

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the Library, 251 South "A" Street and the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Any materials to be presented at this meeting will be made available electronically 24 hours prior to the meeting, at the end of this agenda. The agenda reports are on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY
Council Chambers, 305 West Third Street
February 6, 2018
Regular Meeting - 6:00 PM
Closed Session - 4:30 PM

A. ROLL CALL/POSTING OF AGENDA

THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

At this time, a person may address the legislative body only on matters appearing on the closed session agenda. The presiding officer shall limit public comments to three minutes

C. CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation

CC (Government Code section 54956.9 (d)(1))

Name of case: Susan Engbrecht; Linda Gray v. City of Oxnard

Ventura County Superior Court, Case No. 56-2017-00496779-CU-WM-VTA

The City Attorney requested that this item be discussed in closed session under the Brown Act authorization for the City Council to confer with its legal counsel regarding pending litigation.

2. Conference with Legal Counsel – Existing Litigation

CC (Government Code section 54956.9 (d)(1))

Name of case: John C. Zaragoza v. City of Oxnard; et al.

Ventura County Superior Court, Case No. 56-2017-00498218-CU-WM-VTA

The City Attorney requested that this item be discussed in closed session under the Brown Act authorization for the City Council to confer with its legal counsel regarding pending litigation.

3. Conference with Legal Counsel – Existing Litigation

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

City of Oxnard internet address: www.oxnard.org.

CC (Government Code section 54956.9 (d)(1))

Name of case: City of Oxnard; et al. v. Aaron Starr

Ventura County Superior Court, Case No. 56-2016-00479696-CU-MC-VTA

The City Attorney requested that this item be discussed in closed session under the Brown Act authorization for the City Council to confer with its legal counsel regarding pending litigation.

4. Conference with Legal Counsel – Existing Litigation

CC (Government Code section 54956.9 (d)(1))

Name of case: Aaron Starr v. City of Oxnard

Ventura County Superior Court, Case No. 56-2017-00494475-CU-WM-VTA

The City Attorney requested that this item be discussed in closed session under the Brown Act authorization for the City Council to confer with its legal counsel regarding pending litigation.

5. Conference with Legal Counsel – Potential Litigation

CC On the advice of the City Attorney, pursuant to Government Code section 54956.9(d)(2), based on existing facts and circumstances, there is significant exposure to litigation against the City in one potential case.

The City Attorney requested that this item be discussed in closed session under the Brown Act exception of Conference with Legal Counsel – Anticipated Litigation.

D. OPENING CEREMONIES

Pledge of allegiance to the flag of the United States.

E. CEREMONIAL CALENDAR

1. Presentation of a Proclamation Designating the Month of February, 2018 as "Black History Month."

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of thirty minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to three minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the thirty minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/ Executive Director/Secretary for

administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

G. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY

The City Manager/Executive Director/Secretary shall report on items of interest to the legislative body occurring since the last meeting. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion.

H. CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY/FINANCING AUTHORITY BUSINESS/COMMITTEE REPORTS

At this time, a member of the legislative body may make a brief announcement, or make a brief report on his or her activities. Further, members of the legislative body may request to schedule consideration of whether to place an item on a future agenda. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. The member's report shall not exceed three minutes, unless additional time is granted by the presiding officer.

I. REVIEW OF INFORMATION/CONSENT AGENDA

The members of the legislative body will consider whether to remove Information/Consent Agenda items for discussion later during the meeting.

J. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

At this time, a person may address the legislative body only on matters appearing on the information/consent agenda. The presiding officer shall limit public comments to three minutes.

K. INFORMATION CONSENT AGENDA

City Manager Department

1. SUBJECT: Agreements for City Council Review.

RECOMMENDATION: That City Council, pursuant to Ordinance No. 2835, and Resolution No. 13,932, approve and authorize the City Manager to execute the following agreements/contracts and change orders/amendments in amounts more than \$25,000 but no more than \$250,000:

A. Selectron Technologies (8138-17-IT) for renewal of City's Interactive Voice Response software support and maintenance (\$173,340).

B. Compuwave (Purchase Order No. 6668) for purchase of computers, network hardware and software (\$225,000).

C. L.N. Curtis (Purchase Order No. 6673) for purchase of personal protective gear, self-contained breathing apparatus and fire suppression supplies and equipment (\$175,000).

Legislative Body: CC

Contact: Scott Whitney

Phone: 385-7624

Development Services Department

2. SUBJECT: Adoption of Ordinance No. 2933.

RECOMMENDATION: That the City Council adopts Ordinance No. 2933 (read by title only, waiving further reading) approving an amendment to exhibit 5, land use areas, of the Rose-Santa Clara Corridor Specific Plan to change the planning area designation from Commercial/Manufacturing (Planning area 4) to retail commercial (Planning area 3).

Legislative Body: CC

Contact: Ashley Golden

Phone: 385-7882

3. SUBJECT: Notice of Pending Approval - Subdivision Map No. 16-300-02.

RECOMMENDATION: Receive and file only.

Legislative Body: CC

Contact: Ashley Golden

Phone: 385-7882

Finance Department

4. SUBJECT: Approval of a Budget Appropriation to Transfer Landscape Maintenance District Surplus Fund Balances.

RECOMMENDATION: That City Council approve a budget appropriation in the amount of \$1,137,781.32 to transfer surplus fund balances from the eighteen (18) dissolved Landscape Maintenance Districts per Streets and Highways Code section 22610.

Legislative Body: CC

Contact: Jim Throop

Phone: 385-7475

L. REPORTS

Cultural and Community Service Department

1. SUBJECT: Senior Services Commission Annual Report (10/5/5)

RECOMMENDATION: That City Council receives the Senior Services Commission annual report.

Legislative Body: CC

Contact: Ingrid Hardy

Phone: 385-7993

M. PUBLIC HEARINGS

Development Services Department

1. SUBJECT: Introduce for First Reading an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program with the Los Angeles Community Choice Energy Joint Powers Authority and Approving the Related Joint Powers Agreement. (15/15/15)

RECOMMENDATION: That the Council consider the introduction of an Ordinance approving the Joint Powers Agreement for the Los Angeles Community Choice Energy program and Authorizing the Implementation of the Community Choice Aggregation Program.

