Equipment at any time of determination, the NISC Master T&Cs, the Ordering Documents for such Software, Services and or Equipment, all Additional T&Cs applicable to such Software, Services and/or Equipment and the NISC Master Definitions, all as in effect at such time.

e. "Authenticate" means to sign or express assent by written or electronic means. In cases where the aggregate Charges and Costs to be paid to us are anticipated to be less than $25,000 email correspondence evidencing agreement by both you and us to the provision of Software or Services described in the correspondence is sufficient to Authenticate. In cases where the aggregate Charges and Costs to be paid to us are anticipated to be equal to or greater than $25,000 then the affixing of physical or electronic signatures of us and you is the only method sufficient to Authenticate.

f. "Backup Policy" means at any time of determination with respect to any Hosted Software and Services, our backup policy for such Hosted Software and Services in effect at such time. A current copy of each Backup Policy is available here.

g. "Charges" means all Monthly Recurring Fees, Implementation Fees, Third Party Fees, Other Service Fees, Equipment Charges, Costs and Travel Time and any other amounts payable by you to us under the Agreement.

h. "Confidential Information" means non-public information, know-how or trade secrets in any form that (i) are designated as being proprietary or confidential, or (ii) a reasonable person knows or reasonably should understand to be confidential, including but not limited to (1) non-public information regarding either your or our operations, affairs, businesses, financial information and pricing methodology, (2) the negotiated terms of the Agreement, (iii) in our case, the Software and Documentation, and (iv) in your case, Personal Information. The following types of information, however marked, are not

Confidential Information. Information that: (a) is or becomes publicly available without a breach of the Agreement, (b) was lawfully known to the receiver of the information without an obligation to keep it confidential, (c) is received from another source who can disclose it lawfully and without an obligation to keep it confidential, or (d) is independently developed without the use of Confidential Information. Our Confidential Information, includes, without limitation, our Software (including screenshots and the existence of embedded Third Party Software), pricing information, Documentation and the Agreement.

i. "Costs" means the actual out-of-pocket costs we incur in providing the Software and Services. Costs

j. "Custom Interfaces" means interfaces developed by us with third party solutions that we do not offer generally to our Members.

k. "Custom Programming" means programming performed by us in order to meet your unique needs, including but not limited to programming to meet non-standard business requirements, file fixes, data cleanup on any legacy applications, additional bill calculations, delinquent notices, cutoff notices, or any other Deliverables not otherwise generally available to our other similarly situated Members through standard Software.

l. "Deliverables" means all documents, work product and other materials that are delivered to you under the Agreement or prepared by or on behalf of us in the course of providing Services, including any items identified as such in the Ordering Documents.

m. "Discloser" means, as between you and us, the one providing Confidential Information to the other.

n. "Documentation" means any and all manuals, instructions and other documents and materials that we provide or make available to you in any form which describe the functionality, components, features or requirements of the Software or Services, including any aspect of installation, configuration, integration, operation, use, support or maintenance.

o. "Effective Date" means, with respect to any Software or Service the date on which the last one of you or us Authenticates the applicable Ordering Documents for such Software or Service.

p. "Equipment" means hardware and other equipment used in connection with the operation of Software.

q. "Equipment Charges" means the fees charged by us for any Equipment purchased by you from us.

r. "Fixed Service" means your additional services that are not metered or calculated and are billed as a fixed fee month to month.

s. “Force Majeure Event” means any circumstances beyond our or your, as applicable, reasonable control, including acts of God, flood, fire, earthquake or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades, national or regional emergency, strikes, labor stoppages or slowdowns or other industrial disturbances, passage of law or any action taken by a governmental or public authority, or national or regional shortage of adequate power or telecommunications or transportation.

t. “Go-Live Date” means, with respect to any Software or Service, the first date on which the Software or Service may be used by you to perform a business function.

u. “Hosted Software and Services” means NISC Software provided by us on an Application Service Provider (ASP) or cloud-based basis, including NISC Software provided on a software as a service basis.

v. “Implementation Fees” means the fees charged by us for Implementation Services.

w. “Implementation Services” means installation, conversion and training services provided by us to make the Go-Live Date occur.

x. “Indemnitee” means as between you and us the one seeking indemnification.

y. “Indemnitor” means as between you and us the one from whom the Indemnitee is seeking indemnification.

z. “Initial Term” is defined in the NISC Master T&Cs.

aa. “Insolvency Event” means with respect to a Person, such Person: (i) is dissolved or liquidated or takes any action for such purpose; (ii) becomes insolvent or is generally unable to pay its debts as they become due; (iii) becomes the subject of any voluntary or involuntary bankruptcy proceeding under any domestic or foreign bankruptcy or insolvency Law; (iv) makes or seeks to make a general assignment for the benefit of its creditors; or (v) applies for, or consents to, the appointment of a trustee, receiver or custodian for a substantial part of its property.

bb. “Installed Software” means the Software that is installed on the Member Systems.

cc. “Intellectual Property Rights” means any and all registered and unregistered rights granted, applied for or otherwise now or hereafter in existence under or related to any patent, copyright, trademark, trade secret, database protection or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world.

dd. “Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement or rule of any federal, state, local or foreign government or political subdivision, or any arbitrator, court or tribunal of competent jurisdiction.

ee. “<u>License</u>” means: (i) with respect to Installed Software, a limited, non-exclusive, non-sublicensable and non-transferable license to use such Installed Software; and (ii) with respect to Hosted Software and Services, a limited, non-exclusive, non-sublicensable and non-transferable right to use, access and receive such Hosted Software and Services.

ff. “<u>LOA</u>” or “<u>Letter of Authorization</u>” means any agreement or written or electronic communication Authenticated by you and us, other than a PO or SOW, for Software or Services. us

gg. “<u>Loss</u>” means any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the costs of enforcing any right to indemnification under the Agreement and the cost of pursuing any insurance providers.

hh. “<u>Maintenance Releases</u>” means any update, upgrade, release or other adaptation or modification of the NISC Software, including any updated Documentation, that we may provide to you from time to time during the Term, which may contain, among other things, error corrections, enhancements, improvements or other changes to the user interface, functionality, compatibility, capabilities, performance, efficiency or quality of the NISC Software. A New Product is not a Maintenance Release.

ii. “<u>Member</u>” means a Communications Member, Energy Member or Associate Member (each as defined in our bylaws).

jj. “<u>Member Data</u>” means information, data and other content, in any form or medium, that is collected, downloaded or otherwise received, directly or indirectly from you or that incorporates or is derived from the Processing of such information, data or content.

kk. “<u>Member Systems</u>” means your information technology infrastructure, including computers, software, hardware, databases, electronic systems (including database management systems) and networks, whether operated directly by you or through the use of third-party services.

ll. “<u>Monthly Recurring Fee</u>” means the monthly fee charged by us for the NISC Software and certain of the Services that is a flat fee or a variable or tiered pricing fee accounting for size, number of agreements or meters, number of bills, service type, concurrent user count or other metric. The Monthly Recurring Fee for any NISC Software or Service is for the license or use of or access to the NISC Software or the receipt of the Service, for Maintenance Releases and for Support Services.

mm. “<u>Multispeak Interfaces</u>” means interfaces with third party solutions developed by us using Multispeak specifications.

nn. “<u>New or Additional T&Cs</u>” is defined in the NISC Master T&Cs.

oo. “<u>New Product</u>” means any new product or significant and out of the ordinary enhancement of the NISC Software that NISC may from time to time introduce and market generally as a distinct licensed product, and which we may make available to you at an additional cost under a separate written agreement. We, in our discretion, determine what is a Maintenance Release and what is a New Product, but we will apply those determinations uniformly across our similarly situated Members.

pp. "NISC" means National Information Solutions Cooperative, Inc.

qq. "NISC Community" means our online platform that provides access to information about NISC's projects, products, services and people, provides online training opportunities related to our products and offerings, and connects our employees and Members, located at the following URL: [http://community.nisc.coop] or such alternate site we may designate to you.

rr. "NISC Competitor" means any Person that provides goods or services that are the same as or similar to the goods or services provided by us or any of our Affiliates.

ss. "NISC Hosted Systems" means the information technology infrastructure used by us or on our behalf in performing the Services or providing the Software, including all computer, software, hardware, databases, electronic systems (including database management systems) and networks, whether operated directly by us or through the use of third-party services.

tt. "NISC Hourly Rate" means our standard billing rate for services, as approved by our Board of Directors, in effect at the time we perform Services.

uu. "NISC Insurance Coverage" is defined in the NISC Master T&Cs.

vv. "NISC Master Definitions" means, at any time of determination, these NISC Master Definitions in effect at such time.

ww. "NISC Master T&Cs" means, at any time of determination, the NISC Master Software and Services Terms and Conditions in effect at such time.

xx. "NISC Software" means the NISC software (i) described in the applicable Ordering Documents or (ii) otherwise being used or accessed by you, together with any applicable Documentation, Maintenance Releases and Custom Programming.

yy. "NISC Standard Monthly Recurring Fee Amount" means at any time of determination for any Software or Service for which we charge a Monthly Recurring Fee, the standard flat fee or variable or tiered pricing fee accounting for size, number of agreements, meters or bills, service type, concurrent user count or other metric adopted by our Board of Directors for such Software or Service for similarly situated Members at such time.

zz. "NISC Standard Third Party Fee Amount" means at any time of determination for any Third Party Software the actual cost to us for such Third Party Software plus the NISC standard markup for such Third Party Software generally applicable to similarly situated Members at such time.

aaa. "NISC Support Standards" means, at any time of determination, our document setting forth our available channels for Support Services, prioritization and estimated response times in effect at such time. A copy of our current NISC Support Standards is available here.

bbb. "NISC Terms and Conditions Site" means the following URL: https://community.nisc.coop/community/member/member_resources/nisc-terms-conditions, or such alternate site as we may designate to you.

ccc. "NISC Travel Hourly Rate" means our standard billing rate for Travel Time, as approved by the NISC Board of Directors, in effect at as the time the travel occurs.

ddd. "Open-Source Components" means any Software component that is subject to any open-source copyright license agreement, including any GNU General Public License or GNU Library or Lesser Public License, or other obligation, restriction or license agreement that substantially conforms to the open source definition as prescribed by the open source initiative or otherwise may require disclosure or licensing to any third party of any source code with which such software component is used or compiled.

eee. "Open-Source Licenses" means the license pursuant to which NISC licenses the Open-Source Components.

fff. "Ordering Documents" means the Authenticated documents setting forth the Software, Services and Equipment to be provided by us to you, together with the estimated timeframe for delivery and implementation and the pricing information related to the Software, Services and Equipment to be delivered, including the SOW, PO and LOAs.

ggg. "Other Services" means any services we provide to you other than Support Services and Implementation Services.

hhh. "Other Services Fees" means the fees charged by us for any Other Services received by you.

iii. "Permitted Use" means use of the Software by you in the ordinary course of your internal business operations by your employees. Use of the Software by any independent contractor or other third party is not a Permitted Use without our express prior written consent, which we may give, withhold or condition in our discretion.

jjj. "Person" means any cooperative, individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

kkk. "Personal Information" means information provided to us by or at the direction of you, or to which access was provided to us by or at the direction of you, in the course of our performance under the Agreement that: (i) identifies or can be used to identify an individual (including, without limitation, names, signatures, addresses, telephone numbers, e-mail addresses and other unique identifiers); or (ii) can be used to authenticate an individual (including, without limitation, employee identification numbers, government-issued identification numbers, passwords or PINs, user identification and account access credentials or passwords, financial account numbers, credit report information, biometric, health, medical or medical insurance data, answers to security questions and other personal identifiers).

lll. "PO" or "Purchase Order" means our form of purchase order for Software or Services.

mmm. "Primary Service" means your service type that includes the largest number of agreements or meters.

nnn. "Processing" means to take any action or perform any operation or set of operations that we are capable of taking or performing on any data, information or other content, including to collect, receive, input, upload, download, record, reproduce, store, organize, compile, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate or make other derivative works or improvements, process, retrieve, output, consult, use, perform, display, disseminate, transmit, submit, post, transfer, disclose or otherwise provide or make available, or block, erase or destroy.

ooo. "Recipient" means, as between you and us, the one receiving Confidential Information from the other.

ppp. "Representatives" means, with respect to a Person, the employees, officers, directors, consultants, agents, independent contractors, service providers, sublicensees, subcontractors and legal advisors of that Person or its Affiliate.

qqq. "Scheduled Downtime" means scheduled downtime of the NISC Hosted Software and Services and/or the NISC Hosted Systems for maintenance, upgrades and repairs.

rrr. "Secondary Calculated Service" means your additional services that are metered or calculated

sss. "Security Breach" means (i) any act or omission that materially compromises either the security, confidentiality or integrity of Personal Information or the physical, technical, administrative or organizational safeguards put in place by us that relates to the protection of the security, confidentiality or integrity of Personal Information or (ii) a breach of the Agreement relating to such privacy practices. Without limiting the foregoing, a material compromise shall include unauthorized access to or disclosure or acquisition of Personal Information.

ttt. "Services" means the Support Services, Implementation Services, and Other Services.

uuu. "Software" means the NISC Software and the Third Party Software.

vvv. “SOW” or “Statement of Work” means our form of a statement of work covering the Software and Services we are providing to you.

www. “Standard Interfaces” means standards based interfaces with third party solutions that we offer to Members generally.

xxx. “Support Services” means advice and instruction from us on problems and usability issues with the NISC Software.

yyy. “Taxes” means all sales, service, use and excise taxes, and any other taxes, duties, assessments, levies and charges of any kind on any Charges (other than taxes on our income) or on your license, use, access or receipt of the Software or Services or your purchase of Equipment.

zzz. “Term” has the meaning ascribed to it in the NISC Master T&Cs.

aaaa. “Third Party Fees” means the fees and charges for the Third Party Software. Third Party Fees include any standard markup adopted by us from time to time applicable to similarly situated Members.

bbbb. “Third Party Software” means the third party software products described in the Ordering Documents or the Documentation that are either embedded in the NISC Software or provided by us for use in connection with the NISC Software.

cccc. “Travel Time” means any time we or our Representatives spend traveling to or from your physical location or any other place associated with our rendering of the Software and Services to you.

dddd. “we,” “us,” “our” and similar words mean NISC.

eeee. “you,” “your” and similar words mean the Member that is the counterparty to the Ordering Documents.

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

DATE: 5/17/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program By and Through MCE and a Resolution Requesting Membership in MCE

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

Community Choice Aggregation (CCA) is a program in which local governments can authorize public facilities, businesses and residents be given a choice for electricity generation provider. On May 15, 2017 the City Council held a duly noticed public hearing to consider adoption of an ordinance authorizing the implementation of a CCA program by and through MCE. In addition to adopting the ordinance, the MCE Joint Power Agreement requires the Pittsburg City Council to individually adopt a resolution requesting membership in MCE.

FISCAL IMPACT

There are no costs to Pittsburg to join MCE if Pittsburg completes required actions prior to June 30, 2017. There may be minor costs for staff time associated with the program's implementation and administration in Pittsburg.

RECOMMENDATION

City Council move to adopt the attached ordinance authorizing the implementation of a CCA program by and through MCE and the attached resolution requesting membership in MCE.

BACKGROUND

CCA programs, sometimes called Community Choice Energy programs, enable local governments and some special districts to procure and/or develop power on behalf of their public facilities, residents, and businesses. The existing utility continues to be responsible for transmitting and distributing electricity through the grid, maintaining infrastructure, billing customers, and customer services.

Joining a CCA program has both benefits and risks. Contra Costa County, in conjunction with Pittsburg and several other local cities, recently commissioned a technical study on CCA participation as well comparison of the benefits and risks of creating a new CCA program versus joining an existing one. The study predicted the County would likely benefit from CCA participation by lowering greenhouse gas emissions, offering the possibility of lower electricity rates and increased local job creation. The primary risk was the possibility that rates could increase. The study did not show overwhelming rewards to setting up a new program. After an initial review of the study results, the County Board of Supervisors established a preference for joining an existing CCA program, either MCE (originally Marin Clean Energy) or East Bay Community Energy (EBCE) - the program being set up by Alameda County.

On April 3, 2017 a Community Choice Energy Workshop was conducted for the Pittsburg City Council and interested members of the public. Presentations were made by Pittsburg staff, representatives of MCE and EBCE and comments were made by members of the public. City Council members heard the testimony regarding the potential benefits of CCA participation, including the opportunity to provide residents and businesses with a choice of energy suppliers. With the understanding that a County CCA program was not an option, City Council members instructed staff to come back with a recommendation on whether the City should join MCE or EBCE. After investigation and analysis, staff's assessment was that either provider could successfully deliver the expected benefits. However, the fact that MCE has been in operation for several years and had experience incorporating multiple new cities leads staff to recommend MCE as the preferred CCE provider for Pittsburg. A more detailed discussion of the main benefits and risks of joining MCE is below.

MCE BENEFITS:
Launched in 2010, MCE is a joint powers agency that contracts to provide electricity, operating a CCA program with the following elements:

- Consumer choice: Joining MCE provides residents and businesses with a choice regarding their energy provider and what type of energy they receive. MCE currently offers a default option of 50% renewable energy and an opt-up option of 100% renewable energy. California law gives ratepayers the option to opt-out of MCE and return to PG&E service if desired. They may also switch back to MCE later if desired. The costs to return to PG&E service after the introductory time are minimal at this time. There may also be unknown future costs for ratepayers switching to MCE at a later time.
- Greater access to energy efficiency and solar programs: Because PG&E still provides MCE customers with distribution services, MCE customers can still access PG&E energy efficiency and other programs. In addition, MCE offers its own energy efficiency programs specifically to its electricity customers. MCE offers a solar net energy metering program that is advantageous to solar customers.
- Competitive rates: Historically, MCE's rates have tended to be lower than PG&E's rates, resulting in cost savings for customers. Depending on a variety of factors, individuals may benefit from MCE's rate. However, rates are not guaranteed to be lower than PG&E's rates.
- Local control: MCE is governed by a Board of Directors made up of elected officials from each member jurisdiction. Pittsburg would have a vote on rate, policy, and program decisions where it has little influence now.
- Reduce greenhouse gas emissions: Joining a CCA can result in significant greenhouse gas reductions for Pittsburg.

- Support of community programs and projects: As a public agency, MCE allocates a portion of revenues to local projects and programs within its service area.

MCE RISKS:
The main risk is that MCE's rates will not be competitive with PG&E's rates due to regulatory, market, or other factors. Changes in a specific fee, the Power Charge Indifference Adjustment (PCIA), puts pressure on MCE rates and can result in the average MCE customer paying more than the average PG&E customer. The PCIA fee can be thought of as an exit fee paid to PG&E to shield its continuing rate payers from the costs incurred to supply customers it has lost. Over time, it is anticipated that this fee will be reduced as PG&E sheds the assets and contract costs associated with the PCIA. As stated above, MCE rates have usually been slightly lower than PG&E's rates. Rate fluctuations have resulted in one or the other being the lower cost alternative at any particular time but the rates are usually within one or two percent of each other. MCE offers alternatives with a higher level of renewable content.

Opting out or withdrawal from MCE
If the City of Pittsburg joins MCE's JPA and then no longer wants to participate, there are two options:

- Opting out the City's own accounts from MCE service, returning to PG&E electricity service. City residents and businesses could be encouraged to opt-out as well.
- Withdrawing from the JPA agreement, which could have significant financial impacts. MCE will have entered into long-term contracts worth millions of dollars for electricity to serve the Pittsburg and other areas. Pursuant to the terms of the JPA agreement, the City would continue to be liable for its pro-rata share of the value of some or all of the contracts that are entered into by the JPA during the time of the City's membership. Even if withdrawal occurs after joining MCE but before the community's enrollment, withdrawing from the JPA would still lead to some continuing liability.

SUBCOMMITTEE FINDINGS

Staff reviewed the analysis and recommendation with the Pittsburg Power Company subcommittee at its April 18, 2015 meeting. The subcommittee voted to support staff's recommendation.

STAFF ANALYSIS

The most compelling reason for Pittsburg to join MCE is that the program will provide a choice of energy suppliers to the City's businesses and residents where now there is just one supplier. There will be new options for electricity with a higher level of renewable content which may or may not be less expensive than the current situation. Constituents will have the opportunity to opt out of the program and stay with PG&E. Experience shows that the competition that comes with increased choice usually leads to more options and lower prices.

The Contra Costa county cities of El Cerrito, Lafayette, Richmond, San Pablo and Walnut Creek are members of MCE. In the last 45 days, Contra Costa County and the cities of Danville, Moraga, Concord and Antioch have taken actions to join MCE.

MCE MEMBERSHIP PROCESS:
The City needs to take the following steps to complete its MCE application by June 30, 2017 to join at no cost:

- Introduce at this meeting and adopt at a subsequent meeting the attached ordinance approving the terms of the MCE Joint Powers Agreement and authorizing its execution.
- Adoption of a resolution requesting membership in MCE.
- Approval of a Memorandum of Understanding (MOU) between MCE and Pittsburg. The MOU requires Pittsburg to provide a high level support for outreach and desk space for 2 MCE staff during the enrollment period and assignment of a primary staff contact to MCE.
- Complete PG&E forms authorizing MCE to review Pittsburg's electricity load data.

Upon completion of the application materials, MCE will then conduct a membership analysis and if no negative impacts to MCE's electric generation rates are found and reductions in greenhouse gas emissions are found, MCE's Board of Directors will likely accept Pittsburg's membership. The current, higher exit fee will be considered in the membership analysis; however, a higher bottom line for customers due only to the exit fee charge would not disqualify Pittsburg from membership. MCE only sets its electric generation rates and will look at Pittsburg's potential impact on those generation rates. The exit fee is not set or approved by MCE and applies to all CCE customers.

If accepted for membership, MCE will work with the City of Pittsburg to plan and conduct community outreach before the community is enrolled and service begins. California state law requires that four enrollment notices be sent to every electricity customer, and MCE provides a fifth. The notices describe how to opt-out and are sent both before and after enrollment. There is no opt-out fee if done before service starts or within 60 days of the start of MCE service. Customers opting-out after 60 days pay a one-time $5 fee (residential) or $25 (commercial) administrative fee. MCE also works with communities to present to community organizations and businesses; run advertisements; create webpages; and conduct outreach in other languages.

ATTACHMENTS: Ordinance
Resolution
MCE Joint Powers Agreement
MCE-Pittsburg Memorandum of Understanding

Report Prepared By: Peter Guadagni, Power Company Manager

BEFORE THE CITY COUNCILOF THE CITY OF PITTSBURG

In the Matter of:

A Resolution Requesting Membership in MCE and Authorizing the City Manager to Execute a Memorandum of Understanding With MCE	))))	RESOLUTION NO.17-

The Pittsburg City CouncilDOES RESOLVE as follows:

WHEREAS,the City of Pittsburg has been actively investigating options to provide residents and business with more electric service options with the intent of achieving greater local involvement over the provision of electric services and promoting competitive and renewable energy;and

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat.2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the “Act”),which authorizes any California city or county, whose governing body so elects, to combine the electricityload of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (“CCA”); and

WHEREAS, joining a CCA will offer Pittsburg customers choice in their power provider; and

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powersagency, and on December 19, 2008, Marin Clean Energy (MCE) was established as a joint powerauthority pursuant to a Joint Powers Agreement, as amended from time to time; and

WHEREAS, on February 2, 2010, the California Public Utilities Commission certified the“Implementation Plan” of MCE, confirming MCE’s compliance with the requirements of the Act; and

WHEREAS, staff recommends Pittsburg join MCE due to their experience operating a CCA and communicating program elements to customers; and

WHEREAS, in order to become a member of MCE, the MCE Joint Powers Agreement requires the City to individually adopt a resolution requesting membership in MCE and an ordinance electing toimplement a Community Choice Aggregation program within its jurisdiction; and

WHEREAS, in order to apply for MCE membership, MCE requires an executed Memorandum of Understanding (MOU) and a signed request for load data from PG&E.

NOW, THEREFORE, the City Councilfinds and determines as follows:

<u>Section 1.</u> The City Manager is hereby authorizedto sign the MOU with MCE.

<u>Section 2.</u> Pittsburg requests that the Board of Directors of MCE approve the city of Pittsburg as a member of MCE.

<u>Section 3.</u> The City Manager is hereby directed to forward a copy of this resolution, the executed MOU, and a completed request for load data to MCE.

<u>Section 4.</u> The City Manager is hereby authorized to take other actions as may be necessary to complete the application for membership in MCE.

<u>Section 5</u>. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburgat a regular meeting on the 5th day ofJune 2017, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

____
Marilyn Craft, Mayor

ATTEST:

____
Alice E. Evenson, Secretary

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Ordinance Authorizing the Implementation of a) Community Choice Aggregation Programand) Approving the MCE Joint Powers Agreement)	ORDINANCE NO. 17-1430

The City Council of the City of Pittsburg DOES ORDAIN as follows:

SECTION 1.Recitals

A. On September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002,ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), whichauthorizes any California city or county, whose governing body so elects, to combine the electricity loadof its residents and businesses in a community-wide electricity aggregation program known asCommunity Choice Aggregation.