Legislative Body: CC

Contact: Ashley Golden

Phone: 385-7882

N. REPORTSCity Treasurer Department

1. SUBJECT: Investment Policy and Annual Delegation of Investment Authority (5/5/5)

RECOMMENDATION: That City Council adopt a resolution:

1. Adopting the 2018 Investment Policy for the City of Oxnard.
2. Delegating investment authority to the City Treasurer.

Legislative Body: CC

Contact: Phillip S. Molina

Phone: 385-7808

Finance Department

2. SUBJECT: Award Contract for Fencing in Various Landscape Maintenance Districts (5/5/5)

RECOMMENDATION: That City Council:

1. Award and authorize the Mayor to execute Agreement A-8040 with Fenceworks, Inc. (Attachment A) in the amount of \$535,140.75 for the Assessment District Fencing Project SD 18-23; and
2. Approve a budget appropriation in the amount of \$20,000 (Attachment B) for the current Fiscal Year 2017-18 from fund balance of LMD 46 Daily Ranch to cover a portion of the project costs for the District.

Legislative Body: CC

Contact: Jim Throop

Phone: 385-7475

Public Works Department

3. SUBJECT: Award Contract for Wastewater Treatment Plant Cogeneration Engine Refurbishment Project PW 18-03 (5/5/5)

RECOMMENDATION: That City Council:

1. Award and authorize the Mayor to execute Agreement A-8043 in the amount of \$637,394 for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project PW 18-03 with GI Endurant, LLC dba GI Energy;
2. Approve and authorize the City Manager to amend the agreement in an amount not to exceed \$80,000 for one or more of the possible additive items described in this report;
3. Approve \$54,202 for Project contingency for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project;
4. Approve \$108,404 for consultant and staff engineering, inspection, survey and Project management for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project; and
5. Approve an appropriation of \$484,000 for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project No. 186610.

Legislative Body: CC

Contact: Rosemarie Gaglione

Phone: 385-8055

O. ADJOURNMENT

(This page is intentionally blank.)



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Info/Consent

AGENDA ITEM NO.: 1

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

FROM: Scott Whitney
Interim City Manager/Police Chief

SUBJECT: Agreements for City Council Review.

CONTACT: Scott Whitney, Interim City Manager/Police Chief
Scott.Whitney@OxnardPD.org, 385-7624

RECOMMENDATION:

That City Council, pursuant to Ordinance No. 2835, and Resolution No. 13,932, approve and authorize the City Manager to execute the following agreements/contracts and change orders/amendments in amounts more than \$25,000 but no more than \$250,000:

- A. Selectron Technologies (8138-17-IT) for renewal of City's Interactive Voice Response software support and maintenance (\$173,340).
- B. Compuwave (Purchase Order No. 6668) for purchase of computers, network hardware and software (\$225,000).
- C. L.N. Curtis (Purchase Order No. 6673) for purchase of personal protective gear, self-contained breathing apparatus and fire suppression supplies and equipment (\$175,000).

BACKGROUND

On November 16, 2010, the City Council approved changes to the City's Purchasing Procedures reducing the threshold for City agreements/contracts and change orders/amendments requiring City Council approval to \$25,000. The agreements/contract and change orders/amendments described on the attached list involve amounts above \$25,000 and up to \$250,000.

FINANCIAL IMPACT

Agreements for City Council Review.

February 6, 2018

Page 2

A complete explanation of the agreement and funding sources are attached.

NOTE: Copies of the agreement/contracts and change orders/amendments on the list are available in the City Clerk's Office prior to the Council meeting.

ATTACHMENTS:

Attachment A: City Manager Contract List for February 6, 2018

City Manager Contract List for 02/06/2018

Contracts from \$25,000 to \$250,000

A Selectron Technologies Support and Maintenance Agreement

Vendor: Selectron Technologies
Type: Original Agreement
Agreement No.: 8138-17-IT
Amendment No.: N/A
Purchase Order No.: 3688
Begin Date: 01/08/2018
End Date: 02/28/2023
Term: 60 months

Amount to be Approved:
Current FY Amount: \$173,340
Total Contract Amount: \$37,760
Funding Source: \$173,340
Vendor Selection Process: 731 - Information Service and 101 - General Fund
of Bids/Proposals/Quotes: Negotiated Contract
Project Manager: N/A
Department: Gary Krumian
Telephone: Information Technology Department
Email: 805-385-7558
gary.krumian@oxnard.org

Purpose:

Staff is requesting authorization to enter into an agreement with Selectron Technologies (8138-17-IT) in the amount of \$173,340 for the renewal of the City's Interactive Voice Response (IVR) software products.

The City purchased this system in 2004 to enable its residents to pay utility bills over the telephone. Development Services customers are also able to schedule permit inspections by telephone. The prior agreement expired in 2015. This agreement is valid for five years at predetermined pricing and will auto-renew each year unless cancelled by either party 30 days prior to the renewal date. Selectron is highly integrated into the City's Superior HTE financial application and provides for seamless payment processing.

B Compuwave Blanket Purchase Order

Vendor: Compuwave
Type: Purchase Order
Agreement No.: N/A
Amendment No.: 6668
Purchase Order No.: 01/08/2018
Begin Date: 01/01/2019
End Date: 1 year
Term:

Amount to be Approved:
Current FY Amount: \$225,000
Total Contract Amount: \$225,000
Funding Source: 731 - IT
Vendor Selection Process: Joint Purchase
of Bids/Proposals/Quotes: N/A
Project Manager: Gary Krumian
Department: Information Technology Department
Telephone: 805-385-7558
Email: gary.krumian@oxnard.org

Purpose:

Staff is requesting authorization to enter into a blanket Purchase Order (6668) with Compuwave in the amount of \$225,000 for the purchase of computers, network hardware and software.

The Information Technology Department is in the process of upgrading computer hardware and software and has been actively getting this equipment from the lowest-cost providers. Compuwave has offered the lowest prices and the department would like to continue taking advantage of Compuwave's highly-competitive bids.

Pursuant to the City's purchasing policies, purchases will be through a joint purchase agreement between Compuwave and the County of Ventura Master Agreement Number COMPUWAVE000FYT17MA01, Contract Number 6500, which expires January 1, 2019.