B. The Act expressly authorizes participation in a Community Choice Aggregation(CCA) program through a joint powers agency, and on December 19, 2008, the Marin Clean Energy(now MCE) was established as a joint power authority pursuant to a Joint Powers Agreement, as amendedfrom time to time.

C. On February 2, 2010 the California Public Utilities Commission certified the"Implementation Plan" of the MCE, confirming the MCE's compliance with the requirements of the Act.

D. On April 3, 2017 the City Council conducted a workshop on Community Choice Energy (CCE) also called Community Choice Aggregation at the conclusion of which Council directed staff to research and recommend a CCA program.

E. On April 18, 2017, staff presented its recommendation of MCE as the preferred CCA program to the Pittsburg Power Company Subcommitee. After questions and review, the Subcommittee voted to support staff's recommendation.

F. In order to become a member of the MCE, the Act requires the City of Pittsburg to individually adopt an ordinance electing to implement a Community Choice Aggregation programwithin its jurisdiction by and through its participation in the MCE.

SECTION 2.Findings

Based on the City Council Staff Report entitled, "Introduce and Waive Further Reading of an Ordinance Authorizing the Implementation of a Community Choice Energy Program and Approving the MCE Joint Powers Agreement," the City Council finds that all recitals above are true and correct and are incorporated herein by reference.

SECTION 3. Decision.

The City Council elects to implement a Community Choice Aggregation program within the City of Pittsburg's jurisdiction by and through the City of Pittsburg's participation in the MCE. The Mayor is hereby authorized to execute the MCE Joint Powers Agreement.

SECTION 4. 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 thereof.

SECTION 5. Effective Date

This Ordinance shall take effect on the later of (a) the date the Board of Directors of MCE adopts a resolution adding the City of Pittsburg as a member of MCE, or (b) thirty (30) days after its adoption.

SECTION 6. Publication

The City Clerk shall either (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation or (b) have a summary of the ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again 20 days after its adoption.

The foregoing ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on May 15, 2017, and was adopted and ordered published at a meeting of the City Council held on June 5, 2017, by the following vote:

AYES:
NAYES:
ABSTAIN:
ABSENT:

____
Marilyn Craft, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

Marin Energy Authority
- Joint Powers Agreement -

Effective December 19, 2008
As amended by Amendment No. 1 dated December 3, 2009
As further amended by Amendment No. 2 dated March 4, 2010
As further amended by Amendment No. 3 dated May 6, 2010
As further amended by Amendment No. 4 dated December 1, 2011
As further amended by Amendment No. 5 dated July 5, 2012
As further amended by Amendment No. 6 dated September 5, 2013
As further amended by Amendment No. 7 dated December 5, 2013
As further amended by Amendment No. 8 dated September 4, 2014
As further amended by Amendment No. 9 dated December 4, 2014
As further amended by Amendment No. 10 dated April 21, 2016

Among The Following Parties:
City of American Canyon
City of Belvedere
City of Benicia
City of Calistoga
Town of Corte Madera
City of El Cerrito
Town of Fairfax
City of Lafayette
City of Larkspur
City of Mill Valley
City of Napa
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
City of St. Helena
Town of Tiburon
City of Walnut Creek
Town of Yountville
County of Marin
County of Napa

MARIN ENERGY AUTHORITY
JOINT POWERS AGREEMENT

This **Joint Powers Agreement** ("Agreement"), effective as of December 19, 2008, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit B ("Parties"). The term "Parties" shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.

2. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local government to develop programs to reduce greenhouse emissions.

3. The purposes for the Initial Participants (as such term is defined in Section 2.2 below) entering into this Agreement include addressing climate change by reducing energy related greenhouse gas emissions and securing energy supply and price stability, energy efficiencies and local economic benefits. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production.

4. The Parties desire to establish a separate public agency, known as the Marin Energy Authority ("Authority"), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

5. The Initial Participants have each adopted an ordinance electing to implement through the Authority Community Choice Aggregation, an electric service enterprise agency available to cities and counties pursuant to California Public Utilities Code Section 366.2 ("CCA Program"). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program. Regardless of whether or not Program Agreement 1 is approved and the CCA Program becomes operational, the parties intend for the Authority to continue to study, promote, develop, conduct, operate and manage other energy programs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1
CONTRACT DOCUMENTS

1.1 **Definitions**. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 **Documents Included**. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A:	Definitions
Exhibit B:	List of the Parties
Exhibit C:	Annual Energy Use
Exhibit D:	Voting Shares

1.3 **Revision of Exhibits**. The Parties agree that Exhibits B, C and D to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

ARTICLE 2
FORMATION OF MARIN ENERGY AUTHORITY

2.1 **Effective Date and Term**. This Agreement shall become effective and Marin Energy Authority shall exist as a separate public agency on the date this Agreement is executed by at least two Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(10). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 **Initial Participants**. During the first 180 days after the Effective Date, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(10) to the Authority. Additional conditions, described in Section 3.1, may apply (i) to either an incorporated municipality or county desiring to become a Party and is not an Initial Participant and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

2.3 **<u>Formation</u>**. There is formed as of the Effective Date a public agency named the Marin Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing board of each Party.

2.4 **<u>Purpose</u>**. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate as a group in the CCA Program, as further described in Section 5.1. The Parties intend that subsequent agreements shall define the terms and conditions associated with the actual implementation of the CCA Program and any other energy programs approved by the Authority.

2.5 **<u>Powers</u>**. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:

2.5.1 make and enter into contracts;
2.5.2 employ agents and employees, including but not limited to an Executive Director;
2.5.3 acquire, contract, manage, maintain, and operate any buildings, works or improvements;
2.5.4 acquire by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
2.5.5 lease any property;
2.5.6 sue and be sued in its own name;
2.5.7 incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Section 53850 et seq. and authority under the Act;
2.5.8 issue revenue bonds and other forms of indebtedness;
2.5.9 apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;

2.5.10 submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.5.11 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Rules and Regulations"); and

2.5.12 make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.6 **Limitation on Powers**. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the County of Marin.

2.7 **Compliance with Local Zoning and Building Laws**. Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed.

ARTICLE 3
AUTHORITY PARTICIPATION

3.1 **Addition of Parties**. Subject to Section 2.2, relating to certain rights of Initial Participants, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 4.9.1, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(10) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board. Notwithstanding the foregoing, in the event the Authority decides to not implement a CCA Program, the requirement that an additional party adopt the ordinance required by Public Utilities Code Section 366.2(c)(10) shall not apply. Under such circumstance, the Board resolution authorizing membership of an additional incorporated municipality or county shall be adopted in accordance with the voting requirements of Section 4.10.

3.2 **Continuing Participation**. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

ARTICLE 4
GOVERNANCE AND INTERNAL ORGANIZATION

4.1 **Board of Directors**. The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.

4.2 **Appointment and Removal of Directors**. The Directors shall be appointed and may be removed as follows:

4.2.1 The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the Director or the alternate Director shall be a member of the governing body of the Party.

4.2.2 The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.11, shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its Director and/or alternate Director has been removed may appoint a replacement.

4.3 **Terms of Office**. Each Director shall serve at the pleasure of the governing body of the Party that the Director represents, and may be removed as Director by such governing body at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director in accordance with the provisions of Section 4.2 within 90 days of the date that such position becomes vacant.

4.4 **Quorum**. A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.

4.5 **Powers and Function of the Board**. The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law.

4.6 **Executive Committee**. The Board may establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the executive committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain essential functions, as described in the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.11 to adopt and amend the Operating Rules and Regulations.

4.7 **Commissions, Boards and Committees**. The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement.

4.8 **Director Compensation**. Compensation for work performed by Directors on behalf of the Authority shall be borne by the Party that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

4.9 **Board Voting Related to the CCA Program**.

4.9.1. To be effective, on all matters specifically related to the CCA Program, a vote of the Board shall consist of the following: (1) a majority of all Directors shall vote in the affirmative or such higher voting percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage vote") and (2) the corresponding voting shares (as described in Section 4.9.2 and Exhibit D) of all such Directors voting in the affirmative shall exceed 50%, or such other higher voting shares percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage voting shares"), provided that, in instances in which such other higher voting share percentage would result in any one Director having a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter.

4.9.2. Unless otherwise stated herein, voting shares of the Directors shall be determined by combining the following: (1) an equal voting share for each Director determined in accordance with the formula detailed in Section 4.9.2.1, below; and (2) an additional voting share determined in accordance with the formula detailed in Section 4.9.2.2, below.

4.9.2.1 Pro Rata Voting Share. Each Director shall have an equal voting share as determined by the following formula: (1/total number of

Directors) multiplied by 50, and

4.9.2.2 Annual Energy Use Voting Share. Each Director shall have an additional voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 50, where (a) "Annual Energy Use" means, (i) with respect to the first 5 years following the Effective Date, the annual electricity usage, expressed in kilowatt hours ("kWhs"), within the Party's respective jurisdiction and (ii) with respect to the period after the fifth anniversary of the Effective Date, the annual electricity usage, expressed in kWhs, of accounts within a Party's respective jurisdiction that are served by the Authority and (b) "Total Annual Energy" means the sum of all Parties' Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year

4.9.2.3 The voting shares are set forth in Exhibit D. Exhibit D may be updated to reflect revised annual energy use amounts and any changes in the parties to the Agreement without amending the Agreement provided that the Board is provided a copy of the updated Exhibit D.

4.10 Board Voting on General Administrative Matters and Programs Not Involving CCA. Except as otherwise provided by this Agreement or the Operating Rules and Regulations, each member shall have one vote on general administrative matters, including but not limited to the adoption and amendment of the Operating Rules and Regulations, and energy programs not involving CCA. Action on these items shall be determined by a majority vote of the quorum present and voting on the item or such higher voting percentage expressly set forth in Sections 7.2 and 8.4.

4.11 Board Voting on CCA Programs Not Involving CCA That Require Financial Contributions. The approval of any program or other activity not involving CCA that requires financial contributions by individual Parties shall be approved only by a majority vote of the full membership of the Board subject to the right of any Party who votes against the program or activity to opt-out of such program or activity pursuant to this section. The Board shall provide at least 45 days prior written notice to each Party before it considers the program or activity for adoption at a Board meeting. Such notice shall be provided to the governing body and the chief administrative officer, city manager or town manager of each Party. The Board also shall provide written notice of such program or activity adoption to the above-described officials of each Party within 5 days after the Board adopts the program or activity. Any Party voting against the approval of a program or other activity of the Authority requiring financial contributions by individual Parties may elect to opt-out of participation in such program or activity by providing written notice of this election to the Board within 30 days after the program or activity is approved by the Board. Upon timely exercising its opt-out election, a Party shall not have any financial obligation or any liability whatsoever for the conduct or operation of such program or activity.

4.12 **Meetings and Special Meetings of the Board**. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.).

4.13 **Selection of Board Officers.**

4.13.1 **Chair and Vice Chair**. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or (b) the Party that he or she represents withdraws form the Authority pursuant to the provisions of this Agreement.

4.13.2 **Secretary**. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

4.13.3 **Treasurer and Auditor**. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depositary of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 6.

4.14 **Administrative Services Provider.** The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between the Authority and the appointed administrative services provider or providers that will be known as an Administrative Services Agreement. The Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

ARTICLE 5
IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 **Preliminary Implementation of the CCA Program.**

5.1.1 **Enabling Ordinance**. Except as otherwise provided by Section 3.1, prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(10) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

5.1.2 **Implementation Plan**. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.9.

5.1.3 **Effect of Vote On Required Implementation Action**. In the event that two or more Parties vote to approve Program Agreement 1 or any earlier action required for the implementation of the CCA Program ("Required Implementation Action"), but such vote is insufficient to approve the Required Implementation Action under Section 4.9, the following will occur:

5.1.3.1 The Parties voting against the Required Implementation Action shall no longer be a Party to this Agreement and this Agreement shall be terminated, without further notice, with respect to each of the Parties voting against the Required Implementation Action at the time this vote is final. The Board may take a provisional vote on a Required Implementation Action in order to initially determine the position of the Parties on the Required Implementation Action. A vote, specifically stated in the record of the Board meeting to be a provisional vote, shall not be considered a final vote with the consequences stated above. A Party who is terminated from this Agreement pursuant to this section shall be considered the same as a Party that voluntarily withdrew from the Agreement under Section 7.1.1.1.

5.1.3.2 After the termination of any Parties pursuant to Section 5.1.3.1, the remaining Parties to this Agreement shall be only the Parties who voted in favor of the Required Implementation Action.

5.1.4 **Termination of CCA Program**. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

5.2 **Authority Documents**. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 **Fiscal Year**. The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

6.2 **Depository**.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 **Budget and Recovery Costs**.

6.3.1 **Budget**. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.

6.3.2 **County Funding of Initial Costs**. The County of Marin shall fund the Initial Costs of the Authority in implementing the CCA Program in an amount not to exceed $500,000 unless a larger amount of funding is approved by the Board of Supervisors of the County**.** This funding shall be paid by the County at the times and in the amounts required by the Authority. In the event that the CCA Program becomes operational, these Initial Costs paid by the County of Marin shall be included in the customer charges for electric services as provided by Section 6.3.4 to the extent permitted by law, and the County of Marin shall be reimbursed from the payment of such charges by customers of the Authority. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of Marin shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

6.3.3 **CCA Program Costs**. The Parties desire that, to the extent reasonably practicable, all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric services under the CCA Program, including the establishment and maintenance of various reserve and performance funds, shall be recovered through charges to CCA customers receiving such electric services.

6.3.4 **General Costs**. Costs that are not directly or indirectly attributable to the provision of electric services under the CCA Program, as determined by the Board, shall be defined as general costs. General costs shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.

6.3.5 **Other Energy Program Costs**. Costs that are directly or indirectly attributable to energy programs approved by the Authority other than the CCA Program shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.

ARTICLE 7
WITHDRAWAL AND TERMINATION

7.1 **<u>Withdrawal</u>**.

7.1.1 **General.**

7.1.1.1 Prior to the Authority's execution of Program Agreement 1, any Party may withdraw its membership in the Authority by giving no less than 30 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. To permit consideration by the governing body of each Party, the Authority shall provide a copy of the proposed Program Agreement 1 to each Party at least 90 days prior to the consideration of such agreement by the Board.

7.1.1.2 Subsequent to the Authority's execution of Program Agreement 1, a Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party, and upon such other conditions as may be prescribed in Program Agreement 1.

7.1.2 Amendment. Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement in the manner provided by Section 8.4.

7.1.3 Continuing Liability; Further Assurances. A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 7.3. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Operating Rules and Regulations shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party.

7.2 **<u>Involuntary Termination of a Party</u>**. This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or the Authority Documents upon an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%, excluding the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or the Authority Documents that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its membership in the Authority terminated may be subject to certain continuing liabilities, as described in Section 7.3. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.

7.3 **<u>Continuing Liability; Refund</u>**. Upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any claims, demands, damages, or liabilities arising after the date of the Party's withdrawal or involuntary termination. In addition, such

Party also shall be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's liability for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party.

7.4 **Mutual Termination**. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.

7.5 **Disposition of Property upon Termination of Authority**. Upon termination of this Agreement as to all Parties, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.1 **Dispute Resolution**. The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Should such efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be settled by binding arbitration in accordance with policies and procedures established by the Board.

8.2 **Liability of Directors, Officers, and Employees**. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

8.3 **Indemnification of Parties.** The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties and the public. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

8.4 **Amendment of this Agreement**. This Agreement may be amended by an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%. The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date of such amendments. A Party shall be deemed to have withdrawn its membership in the Authority effective immediately upon the vote of the Board approving an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board. As described in Section 7.3, a Party that withdraws its membership in the Authority in accordance with the above-described procedure may be subject to continuing liabilities incurred prior to the Party's withdrawal. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.

8.5 **Assignment**. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 8.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

8.6 **Severability**. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 **Further Assurances**. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

8.8 **Execution by Counterparts**. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 **Parties to be Served Notice**. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: Leon Garcia

Name: Leon Garcia

Title: Mayor

Date: 4.7.16

Party: City of American Canyon

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________

Name: Thomas Cromwell

Title: Mayor

Date: December 8, 2008

Party: City of Belvedere

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ______________________

Name: Elizabeth Patterson

Title: Mayor

Date: 12·29·14

Party: City of Benicia

APPROVED AS TO FORM

CITY ATTORNEY

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ____________________

Name: Dylan Feik

Title: City Manager

Date: April 7, 2016

Party: City of Calistoga

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ____________________

Name: Mike Parness

Title: City Manager

Date: 4-11-16

Party: City of Napa

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________

Name: Alexandra Cock

Title: Mayor

Date: December 6, 2011

Party: Town of Corte Madera

ATTEST

____
Christine Green, Town Clerk

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________

Name: Charles F. McGlashan

Title: President, Bd of Supervisors

Date: November 18 2008

Party: County of Marin

ARTICLE 9

Marin Clean Energy JPA Agreement

SIGNATURE

Amendment No. 8

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: Mark Luce

Name: Mark Luce,

Title: Chairman, Napa County Board of Supervisors

Date: 7/22/14

Party: Napa County

Approved as to form:

____________ Date 7/21/14

Minh Tran,

County Counsel

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ______________________

Name: Scott Hanin

Title: City Manager

Date: 1/8/14

Party: City of El Cerrito

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: David Weinsoff

Name: David Weinsoff

Title: Mayor

Date: 2. 12. 09

Party: Town of Fairfax

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ______________________

Name: Mark Mitchell

Title: Mayor

Date: 3-14-16

Party: City of Lafayette

Attest:

____

Joanne Robbins, City Clerk

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________

Name: Larry Chu

Title: Mayor, Larkspur

Date: November 16, 2011

Party: CITY OF LARKSPUR

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: S. Marshall

Name: Shawn E. Marshall

Title: Mayor

Date: December 2, 2008

Party: City of Mill Valley

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Madeline R. Kellner

Name: Madeline R. Kellner

Title: Mayor

Date: October 7, 2011

Party: City of Novato

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority

By: Gayle McLaughlin

Name: Gayle McLaughlin

Title: Mayor

Date: 7/5/12

Party: City of Richmond

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________

Name: Carla Small

Title: Mayor

Date: 11/16/11

Party: Town of Ross

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________________

Name: ____Peter Breen__________________

Title: ____Mayor______________________

Date: ____January 9, 2009__________

Party: ____Town of San Anselmo_________

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ______________________

Name: Paul V. Morris

Title: Mayor, City of San Pablo

Date: SEPT. 16, 2014

Party: City of San Pablo

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Cyr N. Miller

Name: Cyr N. Miller

Title: Vice Mayor

Date: DECEMBER 1, 2008

Party: CITY OF SAN RAFAEL

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Amy Belser

Name: Amy Belser

Title: Mayor

Date: November 18, 2008

Party: City of Sausalito

Attest:

Debbie Pagliaro

Deputy City Clerk

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: Alan Galbraith

Name: Alan Galbraith

Title: Mayor

Date: 4/14/16

Party: City of St. Helena

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: [signature]

Name: ALICE FREDERICKS

Title: MAYOR

Date: 2/10/09

Party: TOWN OF TIBURON

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: Loella Haskew

Name: LOELLA HASKEW

Title: MAYOR

Date: 4/13/16

Party: City of Walnut Creek

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ____________________

Name: Steven R. Rogers

Title: Town Manager

Date: 4/12/16

Party: Town of Yountville

<u>Exhibit A</u>

To the
Joint Powers Agreement
Marin Energy Authority

-Definitions-

"AB 117" means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.

"Act" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq*.)

"Administrative Services Agreement" means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

"Agreement" means this Joint Powers Agreement.

"Annual Energy Use" has the meaning given in Section 4.9.2.2.

"Authority" means the Marin Energy Authority.

"Authority Document(s)" means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

"Board" means the Board of Directors of the Authority.

"CCA" or "Community Choice Aggregation" means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

"CCA Program" means the Authority's program relating to CCA that is principally described in Sections 2.4 and 5.1.

"Director" means a member of the Board of Directors representing a Party.

"Effective Date" means the date on which this Agreement shall become effective and the Marin Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

"Implementation Plan" means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the

California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of an Executive Director and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority's initial activities or in support of the negotiation, preparation and approval of one or more Administrative Services Provider Agreements and Program Agreement 1. Administrative and operational costs incurred after the approval of Program Agreement 1 shall not be considered Initial Costs.

"Initial Participants" means, for the purpose of this Agreement, the signatories to this JPA as of May 5, 2010 including City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon and County of Marin.

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.2 such that it is considered a member of the Authority.

"Party" means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.2 or 3.2 such that it is considered a member of the Authority.

"Program Agreement 1" means the agreement that the Authority will enter into with an energy service provider that will provide the electricity to be distributed to customers participating in the CCA Program.

"Total Annual Energy" has the meaning given in Section 4.9.2.2.

Exhibit B

To the
Joint Powers Agreement
Marin Energy Authority

-List of the Parties-

City of American Canyon
City of Belvedere
City of Benicia
City of Calistoga
Town of Corte Madera
City of El Cerrito
Town of Fairfax
City of Larkspur
City of Lafayette
City of Mill Valley
City of Napa
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
City of St. Helena
Town of Tiburon
City of Walnut Creek
Town of Yountville
County of Marin
County of Napa

EXHIBIT C

Marin Energy Authority

- Annual Energy Use -

This Exhibit C is effective as of January 1, 2017.

Party	kWh (2015*)
City of American Canyon	75,238,389
City of Belvedere	7,161,787
City of Benicia	112,631,790
City of Calistoga	26,619,985
Town of Corte Madera	46,023,153
City of El Cerrito	56,615,873
Town of Fairfax	17,786,905
City of Lafayette	113,958,395
City of Larkspur	36,481,157
City of Mill Valley	44,019,391
County of Marin	223,280,476
City of Napa	358,540,484
County of Napa	306,696,355
City of Novato	182,518,152
City of Richmond	369,368,162
Town of Ross	9,793,239
Town of San Anselmo	31,630,085
City of Saint Helena	51,846,619
City of San Pablo	69,813,169
City of San Rafael	226,213,075
City of Sausalito	31,778,338
Town of Tiburon	28,575,164
City of Walnut Creek	415,140,953
Town of Yountville	31,854,820
MCE Total Energy Use	**2,873,585,917**

*Data Provided by PG&E

Marin Clean Energy

- Voting Shares -

This Exhibit D is effective as of January 19, 2017.

Party	**kWh (2015*)**	**Section 4.9.2.1**	**Section 4.9.2.2**	**Voting Share**
City of American Canyon	75,238,389	2.08%	1.31%	***3.39%***
City of Belvedere	7,161,787	2.08%	0.12%	***2.21%***
City of Benicia	112,631,790	2.08%	1.96%	***4.04%***
City of Calistoga	26,619,985	2.08%	0.46%	***2.55%***
Town of Corte Madera	46,023,153	2.08%	0.80%	***2.88%***
City of El Cerrito	56,615,873	2.08%	0.99%	***3.07%***
Town of Fairfax	17,786,905	2.08%	0.31%	***2.39%***
City of Lafayette	113,958,395	2.08%	1.98%	***4.07%***
City of Larkspur	36,481,157	2.08%	0.63%	***2.72%***
City of Mill Valley	44,019,391	2.08%	0.77%	***2.85%***
County of Marin	223,280,476	2.08%	3.89%	***5.97%***
City of Napa	358,540,484	2.08%	6.24%	***8.32%***
County of Napa	306,696,355	2.08%	5.34%	***7.42%***
City of Novato	182,518,152	2.08%	3.18%	***5.26%***
City of Richmond	369,368,162	2.08%	6.43%	***8.51%***
Town of Ross	9,793,239	2.08%	0.17%	***2.25%***
Town of San Anselmo	31,630,085	2.08%	0.55%	***2.63%***
City of Saint Helena	51,846,619	2.08%	0.90%	***2.99%***
City of San Pablo	69,813,169	2.08%	1.21%	***3.30%***
City of San Rafael	226,213,075	2.08%	3.94%	***6.02%***
City of Sausalito	31,778,338	2.08%	0.55%	***2.64%***
Town of Tiburon	28,575,164	2.08%	0.50%	***2.58%***
City of Walnut Creek	415,140,953	2.08%	7.22%	***9.31%***
Town of Yountville	31,854,820	2.08%	0.55%	***2.64%***
MCE Total Energy Use	2,873,585,917	50.00%	50.00%	***100.00%***

*Data Provided by PG&E

Memorandum of Understanding between MCE andCity of Pittsburg ExploringInclusion inMCE

This Memorandum of Understanding (MOU), regarding MCE membership consideration is entered into by and between MCE and City of Pittsburg ("City").