City Manager Contract List for 02/06/2018

Contracts from \$25,000 to \$250,000

C Blanket Purchase Order to purchase Fire equipment/supplies

Vendor:	L.N. Curtis	Amount to be Approved:	\$175,000
Type:	Purchase Order	Current FY Amount:	\$70,000
Agreement No.:		Total Contract Amount:	\$175,000
Amendment No.:	N/A	Funding Source:	General fund and Measure O
Purchase Order No.:	6673	Vendor Selection Process:	Joint Purchase
Begin Date:	01/01/2018	# of Bids/Proposals/Quotes:	N/A
End Date:	06/30/2019	Project Manager:	Steve McNaughten
Term:		Department:	Fire Department
		Telephone:	805-385-7701
		Email:	stephen.mcnaughten@oxnard.org

Purpose:

Staff is requesting authorization to enter into a blanket Purchase Order (6673) with L. N. Curtis & Sons in the amount of \$175,000 for the purchase of personal protective gear, fire suppression supplies and equipment, and self-contained breathing apparatus.

Pursuant to the City's Purchasing Policies, purchases will be made by piggy-backing on the County of Los Angeles Fire Department Contract (MA-IS-1740276-1) that offers GSA and discounted pricing on all items. The County of Los Angeles agreement is valid until May 31, 2020.



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Info/Consent

AGENDA ITEM NO.: 2

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

A handwritten signature in cursive script, appearing to read "S. Whitney".

FROM: Ashley Golden
Development Services Director

SUBJECT: Adoption of Ordinance No. 2933.

CONTACT: Ashley Golden, Development Services Director
Ashley.Golden@oxnard.org, 385-7882

RECOMMENDATION:

That the City Council adopts Ordinance No. 2933 (read by title only, waiving further reading) approving an amendment to exhibit 5, land use areas, of the Rose-Santa Clara Corridor Specific Plan to change the planning area designation from Commercial/Manufacturing (Planning area 4) to retail commercial (Planning area 3).

BACKGROUND

This Ordinance was introduced at the January 30, 2018 City Council meeting. If the ordinance is adopted on February 6, 2018, it will take effect after 30 days.

STRATEGIC PRIORITIES

This agenda item supports the Economic Development strategy. The purpose of the Economic Development strategy is to develop and enhance Oxnard's business climate, promote the City's fiscal health, and support economic growth in a manner consistent with the City's unique character. This item supports the following goals and objectives:

Goal 2. Enhance business development throughout the City.

Objective 2b. Improve relationships and communication between the City and the business

Adoption of Ordinance No. 2933

February 6, 2018

Page 2

community.

Objective 2d. Public safety will collaborate with the business community to promote an environment that supports economic development.

FINANCIAL IMPACT

There are no impacts on City programs or services other than fee-reimbursed plan checking and site inspections. All applicable impact fees are required. The new traffic signal and Auto Center Drive and Los Olivos off-site improvements are paid by the Applicant.

ATTACHMENTS:

Attachment A - Ordinance 2933

ORDINANCE OF THE CITY OF OXNARD

ORDINANCE NO. 2933

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING AN AMENDMENT TO EXHIBIT 5, LAND USE AREAS, OF THE ROSE-SANTA CLARA CORRIDOR SPECIFIC PLAN TO CHANGE THE PLANNING AREA DESIGNATION FROM COMMERCIAL/MANUFACTURING (PLANNING AREA 4) TO RETAIL COMMERCIAL (PLANNING AREA 3). FILED BY DESIGNATED AGENT LLOYD H. WELLS ON BEHALF OF WELLS AND CECO A CALIFORNIA LLC, 17083 OLD COACH ROAD, POWAY, CA 92064.

WHEREAS, Costco Wholesale (Applicant), located at 2001 Ventura Blvd., filed applications for a General Plan Amendment (GPA), Rose Santa Clara Corridor Specific Plan (RSCCSP) Amendment (SPA) and Special Use Permit (SUP) for the relocation and expansion of an existing membership-only 16-pump fueling facility to an adjacent 1.6 acre vacant lot (Assessor's Parcel Number 144-0-150-095) near the Auto Center Drive/Los Olivos intersection, demolition and conversion of the existing 16-pump fueling facility to additional parking, and installation of a four-way traffic signal at the Auto Center Drive/Los Olivos intersection; filed by designated agent Lloyd H. Wells on behalf of Wells and Ceco, a California LLC; and

WHEREAS, Initial Study/Mitigated Negative Declaration (MND) No. 17-03 was prepared and circulated for comment and the City Council has considered the MND and hereby adopts MND 17-03 as having complied with the California Environmental Quality Act; and

WHEREAS, on December 7, 2017, the Planning Commission approved Resolution No. 2017-32 recommending that City Council adopt an ordinance approving Planning and Zoning Permit No. 16-630-01 (Specific Plan Amendment) to amend the RSCCSP, filed by Costco Wholesale; and

WHEREAS, the City Council is concurrently considering General Plan Amendment PZ 17-620-04 for the same aforementioned parcel known as APN 144-0-150-095 that would create and is necessary for consistency with the RSCCSP amendment; and

WHEREAS, the RSCCSP provides plans, regulations, conditions and programs for development, and the amendment affects enables the applicant, Costco Wholesale, to relocate and expand the Costco member-only fueling facility, replace the existing fueling facility with additional parking, and signalize the Auto Center Drive/Los Olivos intersection; and

WHEREAS, at the Planning Commission meeting of December 7, 2017 the Planning Commission held a public hearing and received and reviewed written and oral comments related to the three proposed Planning and Zoning Permits listed above; and

WHEREAS, at the Planning Commission meeting of December 7, 2017 the Planning Commission adopted Resolution 2017-29 approving Special Use Permit PZ No. 17-500-15 and adopted Resolution Nos. 2017-31 and 2017-32 recommending that the City Council approve General Plan Amendment PZ No. 17-620-04 and RSCCSP Amendment No. 16-630-01, respectively, and finding after due study and deliberation that the public interest and general welfare

Ordinance No. 2933
 PZ 16-630-01 (RSCCSP SPA)
 Page 2

require the actions; and

WHEREAS, the City Council has held a public hearing and received and reviewed written and oral comments related to the Specific Plan Amendment No. 16-630-01; and

WHEREAS, the City Council finds after due study and deliberation that the public interest and general welfare require the adoption of Specific Plan Amendment No. 16-630-01.

NOW, THEREFORE, the City Council of the City of Oxnard does ordain as follows:

Part 1. The RSCCSP is hereby amended to read as shown in Attachment A, on file with the City Clerk.

Part 2. Within fifteen days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the City. Ordinance No. 2933 was first read on January 30, 2018, and finally adopted on February 6, 2018, to become effective thirty days thereafter.

The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Oxnard, State of California, held on the 6th day of February, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

 Tim Flynn, Mayor

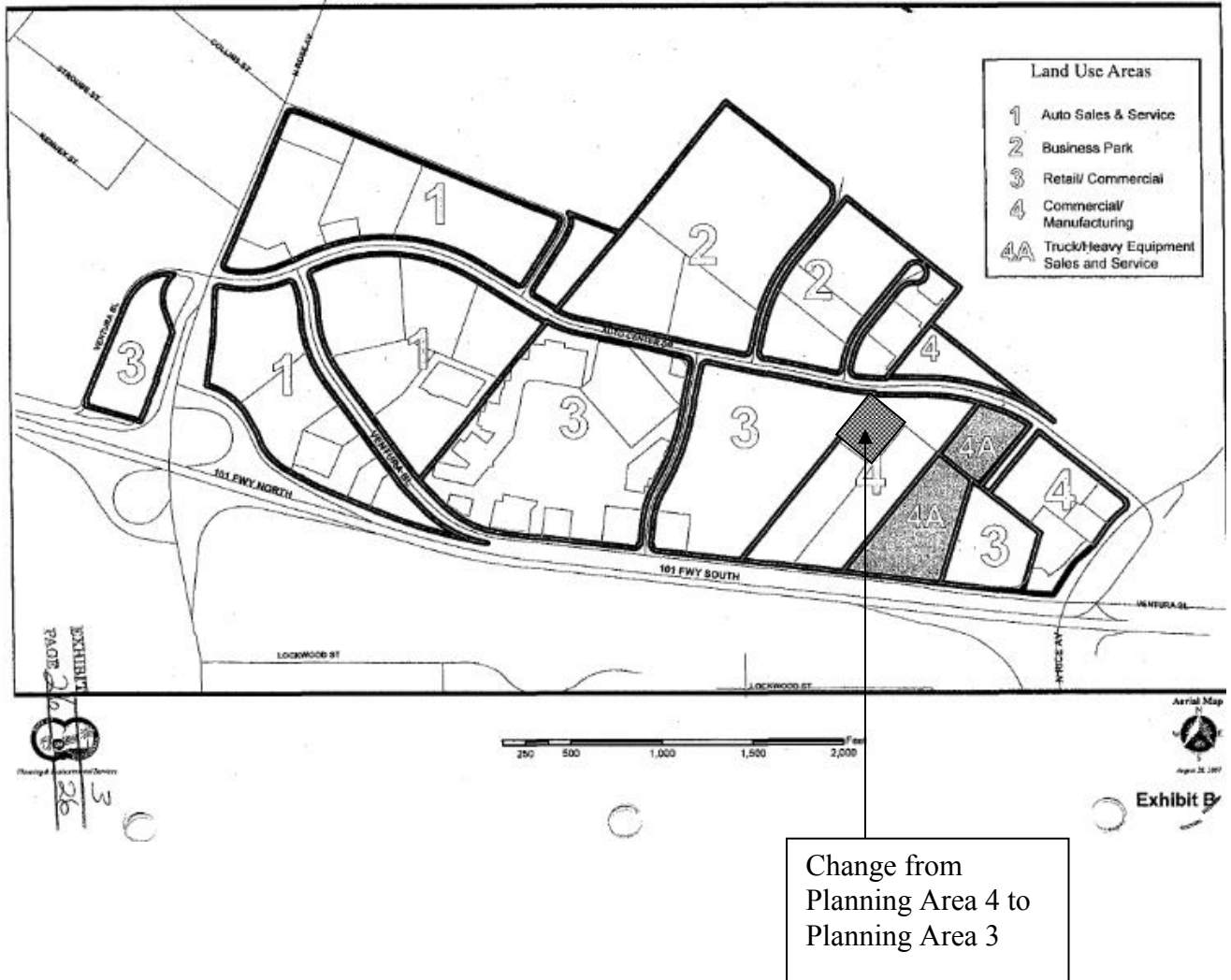
ATTEST:

APPROVED AS TO FORM:

 Michelle Ascencion, City Clerk

 Stephen M. Fischer, City Attorney

ATTACHMENT A



(This page is intentionally blank.)



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Info/Consent

AGENDA ITEM NO.: 3

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

FROM: Ashley Golden
Development Services Director

SUBJECT: Notice of Pending Approval - Subdivision Map No. 16-300-02.

CONTACT: Ashley Golden, Development Services Director
Ashley.Golden@oxnard.org, 385-7882

RECOMMENDATION:

Receive and file only.

ATTACHMENTS:

Notice of Pending Approval - Subdivision Map No. 16-300-02

MEMO



February 6, 2018

TO: City Council

FROM: Ashley Golden, Development Services Director

SUBJECT: Notice of Pending Approval - Subdivision Map No. 16-300-02 (Tract No. 5974)

An application for approval of Subdivision Map No. 16-300-02, for the property located at the northeast corner of Ventura Road and Channel Islands Boulevard, was submitted on January 19, 2018. The application has been reviewed for conformance with conditions of approval and the subdivision map act and, on January 19, 2018, the verification of status report has been received from the City Engineer. The original tentative map was previously approved by City Council on September 6, 2016 via Resolution No. 14,958.

In accordance with Ordinance 2910, the City Council will receive notification at its February 6, 2018 City Council meeting that the Development Services Director intends to approve Subdivision Map No. 16-300-02 on February 7, 2018.

The Development Services Director's action may be appealed to the City Council pursuant to the appeal procedures set forth in Section 15-25 of the Oxnard Municipal Code. Please contact Douglas Spondello, Principal Planner at (805) 385-3919 if you have any questions regarding Subdivision Map No. 16-300-02.

Attachments:

- A. Verification of Status Report
- B. Aerial of Subject Site
- C. Reduced Copy of Subdivision Map

Verification of Status

For Maps and Improvement Plans

Development Services - Engineering



Final Map for Tract Number 5974

Project Location:

Northeast corner of Ventura Road and Channel Islands Blvd

- ☐ Map requires subdivision improvement agreement.
- ☒ The Development Services Program does not require improvement plans for this development.
- ☐ This Program has reviewed the improvement plans and found them acceptable. Based on our review, we believe these plans comply with the resolution of the Planning Commission and the City Council approving the tentative map for this development.
- ☒ This Program has reviewed the Map and Title Sheet and found them acceptable. Based on our review, we believe the map complies with the resolution of the Planning Commission and the City Council approving the tentative map for this development and also with the Subdivision Map Act of the State of California.
- ☒ The Map has been signed.