WHEREAS, the City has expressed interest in exploring membership in MCE, and

WHEREAS, MCE has a Policy to consider new community inclusion, subject to receipt of a complete application and subject to MCE analysis and approval, and

WHEREAS, MCE and City are collaborating to determine the feasibility of includingPittsburg within MCE's Service area and approving theCity'sapplication for membership; and

WHEREAS, MCE and City have a mutual interest in following the guidelines below,

NOW THEREFORE, the parties hereto agree as follows:

1. City agrees to assign one staff member as primary point of contact with MCE. Assigned staff member will support and facilitate communication with other City staff and officials, as well as provide input and high-level assistance on community outreach.
2. City will work with MCE to conduct public outreach about the MCE program to aid in outreach and education and to collect feedback from the community. Options to publicize include, but are not limited to, website, social media, public events, community workshops, and newsletter announcements, as well as distribution of flyers and handouts provided by MCE.
3. City will complete and submit 'MCE Membership Application' to MCE.
4. After receipt of complete Membership Application MCE will conduct aquantitativeanalysis to determine feasiblyof adding City to the MCE Service Area, and approve membership if analysis results are positive.
5. Subject to membership approval by the MCE Board, City agrees to publicize and share information about MCE within its community during the 6 month enrollment period. Options to publicize include, but are not limited to, website, social media, public events, community workshops, and newsletter announcements (where feasible), as well as distribution of flyers and handouts provided by MCE at City offices.

6. Subject to membership approval by the MCE Board, Cityagrees to provide desk space for up to 2 MCE staff during the 6 month enrollment period, and agrees to consider ongoing desk space availability if needed for effective and efficient outreach.

IN WITNESS WHEREOF, the parties hereto have executed this MOU.

MCE:

By: ______________________________ ________________________
Dawn Weisz, CEO Date
MCE

City of Pittsburg:

By: ______________________________ ________________________
[REPRESENTATIVE NAME, TITLE] Date
[CITY/COUNTY NAME]

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

DATE: 5/16/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of an Ordinance Approving a Development Agreement for the Sky Ranch II Residential Subdivision

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

On May 15, 2017, the City Council held a duly noticed public hearing to consider approval of a development agreement for the previously approved 'Sky Ranch II Residential Subdivision,' located at the terminus of Ventura Drive, South of the Highlands Ranch Subdivision, in the RS-6-O (Single Family Residential with a Limited Overlay, Ordinance No. 07-1285) District. Assessor's Parcel Nos. 089-050-074, 089-470-078, 089-480-036, and 089-530-047.

FISCAL IMPACT

One-time revenues related to construction permits and other development fees and exactions (as outlined in the proposed development agreement) are anticipated with this project. The applicant would also be required to deposit a minimum of $5,000 on an annual basis to reimburse the City for staff time expended in the annual review of the development agreement terms.

RECOMMENDATION

City Council move to adopt Ordinance No.17-1431, approving the proposed development agreement for the previously approved Sky Ranch II Residential Subdivision.

BACKGROUND

On May 15, 2017, the City Council held a public hearing to consider the proposed development agreement. After close of the public hearing, the City Council moved to introduce waive further reading, and pass to second reading an ordinance adopting the development agreement for the Sky Ranch II Residential Subdivision, as presented.

SUBCOMMITTEE FINDINGS

Not applicable.

STAFF ANALYSIS

After introducing an ordinance, the City Council must approve the action by adopting the ordinance by a majority vote at a subsequent meeting. The ordinance becomes effective 30 days after the date of its adoption.

ATTACHMENTS: 1. Ordinance No.17-1431
2. Ordinance Exhibit A – 2nd EIR Addendum
3. Ordinance Exhibit B – Development Agreement with Exhibits

Report Prepared By: Kristin Pollot, AICP, Planning Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Ordinance Approving a Development Agreement for the Sky Ranch II Residential Subdivision	)))	ORDINANCE NO. 17-1431

The City Council of the City of Pittsburg DOES ORDAIN as follows:

SECTION 1. Recitals.

A. On July 23, 2004, Albert Seeno III, of Discovery Builders (the "applicant") filed Rezoning Application No. 02-21, requesting approval from the City Council to pre-zone 166.5 acres as RS (Single-Family Residential) District, and approve design review and vesting tentative map to subdivide the project site into 415 single-family residential lots with related infrastructure improvements. The project site is located at the terminus of Ventura Drive, south of the Highlands Ranch residential subdivision. Original APNs 089-050-074, and -066 (and portions of Highlands Ranch).

B. On May 8, 2007, the Planning Commission adopted Resolution No. 9711 approving Vesting Tentative Map No. 8475 to subdivide the project site into 415 single-family residential lots, one detention basin parcel, and one water reservoir parcel. Additionally, the Planning Commission adopted Resolution No. 9712 approving the design review for the project site and Resolution No. 971o recommending City Council approval of the proposed pre-zoning for the site.

C. On May 21, 2007, the City Council adopted Resolution No. 07 10789 certifying the Final Environmental Impact Report ("EIR") for the project, CEQA Findings, Statement of Overriding Considerations, and the Mitigation and Monitoring Program, all of which were prepared in accordance with CEQA and the State CEQA Guidelines.

D. On June 4, 2007, the City Council adopted Ordinance No. 07-1285 pre-zoning the project site to RS-6-O (Single-Family Residential, with an Overlay) District.

E. On February 19, 2008, the City Council adopted Resolution No. 08-10958 approving the 1st addendum to the EIR. The addendum analyzed changes to the project in order to allow for annexation into the Delta Diablo Sanitation District (DDSD) and the Contra Costa Water District (CCWD), and annexation of the 3.5-acre City water tank to the DDSD, CCWD, and the City.

F. On May 14, 2008, the Contra Costa County Local Agency Formation Commission ("LAFCO") approved the annexation of the project site to the City, CCWD, and DDSD, and the Certificate of Completion was recorded on June 25, 2008.

G. On February 15, 2017, Louis Parsons, on behalf of Sky Ranch Investors LLC, filed a formal application (AP-17-1226), requesting approval of a development agreement for the previously approved Sky Ranch II development project.

H. On April 25, 2017, after conducting a duly noticed public hearing, the Planning Commission adopted Resolution No. 10062, recommending City Council approval of the proposed development agreement.

I. The current proposed project is subject to the CEQA, and the State CEQA Guidelines (Public Resources Code section 21080).

J. Pursuant to 15162(a) of the State CEQA Guidelines, City staff has determined that adoption of the proposed development agreement would not 1) result in any new significant environmental impacts not previously disclosed in the 2006 EIR, 2) result in any substantial increase in the severity of previously identified impacts, or 3) otherwise require preparation of a subsequent EIR in accordance with CEQA Guidelines Section 15162(a). As such, preparation of a 2nd Addendum to the 2006 EIR, pursuant to CEQA Guidelines section 15164, is the appropriate method for achieving CEQA compliance for the current project.

K. Pursuant to City Council Resolution No. 96-8371, the City Council may adopt an ordinance approving a development agreement if it finds that:

   1. the development agreement is consistent with the General Plan and any applicable specific plan; and

   2. the development agreement will promote the public health, safety, and general welfare.

L. On Friday, May 5, 2017, in accordance with Government Code section 65091, and PMC section 18.14.020.C, a “Notice of Public Hearing,” for the May 15, 2017, public hearing on this item was delivered for posting at the Pittsburg Library; was posted at City Hall and at the project site; was posted on the public notices” page of the City’s website; and was mailed via first class or electronic mail to the applicant, to the property owner, to owners of property located within 300 feet of the proposed project site, to local service agencies whose services might be affected by this project, and to individuals who had previously filed written request for such notice.

B. On May 15, 2017, the City Council held a public hearing on AP-17-1226 (DA), at which time additional oral and/or written testimony was considered.

SECTION 2. <u>Findings.</u>

A. Based on the City Council Staff Report entitled, “Introduction and Waive First Reading of an Ordinance Adopting a Development Agreement for the Sky Ranch II Residential Subdivision,” dated May 15, 2017, and based on all the information contained in the Planning Division files on the project, incorporated herein by reference and available for review in the Planning Division located at 65 Civic Avenue in Pittsburg, and based on all written and oral testimony presented at the public hearing, the City Council finds that:

1. All recitals above are true and correct and are incorporated herein by reference.

2. The 2006 EIR for the Sky Ranch II residential development was prepared in compliance with Public Resources Code Section 21000 et seq ("CEQA") and the State CEQA Guidelines.

3. Pursuant to Section 15164 of the CEQA Guidelines, and based on the evidence and oral and written testimony presented at all previous public hearings, and based on all the information contained in the Planning Division's files (incorporated herein by reference) on the Sky Ranch II Residential Subdivision, including the EIR for the project, the Council finds that:

   a) the 2^{nd} EIR Addendum has been completed in compliance with CEQA;

   b) the 2^{nd} EIR Addendum reflects the lead agency's independent judgment and analysis;

   c) substantial evidence exists that none of the conditions described in CEQA Guidelines Section 15162, which call for the preparation of a subsequent EIR have occurred;

   d) the 2^{nd} EIR Addendum is appropriate, and authorized pursuant to Section 15164(a), since some changes or additions to the project description are necessary and none of the conditions described in Section 15162 calling for the preparation of a subsequent or supplemental EIR have occurred and the project revisions described in the 2^{nd} EIR Addendum do not involve any new significant environmental effects or a substantial increase in the severity of the previously identified significant effects, and the mitigation measures previously adopted remain in effect.

4. The development agreement is consistent with General Plan, specifically Housing Element Policy P-1.5, as the developer would be required to construct 42 income-restricted accessory dwelling units. These units would allow extended families to live near each other, increase the City's affordable housing stock, and provide opportunities for homeowners to generate additional income.

5. The proposed development agreement would also promote the public health, safety, and general welfare, in that it would require the developer to comply with additional measures above and beyond those required in the current conditions of project approval, including (but not limited to): 1) installation of two city operated surveillance cameras at two intersections in the area (to be identified by the City); 2) installation of basic home security wiring in each dwelling unit with one year of free professional home security monitoring services to new homeowners (offered as an option to new home owners);

and 3) annexation into a new CFD intended to fund fire safety improvements and/or services provided by the Contra Costa County Fire Protection District.

SECTION 3. CEQA.

The Council hereby adopts the attached "2nd EIR Addendum" for the Sky Ranch II Residential Subdivision Development Agreement, identified as Exhibit "A" to this ordinance.

SECTION 4. Development Agreement.

Based on the findings and the authority set forth above, the City Council hereby approves the Development Agreement identified as Exhibit "B" to this ordinance and incorporated herein by reference.

SECTION 5. Publication.

The City Clerk shall either (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation or (b) have a summary of the ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again 20 days after its adoption.

The foregoing ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on May 15, 2017, and was adopted and ordered published at a meeting of the City Council held on June 6, 2017, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Marilyn Craft, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

CITY OF PITTSBURG
SKY RANCH II RESIDENTIAL SUBDIVISION

SECOND ADDENDUM TO THE ENVIORNMENTAL IMPACT REPORT (EIR)
SCH #2004112092

SECTION 1: INTRODUCTION AND PROJECT DESCRIPTION

Introduction

On July 23, 2004, Albert Seeno III, of Discovery Builders (the "applicant") filed Rezoning Application No. 02-21, requesting approval from the City Council to pre-zone 166.5 acres as RS (Single-Family Residential) District, and approve design review and a vesting tentative map to subdivide the project site into 415 single-family residential lots with related infrastructure improvements. The project site is located at the terminus of Ventura Drive, south of the Highlands Ranch residential subdivision; APNs 089-050-074, and -066 (and portions of Highlands Ranch).

On May 8, 2007, the Planning Commission adopted Resolution No. 9711 approving Vesting Tentative Map No. 8475 to subdivide the project site into 415 single-family residential lots, one detention basin parcel, and one water reservoir parcel. Additionally, the Planning Commission adopted Resolution No. 9712 approving the design review for the project site. On May 21, 2007, the City Council adopted Resolution No. 07-10789 certifying the Final Environmental Impact Report ("FEIR") for the project, CEQA Findings, Statement of Overriding Considerations, and the Mitigation and Monitoring Program, all of which were prepared in accordance with CEQA and the State CEQA Guidelines. On June 4, 2007, the City Council adopted Ordinance No. 07-1285 pre-zoning the project site to RS-6-O (Single-Family Residential, with an Overlay) District.

On February 19, 2008, the City Council adopted Resolution No. 08-10958 approving the first addendum to the FEIR. The addendum analyzed changes to the project in order to allow for annexation into the Delta Diablo Sanitation District (DDSD) and the Contra Costa Water District (CCWD), and annexation of the 3.5-acre City water tank to the DDSD, CCWD, and the City. On May 14, 2008, the Contra Costa County Local Agency Formation Commission ("LAFCO") approved the annexation of the project site to the City, CCWD, and DDSD. The Certificate of Completion was recorded on June 25, 2008.

The City has now prepared a Development Agreement for the project. The Development Agreement was not included as a part of the project description in the previous 2006 EIR or 2008 Addendum. Therefore, the Development Agreement represents a minor modification to the Sky Ranch II project description.

This document is a Second Addendum to the EIR for the Sky Ranch II Residential Subdivision, intended to analyze the change in the project description to include the Development Agreement and associated terms of the development on the project site. The 2006 EIR and 2008 Addendum are incorporated by reference.

Project Description

The Legislature of the State of California enacted California Government Code section 65864 et seq., which authorizes a City to enter into an agreement with any person having a legal or equitable interest in real property, regarding the development of such property. This Development Agreement would require conditions of approval and other exactions for the project that are hereby incorporated into the project. These conditions generally include:

1. Developer's construction of drainage improvements that will serve the project;

2. Developer's construction and/or contribution to the water infrastructure improvements required by the City's 2016 Water Master Plan;

3. Developer's commitment to comply with affordable housing requirements outlined in PMC section 18.86.080 and VTM Condition of Approval No. 12, by building forty-two (42) rental accessory (in law) units;

4. The inclusion of the project site into the City's existing Community Facilities District 2007-1 and the Citywide Lighting and Landscape District No. 88-01, at no cost to the City, in order to provide funding for certain landscape and lighting costs;

5. The dedication and development of an approximately 1.36 acre park on the property;

6. The inclusion of the project site into the City's existing police services Community Facilities District 2005-1, at no cost to the City, in order to provide for police and other emergency services to the project site;

7. The inclusion of the project site into a community facilities district formed by the City to help fund specified improvements and/or services to the Contra Costa Fire Protection District;

8. The expansion of City's existing Southwest Pittsburg Geologic Hazard Abatement District (the "**Southwest Pittsburg GHAD**"), or the establishment of a new GHAD, at no cost to City or any GHAD, to provide for, among other things, geologic hazard abatement, maintenance of detention basins, grassland maintenance, fire protection, erosion control within portions of the project site;

9. Developer's construction of two (2) lanes of the four (4) lane James Donlon Expressway within the limits of the project site; and

10. Developer's agreement to pay One Hundred Twenty Five Dollars ($125) per building permit for a General Plan Maintenance Fee.

SECTION 2: PRIOR CEQA ANALYSIS

The 2006 certified EIR analyzed the impacts of developing 415 single-family residential lots with related infrastructure improvements. The improvements included roadways and sidewalks, utility infrastructure, a 4.03-acre detention basin, construction of the James Donlon Boulevard Expressway (previously known as the 'Buchanan Bypass') within the limits of the project site, construction of water reservoirs per the City's water master plan, relocation of a petroleum pipeline, and construction of sound walls. The project also included pre-zoning of the site to an RS-6-O District, annexation to the City of Pittsburg, a vesting tentative map, and design review.

The 2008 Addendum EIR analyzed the impacts of annexation into the DDSD and the CCWD, and annexation of the 3.5-acre City water tank to the DDSD, CCWD, and the City.

SECTION 3: CURRENT CEQA ANALYSIS AND DETERMINATION THAT AN ADDENDUM IS APPROPRIATE FOR THE PROJECT

The City has determined that a second Addendum to the EIR is the appropriate CEQA review for the current project. Prior to making this determination, the City reviewed the EIR under CEQA Guidelines Section 15162, which identifies the conditions requiring subsequent environmental review. After review of these conditions, the City determined that no subsequent EIR is required for the project as further discussed below.

a) *Are there substantial changes to the project involving new or more severe significant impacts?*

The construction of stormwater drainage facilities, including grading, on-site collection and detention systems, headwalls, and diversion pipelines was analyzed in the 2006 EIR. Additionally, the construction of water infrastructure improvements, including pipelines and water reservoir was analyzed in the 2006 EIR. These elements of the project would not create new or more severe impacts than what was analyzed in the 2006 EIR.

Actions to include the project site into the following districts were not analyzed in the 2006 EIR: inclusion of the project site into the City's existing Community Facilities District 2007-1, Citywide Lighting and Landscape District No. 88-01, Police Services Community Facilities District 2005-1, community facilities district formed by the City to help fund specified improvements and/or services to the Contra Costa Fire Protection District, community facilities district formed by the City to help fund the maintenance of C.3 facilities, and expansion of the City's existing Southwest Pittsburg GHAD or the establishment of a new GHAD.

However, impacts to lighting, police and fire services, stormwater runoff, traffic, and geologic hazards were analyzed in the 2006 EIR and, where required, mitigation measures were included. Inclusion in the above listed districts would serve to provide the funding mechanism for lighting and landscaping improvements, expanded police and fire services, maintenance of C.3 stormwater facilities, payments of local and regional traffic impact fees, and maintenance of detention basins, grassland maintenance, fire protection, erosion control within portions of the project site. Therefore, these elements of the project would serve the project, would implement the 2006 EIR mitigation measures, and would not create new or more severe impacts.

The 2006 EIR analyzed impacts on parklands and concluded that an on-site mini park and an additional 5.89 acres of parkland or in-lieu fees were required. The 2006 EIR found that impacts to parkland would be significant and unavoidable. The dedication and development of an approximately 1.36 acre mini-park on the project site and payment of in-lieu fees for the remaining parkland dedication requirement would serve as partial mitigation for this impact. Although it would not fully mitigate the impact, it would not create new or more severe impacts than analyzed in the 2006 EIR.

The 2006 EIR analyzed impacts on traffic and required construction of roadway improvements. The construction of two (2) lanes of the four (4) lane James Donlon Expressway within the limits of the project site, would not create new or more severe impacts and would be in accordance with VTM Condition of Approval No. 59 and would implement Mitigation Measure H7 of the 2006 EIR.

The construction of 42 rental accessory (in law) dwelling units was not specifically included in the 2006 EIR. However, construction of housing units and all improvements necessary for housing was analyzed. The 2006 EIR found that the increase in population created by the project would be within the Association of Bay Area Governments ("ABAG") projections and the increase in City population would not be significant. Construction of 42 rental accessory dwelling units would likely increase the population as compared to the project, which analyzed single-family uses. However, this increase would not be substantial and construction of this housing, which would comply with PMC section 18.86.080 and VTM Condition of Approval No. 12, would not create new or more severe impacts than analyzed in the 2006 EIR.

b) *Are there substantial changes in the conditions in which the project would be undertaken involving new or more significant impacts?*

There are no substantial changes in the conditions from what was analyzed the 2006 EIR. The land has remained vacant and the only changes that have occurred to date include annexation of the project site, plus the 3.5-acre City water tank parcel, into the City, DDSD and the CCWD. These changes do not represent a substantial change to the conditions under which the project would be undertaken and would not result in new or more significant impacts.

c) *Is there new information of substantial importance, which was not known and could not have been know at the time of the previous EIR, that shows the project would have a significant effect not addressed in the previous EIR; or that previous effects would be more severe; or, previously infeasible mitigation measures are now feasible but the applicant has declined to adopt them; or, mitigation measures considerably different from those in the previous EIR would substantially reduce significant effects but the applicant declines to adopt them?*

There is no new information of substantial importance, including a change in baseline conditions that would show that the project as analyzed in this Addendum would have a significant effect on the environment. As described above in Section 3.a, the construction of stormwater drainage facilities, water infrastructure improvements, inclusion in districts to fund improvements and services, dedication of parkland, construction of roadway improvements, and construction of 42 rental accessory dwellings would not result in effects more severe than identified in the 2006 EIR. There are no mitigation measures considerably different from those in the previous EIR that could be adopted to reduce impacts.

SECTION 4: ANALYSIS/CONCLUSIONS

This second Addendum to the 2006 Sky Ranch II Draft and Final EIR is adopted pursuant to CEQA Guidelines Section 15164, which states that a lead agency may prepare an Addendum to an EIR when some changes or additions are necessary, but none of the conditions described in Section 15162 have occurred.

The Development Agreement was not included as a part of the project description in the previous 2006 EIR or 2008 Addendum. Therefore, the Development Agreement represents a minor modification to the Sky Ranch II project description. The information and analysis provided in this Addendum demonstrates that substantial evidence supports the City's determination not to prepare a subsequent or supplemental EIR.

Approval of the Development Agreement would not have any significant environmental impacts not previously disclosed in the 2006 Sky Ranch II Draft and Final EIR, nor would there be any substantial increase in the severity of previously identified impacts. As provided in CEQA Guidelines Section 15164 (b), this Addendum need not be circulated for public review, but shall be considered before the City of Pittsburg City Council prior to making a decision on the Development Agreement's adoption. The 2006 Sky Ranch II Draft and Final EIR, 2008 Addendum, and other materials are on file and available for review during normal business hours at Pittsburg City Hall, Planning Division, 65 Civic Avenue, Pittsburg, CA 94565.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Skyranch Land Investors, LLC
Attn: Legal Dept.
4021 Port Chicago Hwy.
Concord, CA 94520

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

(SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY)

DEVELOPMENT AGREEMENT BETWEEN THE CITY OF PITTSBURG, CALIFORNIA AND SKYRANCH LAND INVESTORS, LLC (Skyranch II Property)

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is entered into as of the Effective Date between SKYRANCH LAND INVESTORS, LLC, a California limited liability company ("**Developer**"), and the CITY OF PITTSBURG, a California municipal corporation ("**City**"), pursuant to California Government Code § 65864 *et seq*. The Effective Date is _____________, 2016.

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted California Government Code § 65864 *et seq*., which authorizes City to enter into an agreement with any person having a legal or equitable interest in real property regarding the development of such property.

B. Pursuant to California Government Code § 65865, City has adopted procedures and requirements for the consideration of development agreements (Resolution No. 89-7466). This Development Agreement has been processed, considered and executed in accordance with such procedures and requirements.

C. Developer has a legal interest in certain real property consisting of approximately one hundred sixty-six (166) acres, as more particularly described in the attached ***Exhibit A***attached hereto (the "**Property**" or "**Project**"), and as diagrammed in the attached ***Exhibit A-1*** (the "**Project Site**").

D. Developer filed applications with the City requesting to (i) rezone the Property; (ii) obtain design review approval; and (iii) obtain a vesting tentative map to subdivide the Project Site into four hundred fifteen (415) single-family residential lots with related infrastructure improvements. On May 21, 2006, the City Council adopted Resolution No. 07-10789 certifying the final environmental impact report ("**FEIR**") for the Project, CEQA Findings, Statement of Overriding Considerations, and Mitigation and Monitoring Program, all of which were prepared in accordance with CEQA and the State CEQA Guidelines. On February 19, 2008,the City Council adopted Resolution No. 08-10958 approving an addendum to the FEIR.

E. On May 8, 2007, the City Council adopted Ordinance No. 9710 prezoning the Property to RS-6-0 (single-family with an overlay district).

F. On May 8, 2007, the Planning Commission adopted Resolution No. 9711approving Vesting Tentative Map No. 8475 to subdivide the Property into four hundred fifteen (415) single-family residential lots, one (1) detention basin parcel, and one (1) water reservoir parcel.

G. On May 8, 2007, the Planning Commission adopted Resolution No. 9712approving the design review for the Property.

H. On May 14, 2008, the Contra Costa County Local Agency Formation Commission ("**LAFCO**") approved the annexation of the Property to the City, Contra

Costa Water District ("**CCWD**"), and the Delta Diablo Sanitation District ("**Delta Diablo**"). The Certificate of Completion was recorded on June 25, 2008.

The approvals and development policies described in these Recitals, together with this Agreement, are collectively referred to herein as the "**Project Approvals**."