DATE: 1-17-18

Paul J. Wendt, City Engineer
Development Services

Revised 03/09/2016



SHEET 1 OF 4

SHEET 2 OF 4

IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, BEING A SUBDIVISION OF A PORTION OF SUBDIVISION 39 OF RANCHO EL TIRO, SANTA CLARA, CALIFORNIA, ACCORDING TO THAT CERTAIN MAP FILED IN THE OFFICE OF THE COUNTY CLERK OF SAID COUNTY, IN THAT CERTAIN ACTION ENTITLED "THOMAS A. SCOTT, ET AL., PLAINTIFFS VS. RAFAEL, CONZALE, ET AL., DEFENDANTS," SAID PORTION ALSO BEING SHOWN AS PARCEL 1 OF PARCEL MAP BOOK 5, PAGE 84, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

DECEMBER, 2016

BASIS OF BEARINGS

THE BASE OF BEARINGS IS 189°59'27" PER (PT). THE FOUND MONUMENT IS ALONG THE CENTERLINE OF WEST CHARLES ISLAND BOULEVARD FROM MANASSAS DRIVE TO "N" STREET.

RECORD REFERENCES

[illegible]

LINETYPE LEGEND

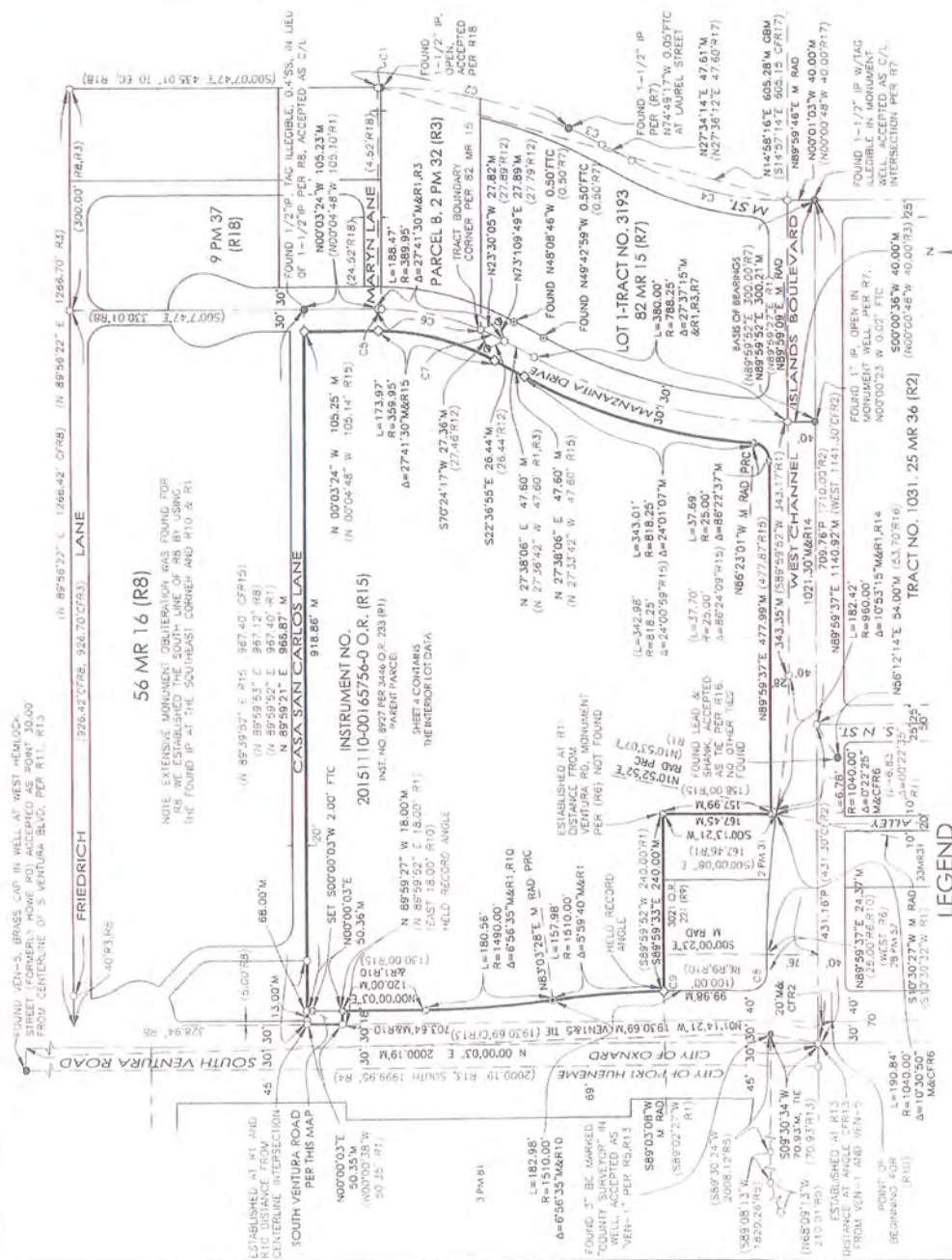
ADJACENT BOUNDARY LINES
MEASURED BOUNDARY LINES SUBJECT PARCEL
SECOND CENTERLINE
THE LINES

CORRE	COPIA	ANGLIE	RENTES	ANGL	ANGL	ANGL
C1	2,21	0,00	650,10	4,50	1,00	4,50
C2	2,21	0,00	650,10	281,74	0,00	281,74
C3	2,21	0,00	650,10	0,00	52,19	0,00
C4	2,21	0,00	488,35	255,39	0,00	255,39
C5	2,21	0,00	359,83	4,95	52,68	0,00
C6	2,21	0,00	359,83	17,21	52,68	0,00
C7	2,21	0,00	359,83	0,00	39,27	0,00
C8	2,21	0,00	25,00	0,00	39,27	0,00
C9	2,21	0,00	1510,00	75,00	52,68	0,00