I. City has determined that the Project presents certain public benefits and opportunities which are advanced by City and Developer entering into this Agreement. This Agreement will, among other things, require conditions of approval and other exactions resulting in:

1. Developer's construction of drainage improvements that will serve the Project, as set forth in Section 3.01 of this Agreement;

2. Developer's construction of the Water Infrastructure Improvements required by the City's 2016 Water Master Plan, as set forth in Section 3.03 of this Agreement;

3. Developer's commitment that it will comply with PMC §18.86.080 and VTM Condition of Approval No. 12 by building forty-two (42) rental accessory dwelling units, as set forth in Section 3.10 of this Agreement;

4. The inclusion of the Project Site into the City's existing Community Facilities District 2007-1 and the Citywide Lighting and Landscape District No. 88-01, at no cost to the City, in order to provide funding for certain landscape and lighting costs, as set forth in Section 5.05 of this Agreement;

5. The development of an approximately 1.36 acre park on the Property, as set forth in Section 3.14 of this Agreement;

6. The inclusion of the Project Site into the City's existing police services Community Facilities District 2005-1, at no cost to the City, in order to provide for police and other emergency services to the Project Site, as set forth in Section 5.07 of this Agreement;

7. The inclusion of the Project Site into a community facilities district formed by the City to help fund specified improvements and/or services to the Contra Costa Fire Protection District, as set forth in Section 5.08 of this Agreement;

8. The expansion of City's existing Southwest Pittsburg Geologic Hazard Abatement District (the "**Southwest Pittsburg GHAD**") or the establishment of a new GHAD, at no cost to City or any GHAD, to provide for, among other things, geologic hazard abatement, maintenance of detention basins, grassland maintenance, fire protection, erosion control within portions of the Project Site, as set forth Section 5.06 of this Agreement;

9. Developer's construction of two (2) lanes of the four (4) lane James Donlon Expressway within the limits of the Project Site, as more particularly described in Section 3.13 of this Agreement; and

10. Developer's agreement to pay One Hundred Twenty Five Dollars ($125) per building permit for a General Plan Maintenance Fee, as set forth in Section 5.09 of this Agreement.

J. In exchange for the benefits to City described in the preceding Recital I, Developer will receive by this Agreement assurances that Developer may proceed with the long term phased development of the Project in accordance with the "Applicable Law" (defined herein), and therefore desires to enter into this Agreement.

K. The City Council, after conducting a duly noticed public hearing, has found that this Agreement is consistent with the General Plan and has conducted all necessary proceedings in accordance with the City's rules and regulations for the approval of this Agreement.

L. The City Council, on ___________, 20___, at a duly noticed public hearing adopted Ordinance No. _____, approving and authorizing the execution of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and obligations set forth herein, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

ARTICLE I
DEFINITIONS

"**Administrative Agreement Amendment**" shall have that meaning set forth in Section 7.02(a) of this Agreement.

"**Administrative Project Amendment**" shall have that meaning set forth in Section 7.01(a) of this Agreement.

"Affordable Housing Agreement" shall have that meaning set forth in Section 3.10 of this Agreement.

"**Agreement**" shall mean this Development Agreement.

"**Applicable Fees**" shall have that meaning set forth in Section 3.05 of this Agreement.

"**Applicable Law**" shall have that meaning set forth in Section 6.03 of this Agreement.

"**Buildout**" shall mean the City's issuance to Developer of the last certificate of occupancy required for any portion of the Project Site.

"**Bureau**" shall have that meaning set forth in Section 5.04 of this Agreement.

"**CCWD**" shall have that meaning set forth in Recital H of this Agreement.

"**CEQA**" shall mean the California Environmental Quality Act.

"**Changes in the Law**" shall have that meaning set forth in Section 6.08 of this Agreement.

"**City**" shall mean the City of Pittsburg, a California municipal corporation.

"**Complaining Party**" shall have that meaning set forth in Section 10.01 of this Agreement.

"**Day**" or "**days**" shall mean calendar day or calendar days.

"Delta Diablo" shall have that meaning set forth in Recital H of this Agreement.

"**Default Notice**" shall have that meaning set forth in Section 10.01 of this Agreement.

"Defaulting Party" shall have that meaning set forth in Section 10.01 of this Agreement.

"**Deficiencies**" shall have that meaning set forth in Section 9.02(a) of this Agreement.

"**Developer**" shall mean Skyranch Land Investors, LLC, a California limited liability company.

"**Drainage Improvements**" shall have that meaning set forth in Section 3.01 of this Agreement.

"**Effective Date**" shall have that meaning set forth in Section 2.01 of this Agreement.

"**Fair Share**" shall mean the proportionate share which the Developer, or other party, shall bear of the improvement, facility, or structure which is providing service to the Project, Developer or other party. The term "fair share" or similar terms used herein are not intended by the parties to this Agreement to impose a different or higher burden of proof on the City as to its fees, charges, or other exactions, than exists under applicable State or federal law.

"**FEIR**" shall have that meaning set forth in Recital D of this Agreement.

"**Funding Mechanisms**" shall have that meaning set forth in Section 3.09 of this Agreement.

"**General Plan**" shall have that meaning set forth in Recital K of this Agreement.

"**GHAD Area**" shall have that meaning set forth in Section 5.06 of this Agreement.

"**HCP**" shall mean the East Contra Costa County Habitat Conservation Plan.

"**Judgment**" shall have that meaning set forth in Section 9.02(a) of this Agreement.

"**LLD**" shall have that meaning set forth in Section 5.05(a) of this Agreement.

"**Mitigation Monitoring Program**" shall have that meaning set forth in Section 6.06 of this Agreement.

"**Non-Assuming Transferee**" shall have that meaning set forth in Section 8.03 of this Agreement.

"**Notice of Compliance**" shall have that meaning set forth in Section 8.04 of this Agreement.

"**Periodic Review**" shall have that meaning set forth in Section 10.03(a) of this Agreement.

"Police Services District" shall have that meaning set forth in Section 5.07 of this Agreement.

"**Project**" shall have that meaning set forth in Recital C of this Agreement.

"**Project Approvals**" shall have that meaning set forth in Recitals A through Lof this Agreement.

"**Project Site**" shall have that meaning set forth in Recital C of this Agreement.

"**Public Improvements**" shall have that meaning set forth in Article XI of this Agreement.

"**Subsequent Approvals**" shall mean those certain other land use approvals, entitlements, and permits other than the Project Approvals that are necessary or desirable for the Project. The Subsequent Approvals may include, without limitation, the following: (i) amendments of the Project Approvals, (ii) design review approvals, (iii) improvement agreements, (iv) use permits, (v) grading permits, (vi) building permits, (vii) lot line adjustments, (viii) sewer and water connection permits, (ix) certificates of occupancy, (x) subdivision maps, (xi) PD Plans, (xii) rezonings, (xiii) development agreements, (xiv) permits, (xv) resubdivisions, and (xvi) any amendments to, or repealing of, any of the foregoing.

"**Term**" shall have that meaning set forth in Section 2.02 of this Agreement.

"**Transfer Agreement**" shall have that meaning set forth in Section 8.02(a) of this Agreement.

If any capitalized terms contained in this Agreement are not defined above, then any such terms shall have the meaning otherwise ascribed to them in this Agreement.

ARTICLE II
EFFECTIVE DATE; TERM

Section 2.01 Effective Date. This Agreement shall become effective upon the date the ordinance approving this Agreement becomes effective (the "**Effective Date**").

Section 2.02 Term. The term of this Agreement shall commence upon the Effective Date and continue for a period of twenty (20) years (the "**Term**").

ARTICLE III
OBLIGATIONS OF DEVELOPER

The parties acknowledge and agree that the City's agreement to perform and abide by the covenants and obligations of City set forth in this Agreement is a material consideration for Developer's agreement to perform and abide by its long term covenants and obligations, as set forth herein. The parties acknowledge that many of Developer's long term obligations set forth in this Agreement are in addition to Developer's agreement to perform all the mitigation measures identified in the Mitigation Monitoring Program. As material consideration for the long term assurances and vested rights provided by this Agreement and as a condition of approval to one or more of the Project Approvals, Developer agrees to each of the following:

Section 3.01 Drainage Improvements. Subject to the terms of this Agreement, as a condition of approval to one or more of the Project Approvals, Developer agrees to construct and offer for dedication to the City those Project storm water drainage improvements to be located within City's boundaries and required to serve the Project Site ("**Drainage Improvements**"). The City shall accept the offer of dedication of the Drainage Improvements, as long as the Drainage Improvements comply with the City's standards, applicable rules and regulations, and this Agreement. The parties agree that the construction of the Drainage Improvements shall be phased according to a construction schedule determined by Developer, subject to the written approval of the City Manager. City shall not require any improvements to onsite or offsite drainage facilities to address pre-existing deficiencies provided that Developer demonstrates to City's reasonable satisfaction that impact to downstream facilities are not being exacerbated.

Section 3.02 Facility Reserve Charges. Developer agrees to pay City's Facility Reserve Charges ("**FRC**") as set or modified by the City Council from time to time.

Section 3.03 Water Infrastructure. Developer shall comply with the 2016 Water System Master Plan, as amended. Developer shall have the option, subject to the written approval by the City Manager, to provide water infrastructure facilities as specified by the City or to construct the water infrastructure facilities in phases subject to a storage requirement and site analysis study, commissioned by the City, that incorporates the water infrastructure requirements pursuant to the 2016 Water System Master Plan, as amended.Developer shall have the right to obtain a certain number of building permits for homes on lots which are in the Zone II water service area, even if the new Zone II water reservoir and appurtenant improvements have not yet been constructed at such time.The number of such permits shall be determined by a study to be paid for by Developer and approved by the City Engineer. At Developer's election, its share of the construction and design costs of the new Zone II water reservoir and appurtenant improvements may be financed through the formation of a Community Facilities District. If Developer requests the formation of a Community Facilities District, the District's formation and financing mechanism shall be completed and approved by the City prior to the first single-family residential unit occupancy (excluding models).

After construction of the new Zone II reservoir, should the City elect to decommission the existing Zone II water tank and dispose of the property on which it is located, City shall enter into an exclusive negotiating right agreement with Developer (with terms acceptable to both parties) for Developer's possible acquisition of such property.

Developer shall design and construct a Zone IV water reservoir and all appurtenant improvements relating to the reservoir on the 1.23-acre parcel (which Developer acquired from the Antioch School District) in accordance with the most current Water Master Plan. Any costs incurred by Developer for the design or construction of the tank over and above its share will be outlined in a mutually acceptable Reimbursement Agreement between the City and Developer that will be completed prior to commencing the design of the facility. At Developer's election, its share of the construction and design costs of the new Zone IV water reservoir and appurtenant improvements (as well as the CFD formation costs) may be financed through the formation of a Community Facilities District. If Developer requests the formation of a Community Facilities District, the District's formation and financing mechanism shall be completed and approved by the City prior to the first single-family residential unit occupancy (excluding models).

The City's 2016 Water Master Plan requires the Segment 1E pipeline to be constructed prior to the issuance of the 807th equivalent single family dwelling unit in the Zone II infill and SE Hills service areas. This pipeline segment shall be designed, constructed and managed by the City in accordance with the most current Water Master Plan. The Developer shall pay its proportional share for these improvements in accordance with the Water Master Plan at the time work for the pipeline segment is completed. At the Developer's sole election, its share of the construction and design costs for the pipeline segment may be financed through the formation of a Community Facilities District. If Developer requests the formation of a Community Facilities District, the District's formation and financing mechanism shall be completed by the City prior to the issuance of the first single-family residential unit occupancy (except models).

Section 3.04 School Facilities Impact Mitigation. Developer shall pay in lieu school impact fees in accordance with Government Code §§ 65995 *et seq*. Compliance with this Section shall satisfy all of Developer's obligations required by City to mitigate school impacts resulting from the Project.

Section 3.05 Applicable Fees. City may levy development fees, and charges during the term of this Agreement relative to the development of the Project Site which are in force and effect as of the Effective Date, as more particularly described and according to the payment schedule set forth on***Exhibit B*** ("**Applicable Fees**"). Unless otherwise provided in this Agreement, no development fees, or charges, or categories thereof, shall be imposed on the Project other than those fees (including categories within such fees), and charges identified as Applicable Fees on ***Exhibit B***, which exhibit shall exclusively govern the Applicable Fee payment schedule. The parties agree that any and all Project development fees, charges or exactions related to schools, fire prevention, water, sewer, stormwater, and storm drainage facilities, which are to be paid by Developer directly to third-party governmental agencies, are not subject to or within the scope of this Agreement whether such third party charges exist or are subsequently imposed by such third parties, whether directly upon Developer or through City. This provision shall not be construed to benefit any Non-Assuming Transferees, as such term is defined in herein.

Section 3.06 Applicable Fee Adjustments. Developer shall pay fees and charges consistent with Section 3.05, and the applicable adjustments currently provided in such fees, and as modified from time to time by the City, whether such adjustment or modification is an increase or decrease. Developer retains the right to challenge the imposition of any new fees not referenced in this Agreement or the modification, amendment or adjustment of all Applicable Fees pursuant to Government Code § 66000 *et seq.*, not already authorized by ordinances, resolutions or policies in place at the time of this Agreement's execution. Should the City Council approve a new AB 1600 fee study and/or authorize a decrease in any of the Applicable Fees during the term of this Agreement by ordinance or by resolution, Developer shall have the option, at its sole discretion, to pay the lower fee, as may be adjusted by the applicable CPI or ENR, unless otherwise bound by separate contract or memorandum of understanding with City. In no event shall Developer receive retroactive adjustments for lower fees.

Section 3.07 City Local Traffic Mitigation Fee. Developer shall pay the City Local Traffic Mitigation Fee, which fee is necessary to finance unmet City traffic improvement needs in the amount in effect as of the Effective Date and subject to adjustment in accordance with Resolution No. 07-10917 with credit for certain improvements constructed by Developer per Section 4.04 below. If the City Council approves a new AB 1600 fee study and/or authorize a decrease in any of the Applicable Fees during the term of this Agreement by ordinance or by resolution, Developer shall have the option, at its sole discretion, to pay the lower fee, as may be adjusted by the applicable CPI or ENR, unless otherwise bound by separate contract or memorandum of understanding with City. In no event shall Developer receive retroactive adjustments for lower fees. Developer agrees that City may use the Local Traffic Mitigation Fee paid by Developer pursuant to this Section for the City's share of the James Donlon Expressway. However, this use by the City shall not decrease or otherwise modify Developer's other obligations under this Agreement, including but not limited to, its obligation under Section 3.13 hereof.

Section 3.08 Regional Traffic Fee. Developer shall pay the ECCRFA regional traffic fee should it be imposed by the City in an amount equal to or less than the amount paid by projects in the Cities of Antioch, Brentwood, and Oakley or in accordance with the existing valid Memorandum of Understanding dated June 29, 2010, as amended, whichever is less.

Section 3.09 Fees, Assessments and/or Taxes to be Paid by Developer.Developer agrees to pay its fair share of any levies imposed by any assessment district, geologic hazard abatement district, landscaping and lighting district, community facilities district, tax-exempt financing mechanisms, or other funding mechanisms related to public safety; traffic; sewer; water; fire; the prevention, mitigation, abatement, or control of geologic hazards; or other infrastructure improvements (including, without limitation, design, acquisition, construction and maintenance costs) (collectively, "**Funding Mechanisms**") within the Project Site, provided that such Funding Mechanism is referenced herein and/or was legally created pursuant to applicable law.

Section 3.10 Affordable Housing. Developer shall comply with PMC 18.86.080 and VTM Condition of Approval No. 12 by constructing forty-two (42) rental accessory dwelling unitswithin the Project. A covenant shall be recorded limiting the amount of rent that may be charged for these accessory dwelling units, consistent with the terms and conditions set forth in the affordable housing agreement. Prior to the City's issuance of the first certificate of occupancy Developer agrees to enter into an affordable housing agreement with the City (the "**Affordable Housing Agreement**"), the form of which is attached hereto as ***Exhibit C***, and which further memorializes the provisions of this Section 3.10 and is consistent with applicable law, including Pittsburg Municipal Code Chapter 18.50. Developer agrees that the accessory dwelling units referenced in this Section shall not be built or otherwise allowed on adjoining lots without the prior written approval of the City Manager. City agrees that Developer shall not be required to pay any additional City fees (building permit, sewer, water, traffic fees, etc.) associated with the accessory dwelling units except for those fees City is required to charge by the State or other governmental entities with jurisdiction over the Project.

(a) Timing. The Affordable Housing Agreement shall establish provisions to implement the affordable housing requirements within this Agreement and shall include, but not be limited to, implementation and monitoring provisions to ensure compliance with municipal law related to affordable housing. The agreement shall include provisions for the reasonable reimbursement of costs to the City for the administration and monitoring of the agreement.

(b) Inclusionary Housing Ordinance. Notwithstanding any provision of this Agreement, in the event that the City has rescinded its respective previously adopted affordable housing ordinance and not replaced it with another affordable housing or similar ordinance, or such ordinance has been declared illegal, Developer shall not be obligated to comply with the provisions for affordable housing set forth in this Agreement. In the event, prior to or during the development of the Project, the City amends or replaces or eliminates its affordable housing ordinance which would result in a reduction in the number of accessory dwelling units Developer is obligated to construct, then the Affordable Housing Agreement shall be modified to provide for an equivalent reduction in the number of accessory dwelling units required to be constructed in the Project or elimination of the requirement.

Section 3.11 Security Improvements.

(a) Developer shall pay to the City the actual cost incurred by City (not to exceed Sixty Thousand Dollars ($60,000) towards funding the acquisition and installation of security camera(s) at two (2) intersections identified by the City . The security cameras will be installed under the supervision of the City's Police Chief. Developer shall pay such costs within thirty (30) days of receipt of invoice.

(b) Developer shall install the basic home security wiring in the Project homes (defined herein as wiring for a basic home security system on the first floor windows and doors only). Developer shall offer one year of professional monitoring service to new homeowners. The monitoring service shall be at the election of the new homeowner.

Section 3.12 Solar Roof System. Developer shall install a solar roof system on one of its model homes for example purposes only (which may consist of a few panels with photovoltaic compatibility or other comparable technologies) and offer solar installation as an option at the homeowner's expense.

Section 3.13 Construction of James Donlon Expressway within the Limits of the Project Site.Developer shall construct a portion of the James Donlon Expressway in accordance with VTM Condition of Approval No. 59 and MM-H7. Should the median and inside lanes (which are not Developer obligations) not be installed at the time Developer constructs its required improvement, then Developer shall grade the median and inside lanes and receive credits for such work from City if such credits are not provided by the East Contra County Regional Fee &Finance Authority.

Section 3.14 In Lieu Fees or Dedication of Park Site. At the written discretion of the City Manager, Developer shall pay an in lieu park fee, or dedicate park land, or perform a combination of both, equivalent to7.18 acres as required by the project approval. The dedicated Park Site shall be rough graded in accordance with City specifications with no more than a three percent (3%) slope, adjacent curb, gutter, sidewalk and utility stubs shall have been installed by Developer andthe Park Site shall be free and clear of all liens, bonds, taxes, assessments, and other charges, which costs shall be assumed by Developer. Developer agrees to make its offer of dedication of the Park Site to City at the same time it constructs the phase of the Project in which the Park Site is located. City agrees that it shall accept the offer of dedication of the Park Site within one hundred eighty (180) days of Developer's offer of dedication of the Park Site, provided that (a) the park is in compliance with the requirements of this Section to City's reasonable satisfaction expressed in writing, and (ii) all necessary actions have been completed to include the Park Site within a new or existing lighting and landscaping district administered by City to provide funding for related park maintenance as contemplated by Section 5.05 of this Agreement. Any in lieu fees due to City must be paid by Developer prior to issuance of each building permit.

Section 3.15 Park Improvements. Prior to the offer of dedication of the Park Site pursuant to Section 3.14 above, Developer shall install park improvements identified by City at a cost not to exceed Two Hundred Fifty Thousand Dollars ($250,000) not including the frontage improvements. This amount shall be increased annually by the CPI for the San Francisco-Oakland area, with the first increase implemented in January 2018 reflecting 2017 increases. Such costs shall not be credited against Developer's park obligations set forth in Section 3.14 above.

Section 3.16 Electric Vehicle Charge. Developer shall install, in the garage of each home, conduit from the electric panel in order for homeowners, at their election and cost, to install an electric vehicle charging system.

ARTICLE IV
OBLIGATIONS OF CITY

Section 4.01 Obligations of City Generally. The parties acknowledge and agree that Developer's agreement to perform and abide by its covenants and obligations set forth in this Agreement, including Developer's decision to process the siting of the Project in the City, is a material consideration for City's agreement to perform and abide by the long term covenants and obligations of City, as set forth herein.

Section 4.02 Availability of Public Services.

(a) General. To the extent permitted by law and consistent with its authority, City shall reserve such capacity for water services as may be necessary to serve the Project. This reservation of water infrastructure capacity shall be assured for the Term to the extent consistent with applicable law.

(b) Construction Water. City shall make construction water available to the Project by permitting the Project to hook up to existing City water supply infrastructure, at a location reasonably determined by the City, at Developer's cost and on those terms and conditions and charges customarily applied by City to similar projects consistent with City standards. City shall also permit Developer to install such temporary construction water pipelines and related infrastructure as reasonably necessary to provide construction water to the Project site for Developer's use in any and all Project grading and construction operations, as long as such water is unrelated to potable use.

Section 4.03 Developer's Right to Rebuild. City agrees that Developer, in Developer sole's discretion, may renovate or rebuild the Project within the Term of this Agreement should it become necessary due to natural disaster, changes in seismic requirements, acts of God, acts of terrorism, or damage to work in progress by reason of fire, floods or other casualties. Any such renovation or rebuilding shall be subject to the square footage and height limitations vested by this Agreement, and shall comply with the Project Approvals, the building codes existing at the time of such rebuilding or reconstruction, and the requirements of CEQA and this Agreement.

Section 4.04 Reimbursement of Infrastructure Costs.

(a) Reimbursement. Unless otherwise provided for herein, to the extent Developer incurs costs related to the planning and construction of traffic infrastructure, water delivery infrastructure, the off-site water tank, pump station, sewer infrastructure or other public infrastructure required by City or this Agreement for the

Project that exceed the Project's fair share obligation for such infrastructure, City shall reimburse Developer for the City's portion of such costs (including any management fees provided for in this Agreement), subject to City's prior verification through inspection of the construction that is subject to such reimbursement and upon final acceptance of the infrastructure by the City. This reimbursement shall be paid within sixty (60) days after City's final acceptance or at such other time as mutually agreed upon in writing by the parties. Developer shall be entitled to a management fee of five percent (5%) for City's share of approved infrastructure costs, including but not limited to design and special inspection costs. The management obligations of Developer hereunder shall include contracting and managing the construction of the infrastructure, retaining copies of records, photographs and "as builts" for the improvement(s) as well as attending meetings and providing necessary reports as reasonably requested by City.

(b) City's Authorization of Reimbursement. Notwithstanding any other provision of this Section or of this Agreement or VTM provisions, City shall not be responsible to reimburse or credit Developer for any costs, including as referenced in Section 4.04(a) herein, unless prior to Developer incurring any costs for which Developer will request reimbursement from City, Developer shall first provide written documentation as to the work to be performed, the estimated costs thereof, including a not-to-exceed cap, and such other details as reasonably requested by the City Manager and the City Manager approves the proposed costs and related work. If the City Manager fails to respond with thirty (30) days of its receipt of such estimated costs, Developer shall provide a second written notice to the City Manager and to the City Engineer, if neither responds with thirty (30) days of the City's receipt of the second request, the request shall be deemed approved. The City Manager shall have the discretion to require Developer to obtain competitive bids on any work for which Developer may request reimbursement or credit from the City where the total cost (not just the City's share) of that work is One Hundred Thousand Dollars ($100,000) or more. City shall also have the opportunity to inspect any and all infrastructure during its construction, as well as to review any work product for which Developer requests reimbursement or credits. If mutually agreed by the parties in writing, any reimbursement due Developer pursuant to this Agreement may be satisfied by City in the form of credits, which can actually be used by Developer to offset Developer's payment of any Applicable Fees. In the event there are not enough credits to fully satisfy the reimbursement due Developer and subject to the terms of the mutual agreement between the parties referenced in the prior sentence, City shall reimburse Developer within thirty (30) days of invoicing.

Section 4.05 Park Fee Credit.Developer and City agree that the park in-lieu fee amount will be Nine and 40/100ths Dollars ($9.40) per square foot (unless City adopts a lower fee in which case the lower fee shall apply), increased annually by the CPI for the San Francisco-Oakland area, with the first increase implemented in January 2017 reflecting 2016 increases. The timing of the payment of the park in-lieu fee shall be satisfied as set forth in Section 3.14 above.

ARTICLE V
COOPERATION — IMPLEMENTATION

Section 5.01 Processing Application for Subsequent Approvals. The parties agree that all Subsequent Approvals shall be processed by City in a manner consistent with the following provisions:

(a) Standard of Review. By adopting the Project Approvals, City has made a final policy decision that the Project is in the best interests of the public health, safety and general welfare. Accordingly, City shall not use its discretionary authority in considering any application for a Subsequent Approval to change the policy decisions reflected by the Project Approvals or otherwise prevent or delay development of the Project as set forth in the Project Approvals. Instead, the Subsequent Approvals shall be deemed tools to implement those final policy decisions and shall be issued by City so long as they comply with this Agreement and Applicable Law, as defined below, and are not inconsistent with the Project Approvals as set forth above, and meet the intent and comply with any City adopted Designed Guidelines, as applicable. To the extent permitted by law, City shall not use its discretionary authority in considering these Subsequent Approval applications to revisit or frustrate the policy decisions or material terms reflected by the Project Approvals. Developer agrees that development under this Agreement shall comply with provisions reflected in Uniform Codes (whether building, fire, plumbing, or other applicable uniform codes) which may adopted subsequent to the Effective Date of this Agreement.

(b) Basis for Denial. City may deny an application for a Subsequent Approval only if such application does not comply with this Agreement or Applicable Law, defined below, or does not substantially comply with the Project Approvals (provided, however, that inconsistency with the Project Approvals shall not constitute grounds for denial of a Subsequent Approval which is requested by Developer as an amendment to that Project Approval). City may approve an application for such a Subsequent Approval subject to any conditions necessary to bring the Subsequent Approval into compliance with this Agreement or Applicable Law, or as is necessary to make this Subsequent Approval consistent with the Project Approvals. If City denies any application for a Subsequent Approval, City shall specify in writing the reasons for such denial and may suggest a modification which would be approved by City.

Section 5.02 Timely Submittals By Developer. Developer acknowledges that City cannot expedite processing of the Subsequent Approvals until Developer submits complete applications on a timely basis. Developer shall use its best efforts to (a) provide to City in a timely manner any and all documents, applications, plans, and other information necessary for City to carry out its obligations hereunder; and (b) cause Developer's planners, engineers, and all other consultants to provide to City in a timely manner all such documents, applications, plans and other necessary materials as set forth in the Applicable Law. It is the express intent of Developer and City to cooperate and diligently work to obtain any and all Subsequent Approvals consistent with this Agreement.

Section 5.03 Timely Processing By City. Upon submission by Developer of all appropriate applications and processing fees for any Subsequent Approval, City shall promptly and diligently commence and complete all steps necessary to act on the Subsequent Approval applications including, without limitation, (a) providing at Developer's expense and subject to Developer's request and prior written approval, reasonable overtime staff assistance and/or staff consultants for planning and processing of each Subsequent Approval application; (b) if legally required, providing notice and holding public hearings; and (c) acting on any such Subsequent Approval application. If Developer elects to request and approve the use of overtime staff assistance or staff consultants for planning and processing of any Subsequent Approval pursuant to this Section 5.03, Developer's reimbursement to City for such services shall be made in amount equal to City's actual costs of providing such services, in accordance with standard City practice.

Section 5.04 Other Government Permits. At Developer's sole discretion and in accordance with Developer's construction schedule, Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental entities in connection with the development of, or the provision of services to, the Project. City shall cooperate with Developer in its efforts to timely obtain such permits and approvals and shall, from time to time, at the request of Developer, use its best efforts to ensure the timely availability of such permits and approvals. City shall cooperate with Developer to obtain any and all approvals from Contra Costa County related to the construction or operation of the Drainage Improvements. City shall also cooperate with Developer, CCWD and the Bureau of Reclamation (the "**Bureau**") in all matters related to CCWD's application to the Bureau to expand the place of use of Central Valley Project water to include the Project Site.

Section 5.05 Lighting and Landscaping District, Park Maintenance.

(a) Developer agrees that the Project Site will be annexed into the City's existing Lighting and Landscaping District, as established pursuant to City Resolution No. 88-7324 ("**LLD**"), as well as City's Community Facilities District 2007-1 for park maintenance ("**CFD**"), and, to the extent permitted by law, that the Project shall be assessed in a manner consistent with the provisions herein.

(b) Developer agrees that the base assessment applies to the Project and is subject to increase, provided any such increase of the base assessment imposed uniformly or similarly situated properties by City in a manner consistent with State law. Developer further agrees that the base assessment shall be levied upon recordation of each of the Project's final maps. The parties agree that the base LLD assessment described herein shall finance, among other things, the maintenance of any and all landscape improvements and the maintenance of the parks.

Section 5.06 GHAD. Developer agrees to take all steps necessary to either expand the existing Southwest Pittsburg Geologic Hazard Abatement District (the "**Southwest Pittsburg GHAD**") or to establish a new GHAD, at no cost to City or to the GHAD, to provide for, among other things, geologic hazard abatement, maintenance of detention basins, grassland maintenance, fire protection, and erosion control within portions of the Project Site. Unless otherwise required by law, the parties intend that the Project Site will be assessed by the Southwest Pittsburg GHAD or a new GHAD upon the respective GHAD's acceptance of the GHAD Area identified in the Project Approvals (which GHAD Area shall include the detention basins).

Section 5.07 Police Services CFD. Developer agrees to take all steps necessary to include the Project Site into the City's existing police services Community Facilities District 2005-1, as adopted pursuant to Resolution No. 05-10342 (the "**Police Services District**") at no cost to the City, in order to provide for police and other emergency services to the Project Site. This process shall be completed, to the reasonable satisfaction of the City Manager and the City Attorney, before filing the first final map on the Project. Each legal residential lot located on the Project Site will be required to pay the levy by the Police Services District no earlier than the issuance of a building permit for such lot.

Section 5.08 Fire Services CFD. Developer agrees to annex the Project Site into the City's Fire Safety and Emergency Services Community Facilities District 2017-1, as adopted pursuant to Resolution No. 17-13311 (the"Fire Safety and Emergency Services District") at no cost to the City, in order to provide for fire safety and emergency services for the project. This process shall be completed, to the reasonable satisfaction of the City manager and the City Attorney, before filing the first final map on the Project.

Section 5.09 General Plan Maintenance Fee. Developer agrees to pay a development related fee to help fund the maintenance of the Pittsburg General Plan. The General Plan Maintenance Fee will be One Hundred Twenty-five Dollars ($125) per building permit (unless City adopts a lower fee in which case the lower fee shall apply), increased annually by the CPI for the San Francisco-Oakland area, with the first increase implemented in January 2018 reflecting 2017 increases.

Section 5.10 Assessment Districts or Other Funding Mechanisms.

(a) City understands that City's long term assurances to Developer concerning fees, taxes and assessments related to the Project are a material consideration for Developer agreeing to process the siting of the Project in its present location and to pay the fees, taxes and assessments described in this Agreement. City shall retain the ability to initiate or process applications for the formation of new assessment districts or other Funding Mechanisms, as defined in Section 3.09 of this Agreement, covering all or any portion of the Project site. Notwithstanding the foregoing, Developer retains all its rights to oppose the formation or proposed assessment of any new assessment district, Funding Mechanism, or any and all increases thereto, or to request or pursue assessment credits or reductions, unless otherwise provided for herein or unless such assessment, Funding Mechanism or related increases are in place and legally effective as of the date of this Agreement's Effective Date.

(b) At the request of Developer, City shall cooperate in the formation of, or annexation to, those assessment districts, geologic hazard abatement district, landscaping and lighting districts, community facilities districts, tax-exempt financing mechanisms, or other Funding Mechanisms that Developer and City determine are needed to fund infrastructure improvements and to ensure the orderly development of the Project, at no cost to the City. City shall diligently and expeditiously process applications by Developer necessary to establish such Funding Mechanisms as long as (i) the application complies with law, (ii) is consistent with City's standards, and (iii) provides for a lien to value ratio and other financial terms that are reasonably acceptable to City, and which will result in no commitment of City funds. City shall diligently seek to sell any bonds to be issued and secured by such assessments upon the best terms reasonably available in the marketplace. Any and all costs associated with this Section shall be borne and/or advanced by Developer.

Section 5.11 Warranty Bonds. Developer agrees that every infrastructure improvement dedicated to City(except landscaping, unimproved real property or open space dedications) pursuant to this Agreement shall be accompanied by a one (1) year warranty bond in a form and in an amount, and with a surety acceptable to City or otherwise as determined in the applicable Subdivision Improvement Agreement.

ARTICLE VI
STANDARDS, LAWS AND PROCEDURES GOVERNING THE PROJECT

Section 6.01 Vested Right to Develop. Developer shall have a vested right to develop the Project on the Project Site in substantial conformance with the terms and conditions of this Agreement, the Project Approvals (as and when issued), the Subsequent Approvals (as and when issued), and amendments thereto as shall, from time to time, be approved pursuant to this Agreement. Nothing in this Section 6.01 shall be deemed to eliminate or diminish the requirement of Developer to obtain any required Subsequent Approvals.

Section 6.02 Permitted Uses Vested by This Agreement. The permitted uses of the Project Site; the density and intensity of use of the Project Site; the maximum height, bulk and size of proposed buildings; provisions for reservation or dedication of land for public purposes and the location of public improvements; the general location of public utilities; and other terms and conditions of development applicable to the Project, shall be as set forth in the Project Approvals and, as and when they are issued (but not in limitation of any right to develop as set forth in the Project Approvals), the Subsequent Approvals.

Section 6.03 Applicable Law. "**Applicable Law**" shall mean the existing rules, regulations, official policies, standards and specifications governing permitted uses of the project site; governing density; and governing design, improvements, and construction standards and specifications applicable to the Projectand Project site as set forth in this Agreement and the Project Approvals, and in force and effect on the Effective Date of this Agreement. However, this Agreement and this Section shall not be construed to prevent the City, in any subsequent actions applicable to the Project Site, from applying any new rules, regulations, official policies, standards, and specifications that do not conflict with those rules, regulations, official policies, standards, and specifications existing as of the Effective Date of the Agreement.

Section 6.04 Uniform Codes. Notwithstanding any other provision of this Agreement, City may apply to the Project Site, at any time during the Term, the then current Uniform Building Code and other uniform construction codes as properly modified by City and uniformly applied on a citywide basis, and City's then current design and construction standards for road and storm drain facilities. In no event shall any such uniform code or standard be adopted for the purpose of preventing or otherwise limiting construction of all or any part of the Project.

Section 6.05 Moratorium And Conflicting Enactments. To the extent consistent with State Law, if any ordinance, resolution or other measure is enacted, whether by action of City, by initiative, referendum, or otherwise, that imposes a building moratorium, a limit on the rate of development, or a voter-approval requirement which would otherwise affect the timely development of the Project on all or any part of the Project Site, City agrees that such ordinance, resolution or other measure shall not apply to the Project, the Project Site, this Agreement, the Project Approvals, or the Subsequent Approvals, if any, during the term of this Agreement, unless the building moratorium is imposed as part of a declaration of a local emergency or state of emergency as defined in Government Code Section 8558. Developer reserves the right to challenge in court any City action or inaction which Developer believes is in conflict with Applicable Law or this Agreement.

Section 6.06 Environmental Mitigation. The parties understand that the EIR for the Project is a project level CEQA document intended to be used in connection with each of the Project Approvals and Subsequent Approvals needed for the Project. Consistent with the CEQA policies and requirements applicable to the EIR, City agrees to use the EIR in connection with the processing of any Subsequent Approval to the extent allowed by law. City agrees not to impose on Developer any mitigation measures or other conditions of approval other than those specifically imposed by the Project Approvals and the Mitigation Monitoring Program described in the FEIR, specifically required by Applicable Law, or as properly required through the design or architecture review process as long as such mitigation measures or other conditions are imposed in a manner consistent with applicable design review guidelines.

Section 6.07 Life of Subdivision Maps, Development Approvals, and Permits. To the extent consistent with Applicable Law, the term of any subdivision map or any other map, permit, rezoning or other land use entitlement approved as a Project Approval or Subsequent Approval shall automatically be extended for the duration of this Agreement, including any extensions. The term of this Agreement and any subdivision map or other Project Approval or Subsequent Approval shall not include any period of time during which any applicable development moratorium (including, but not limited to, a water or sewer moratorium) or the actions of other public agencies that regulate land use, development or the provision of services to the land, prevents, prohibits or delays the construction of the Project. The term of this Agreement and any subdivision map or other Project Approval or Subsequent Approval shall not include any period of time during which any applicable court order or other legal requirement prevents the processing of any Subsequent Approval or prevents any Project development activities.

Section 6.08 State and Federal Law. As provided in California Government Code § 65869.5, if any state or federal laws or regulations, enacted after this Agreement's Effective Date prevent or preclude compliance with one or more provisions of this Agreement ("**Changes in the Law**"), such provision of the Agreement shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations as may be necessary to comply with Changes in the Law, and City and Developer shall take such action as may be required pursuant to this Agreement including, without limitation, Article V and Section 10.05. Not in limitation of the foregoing, nothing in this Agreement shall preclude City from imposing on Developer any fee specifically required by State or Federal laws and regulations.

Section 6.09 Timing of Project Construction and Completion.

(a) Project Phasing. The Project is expected to be built in phases in response to then-existing market conditions over the Term of the Agreement. Except as otherwise specifically provided by this Agreement with respect to Project infrastructure timing, City and Developer expressly agree that there is no requirement that Developer initiate or complete development of the Project or any particular phase of the Project within any particular period of time, and City shall not impose such a requirement on any Project Approval. The parties acknowledge that Developer cannot at this time predict when or the rate at which or the order in which phases will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market demand, interest rates, competition and other similar factors.

(b) The parties agree that Developer shall be able to develop in accordance with Developer's own time schedule as such schedule may exist from time to time, and Developer shall determine which part of the Project Site to develop first, and at Developer's chosen schedule. In particular, and not in limitation of any of the foregoing, since the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to consider and expressly provide for the timing of development resulted in a later-adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' desire to avoid that result by acknowledging that Developer shall have the right to develop the Project in such order and at such rate and at such times as Developer deems appropriate within the exercise of its subjective business judgment. Developer's rights under this Section 6.09(b) shall be subject to the requirement that adequate infrastructure to serve each phase of the Project is constructed concurrently with such phase. The City Manager shall reasonably determine what infrastructure will be required to serve each phase of the Project, which determination shall be consistent with Applicable Law.

(c) Nothing in this Agreement shall exempt Developer from completing work required by a subdivision agreement, road improvement agreement or similar agreement in accordance with the terms thereof.

Section 6.10 Exempting Fees, Mitigation Measures and Similar Requirements Imposed by Outside Agencies. Notwithstanding any other provision of this Agreement, the City agrees to exclude Developer from any and all discretionary collection agreements regarding fees, mitigation measures and similar requirements including, but not limited to, development impact fees, which other public agencies request the City to impose at City's discretion on the Project or on the Project Site after the Effective Date through the Term of this Agreement. This Section 6.10 shall not prohibit the City from imposing on Developer any fee, mitigation measure or similar requirement or obligation that is required by a local or regional agency in accordance with local, regional, State or Federal obligations and implemented by the City in cooperation with such local, regional, state or federal agency, provided such fee, mitigation measure or similar requirement or obligation is imposed in a similar manner on similarly situated properties within the City.

Section 6.11 City's Joint-Inspection Jurisdiction. Developer acknowledges that City has joint inspection jurisdiction within other third-party governmental entities within any and all City rights-of-way and easements.

ARTICLE VII
AMENDMENT

Section 7.01 Amendment to Project Approvals, Subsequent Approvals. To the extent permitted by state and federal law, any Project Approval or Subsequent Approval may, from time to time, be amended or modified in the following manner:

(a) Administrative Project Amendments. Upon the written request of Developer for an amendment or modification to a Project Approval or Subsequent Approval, the City Manager or his/her designee shall determine: (i) whether the requested amendment or modification is minor when considered in light of the Project as a whole; and (ii) whether the requested amendment or modification is consistent with this Agreement, Applicable Law, applicable uniform codes and State or Federal law. If the City Manager or his/her designee finds that the proposed amendment or modification is minor in the context of the entire Project, consistent with this Agreement and Applicable Law, and will result in no new significant environmental impacts not addressed and mitigated in the EIR, the amendment shall be determined to be an "**Administrative Project Amendment**" and the City Manager or his/her designee may, except to the extent otherwise required by law, approve the Administrative Project Amendment without notice and public hearing. Without limiting the generality of the foregoing, lot line adjustments, reductions in the density, intensity, scale or scope of the Project, minor alterations in vehicle circulation patterns or vehicle access points, changes in trail alignments, minor variations in lot layouts, substitutions of comparable landscaping for any landscaping shown on any final development plan or landscape plan, variations in the location of structures that do not substantially alter the design concepts of the Project, variations in the location or installation of utilities and other infrastructure connections or facilities that do not substantially alter the design concepts of the Project, and minor adjustments to the Project Site diagram or Project Site legal description shall be treated as Administrative Project Amendments.

(b) Non-Administrative Project Amendments. Any request of Developer for an amendment or modification to a Project Approval or Subsequent Approval which is determined not to be an Administrative Project Amendment as set forth above shall be subject to review, consideration and action pursuant to the Applicable Law and this Agreement.

Section 7.02 Amendment of This Agreement. This Agreement may be amended from time to time, in whole or in part, by mutual written consent of the parties hereto or their successors in interest, as follows:

(a) Administrative Agreement Amendments. The City Manager, or his/her designee, may, except to the extent otherwise required by law, enter into certain amendments of this Agreement on behalf of the City as long as any such amendment does not substantially affect (i) the Term of this Agreement, (ii) permitted uses of the Project Site, (iii) provisions for the reservation or dedication of land, (iv) conditions, terms, restrictions or requirements for subsequent discretionary actions, (v) the density or intensity of use of the Project Site or the maximum height or size of proposed buildings or (vi) monetary contributions by Developer ("**Administrative Agreement Amendment**"), and shall not, except to the extent otherwise required by law, require notice or public hearing before the parties may execute an amendment hereto. For purposes of this Section 7.02(a), the term "substantially affect" shall be evaluated in the context of the entire Project.

(b) Amendment Exemptions. No amendment of a Project Approval or Subsequent Approval, whether done administratively or not, shall require an amendment to this Agreement. Instead, any such matter automatically shall be deemed to be incorporated into the Project and vested under this Agreement when written and executed by both parties.

(c) Amendment Limitations. In consideration of the scope of the benefits to City set forth in this Agreement, any amendment to this Agreement shall only be subject to such new terms and conditions, including new exactions or other obligations, as are reasonably related to the impacts on City directly attributable to such amendment.

ARTICLE VIII
ASSIGNMENT, TRANSFER AND NOTICE

Section 8.01 Assignment of Interests, Rights and Obligations. Developer may transfer or assign all or any portion of its interests, rights or obligations under this Agreement, the Project Approvals or Subsequent Approvals to third parties acquiring an interest or estate in the Project or any portion thereof including, without limitation, purchasers or ground lessees of lots, parcels or facilities.

Section 8.02 Transfer Agreements.

(a) In connection with the transfer or assignment by Developer of all or any portion of the Project (other than a transfer or assignment by Developer to an affiliated party, any deed of trust beneficiary or mortgagee, or a "Non-Assuming Transferee" (as defined in Section 8.03), Developer and the transferee shall enter into a written agreement (a "**Transfer Agreement**") regarding the respective interests, rights and obligations of Developer and the transferee in and under the Agreement, the Project Approvals, and the Subsequent Approvals. Such Transfer Agreement may (i) release Developer from obligations under the Agreement, the Project Approvals, or the Subsequent Approvals that pertain to that portion of the Project being transferred or assigned, as described in the Transfer Agreement, provided that the transferee expressly assumes such obligations, (ii) transfer to the transferee vested rights to improve that portion of the Project being transferred and (iii) address any other matter deemed by Developer to be necessary or appropriate in connection with the transfer or assignment.

(b) Any Transfer Agreement shall be binding on Developer, City and the transferee and, unless otherwise provided for in Section 8.03 of this Agreement, shall require the City's prior written consent, which consent shall not be unreasonably withheld. Failure by City to respond within thirty (30) days of a written request by Developer for City's consent shall be deemed City's approval of the Transfer Agreement in question. City may refuse to give its consent only if, in light of the proposed transferee's reputation and financial resources, such transferee would not in City's reasonable determination be able to perform the obligations proposed to be assumed by such transferee. Such determination shall be made by the City Manager and is appealable to the City Council. In no event, however, shall City refuse to give its consent to a proposed transferee pursuant to this Section 8.02(b) if such transferee has a net worth of at least Ten Million Dollars ($10,000,000) documented in a manner reasonably acceptable to City. Upon recordation of any Transfer Agreement in the Official Records of Contra Costa County, Developer shall automatically be released from those obligations assumed by the transferee therein.

(c) Developer shall be free from any and all liabilities accruing on or after the date of any assignment or transfer with respect to those obligations assumed by a transferee pursuant to a Transfer Agreement. No breach or default hereunder by any person succeeding to any portion of Developer's obligations under this Agreement shall be attributed to Developer, nor may Developer's rights hereunder be canceled or diminished in any way by any breach or default by any such person.

Section 8.03 Non-Assuming Transferees. Except as otherwise required by Developer in Developer's sole discretion, the burdens, obligations and duties of Developer under this Agreement shall terminate with respect to, and neither a Transfer Agreement nor City's consent shall be required in connection with (i) any single residential parcel conveyed to a purchaser, (ii) any property transferred as fewer than ten (10) lots to a single retail builder or (iii) any property that has been established as one or more separate legal parcels for office, commercial, open space, park, school or other nonresidential uses. The transferee in such a transaction and its successors("**Non-Assuming Transferees**") shall be deemed to have no obligations under this Agreement, but shall continue to benefit from the vested rights provided by this Agreement for the duration of the Term. Nothing in this Section 8.03 shall exempt any property transferred to a Non-Assuming Transferee from payment of applicable fees and assessments or compliance with applicable conditions of approval.

Section 8.04 Notice of Compliance Generally. Subject to City's finding that the facts contemplated by clauses (i) through (iii) herein are true and accurate, within thirty (30) days following any written request which Developer may make from time to time, City shall execute and deliver to Developer (or to any party requested by Developer) a written "Notice of Compliance," in recordable form, duly executed and acknowledged by City, that certifies that (i) this Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modifications, (ii) there are no current uncured defaults under this Agreement or specifying the dates and nature of any such default, and (iii) any other information reasonably requested by Developer. City's failure to deliver such notice within such time period shall constitute a conclusive presumption against City that this Agreement is in full force and effect without modification except as may be represented by the Developer and that there are no uncured defaults in the performance of the Developer, except as may be represented by the Developer. Developer shall have the right at Developer's sole discretion, to record the Notice of Compliance.

ARTICLE IX
COOPERATION IN THE EVENT OF LEGAL CHALLENGE

Section 9.01 Cooperation.

(a) Developer agrees to indemnify, defend, and hold harmless the City, its officials, officers, employees, agents and consultants from any and all administrative, legal or equitable actions or other proceedings instituted by any person not a party to this Agreement challenging the validity of the Agreement or any Project Approval or any Subsequent Project Approval, or otherwise arising out of or stemming from this Agreement. Developer may select its own legal counsel to represent Developer's interests at Developer's sole cost and expense. The parties shall cooperate in defending such action or proceeding. Developer shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorneys' fees expended by City in defense of any such action or other proceeding, plus staff and City Attorney time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel but, if the parties cannot reach agreement, City may select its own legal counsel and Developer agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney fees, and time referenced herein.

(b) Developer also agrees to indemnify, defend and hold harmless the City, its officials, officers, employees, agents and consultants from any claims, costs, damages or other liabilities for any personal injury or death, or property damage, resulting from the construction of the Project or of operations by the Developer, its officers, employees, agents or consultants, under this Agreement, except for such claims, costs, damages, or other liabilities which are caused by the sole or gross negligence of the City, its officials, officers, employees, agents, or consultants. Developer may select its own legal counsel to represent Developer's interests at Developer's sole cost and expense.

(c) The parties agree that this Section 9.01 shall constitute a separate agreement entered into concurrently, and that if any other provision of this Agreement, or the Agreement as a whole, is invalidated, rendered null, or set aside by a court of competent jurisdiction, the parties agree to be bound by the terms of this Section 9.01, which shall survive such invalidation, nullification or setting aside.

Section 9.02 Cure; Reapproval.

(a) If, as a result of any administrative, legal or equitable action or other proceeding as described in Section 9.01, all or any portion of this Agreement, Project Approvals, or Subsequent Approvals are set aside or otherwise made ineffective by any judgment (a "**Judgment**") in such action or proceeding (based on procedural, substantive or other deficiencies, hereinafter "**Deficiencies"**), the parties agree to use their respective best efforts to sustain and reenact or readopt this Agreement, Project Approvals, and/or Subsequent Approvals that the Deficiencies relate to, as follows, unless the parties mutually agree in writing to act otherwise:

(i) If any Judgment requires reconsideration or consideration by City of this Agreement, Project Approval, or Subsequent Approval, then the City shall consider or reconsider that matter in a manner consistent with the intent of this Agreement. If any such Judgment invalidates or otherwise makes ineffective all or any portion of this Agreement or any Project Approval, or Subsequent Approval, then the parties shall cooperate and shall cure any Deficiencies identified in the Judgment or upon which the Judgment is based in a manner consistent with the intent of this Agreement and the Judgment. Upon the parties cure of such Deficiencies, City shall then take steps consistent with the Judgment necessary readopt or reenact this Agreement and any applicable Project Approval, Subsequent Approval, or any portion thereof.

(ii) Acting in a manner consistent with the intent of this Agreement or a Judgment includes, but is not limited to, recognizing that the parties intend that Developer may develop a four hundred fifteen (415) single-family residential unit project, and adopting such ordinances, resolutions, and other enactments, including, but not limited to, a general plan amendment, rezoning, vesting subdivision map approvals, development plan approvals, PD Plan approvals, design review, improvement agreements, use permits, grading permits, building permits, lot line adjustments, sewer and water connection permits, certificates of occupancy, final development plans, development agreements, permits, resubdivisions, and any amendments to, or repealing of, any of the foregoing as are necessary to readopt or reenact all or any portion of this Agreement, Project Approvals, and/or Subsequent Approvals without contravening the Judgment.