SHEET INDEX

- 1.2. TILE SHEETS
3. MAP SHEET - EXTERIOR BOUNDARY
4. MAP SHEET - SUBDIVISION & EASEMENTS

BOUNDARY DETERMINATION
SHEET 3 OF 4



THE UNIVERSITY OF CHICAGO PRESS

- FOUND MONUMENTAL AS NOTED HEREON
 FOUND MAIL & TAG MARKED "CITY OF OGDEN" PER (R12)
 FOUND SCREED IN BACK OF SIDEWALK PER (R7)
 SEARCHED FOR: HOTBIRDS LIQUID / HOTBIRDS SE
 SET 18 LOGS / 1" PPE WITH 2" BRASS CH MARKED "PLS R226"
 SET 1 COTTON PLOD MARKED "PLS R226" CH/CONCRETE
 SET 1 DOWDED SPIKE WITH 2" BRASS WALNUT MARKED "PLS R226"
 NO POINT SET (INDE BUILDING)

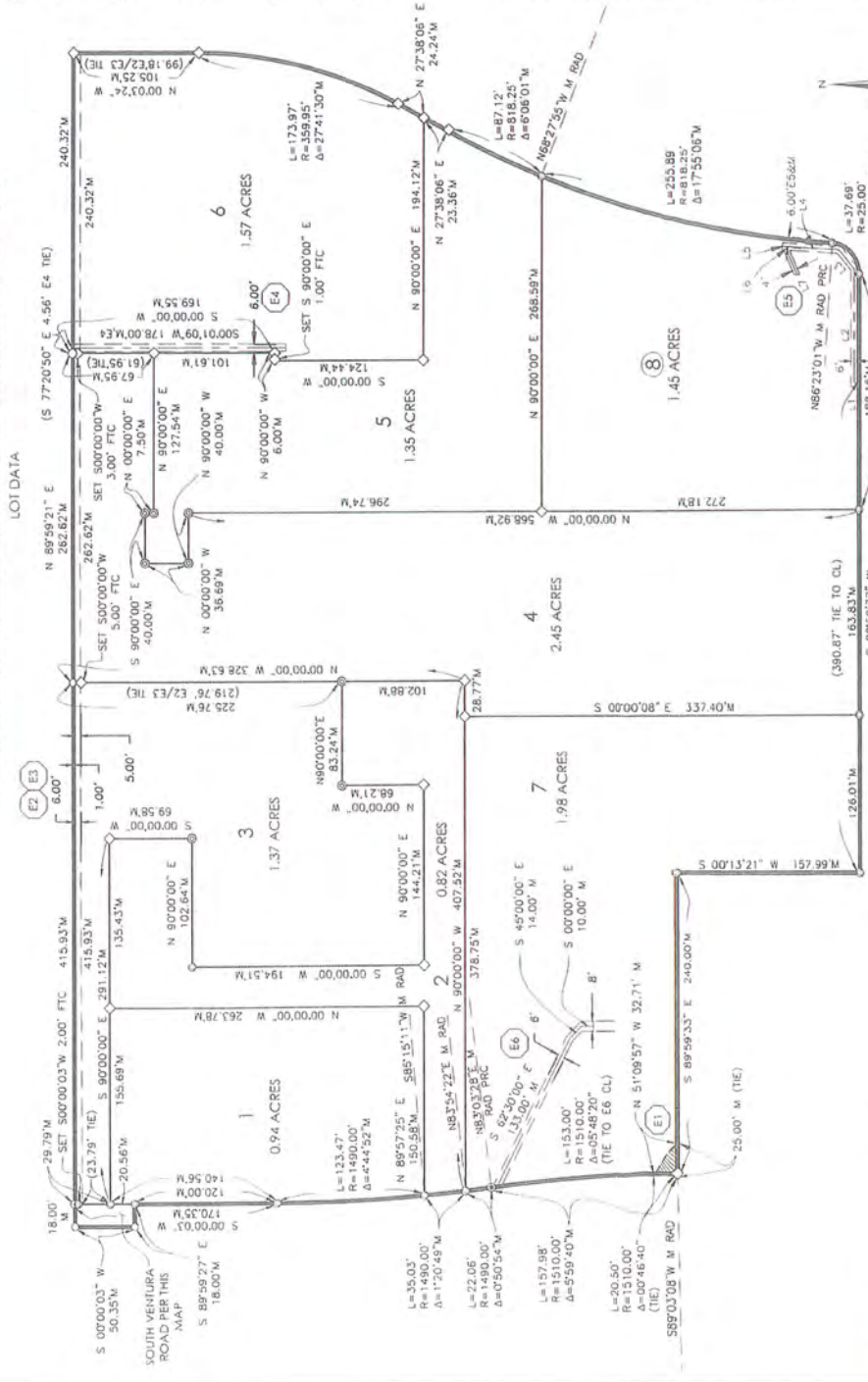


1994

TRACT NO. 5974

IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, BEING A SUBDIVISION OF A PORTION OF SUBDIVISION 39 OF RANCHO EL RIO DE SANTA CLARA OLA COLONIA ACCORDING TO THAT CERTAIN MAP FILED IN THE OFFICE OF THE COUNTY CLERK OF SAID COUNTY, IN THAT CERTAIN ACTION ENTITLED "THOMAS A. SCOTT, ET AL., PLAINTIFFS VS. RAFAEL GONZALES, ET AL., DEFENDTS", SAID PORTION ALSO BEING SHOWN AS PARCEL 1 OF PARCEL MAP BOOK 5, PAGE 64 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY • DECEMBER, 2016