(b) The parties agree that this Section 9.02 shall constitute a separate agreement entered into concurrently, and that if any other provision of this Agreement, or the Agreement as a whole, is invalidated, rendered null, or set aside by a court of competent jurisdiction, the parties agree to be bound by the terms of this Section 9.02, which shall survive such invalidation, nullification or setting aside.

ARTICLE X
DEFAULT; REMEDIES; TERMINATION

Section 10.01 Defaults. Any failure by either party to perform any term or provision of this Agreement, which failure continues uncured for a period of thirty (30) days following written notice of such failure from the other party (the "**Complaining Party**") (unless such period is extended by mutual written consent), shall constitute a default under this Agreement. The Complaining Party's notice ("**Default Notice**") shall specify the nature of the alleged failure and, may specify the manner in which the failure satisfactorily may be cured By the other party (the "**Defaulting Party**"). Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of a default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies. If the nature of the alleged failure is such that it cannot reasonably be cured within such 30-day period, then no fault shall be deemed to have occurred if: (a) the cure shall be commenced at the earliest practicable date following receipt of the Default Notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (if no event later than thirty (30) days after the Defaulting Party's receipt of the Default Notice), the Defaulting Party provides written notice to the Complaining Party that the cure cannot practicably be completed within such 30-day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within one hundred twenty (120) days after the Notice of Default is given. Complaining Party shall not send notice to any third party, including, but not limited to, bonding and surety companies, until such time as the cure opportunities set forth above have expired unless otherwise required by applicable law. Upon the occurrence of a default under this Agreement, the Complaining Party may institute legal proceedings to enforce the terms of this Agreement or, in the event of a material default, terminate this Agreement. If the default is cured consistent with this Section, then no default shall exist and the Complaining Party shall take no further action.

Section 10.02 Termination. If City elects to consider terminating this Agreement due to a material default of Developer, then City shall give a notice of intent to terminate this Agreement and the matter shall be scheduled for consideration and review by the City Council at a duly noticed and conducted public hearing. As used herein, a finding of materiality shall be based on the effect of the default in relation to the size and scope of the Project. Developer shall have the right to offer written and oral evidence prior to or at the time of said public hearings. If the City Council determines that a material default has occurred and is continuing, and elects to terminate this Agreement, City shall give written notice of termination of this Agreement to Developer by certified mail and this Agreement shall thereby be terminated sixty (60) days thereafter; provided, however, that if Developer files an action to challenge City's termination of this Agreement within such 60-day period, then this Agreement shall remain in full force and effect until a trial court has affirmed City's termination of this Agreement and all appeals have been exhausted (or the time for requesting any and all appellate review has expired).

Section 10.03 Periodic Review.

(a) Conducting the Periodic Review. Throughout the Term of this Agreement, at least once every twelve (12) months following the execution of this Agreement, City shall review the extent of good-faith compliance by Developer with the terms of this Agreement. This review (the "**Periodic Review**") shall be conducted by the City Manager or his/her designee and shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code § 65865.1. Developer also agrees to pay City annually the greater of Five Thousand Dollars ($5,000) or the actual cost of Periodic Review Fee (not to exceed Ten Thousand Dollars ($10,000)).The Five Thousand Dollars ($5,000) shall be increased annually thereafter by the CPI for the San Francisco-Oakland Area, with the first increase implemented in January 2017 reflecting 2016 increases. Such Periodic Review Fee shall only be paid in the years in which a Periodic Review is actually conducted.

(b) Notice. At least ten (10) days prior to the Periodic Review, and in the manner prescribed in Article XII of this Agreement, City shall deposit in the mail to Developer a copy of any staff reports and documents to be used or relied upon in conducting the review and, to the extent practical, related exhibits concerning Developer's performance hereunder. Developer shall be permitted an opportunity to respond to City's evaluation of Developer's performance, either orally at a public hearing or in a written statement, at Developer's election. Such response shall be made to the City Manager.

(c) Good Faith Compliance. During the Periodic Review, the City Manager shall review Developer's good-faith compliance with the terms of this Agreement. At the conclusion of the Periodic Review, the City Manager shall make written findings and determinations, on the basis of substantial evidence, as to whether or not Developer has complied in good faith with the terms and conditions of this Agreement. The decision of the City Manager shall be appealable to the City Council. If the City Manager finds and determines that Developer has not complied with such terms and conditions, the City Manager may recommend to the City Council that it terminate or modify this Agreement by giving notice of its intention to do so, in the manner set forth in California Government Code §§ 65867 and 65868. The costs incurred by City in connection with the Periodic Review process described herein shall be shared equally by Developer and City.

(d) Failure to Properly Conduct Periodic Review. If, after thirty (30) days following Developer's notice requesting a Periodic Review, City fails to initiate the Periodic Review, such failure shall be conclusively deemed an approval by City of Developer's compliance with the terms of this Agreement.

(e) Written Notice of Compliance. With respect to any year for which Developer has been determined or deemed to have complied with this Agreement, City shall, within thirty (30) days following a written request by Developer, provide Developer with a written notice of compliance, in recordable form, duly executed and acknowledged by City. Developer shall have the right, in Developer's sole discretion, to record such notice of compliance.

Section 10.04 Default by City or Developer. In the event City or Developer defaults under the terms of this Agreement, City or Developer shall have all rights and remedies provided herein and under law.

Section 10.05 Excusable Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, neither party shall be deemed to be in default where delays in performance or failures to perform are due to, and a necessary outcome of, war, insurrection, terrorism, strikes or other labor disturbances, walk-outs, riots, floods, earthquakes, fires, casualties, acts of God, restrictions imposed or mandated by other governmental entities (including new or supplemental environmental regulations), enactment of conflicting State or Federal laws or regulations, or judicial decisions. Neither party shall be deemed to be in default where delays in performance or failure to perform are due to a court order arising out of or related to litigation attacking the validity of this Agreement, the Project Approvals, the Subsequent Approvals, or any permit, ordinance, entitlement or other action of a governmental agency other than City necessary for the development of the Project. Developer shall not be deemed to be in default where delays in performance or failure to perform are t due to Developer's inability to obtain materials, power or public facilities (such as water or sewer service) to the Project and unrelated to Developer's actions or inactions and beyond Developer's control. Upon the properly noticed request of either party hereto, as required by Section 12.09, an extension of time for the performance of any obligation whose performance has been so prevented or delayed will be set forth in writing. The term of any such extension shall be equal to the period of the excusable delay, or longer, as may be mutually agreed upon in writing.

Section 10.06 Legal Action. Either party may, in addition to any other rights or remedies, institute legal action to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation thereof, recover damages for any default, enforce by specific performance the obligations and rights of the parties hereto, or to obtain any remedies consistent with the purpose of this Agreement.

Section 10.07 California Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 10.08 Resolution of Disputes. With regard to any dispute involving development of the Project, the resolution of which is not provided for by this Agreement or Applicable Law, Developer shall, at City's request, meet with City. The parties to any such meetings shall attempt in good faith to resolve any such disputes. If the parties are then unable to resolve their dispute, either party may commence mediation by providing to JAMS, or its successor, and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS' panel of neutrals, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or ninety (90) days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the parties both agree in writing. The provisions of this Section 10.08 may be enforced by any Court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorney's fees, to be paid by the party against whom enforcement is ordered. Nothing in this Section 10.08 shall in any way be interpreted as requiring that Developer and City and/or City's designee reach agreement with regard to those matters being addressed, nor shall the outcome of these meetings be binding in any way on City or Developer unless expressly agreed to in writing by the parties to such meetings.

Section 10.09 Attorneys' Fees. In any legal action or other proceeding brought by either party to enforce or interpret a provision of this Agreement, the prevailing party is entitled to reasonable attorneys' fees and any related other costs incurred in that proceeding in addition to any other relief to which it is entitled.

ARTICLE XI
NO AGENCY, JOINT VENTURE OR PARTNERSHIP

It is specifically understood and agreed to by and between the parties hereto that unless otherwise expressly provided herein: (i) the subject development is a private development; (ii) City have no interest or responsibilities for, or duty to, third parties concerning any improvements until such time, and only until such time, that City accepts the same pursuant to the provisions of this Agreement or in connection with the various Project Approvals or Subsequent Approvals; (iii) Developer shall have full power over and exclusive control of the Project herein described, subject only to the limitations and obligations of Developer under this Agreement, the Project Approvals, Subsequent Approvals, and Applicable Law; and (iv) City and Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership between City and Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between City and Developer. City agrees that Developer's obligations under this Agreement related to the construction of Project water, sewer and drainage infrastructure improvements, the grading and construction of traffic improvements, and the grading and construction of any other public improvements (collectively, the "**Public Improvements**") are all public works of improvement City is requiring as a condition of regulatory approval of the Project and that the Project is an otherwise private development. City further agrees that it will contribute no more money, or the equivalent of money, to the overall Project than is required to construct the Public Improvements and that City maintain no proprietary interest in the overall Project.

ARTICLE XII
MISCELLANEOUS

Section 12.01 Incorporation of Recitals and Introductory Paragraph. The Recitals contained in this Agreement, and the introductory paragraph preceding the Recitals, are hereby incorporated into this Agreement as if fully set forth herein.

Section 12.02 Enforceability. City and Developer agree that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this

Agreement shall be enforceable by any party hereto notwithstanding any change hereafter enacted or adopted (whether by ordinance, resolution, initiative, or any other means) in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance, or any other land use ordinance or building ordinance, resolution or other rule, regulation or policy adopted by City that changes, alters or amends the rules, regulations and policies applicable to the development of the Project Site at the time of the approval of this Agreement as provided by California Government Code § 65866. In the event of any conflict between the provisions of this Agreement and Applicable Law, the Project Approvals or any Subsequent Approval, this Agreement shall prevail.

Section 12.03 Findings. City hereby finds and determines that execution of this Agreement furthers public health, safety and general welfare and that the provisions of this Agreement are consistent with the General Plan.

Section 12.04 Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties. Notwithstanding the foregoing, if any material provision of this Agreement, or the application of such provision to a particular situation, is held to be invalid, void or unenforceable, either City or Developer may (in their sole and absolute discretion) terminate this Agreement by providing written notice of such termination to the other party.

Section 12.05 Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out the Project Approvals, Subsequent Approvals and this Agreement and to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

Section 12.06 Construction. Each reference in this Agreement to this Agreement or any of the Project Approvals or Subsequent Approvals shall be deemed to refer to the Agreement, Project Approval or Subsequent Approval as it may be amended from time to time, whether or not the particular reference refers to such possible amendment. This Agreement has been reviewed and revised by legal counsel for both City and Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

Section 12.07 Other Miscellaneous Terms. The singular shall include the plural; the masculine gender shall include the feminine; “shall” is mandatory; “may” is permissive. If there is more than one signer of this Agreement, the signer obligations are joint and several.

Section 12.08 Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of the Project, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law including, without limitation, California Civil Code § 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Project, as appropriate, runs with the Project Site and is binding upon the owner of all or a portion of the Project Site and each successive owner during its ownership of such property.

Section 12.09 Notices. Any notice or communication required hereunder between City or Developer must be in writing, and may be given either personally, by fax (with original forwarded by regular U.S. Mail) by registered or certified mail (return receipt requested), or by FedEx or other similar courier promising overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any party hereto may at any time, by giving ten (10) days written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to City, to:	City Manager City of Pittsburg Civic Center 65 Civic Avenue Pittsburg, CA 94565-2830
With Copies to:	Ruthann G. Ziegler City Attorney Meyers Nave 555 Capitol Mall, Suite 1200 Sacramento, CA 95814
If to Developer, to:	Albert D. Seeno, III Skyranch Land Investors, LLC 4061 Port Chicago Hwy., Ste. H Concord, CA 94520

With Copies to: Skyranch Land Investors, LLC
Attn: Legal Department
4021 Port Chicago Hwy.
Concord, CA 94520

Section 12.10 Entire Agreement, Counterparts And Exhibits. This Agreement is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of twenty-nine(29) pages and three (3) exhibits which constitute in full, the final and exclusive understanding and agreement of the parties and supersedes all negotiations or previous agreements of the parties with respect to all or any part of the subject matter hereof. All waivers of any provisions of this Agreement shall be in writing and signed by the appropriate authorities of City and Developer. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

EXHIBIT A	Legal Description
EXHIBIT A-1	Project Site Diagram
EXHIBIT B	Applicable Fees
EXHIBIT C	Form of Affordable Housing Agreement

Section 12.11 Recordation Of Development Agreement. Pursuant to California Government Code § 65868.5, no later than ten (10) days after City enters into this Agreement, the City Clerk shall record an executed copy of this Agreement, or Memorandum thereof, in the Official Records of the County of Contra Costa. The parties agree to cooperate as to preparation, execution, and recording of a Memorandum hereof.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the day and year first above written.

CITY:

CITY OF PITTSBURG,
a California municipal corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

APPROVED AS TO FORM:

By: ______________________________
City Attorney

DEVELOPER:

SKYRANCH LAND INVESTORS, LLC,
a California limited liability company

By: DISCOVERY BUILDERS, INC.,
a California corporation
Its: Managing Member

By: ______________________________
Name: Albert D. Seeno, III
Title: Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION

PARCEL ONE:

Parcel A of Contra Costa County LL13-003, described in Exhibit “C” of that certain Grant Deed executed by the Antioch Unified School District, a California Public School District, to Skyranch Land Investors, LLC, a California limited liability company, recorded August 28, 2013, Instrument No. 2013-0213247, Contra Costa County Official Records, and more particularly described therein as follows:

Being all of the Southeast Quarter of Section 28, Township 2 North, Range 1 East, Mount Diablo Base and Meridian, excepting therefrom, that portion thereof described in the Deed to the City of Pittsburg, recorded July 20, 1999, Recorder's Series No. 1999-191290, in the Office of the County Recorder of Contra Costa County, State of California,

TOGETHER WITH,

Parcel A:

Commencing at the southeast corner of Section 28, Township 2 North, Range 1 East, Mount Diablo Base and Meridian as said corner is shown on that certain Record of Survey filed on October 24, 1990 in Book 96 of Licensed Surveyors Maps at Page 24 in the Office of the County Recorder of Contra Costa County, State of California, thence along the south line of said Section 28 North 88°36'15" West, 95.38 feet to the point of beginning;

Thence leaving said south line South 01°23'45" West, 50.00 feet;

Thence North 88°36'15" West, 50.00 feet;

Thence North 01°23'45" East, 50.00 feet to a point on said south line, said point hereinafter referred to as Point ‘A’;

Thence along said south line South 88°36'15" East, 50.00 feet to the point of beginning.

Excepting therefrom the mineral interest as reserved in the Deed from Elonora M. Barry, et al, recorded October 29, 1981, in Book 10554, Page 175, Contra Costa County Records, as follows: “one-half (1/2) of the minerals of every kind in, under or that may be extracted from said property".

Parcel B:

Commencing at the aforementioned Point ‘A’, said Point ‘A’ being on the south line of said Section 28, thence along the south line of said Section 28, North 88°36'15" West, 524.34 feet to the point of beginning;

Thence leaving said south line South 01°23'45" West, 50.00 feet;

Thence North 88°36'15" West, 50.00 feet;

Thence North 01°23'45" East, 50.00 feet to a point on said south line;

Thence along said south line, South 88°36'15" East, 50.00 feet to the point of beginning.

EXCEPTING THEREFROM the mineral interest as reserved in the Deed from Elonora M. Barry, et al, recorded October 29, 1981, in Book 10554, Page 175, Contra Costa County Records, as follows: “one-half (1/2) of the minerals of every kind in, under or that may be extracted from said property".

Parcel C:

Commencing at the southeast corner of Section 28, Township 2 North, Range 1 East, Mount Diablo Base and Meridian as said corner is shown on that certain Record of Survey filed on October 24, 1990, in Book 96 of Licensed Surveyors Maps at Page 24 in the Office of the County Recorder of Contra Costa County, State of California, thence along the south line of said Section 28, North 88°36'15" West, 1204.62 feet to the point of beginning;

Thence leaving said south line along the following courses:

Along a curve to the right having a radius of 110.00 feet, which radius point bears North 71°39'36" West, through a central angle of 49°14'07", and an arc distance of 94.52 feet;

Thence, along a reverse curve to the left with a radius of 105.00 feet, through a central angle of 41°42'14", and an arc distance of 76.43 feet;

Thence South 25°52'17" West, 53.99 feet;

Thence, along a tangent curve to the left with a radius of 230.00 feet, through a central angle of 40°03'17", and an arc distance of 160.79 feet;

Thence South 14°11'00" East, 58.24 feet;

Thence, along a tangent curve to the right with a radius of 120.00 feet, through a central angle of 59°35'15", and an arc distance of 124.80 feet;

Thence, along a compound curve to the right with a radius of 370.00 feet, through a central angle of 27°31'55", and an arc distance of 177.79 feet;

Thence, along a compound curve to the right with a radius of 70.00 feet, through a central angle of 95°03'38", and an arc distance of 116.14 feet;

Thence, along a reverse curve to the left with a radius of 20.00 feet, through a central angle of 59°04'43", and an arc distance of 20.62 feet;

Thence, along a reverse curve to the right with a radius of 70.00 feet, through a central angle of 298°30'30", and an arc distance of 364.70 feet;

Thence, along a reverse curve to the left with a radius of 25.00 feet, through a central angle of 155°16'06", and an arc distance of 67.75 feet;

Thence, along a compound curve to the left with a radius of 330.00 feet, through a central angle of 26°45'14", and an arc distance of 154.09 feet;

Thence, along a compound curve to the left with a radius of 80.00 feet, through a central angle of 59°35'15", and an arc distance of 83.20 feet;

Thence North 14°11'00" West, 58.24 feet;

Thence, along a tangent curve to the right with a radius of 270.00 feet, through a central angle of 40°03'17", and an arc distance of 188.75 feet;

Thence North 25°52'17" East, 53.99 feet;

Thence, along a tangent curve to the right with a radius of 145.00 feet, through a central angle of 41°42'14", and an arc distance of 105.54 feet;

Thence, along a reverse curve to the left with a radius of 70.00 feet, through a central angle of 38°55'23", and an arc distance of 47.55 feet;

Thence South 88°36'15" East, 43.00 feet to the point of beginning.

(The basis of bearings for the purposes of this description are based on the Map of Subdivision 8532 filed inBook 445 of Maps at Page 27, Contra Costa County Records)

EXCEPTING THEREFROM the mineral interest as reserved in the Deed from Elonora M. Barry, et al, recorded October 29, 1981, in Book 10554, Page 175, Contra Costa County Records, as follows: “one-half (1/2) of the minerals of every kind in, under or that may be extracted from said property".

PARCEL TWO:

The easement granted in the Deed from Dallas Ranch Landowners, L.P., to Gordon Gravelle, recorded August 30, 1996, Recorder's Series No. 96-163438, Contra Costa County Records, as follows:

An easement, appurtenant to Parcel One above, for ingress and egress over the following described property:

A portion of the Southwest one-quarter of Section 27, Township Two North, Range One East, Mount Diablo Meridian, said Southwest one-quarter of Section 27 being shown and so designated on that certain Record of Survey recorded October 24, 1990, in Book 96 of Licensed Surveyor's Maps, Page 24, Contra Costa County Records, described as follows:

Beginning at the Northwestern corner of said Southwest one-quarter of Section 27; thence, from said point of beginning, along the Northern line of said Southwest one-quarter of Section 27, South 89° 37' 12" East 125.60 feet; thence, along a tangent 1,445.00 foot radius curve to the right, through a central angle of 47° 58' 47" an arc distance of 1,210.05 feet; thence, South 41° 39' 25" East 329.45 feet; thence, along a tangent 1,445.00 foot radius curve to the left, through a central angle of 28° 43' 53" an arc distance of 724.60 feet; thence, South 66° 26' 00" East 125.18 feet to a point on the Western line of Somersville Road, as said Somersville Road is shown and so designated on said Record of Survey; thence, along said Western line, South 17° 28' 43" West 20.01 feet; thence, leaving said Western line, North 66° 26' 00" West 125.92 feet; thence, along a tangent 1,465.00 foot radius curve to the right, through a central angle of 28° 43' 53" an arc distance of 7334.63 feet; thence, North 41° 39' 25" West 329.45 feet; thence, along a tangent 1,425.00 foot radius curve to the left, through a central angle of 47° 58' 47" an arc distance of 1193.30 feet; thence, North 89° 37' 12" West 125.25 feet to a point on the Western line of said Southwest one-quarter of Section 27; thence, along said Western line, North 00° 39' 16" West 20.00 feet to said Point of Beginning.

PARCEL THREE:

A temporary construction easement, as an appurtenance to Parcel One above, as set forth in that certain Easement Deed executed by Antioch Unified School District in favor of Sky Ranch Land Investors LLC, a California limited liability company, and recorded February 8, 2013, as Instrument No. 2013-0035011, as amended by Amended and Restated Easement Deed executed by and between the same parties, recorded July 28, 2014, in Official Records, as Instrument No. 2014-0123898, Contra Costa County Official Records.

(Being APN 089-050-074 and 075-051-011)

EXHIBIT A-1

PROJECT SITE DIAGRAM

(See attached.)