LOT DATA



EXISTING EASEMENTS

- E1 - KNATHUS FREDRICK - AN EASEMENT FOR RIGHT OF WAY - FIRST DEED RECORDED FEBRUARY 26, 1968 AS INSTRUMENT NO. 4310 IN BOOK 3348, PAGE 25. E1 SEQ. OF OFFICIAL RECORDS.
 - E2 - VERONICA CALIFORNIA, INC. - A CALIFORNIA CORPORATION - A (U) SUCCESSIONARY INTEREST TO GENERAL TELEPHONE COMPANY - A (U) 100' FOOT WIDE EASEMENT FOR PUBLIC UTILITIES RECORDED APRIL 10, 1984 AS INSTRUMENT NO. 14465 IN BOOK 3442 ET SEQ. OF OFFICIAL RECORDS. (NOTE THE NORTHERLY PORTION OF THE 100' IS NOT WITHIN THE SUBJECT PARCELS)
 - E3 - SOUTHERN CALIFORNIA LONGCHALK COMPANY (SCCL) - A (U) 100' FOOT WIDE EASEMENT FOR PUBLIC UTILITIES RECORDED APRIL 2, 1984 AS INSTRUMENT NO. 14465 IN BOOK 3442 ET SEQ. OF OFFICIAL RECORDS. (NOTE THE NORTHERLY PORTION OF THE 100' IS NOT WITHIN THE SUBJECT PARCELS)
 - E4 - SCE - A 6' (80' FOOT) WIDE EASEMENT FOR PUBLIC UTILITIES RECORDED AUGUST 27, 1969 AS INSTRUMENT NO. 43310 IN BOOK 3348, PAGE 18 OF OFFICIAL RECORDS.
 - E5 - SCE - A 6' (80' FOOT) WIDE EASEMENT AND A 4' (FOUR FOOT) WIDE EASEMENT FOR PUBLIC UTILITIES RECORDED NOVEMBER 21, 1984 AS INSTRUMENT NO. 135514.
 - E6 - SCE - A 6' (80' FOOT) WIDE EASEMENT AND AN 8' (EIGHT FOOT) WIDE EASEMENT FOR PUBLIC UTILITIES RECORDED JULY 25, 1983 AS INSTRUMENT NO. 079123.
- CITY OF OXNARD - ABANDONED PER THIS MAP - AN EASEMENT FOR WATER LINES RECORDED JUNE 26, 1969 AS INSTRUMENT NO. 33040 IN BOOK 3389, PAGE 290 OF OFFICIAL RECORDS. NOT PLOTTED.

E5-CENTERLINE TABLE

LINE	BEARING	DISTANCE
L1	N 50°00'00" W	4.00' MAE-5
L2	N 59°59'52" E	90.90' MAE-5
L3	N 48°30'00" E	20.80' MAE-5
L4	N 03°27'24" E	44.80' W
L5	N 03°27'24" E	4.80' E5
L6	N 84°20'00" E	4.00' E5
L7	N 86°12'38" W	3.00' M
L8	N 85°49'00" W	3.00' E5
L9	N 48°32'24" W	21.50' W
L10	S 67°30'00" W	27.00' E5

LEGEND

- SEE SHEET 2 FOR ABREVIATIONS
- FOUND NAIL & TAG MARKED CITY OF OXNARD P&P (R12)
- FOUND SCREW IN BACK EDGE OF SUBWAY P&P (R2)
- SEARCHED FOR HOCHBERG FOURD/HOCHBERG SET
- SET 18" LOCH, 1" ID, PIPE WITH 2" BRASS CAP MARKED "PL 8226"
- SET 1" COPPER PLUG MARKED "PL 8226" IN CONCRETE
- SET 1" COPPER SPIKE WITH 2" BRASS W/ALUMINUM MARKED "PL 8226" IN ALUMINUM
- NO POINT SET (INSIDE BUILDING)



1007974-01.DWG



LOT DATA • SHEET 4 OF 4



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Info/Consent

AGENDA ITEM NO.: 4

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

FROM: Jim Throop
Chief Financial Officer

Jim Throop

SUBJECT: Approval of a Budget Appropriation to Transfer Landscape Maintenance District Surplus Fund Balances.

CONTACT: Jim Throop, Chief Financial Officer
Jim.Throop@oxnard.org, 385-7475

RECOMMENDATION:

That City Council approve a budget appropriation in the amount of \$1,137,781.32 to transfer surplus fund balances from the eighteen (18) dissolved Landscape Maintenance Districts per Streets and Highways Code section 22610.

BACKGROUND

On May 20, 2015, the City contracted with NBS Government Finance Group, a firm specializing in the administration of California special financing districts to conduct an in-depth review and analysis of the City's Landscape Maintenance Districts ("Districts"). The NBS review found that improvements within eighteen (18) of the Districts were located entirely along major traffic corridors (note, three (3) of the Districts are currently self-maintained). The ongoing maintenance activities within the eighteen (18) Districts would also provide a high level of benefit to some properties within proximity to the Districts, as well as visitors and individuals passing by the District.

On March 7, 2017 by Resolution No. 14,998, the City Council voted to remove the improvements along these major traffic corridors from the responsibility of the Districts and return them to the responsibility of the City, effective July 1, 2017.

Approval of a Budget Appropriation to Transfer LMD Suprlus Fund Balances

February 6, 2018

Page 2

On June 6, 2017, the City Council adopted Resolution No. 15,022 declaring its intention to dissolve the eighteen (18) Districts, and set the public hearing for June 20, 2017. On June 20, 2017, the City Council adopted Resolution No. 15,023 ordering the dissolution of the eighteen (18) Districts.

Following the City Council's action at the public hearing on June 20, 2017, the City ceased to levy and collect assessments in those Districts. As a result, some of the districts were left with surplus fund balances. Per Streets and Highways Code section 22610, if the legislative body orders the dissolution of an assessment district, any moneys in the improvement fund for the district shall be transferred to the general fund of the local agency.

On January 30, 2018, the City Council voted to authorize the transfer of the surplus funds from the eighteen (18) dissolved Landscape Maintenance Districts, totaling \$1,137,781.32 to the General Fund. Additionally, by Resolution 15,088, the City Council voted to authorize the reimbursement of the surplus funds from the eight (8) dissolved Landscape Maintenance Districts that did not receive a general fund subsidy, totaling \$1,131,152.39 from the General Fund to the parcels within those respective districts. This Budget Appropriation is the final action required in order to reimburse the parcel owners, per the approved action by City Council.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

There will be a small impact on the General Fund. From the \$1,137,781.32 transferred to the General Fund, \$1,131,152.39 will be reimbursed to the parcel owners, leaving a net amount of \$6,628.93 in the General Fund, as follows:

Fund	Name	Fund Balance	Prior Years General Fund Subsidy	Final Surplus Fund Balance
122	Summerfield	\$0.00		\$0.00
123	C.I.B.C. Told	305.04	Yes	\$0.00
127	Northfield and Sea Gate	0		\$0.00
136	San Miguel	0		\$0.00
138	St. John's Hosp.	5,631.07	Yes	\$0.00
139	Shopping at Rose	402.84	Yes	\$0.00
137	Volvo & Harbor	9,747.55		9,747.55
141	Cypress Point	55.74	Yes	\$0.00
142	McDonalds Median	0		\$0.00