DEPICTION OF VESTING TENTATIVE MAP
PRELIMINARY GRADING PLAN

AS APPROVED BY PLANNING COMMISSION ON MAY 8, 2007

SUBDIVISION 8475

CITY OF PITTSBURG SEPTEMBER 2009

"SKY RANCH" II

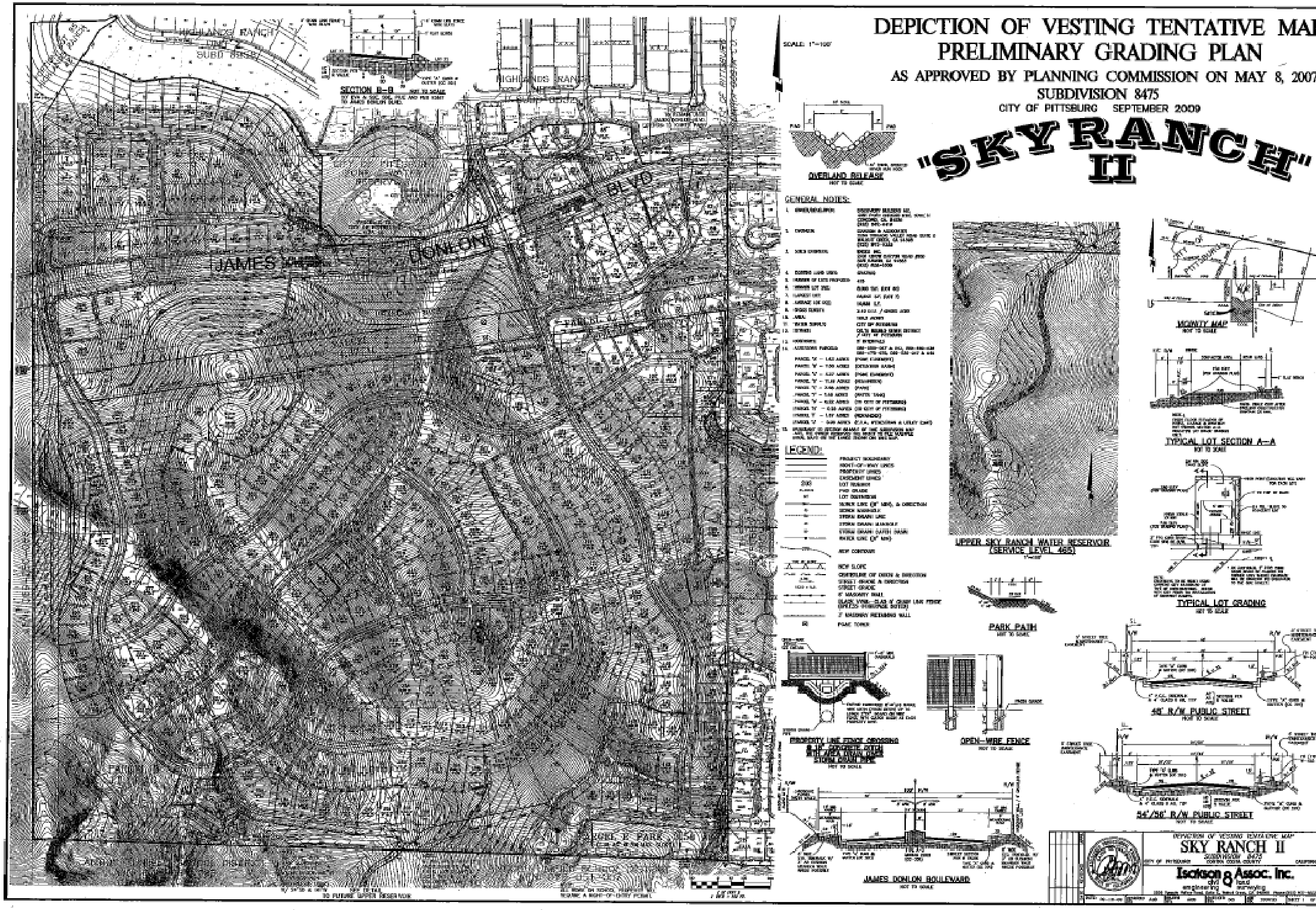


EXHIBIT B

APPLICABLE FEES

BUILDING DIVISION:

Fee Description:

Permits:

1. Building Permit Fee Minimum
1. Building Permit Fees (Alterations and Repairs)
2. Building Permit Fees (New Commercial)
3. Building Permit Fees (New Industrial)
4. Building Permit Fees (New SFR Dwellings)
5. Building Permit Fees (New SFR Private Garages)
6. Building Permit Fees (New SFR Decks/Porches)

   Above SFR valuation calculation to remain constant.Table B to be adjusted by the prior year ENR 20-City Construction Cost Index every January 1st.
7. Reroof (Residential)
8. Reroof (Commercial)

All Inclusive Permit Fees:

9. All inclusive Permit Fees (Kitchen Alteration)
10. All inclusive Permit Fees (Bathroom Alteration)
11. All inclusive Permit Fees (Bathroom Alteration Each Additional)
12. All inclusive Permit Fees (Window Replacement 1-5)
13. All inclusive Permit Fees (Window Replacement >5)
14. All inclusive Permit Fees (Window Replacement)
15. Plumbing Fee (Primary)
16. Plumbing Fee (Supplemental)
17. Water Heater Replacement
18. Re-piping – Supply Lines
19. Sewer Line Repair/Replace
20. Seismic Gas Valve
21. Electrical Fee (Primary)
22. Electrical Fee (Supplemental)
23. Electrical Services Upgrade (200 amps or <)
24. Electrical Services Upgrade (>200 amps)
25. New Service (Pedestal)
26. Temporary Power

27. Mechanical Fee (Primary)
28. Mechanical Fee (Supplemental)
29. Furnace Change Out or New (10,000 btu or <)
30. AC New or Change Out
31. Furnace Change Out (100,000 btu or <) w/AC
32. Furnace Change Out (>100,000 btu)
33. Insulation/Energy Fee Per New Construction >500 sq. ft.
34. Swimming Pool Permit (Residential Fee)
35. Swimming Pool Permit (Commercial Fee)
36. Sign Permit (New Installation)
37. Sign Replacement (Channel Signage)
38. Sign Replacement (Channel Signage)
39. Sign Replacement (Monument Signage)
40. Sign Replacement (Projecting Signage)
41. Sign Replacement (Transom Signage)
42. Sign Replacement (Freestanding Signage)
43. Demolition (Residential)
44. Demolition (Commercial)
45. Moved Building Permit/Manufactured Home
46. Residential Photovoltaic Permit
47. Commercial Photovoltaic Permit

Plan Review Fees:

48. Building Plan Review Fee
49. Expedited Plan Review
50. Foundation Only
51. Review in Excess of 2
52. Fire and Termite Repair w/Scope of Work
53. Energy Plan Review Fee (Commercial – New Construction)
54. Energy Plan Review Fee (Residential – New Construction)
55. Energy Plan Review Fee (Residential – Development Model)
56. Plumbing Plan Review Fee
57. Electrical Plan Review Fee
58. Mechanical Plan Review Fee
59. Swimming Pool Plan Review Fee (Custom)
60. Swimming Pool Plan Review Fee (Standardized Plans and Calculations)
61. Over Counter Plan Review Fee

62. Production Housing Plan Review Fee

Residential Rental Property Inspection Fee Schedule:

63. Initial Annual Inspection Fee and Registration Fee
64. Annual Program Fee
65. Annual Program Fee Completed Electronically (Online)

    An initial verification inspection is conducted at the first time a property is placed into inventory. A renewal inspection is conducted each year thereafter or on the fourth year for properties that are self-inspected by the owner.
66. Building
67. Plumbing, Electrical, Mechanical, etc.
68. Requested Special Inspection
69. Code Compliance Permit (Residence)
70. Code Compliance Permit (Commercial)
71. Code Compliance Permit (Work Without a Permit)
72. Code Compliance Permit (Reinstate Expired Permit – Final Inspection Only)
73. Code Compliance Permit (Reinstate Expired Permit – Second Inspection Due to Corrections)
74. Code Compliance Permit (Reinstate Expired Permit – Inspections Beyond Final Remaining)
75. Garage Conversion

Administrative Fees:

76. Fire Protection Collection Fee
77. Fire District Facilities Admin Fee (Single Family)
78. Fire District Facilities Admin Fee (Multi-Family)
79. Fire District Facilities Admin Fee (Office)
80. Fire District Facilities Admin Fee (Commercial)
81. Fire District Facilities Admin Fee (Industrial)

Other Fees:

82. Water Meter – Purchase
83. Construction Water (Pre-metered Internal Use)
84. Copies
85. Document Imaging Fee (Subdivisions = BP Models Only)
86. Document Imaging Fee (Building Permit Fee)
87. Accessibility Fee (Non-Res Building Permit Fee)
88. NPDES Management Fee (Building Permit Fee)
89. Release of Tax Lien

90. Postage/Handling – Permits
91. Inspection Outside of Normal Business Hours
92. Re-Inspection Fee
93. Inspections for Which No Fee is Specifically Indicated

Building Standards Administration Fees:

94. Permit Valuation ($1 - $25,000)
95. Permit Valuation ($25,001 - $50,000)
96. Permit Valuation ($50,001 - $75,000)
97. Permit Valuation ($75,001 - $100,000)
98. Every $25,000 or Fraction Thereof Above $100,000

Strong Motion Instrumental and Seismic Hazard Mapping:

99. Category 1 (Residential 1-3 Stories Building Permits Over $5,000)
100. Category 2 (Commercial and Residential Over 3 Stories Building Permits over $2,381)
101. Category 1 Permits Under $5,000 and Category 2 Permits Under $2,381

BUILDING DIVISION TABLE I:

Plumbing Permit Fees – C.P.C.:

Permit Issuance:

1. Filing Fee
2. Filing Fee (Supplementary)

Plan Review:

1. Plan Review Fees for Plumbing Work shall be equal to 100% of Plumbing Permit
2. Additional Plan Review required by changes, additions, or revisions to approved plans shall be assessed hourly
3. When Plan Check goes beyond a second review, the applicant may be charged for subsequent reviews on an hourly basis or per the consultant's fee

System Fee Schedule:

1. Residential Construction (SFR and MFR >500 sq. ft.)
2. Commercial Construction (Complete Building)
3. Commercial Construction (Shell Only)
4. Commercial Construction (Vanilla Shell Only)
5. Commercial Construction (Tenant Improvement)
6. Commercial Construction (Tenant Improvement – Restaurant)
7. Alterations or Additions (Residential and Commercial)

8. Trade Specific (Plumbing Only)

Other Inspection and Fees:

1. Inspection Outside of Normal Business Hours
2. Re-Inspection Fee
3. Inspections for which no fee is specifically indicated

BUILDING DIVISION TABLE II:

Electrical Permit Fees – C.E.C.:

Permit Issuance:

1. Filing Fee
2. Filing Fee (Supplementary)

Plan Review:

1. Plan Review Fees for Electrical Work shall be equal to 100% of Electrical Permit
2. Additional Plan Review required by changes, additions, or revisions to approved plans shall be assessed hourly
3. When Plan Check goes beyond a second review, the applicant may be charged for subsequent reviews on an hourly basis or per the consultant's fee

System Fee Schedule:

1. Residential Construction (SFR and MFR >500 sq. ft.)
2. Commercial Construction (Complete Building)
3. Commercial Construction (Shell Only)
4. Commercial Construction (Vanilla Shell Only)
5. Commercial Construction (Tenant Improvement)
6. Commercial Construction (Tenant Improvement - Restaurant)
7. Alterations or Additions (Residential and Commercial)
8. Trade Specific (Electrical Only)

Other Inspection and Fees:

1. Inspection Outside of Normal Business Hours
2. Re-Inspection Fee
3. Inspections for which no fee is specifically indicated

BUILDING DIVISION TABLE III:

Mechanical Permit Fees – C.M.C.:

Permit Issuance:

1. Filing Fee
2. Filing Fee (Supplementary)

Plan Review:

1. Plan Review Fees for Electrical Work shall be equal to 100% of Mechanical Permit
2. Additional Plan Review required by changes, additions, or revisions to approved plans shall be assessed hourly
3. When Plan Check goes beyond a second review, the applicant may be charged for subsequent reviews on an hourly basis or per the consultant's fee

System Fee Schedule:

1. Residential Construction (SFR and MFR >500 sq. ft.)
2. Commercial Construction (Complete Building)
3. Commercial Construction (Shell Only)
4. Commercial Construction (Vanilla Shell Only)
5. Commercial Construction (Tenant Improvement)
6. Commercial Construction (Tenant Improvement - Restaurant)
7. Alterations or Additions (Residential and Commercial)
8. Trade Specific (Mechanical Only)

Other Inspection and Fees:

1. Inspection Outside of Normal Business Hours
2. Re-Inspection Fee
3. Inspections for which no fee is specifically indicated

PLANNING:

Fee Description:

1. Document Copies
2. Accessory Dwelling Unit
3. Annexation Review
4. Appeal by Applicant
5. Appeal by Non-Applicant
6. Certificate of Compatibility (Mobile/Manufactured Houses)
7. Design Review (Administrative, Awnings, Color Change)
8. Design Review (All Other Administrative)

9. Design Review (SFR Subdivision 5-50 Lots)
10. Design Review (SFR Subdivision >50 Lots)
11. Design Review (MFR Base Fee 1-50 Lots)
12. Design Review (MFR 50+)
13. Design Review (New Wireless Telecom Facility & Communication Building Remodel <5,000 sq. ft.)
14. Design Review (Commercial Structure)
15. Development Agreements
16. Environmental (Consultant Study – Pass Through)
17. Environmental (EIR – Pass Through)
18. Environmental (Initial Study or Environmental Assessment)
19. Environmental (Negative Declaration)
20. Environmental (Notice of Determination – Pass Through)
21. Environmental (F&G w/ND/No Impacts – Pass Through)
22. Environmental (F&G w/ND and Impacts – Pass Through)
23. Extension of Approval
24. Fence Height Exception/Tree Removal Permit
25. General Plan Amendment (Alone)
26. General Plan Amendment (With Others)
27. Habitat Conservation Plan Administration
28. Home Occupation Permit
29. Commercial/Retail Permit
30. Outdoor Dining Permit
31. Preliminary Plan Review
32. Sign Review (Freestanding – Admin)
33. Sign Review (Wall Sign – Admin)
34. Sign Review (Sign Program)
35. Sign Review (Sign Exception)
36. Sign Review (Temporary Signs)
37. Sign Review (Billboard)
38. Subdivision Minor
39. Subdivision Major (Base Fee 1-100 Acres)
40. Subdivision Major (Base Fee >100 Acres)
41. Rezoning Request (PUD/Overlay)
42. Rezoning Request (Standard Zone)
43. Temp Activity Permit

44. Use Permit (Existing Building and Non-Sensitive)
45. Use Permit (New Construction and/or Sensitive)
46. Variance Review (Standard)
47. Zoning Administrator Approval (large day care home, small recycling facility, home occupation permit, telecommunications collocation)
48. Zoning Code Amendment
49. Zoning Code Letter
50. Minor Modifications to Wireless Facilities

Planning Document Charges:

51. General Plan
52. General Plan Map
53. Zoning Maps
54. Zoning Ordinance
55. Penalty of Returned Checks
56. Housing Element
57. Subdivision Ordinance
58. Adopted Design Review Guidelines
59. General Plan Update (EIR)
60. General Plan Update

ENGINEERING:

Fee Description:

1. Copies
2. Documents (36” Wide Paper)
3. Documents (18” Wide Paper)
4. Construction Bid Packages
5. Parcel Map Waiver
6. Minor Subdivision Map Check
7. Major Subdivision Map Processing Fee (Base Fee)
8. Subdivision Improvement Plan Check
9. Subdivision Improvement Inspection ($0 - $500,000)
10. Subdivision Improvement Inspection ($500,001 - $5,000,000)
11. Subdivision Improvement Inspection (>$5,000,000)
12. Encroachment Plan Check (Simple)
13. Encroachment Inspection (Simple)
14. Encroachment Permit Plan Review

15. Encroachment Permit Inspection
16. Grading Plan Review
17. Grading Inspection
18. Development Agreement Preparation
19. Right-of-Way Easement (Aband/Vac)
20. Address Change/New Add.
21. Street Name Change
22. Flood Zone Verification
23. Transportation Permit (2 Day Permit)
24. Transportation Permit (Annual)
25. Plan Check (Single Parcel – SF)
26. Inspection (Single Parcel – SF)
27. Plan Check (Single Parcel – MF)
28. Inspection (Single Parcel – MF)
29. Plan Check (Single Parcel – Acreage)
30. Inspection (Single Parcel – Acreage)
31. Final Map Mylar Deposit
32. As Built Mylar Deposit
33. Sewer Inspection Deposit

33A. Storm Drain Inspection Deposit

34. Geographical Information System (Residential – Base)
35. Geographical Information System (Commercial)

NPDES Plan Review (SWPPP and/or C.3 Storm Water Control Plan:

36. 10,000 sq. ft. to 1 Acre or Risk Factor 1
37. >1 Acre or Risk Factor 2 and 3
38. NPDES Inspection (Risk Factor 1)
39. NPDES Inspection (Risk Factor 2 and 3)
40. Work Without Permit Investigation

Engineering Document Charges:

41. Water Master Plan
42. Waste Water Master Plan
43. CIP (Capital Improvement Project)
44. Grading Erosion Sediment Ordinance
45. City's Specs and Details (Pkg. of 2)
46. City's Specs (Pkg. of 1)

47. City’s Detail (Pkg. of 1)

Impact Fees:

48. Water Connection (Facility Reserve Fee)
49. Sewer Connection (Facility Reserve Fee)
50. Regional Traffic Mitigation Fee
51. Pittsburg Traffic Mitigation Fee
52. Kirker Creek Mitigation Fee
53. In-Lieu Parkland Dedication Fee

PUBLIC WORKS – WATER SERVICE CHARGES:

Fee Description:

1. New Utility Account Setup
2. Meter Shut-Off/Meter Turn On
3. Meter Shut-Off (Meter Locked)/Meter Turn On
4. Meter Shut-Off (Meter Pulled)/Meter Turn On
5. Meter Tampering Fee (No Active Account)
6. After Hours Turn On
7. Verify Meter Reads
8. Fire Hydrant Meter (Check or Field Read)
9. Field Test – Water Meter (Up to and including 2” from front hose bib)
10. Remove and Test – Water Meter (5/8” to 1”)
11. Remove and Test – Water Meter (1 ½” to 2”)
12. Test – Water Meter (>2” and All Others Not Listed)
13. Sewer Backup (Customer’s Lateral)
14. Bacteriological Testing (First)
15. Bacteriological Testing (Additional)
16. New Hydrant Account Setup
17. NSF
18. ACH Reject
19. Credit Card Fraud
20. Write-Off/Collection Processing
21. Meter Replacement
22. Trip Charge

EXHIBIT C

FORM OF AFFORDABLE HOUSING AGREEMENT

RECORDING REQUESTED BY:

CITY OF PITTSBURG

When Recorded Mail To:

City Clerk
City of Pittsburg
65 Civic Ave.
Pittsburg, CA 94565

Fee Waived per GC 27383

(SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY)

SECONDARY DWELLING UNIT REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

Owner:	______________________
Property Address:	______________________ Pittsburg, California 94565
APN:	______________________
Name of Development:	Skyranch II

This Secondary Dwelling Unit Regulatory Agreement and Declaration of Restrictive Covenants (this "**Agreement**") is entered into effective as of _____________ ("**Effective Date**") by and between the City of Pittsburg, a municipal corporation ("**City**") and _________________ (the "**Owner**"). City and Owner are hereinafter collectively referred to as the "**Parties**."

Recitals

A. Owner is the owner of certain real property that contains a secondary dwelling unit, which is located in the City of Pittsburg, County of Contra Costa, State of California and more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the "**Property**"). The Property is located within a residential development project area (the "**Project**") that was subject to the City's Inclusionary Zoning Regulations, which requires an agreement to provide an affordable housing component into the project.

B. The developer of the Project chose to satisfy its obligations through, among other things, the construction of forty two (42) secondary dwelling units on some of the residential lots in the Project, including on the Property, and requiring the purchasers to enter into regulatory agreements restricting the rent charges for the secondary units to affordable rents.

C. The Parties have agreed to enter into and record this Agreement in order to satisfy the requirements described in the foregoing Recitals. The purpose of this Agreement is to regulate and restrict the occupancy and rents of the Property's Restricted Unit (defined below) for the benefit of the occupants. The covenants in this Agreement are intended to run with the land and be binding on Owner and its successors and assigns for the full term of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the Parties hereby agree as follows:

1. Definitions. The following terms have the meanings set forth in this Section wherever used in this Agreement or the attached exhibits:

"**Applicable Income Level**"means the maximum annual gross income level, adjusted for household size, for an occupant of a secondary dwelling unit and shall not exceed eighty percent (80%) of the Area Median Income.

"**Area Median Income**" or "**AMI**" means the area median income for Contra Costa County, California, adjusted for household size, published periodically by the California Department of Housing and Community Development (**"HCD"**) in Section 6932 of Title 25 of the California Code of Regulations ("**Regulations**") or successor provision published.

"**Eligible Household**" means a household whose gross income does not exceed the Applicable Income Leveland that is otherwise eligible to rent a Restricted Unit.

"**Qualifying Rent**"means a monthly rent which does not exceed one-twelfth of thirty percent (30%) of the Applicable Income Level adjusted for household size, less a utility allowance, if any, specified by the Housing Authority of the City of Pittsburg.

"**Restricted Unit**" means the secondary dwelling unit on the Property that is depicted in **Exhibit B** and that is reserved for occupancy at a Qualifying Rent in accordance with and as set forth in Section 2. The Restricted Unit shall contain a Kitchenette (defined herein as, at minimum, one base cabinet with countertop, one small undercounter refrigerator, one two-burner electric cooktop, one small sink with garbage disposal and electrical receptacles for small appliances).

2. Use and Affordability Restrictions. Owner represents and warrants that it has not entered into any agreement that would restrict or compromise its ability to comply with the occupancy and affordability restrictions set forth in this Agreement, and Owner covenants that it shall not enter into any agreement that is inconsistent with such restrictions without the express written consent of City. Said covenants and restrictions shall be in concurrence with the occupancy restriction that is required by PMC 18.50.310 (h). This restriction states that the Property shall not be occupied by two separate households under two separate lease agreements.

2.1 Affordability Requirements. The Restricted Unit, if it is rented, shall be rented at not more than Qualifying Rent and occupied by Eligible Households. Owner shall ensure that language is contained in all leases and contracts with tenants of the Restricted Unit executed by Owner that prohibits subleasing of the Restricted Unit.

2.2 Rents for Restricted Units. Rent charged to, and paid by, a tenant for Restricted Units shall be not more than the Qualifying Rent. Notwithstanding the foregoing, no tenant qualifying for a Restricted Unit shall be denied continued occupancy of the Restricted Unit because, after admission, such tenant's adjusted income increases to exceed the qualifying limit for such Restricted Unit. Nothing herein is intended to restrict the rent charged for the Property should the Property owner elect to lease the Property, and not just the Restricted Unit.

2.3 Non-Discrimination; Compliance with Fair Housing Laws. Owner shall not discriminate against persons or groups of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, familial status, ancestry or national origin in the lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Owner or any person claiming under or through Owner 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, subtenants, sublessees or vendees in the Property. Owner shall each ensure that language prohibiting such discrimination shall be included in all deeds, leases and contracts executed by Owner or its successors and assigns with respect to the Property. Owner shall comply with state and federal fair housing laws in the marketing and rental of the secondary dwelling units in the Property.

3. Term of Agreement.

3.1 Term of Restrictions. This Agreement shall remain in effect for fifty-five (55) years from the Effective Date.

3.2 Effectiveness Succeeds Conveyance of Property. This Agreement shall remain effective and fully binding for the full term hereof regardless of any sale, assignment, transfer, or conveyance of the Property, unless this Agreement is terminated earlier by City in a recorded writing.

3.3 Reconveyance. Upon the termination of this Agreement, the Parties agree to execute and record appropriate instruments to release and discharge the terms of this Agreement; provided, however, the execution and recordation of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms.

4. Binding Upon Successors; Covenants to Run with the Land.Owner hereby subjects its interest in the Property to the covenants and restrictions set forth in this Agreement. City and Owner hereby declare their express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of Owner and City, regardless of any sale, assignment, conveyance or transfer of the Property or any part thereof or interest therein. Each reference in this Agreement to a specifically named party shall be deemed to mean a reference to the successor of each such Party. Any successor-in-interest to Owner, including, without limitation, any purchaser, transferee or lessee of the Property (other than the tenants of the secondary dwelling units within the Property) shall be subject to all of the duties and obligations imposed hereby for the full term of this Agreement. Each and every contract, deed, ground lease or other instrument affecting or conveying the Property or any part thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, restrictions, duties and obligations set forth herein, regardless of whether such covenants, restrictions, duties and obligations are set forth in such contract, deed, ground lease or other instrument. If any such contract, deed, ground lease or other instrument has been executed prior to the date hereof, Owner hereby covenants to obtain and deliver to City an instrument in recordable form signed by the parties to such contract, deed, ground lease or other instrument pursuant to which such parties acknowledge and accept this Agreement and agree to be bound hereby.

Owner agrees for itself and for its successors that in the event that a court of competent jurisdiction determines that the covenants herein do not run with the land, such covenants shall be enforced as equitable servitudes against the Property in favor of City.

5. Property Management; Repair and Maintenance; Marketing.

5.1 Management Responsibilities. Owner shall be responsible for all management functions with respect to the Restricted Unit, including, without limitation, the selection of tenants, certification and recertification of household income and eligibility, evictions, and collection of rents and deposits. Except as City may otherwise agree in writing, City shall have no responsibility for management or maintenance of the Property. The contracting of management services to a management entity shall not relieve Owner of its primary responsibility for proper performance of management duties.

6. Recordation; No Subordination. This Agreement shall be recorded in the Official Records of Contra Costa County. Owner hereby represents, warrants and covenants that with the exception of easements and restrictions of record, absent the written consent of City, this Agreement shall not be subordinated in priority to any lien (other than those pertaining to taxes or assessments), encumbrance, or other interest in the Property. If at the time this Agreement is recorded, any interest, lien, or encumbrance has been recorded against the Property in position superior to this Agreement, upon the request of City, Owner hereby covenants and agrees to promptly undertake all action necessary to clear such matter from title or to subordinate such interest to this Agreement consistent with the intent of and in accordance with this Section, and to provide such evidence thereof as City may reasonably request.

7. Default and Remedies.

7.1 Events of Default. Owner's failure to cure any default in performance of Owner's obligations under this Agreement within thirty (30) days following City's delivery of a notice of default shall constitute an Event of Default hereunder and shall entitle the City to proceed with any of the remedies described below. Notwithstanding the foregoing, if the default is such that it is not reasonably capable of being cured within thirty (30) days, an Event of Default shall not arise hereunder if Owner commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default to completion with due diligence and in good faith, but in no event later than ninety (90) days after receipt of City's notice of default or such longer period as City may agree to in writing.

(a) Bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking declaratory relief;

(b) For violations of obligations with respect to rents for Restricted Units, impose as liquidated damages a charge in an amount equal to the actual amount collected in excess of the Qualifying Rent;

(c) Pursue any other remedy allowed at law or in equity.

7.2 Remedies Cumulative. Each of the remedies provided herein is cumulative and not exclusive. City may exercise from time to time any rights and remedies available to it under applicable law or in equity, in addition to, and not in lieu of, any rights and remedies expressly provided in this Agreement.

8. Indemnification. Owner shall defend (with counsel approved by City), indemnify and hold the City and its officials, officers, directors, employees, and agents (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including reasonable attorneys' fees) arising from or in connection with or in any way related to: (i) Owner's performance or failure to perform any obligation required by this Agreement; or (ii) any act or omission by Owner, or any of Owner's contractors, subcontractors, agents, employees, licensees or suppliers related to the Property, except to the extent arising from the gross negligence or willful misconduct of such Indemnified Party. The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

9. Miscellaneous.

9.1 Amendments. This Agreement may be amended or modified only by a written instrument signed by both Parties.

9.2 No Waiver. Any waiver by City of any term or provision of this Agreement must be in writing. No waiver shall be implied from any delay or failure by City to take action on any breach or default hereunder or to pursue any remedy allowed under this Agreement or applicable law. No failure or delay by City at any time to require strict performance by Owner of any provision of this Agreement or to exercise any election contained herein or any right, power or remedy hereunder shall be construed as a waiver of any other provision or any succeeding breach of the same or any other provision hereof or a relinquishment for the future of such election.

9.3 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:

(a) personal delivery, in which case notice is effective upon delivery;

(b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered upon receipt if delivery is confirmed by a return receipt;

(c) 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;

(d) facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (i) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (ii) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a nonbusiness day.

City:

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

Owner:

At the address of the property

9.4 Further Assurances. The Parties shall execute, acknowledge and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Agreement.

9.5 Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

9.6 Action by the City. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, consent or request by City 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.

9.7 Non-Liability of City and City Officials, Employees and Agents. No member, official, employee or agent of City shall be personally liable to Owner or any successor in interest, in the event of any default or breach by City, or for any amount of money which may become due to Owner or its successor or for any obligation of City under this Agreement.

9.8 Headings; Construction. The headings of the sections and paragraphs of this Agreement are for convenience only and shall not be used to interpret this Agreement. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

9.9 Time is of the Essence. Time is of the essence in the performance of this Agreement.

9.10 Governing Law. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law.

9.11 Attorneys' Fees and Costs. If any legal or administrative action is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

9.12 Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

9.13 Entire Agreement; Exhibits. This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements between the Parties with respect thereto. The exhibits attached hereto are incorporated herein by this reference.

9.14 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first written above.

OWNER:

____

____

CITY OF PITTSBURG:

By:_____________________________
City Manager

Attest:__________________________
City Clerk

Approved as to form:

____
City Attorney

SIGNATURES MUST BE NOTARIZED

<u>Exhibit A</u>

PROPERTY DESCRIPTION

(Attach legal description)

Exhibit B

DIAGRAM SHOWING LOCATION OF SECONDARY DWELLING UNITS

(Attach diagram)

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

DATE: 5/24/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a City Council Resolution Approving Speed Humps on Brookside Drive

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

The City's Traffic Calming Policy includes specific criteria to be used when considering the use of speed humps to calm traffic on City streets. If City Council approves the installation of speed humps on Brookside Drive, all criteria for speed hump installation on Brookside Drive will be met and installation of speed humps on Brookside Drive will be scheduled this summer.

FISCAL IMPACT

The City's Capital Improvement Program (CIP) includes Item ST-85, Traffic Calming Projects. If approved, speed humps on Brookside Drive will be funded through this CIP Project.

RECOMMENDATION

City Council approve the installation of speed humps on Brookside Drive.

BACKGROUND

On May 17, 2004, City Council adopted Resolution 04-10078 , approving the current Traffic Calming Policy, which includes the use of speed humps meeting certain criteria.

On January 20, 2016, City staff received an application for speed humps on the entire length of Brookside Drive from a resident.

On December 7, 2016, the Community Advisory Commission recommended the City Council approve the installation of speed humps on Brookside Drive.

On April 10, 2017, staff informed the applicant that preliminary warrants for speed humps on Brookside Drive were met and that a petition in favor of speed humps on Brookside Drive was needed to be signed by at least 2/3 of the households on, or within 100 feet of Brookside Drive.

On May 15, 2017, staff completed its verification of signatures on a required petition in support of speed humps on Brookside Drive.

SUBCOMMITTEE FINDINGS

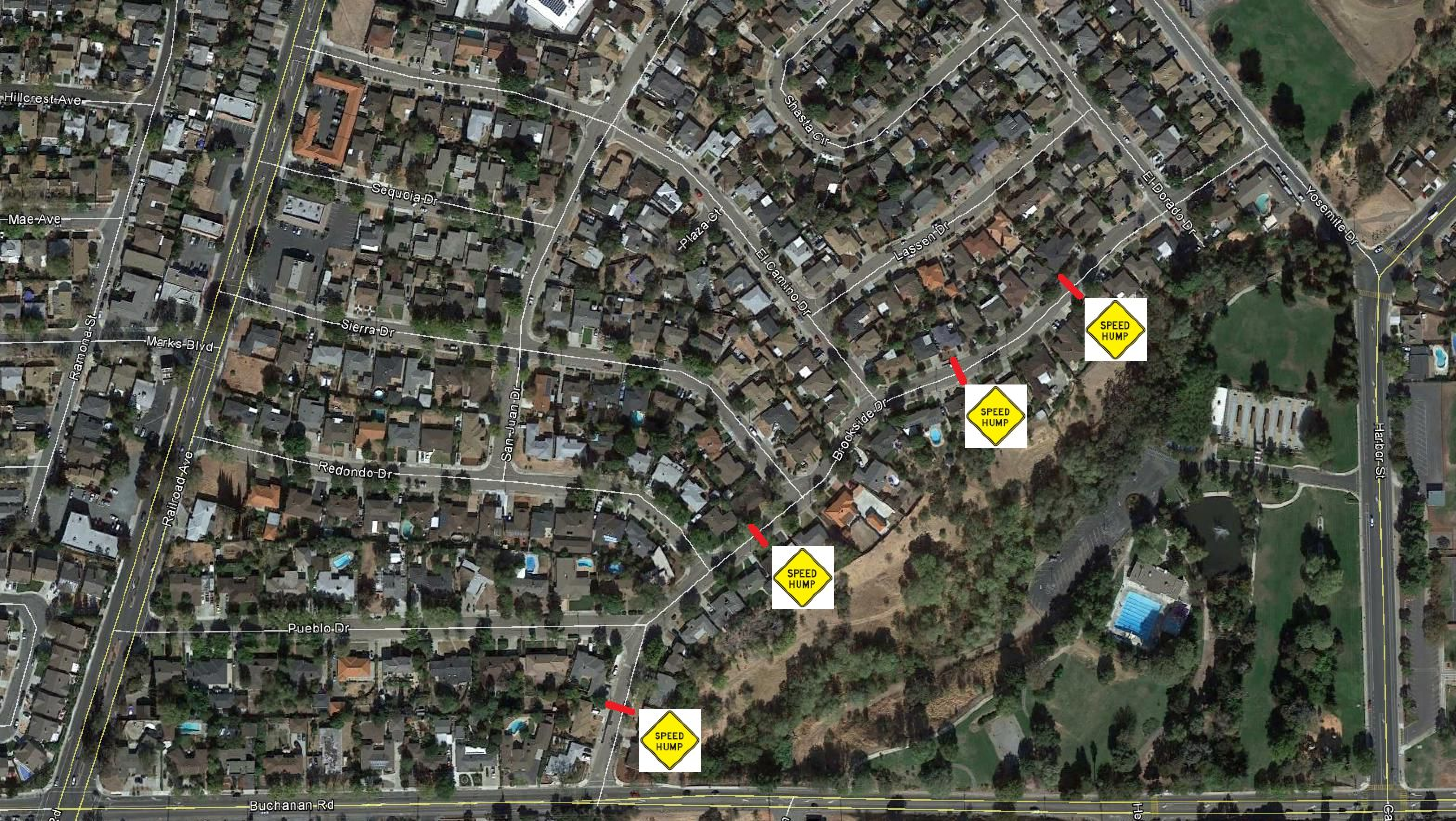
na

STAFF ANALYSIS

Staff has verified that all criteria and warrants have been met for the installation of speed humps on Brookside Drive with the exception of City Council approval. The criteria used is summarized on the attached Investigation Form for Brookside Drive. Staff recommends the City Council approve installation of speed humps on Brookside Drive in locations recommended by the City Engineer.

ATTACHMENTS: Resolution
Brookside Drive Speed Hump Map
Brookside Drive Speed Hump Investigation Form

Report Prepared By: Paul Reinders, Senior Civil Engineer


Hillcrest Ave
Mae Ave
Marks Blvd
Ramona St
Railroad Ave
Sequoia Dr
Sierra Dr
Redondo Dr
Pueblo Dr
Buchanan Rd
San Juan Dr
Plaza Ct
El Camino Dr
Shasta Cir
Lassen Dr
El Dorado Dr
Yosemite Dr
Brookside Dr
Harbor St
SPEED HUMP
SPEED HUMP
SPEED HUMP
SPEED HUMP

City of Pittsburg

Engineering Department
Civic Center, P.O. Box 1518, Pittsburg CA 94565
Phone: (925) 439-4930

Speed Hump Request Investigation

Street Name: **Brookside Drive** Posted Speed: **25 mph**

Limits: **Buchanan Road to Yosemite Drive**

- Initial Petition Submitted and Verified — Yes No — No. Of Signatures: 34
- Residential local or collector street — Yes No — ☒ Local ☐ Collector
- No Bus Route — Yes No
- Improved streets with curb and gutter — Yes No
- Posted speed limit of 25 or 35 MPH — Yes No — Posted: 25
- 15% of traffic must be at least 6 MPH greater than the existing speed limit — Yes No — Critical Speed: 31.1 mph
- The average daily traffic is more than 500 and no more than 3000 vehicles per day — Yes No — A.D.T: 789 vpd
- Street with a grade equal or less than 5 percent — Yes No — Grade: 2.1%
- Street segment 750' or longer — Yes No — Length: 1990'
- Two Other Traffic Calming Strategies Deemed Ineffective — Yes No — 1.) Targeted Enforcement 2.) Radar Trailer
- All Preliminary Warrants Met — YES NO
- The installation of speed humps shall not unduly affect response times of emergency services as determined by the City Traffic Engineer.
- "Request for Speed Humps" petition on file and addresses verified with 67% approval. — Yes No — 67 %

NOTES:

Investigation Completed By: Paul Reinders Date: 5/15/2017

Priority Score (PS)= V+AR
V: 6.1
AR: 2
PS: 8.1

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approving Speed Humps on Brookside Drive) RESOLUTION NO. 17-

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, on May 17, 2004, the City Council adopted Resolution 04-10078, approving the City's current Traffic Calming Policy; and

WHEREAS, the City has received an application for the installation of speed humps on the entire length of Brookside Drive; and

WHEREAS, on December 7, 2006, the City's Community Advisory Commission recommended that the City Council approve the installation of speed humps on Brookside Drive; and

WHEREAS, staff has evaluated Traffic Calming Policy criteria for installing speed humps on Brookside Drive and has determined that all criteria and warrants have been met with the exception of City Council approval.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. The recitals set forth above are true and correct and are hereby incorporated.

Section 2. The City Council hereby approves the installation of speed humps on Brookside Drive.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 5th day of June, 2017, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Marilyn Craft, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

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

DATE: 5/22/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Amend and Adoption of a City Council Resolution to Establish City Manager Authority for Settlement or Rejection of Liability Claims

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

The City periodically receives liability claims for money and damages for which the City is responsible. The City is self-insured through a joint powers authority that manages settlement decisions for claims above twenty-five thousand dollars ($25,000). This resolution in addition to maintaining the City Manager's authority to settle claims up to $25,000 will authorize the City Manager to reject claims without prior approval by the City Council.

FISCAL IMPACT

There are no additional savings or costs associated with the adoption of resolution.

RECOMMENDATION

City Council adopt the attached resolution maintaining the authorization of the City Manager to settle liability claims up to twenty-five thousand dollars ($25,000) at his/her discretion and reject any claim based upon the recommendation of the City's insurance carrier.

BACKGROUND

California Government Code under Title 1, Division 3.6, Part 3 imposes on the City Council certain duties related to claims for money or damages which are presented to the City. In addition, the California Government Code Section 935.4 permits the City Council to authorize a city employee to perform the functions of the City Council as contained in the Government Code, and to compromise and settle any such claims up to a maximum of fifty thousand dollars ($50,000).

The City is a member of a municipal joint powers authority risk pool ("Risk Pool") for the processing and management of most claims filed against the City. The Risk Pool is administered by a board of directors made up of representatives from each of the Risk Pool's member cities, including the City of Pittsburg. The pool reserves the right to authorize settlement authority for all claims above twenty-five thousand dollars ($25,000).

The City Council designated the City Manager to perform the settlement functions contained in Government Code 935.4 for claims in amounts less than twenty-five thousand dollars ($25,000) in order to expedite the settlement of claims filed against each member city November 18, 2013.

California Government Code 945.6 provides, subject to certain exceptions, you have only six (6) months from the date of written notice of rejection of a claim to file a court action for the rejected claim. The current practice for rejections of claims has been for the Risk Pool to investigate and provide the City with a recommendation to reject claims based upon statute or facts and or circumstances about the claim. These claims are then placed on the next Council agenda for formal rejection by the Council. In order to improve the efficiency of handing claims to be rejected, the rejection process could be changed, to authorize the City Manager or their designee to reject claims based upon the Risk Pools recommendation without taking the rejection before the full Council for approval.

SUBCOMMITTEE FINDINGS

The Finance Subcommittee met on April 11, 2017 and recommends changing the procedure to reject claims submitted to the City as outlined above.

STAFF ANALYSIS

Staff handles the day to day administration of claims and acts as an intermediary between the Risk Pool and City, serves as a Board Member for the Risk Pool, and provides ongoing briefings to the City Manager on all claims. The City Council has previously authorized the City Manager to make settlement decisions concerning claims below twenty-five thousand dollars ($25,000) as settlement determination on claims in excess of twenty-five thousand dollars ($25,000) are made by the Risk Pool, and subject to approval of the Risk Pool Board.

The Risk Pool makes recommendations on all claims it feels should be rejected based up statue of the facts of the specific claim as presented and investigated by the Risk Pool. Rejection of a claim starts a time clock in which a formal action must be taken by a claimant, within six months, or the claimant may lose the ability to bring further action against the City, subject to the courts direction. Expediting the formal rejection of a claim by the City does not prevent any claimant from bringing further action against the City, but may limit exposure based upon the time restraints imposed by statue. Staff recommends the City Council authorize the City Manager to reject claims when the Risk Pool recommends a claim should be rejected based upon the merits of the claim submitted.

ATTACHMENTS: Resolution

Report Prepared By: Brad Farmer, Finance Director

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adoption of a City Council Resolution	)	
To Establish City Manager Authority to	)	RESOLUTION NO. 17-
Reject Liability Claims	)	

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, Title 1, Division 3.6, Part 3 of the Government Code of the State of California (Sections 900 et seq.) imposes certain enumerated duties upon this Council relating to claims for money and damages which are presented to the City; and,

WHEREAS, California Government Code Section 935.4 permits a city council, by resolution, to authorize a city employee to perform the functions of a city council as contained in the Government Code, and to compromise and settle any such claims up a to a maximum dollar amount of fifty thousand dollars ($50,000); and,

WHEREAS, the City of Pittsburg belongs to a municipal risk management joint powers authority pool, the Municipal Pooling Authority ("MPA"), for the processing and handling of most claims filed against the City; and.

WHEREAS, MPA is responsible for the investigation and determination of fault on the part of the City in the investigation of claims; and

WHEREAS, MPA has the authority to determine settlement of claims above twenty-five thousand dollars ($25,000); and

WHEREAS, for claims below twenty-five thousand dollars ($25,000) which have been determined that the City is responsible, MPA provides the City with suggested settlement limits; and

WHEREAS, the Risk Manager of the Municipal Risk Management Joint Powers Authority Pool has recommended that each member city, by resolution, designate an authorized city employee to perform the settlement functions below twenty-five thousand dollars ($25,000) or below in order to expedite the settlement of claims filed against the each member city; and

WHEREAS, MPA is responsible for recommending if a claim should be rejected based upon their investigation. Rejection of a claim, subject to certain exceptions, results in the starting of a six (6) month calendar for a claimant to file a court action on a claim.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. The recitals set forth above are true and correct statements and are hereby incorporated.

Section 2. Maintain the authorization of the City Manager to perform all functions of this

Council required or permitted in Title 1, Division 3.6, Part 3 of the Government Code of the State of California and the City Manager is hereby authorized to compromise and settle as the best interests of the City may dictate, any and all claims up to a maximum of twenty-five thousand dollars ($25,000) based on settlement direction provided by MPA.

Section 3. Authorize the City Manager to reject any claim based upon the recommendation of MPA, without bringing the item before Council.

Section. 4. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 5th day of June 2015, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

____
Marilyn Craft, Mayor

ATTEST:

____
Alice E. Evenson, City Clerk

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

DATE: 5/25/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a City Council Resolution to Authorize the City Manager to Execute a Memorandum of Understanding for Local Transportation Mitigation Fund Fees in Support of James Donlon Boulevard Extension Project

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

Staff recommends the City enter into a Memorandum of Understanding (MOU) with the developers of the Sky Ranch, Montreux and Tuscany Meadows subdivisions regarding allocation of traffic mitigation fees paid for the developments to the James Donlon Boulevard Extension project.

FISCAL IMPACT

Based on current fee rates, staff estimates the Local Traffic Mitigation Fees paid by these developments will total nearly $15 million. The estimated cost for the construction of James Donlon Boulevard is $60 million.

RECOMMENDATION

City Council adopt the attached resolution authorizing the City Manager to execute a Memorandum of Understanding with Skyranch Land Investors, LLC, Altec Homes, Inc. and Seecon Built Homes, Inc., regarding use of Local Traffic Mitigation Fees to fund the James Donlon Boulevard Extension project.

BACKGROUND

The James Donlon Boulevard Extension Project is currently in the City's General Plan and included in the Metropolitan Transportation Commission's Regional Transportation Plan. The Project will provide a critical east-west transportation corridor in Eastern Contra Costa County, a parallel arterial route to State Route 4, and much needed congestion relief to Buchanan Road.

On November 16, 2015, the City Council approved Ordinance 15-1399 approving the Development Agreement with Altec Homes, Inc. for Montreux.

On April 4, 2016, the City Council introduced and waived first reading of Ordinance 16-1404 to approve the Development Agreement with Seecon Built Homes, Inc. for Tuscany Meadows.

On June 5, 2017, the City Council will consider approval of Ordinance 17-1431 approving the Development Agreement with Skyranch Land Investors, LLC for Skyranch II.

SUBCOMMITTEE FINDINGS

N/A

STAFF ANALYSIS

Staff recommends the City enter into a Memorandum of Understanding with the developers of the Sky Ranch II, Montreux and Tuscany Meadows developments regarding allocation of Local Transportation Mitigation Fees toward the City's share of the James Donlon Boulevard Extension project.

Each of the Development Agreements referenced above include provisions requiring the Developer to pay the Local Traffic Mitigation Fee, which is necessary to finance unmet City traffic improvement needs on the terms and conditions set forth in each Development Agreement. These unmet needs include the James Donlon Boulevard Extension, a project previously known as the Buchanan Road Bypass.

A Memorandum of Understanding would provide that the City may, in its sole discretion, use part or all of the local traffic mitigation fees to be paid by Developer pursuant to the Development Agreements to fund the City's local share of the James Donlon Extension.

The MOU does not change or modify the amount of the fees to be paid or modify any part of the Development Agreements.

ATTACHMENTS: Resolution
Memorandum of Understanding

Report Prepared By: Jill Hecht, Assistant to the City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorization of City Manager to Execute a Memorandum of Understanding Regarding Allocation of Local Traffic Mitigation Fees to James Donlon Boulevard Extension Project	))))	RESOLUTION NO. 17-

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, On November 16, 2015, the City Council approved Ordinance 15-1399 approving the Development Agreement with Altec Homes, Inc. for Montreux; and,

WHEREAS, On April 4, 2016, the City Council introduced and waived first reading of Ordinance 16-1404 to approve the Development Agreement with Seecon Built Homes, Inc. for Tuscany Meadows; and,

WHEREAS, On June 5, 2017, the City Council will consider approval of Ordinance 17-1431 approving the Development Agreement with Skyranch Land Investors, LLC for Skyranch II; and,

WHEREAS, Development Agreements referenced above include provisions requiring the Developer to pay the Local Traffic Mitigation Fee, which is necessary to finance unmet City traffic improvement needs on the terms and conditions set forth in each Development Agreement; and,

WHEREAS, the City's unmet traffic improvement needs include the James Donlon Boulevard Extension, a project previously known as the Buchanan Road Bypass; and,

WHEREAS, Staff recommends the City enter into a Memorandum of Understanding with the developers of the Sky Ranch II, Montreux and Tuscany Meadows developments that would provide that the City may, in its sole discretion, use part or all of the local traffic mitigation fees to be paid by Developer pursuant to the Development Agreements to fund the City's local share of the James Donlon Boulevard Extension.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. The recitals set forth above are true and correct statements and are hereby incorporated.

Section 2. The City Manager is authorized to negotiate and enter into a Memorandum of Understanding with the developers of the Sky Ranch II, Montreux and Tuscany Meadows developments that would provide that the City may, in its sole discretion, use part or all of the local traffic mitigation fees from these developments to fund the City's local share of the James Donlon Extension, and to execute it on the City's behalf.

Section 3. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 5th day of June, 2017, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Marilyn Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

(Space Above for Recorder's Use Only)

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is executed by and between the City of Pittsburg ("City") and Skyranch Land Investors, LLC; Altec Homes, Inc.; and Seecon Built Homes, Inc. (collectively referenced herein as "Developer"), as of ______, 2017 ("Effective Date").

1. Skyranch Land Investors, LLC warrants and represents that it is the owner of that real property commonly referred to as Skyranch II, and the subject of the Development Agreement approved by the City on June 5, 2017.

2. Altec Homes, Inc. warrants and represents that it is the owner of that real property commonly referred to as Montreux, and the subject of the Development Agreement approved by the City on November 16, 2015.

3. Seecon Built Homes, Inc. warrants and represents that it is the owner of that real property commonly referred to as Tuscany Meadows, and the subject of the Development Agreement reviewed by the City on April 4, 2016.

4. Each of the Development Agreements referenced above include provisions requiring Developer to pay the City's Local Traffic Mitigation Fee, which is necessary to finance unmet City traffic improvement needs on the terms and conditions set forth in each Development Agreement. City and Developer agree that a key part of the City's unmet traffic improvement needs includes the James Donlon Boulevard Extension. City and Developer hereby agree that City may, in its sole discretion, use part or all of the local traffic mitigation fees to be paid by Developer pursuant to the Development Agreement to fund the City's local share of the James Donlon Extension. Notwithstanding any provision hereof, this MOU shall not be construed to authorize any change, diminution or modification of Developer's obligations under the Development Agreements including, but not limited to, Section 3.13 of the Skyranch Development Agreement. In addition, this MOU shall not be construed to decrease, increase or otherwise modify any of the rights or obligations of the parties to the December 22, 1992, Memorandum of Understanding, as amended.

5. The parties hereto agree to take such other actions as may be necessary or appropriate to carry out the terms of this MOU.

6. Developer shall indemnify, defend, and hold harmless City, its officers, officials, agents, and employees from and against any and all claims, demands, damages, liability, costs, losses and expenses, including, without limitation, court costs and reasonable attorneys' fees arising out of or in connection with this MOU, expressly excluding any liabilities, obligations, or other costs and related administrative legal costs except such loss or damage which was caused by the sole negligence or willful misconduct of City.

7. This MOU shall be binding on and inure to the benefit of the Parties, their heirs, executors, administrators, successors and interests, assigns, and related entities who have ownership of any of the real property which is the subject of the Development Agreements referenced herein.

8. City and Developer hereby agree that nothing contained in this MOU shall be construed as creating any form of agency relationship, joint venture, or legal partnership between City and Developer.

9. This MOU may not be altered, amended, modified, or otherwise changed except by a writing duly executed by authorized representatives of each of the Parties.

10. Any suit brought to enforce any provision of this MOU or for damages for the breach thereof shall be commenced and maintained exclusively in the County of Contra Costa, California.

11. This MOU shall be interpreted, enforced, and governed by the laws of the State of California.

12. The Parties have had an equal opportunity to participate in the drafting of this MOU. The usual construction of an agreement as to the drafting parties shall not apply to this MOU.

13. If any term, condition, or covenant of this MOU is declared or determined by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this MOU shall not be effected thereby and the MOU shall be read and construed without the invalid, void, or unenforceable provision(s).

14. All notices that are required to be given by one party to the other under this MOU shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail addressed to the Parties at the following addresses:

CITY:

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

With a copy to:

City Attorney
City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565

DEVELOPER:

Seecon Built Homes, Inc. Altec Homes, Inc.;

Skyranch Land Investors, LLC
4021 Port Chicago Highway Concord
CA 94520

15. This MOU may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same agreement.

WHEREFORE, the Parties have executed this MOU as of the Effective Date.

[Signatures on Following Page]

DEVELOPER:

SEECON BUILT HOMES, INC.
a California corporation

By:_________________________________
Name: Albert D. Seeno, Jr.
Its: President

ALTEC HOMES, INC.

By:_________________________________
Name: Albert D. Seeno III
Its: President

SKYRANCH LAND INVESTORS, LLC

By:_________________________________
Name: Albert D. Seeno III
Its: Manager

APPROVED AS TO FORM:

____
Jeanne C. Pavao
Attorney for Developer

CITY:

CITY OF PITTSBURG
a California municipal corporation

By:_________________________________
Name: Joe Sbranti
Its: City Manager

ATTEST:

By:_________________________________
Name: Alice E. Evenson
Its: City Clerk

APPROVED AS TO FORM:

By:_________________________________
Name: Ruthann G. Ziegler
Its: City Attorney

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