Approval of a Budget Appropriation to Transfer LMD Suprlus Fund Balances

February 6, 2018

Page 3

146	Albertsons	62.95	Yes	\$0.00
149	Mercy Charities	171.29	Yes	\$0.00
155	MVS Commer. Centr	190,450.84		190,450.84
170-8001	American Pacific Homes	149,113.00		149,113.00
170-8002	Channel Pointe	54,857.00		54,857.00
170-8005	Victoria Estates	579,041.00		579,041.00
170-8014	Cottages at Patterson	10,276.00		10,276.00
170-8015	Golden State Self Storage	49,157.00		49,157.00
170-8017	Orbela	88,510.00		88,510.00
TOTAL		\$1,137,781.32		\$1,131,152.39

ATTACHMENTS:

Attachment A - Budget Appropriation

REQUEST FOR BUDGET APPROPRIATION

Department: Finance
 Project/Program
 Manager: Sandra Burkhart

Date: February 6, 2018
 Phone: (805) 385-7496

Reason for Appropriation:

To transfer funds from surplus fund balances of dissolved LMD's, effective July 1, 2017. Per Streets and Highways Code section 2610, surplus funds are required to be transferred to the General Fund. Council approved this action on

Accounts and Descriptions**AMOUNT****Fund: 101 - General Fund****Revenues/Transfers In**

101-1001-711-7917	Operating Transfers In/Transfers From Other Funds	<u>1,137,781</u>
	Sub-total Revenues	<u>1,137,781</u>

Expenditures/Transfers Out

101-1001-801-8472	Other Svcs & Exp/Expense Reimbursement	<u>1,131,152</u>
	Sub-total Expenditures	<u>1,131,152</u>

Net Change to Fund Balance	6,629
-----------------------------------	--------------

Fund: 123 (LMD #2 CIBC Told)**Expenditures/Transfers Out**

123-5702-808-8701	Transfer Out - Transfer to General Fund	<u>305</u>
	Sub-total Expenditures	<u>305</u>

Net Change to Fund Balance	(305)
-----------------------------------	--------------

Fund: 137 (LMD #20 Volvo & Harbo)**Expenditures/Transfers Out**

137-5702-808-8701	Transfer Out - Transfer to General Fund	<u>9,748</u>
	Sub-total Expenditures	<u>9,748</u>

Net Change to Fund Balance	(9,748)
-----------------------------------	----------------

Fund: 138 (LMD #18 St. John's Hospital)**Expenditures**

138-5702-808-8701	Transfer Out - Transfer to General Fund	<u>5,631</u>
	Sub-total Expenditures	<u>5,631</u>

Net Change to Fund Balance	(5,631)
-----------------------------------	----------------

Fund: 139 (LMD #19 Shopping At Rose)**Expenditures**

139-5702-808-8701	Transfer Out - Transfer to General Fund	<u>403</u>
	Sub-total Expenditures	<u>403</u>

Net Change to Fund Balance	(403)
-----------------------------------	--------------

Fund: 141 (LMD #21 Cypress Point)**Expenditures**

141-5702-808-8701	Transfer Out - Transfer to General Fund	<u>56</u>
	Sub-total Expenditures	<u>56</u>

Net Change to Fund Balance	(56)
-----------------------------------	-------------

Fund: 146 (LMD #26 Albertsons)

Expenditures

146-5702-808-8701	Transfer Out - Transfer to General Fund	63
	Sub-total Expenditures	63

Net Change to Fund Balance	(63)
-----------------------------------	-------------

Fund: 149 (LMD #29 Mercy Charities)

Expenditures

149-5702-808-8701	Transfer Out - Transfer to General Fund	171
	Sub-total Expenditures	171

Net Change to Fund Balance	(171)
-----------------------------------	--------------

Fund: 155 (LMD #35 MVS Commer. Center)

Expenditures

155-5702-808-8701	Transfer Out - Transfer to General Fund	190,451
	Sub-total Expenditures	190,451

Net Change to Fund Balance	(190,451)
-----------------------------------	------------------

Fund: 170-8001 (LMD #44 American Pacific Homes)

Expenditures

170-8001-808-8701	Transfer Out - Transfer to General Fund	149,113
	Sub-total Expenditures	149,113

Net Change to Fund Balance	(149,113)
-----------------------------------	------------------

Fund: 170-8002 (LMD #45 Channel Pointe)

Expenditures

170-8002-808-8701	Transfer Out - Transfer to General Fund	54,857
	Sub-total Expenditures	54,857

Net Change to Fund Balance	(54,857)
-----------------------------------	-----------------

Fund: 170-8005 (LMD #48 Victoria Estates)

Expenditures

170-8005-808-8701	Transfer Out - Transfer to General Fund	579,041
	Sub-total Expenditures	579,041

Net Change to Fund Balance	(579,041)
-----------------------------------	------------------

Fund: 170-8014 (LMD #56 Cottages at Patterson)

Expenditures

170-8014-808-8701	Transfer Out - Transfer to General Fund	10,276
	Sub-total Expenditures	10,276

Net Change to Fund Balance	(10,276)
-----------------------------------	-----------------

Fund: 170-8015 (LMD #57 Golden State Self Storage)

Expenditures

170-8015-808-8701	Transfer Out - Transfer to General Fund	49,157
	Sub-total Expenditures	49,157
Net Change to Fund Balance		(49,157)

Fund: 170-8017 (LMD #59 Orbela)

Expenditures

170-8017-808-8701	Transfer Out - Transfer to General Fund	88,510
	Sub-total Expenditures	88,510
Net Change to Fund Balance		(88,510)
Net Appropriation Change		(1,131,152)

Approvals	
Department Director	_____
Chief Financial Officer	_____
City Manager	_____



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Report
AGENDA ITEM NO.: 1

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

A handwritten signature in cursive script, appearing to read "S. Whitney".

FROM: Ingrid Hardy
Cultural & Comm Services Director

A handwritten signature in cursive script, appearing to read "Ingrid Hardy".

SUBJECT: Senior Services Commission Annual Report (10/5/5)

CONTACT: Ingrid Hardy, Cultural & Comm Services Director
Ingrid.Hardy@oxnard.org, 385-7993

RECOMMENDATION:

That City Council receives the Senior Services Commission annual report.

BACKGROUND

The Senior Services Commission's annual report to Council highlights various programs and services that strengthen the emotional, cognitive, physical, and social health of the Oxnard's senior residents. The report will cover the following areas:

- 1) Education - Support information and assistance to older adults on topics such as financial, legal, insurance, employment, advocacy and policy issues;
- 2) Housing - Support accessible, affordable and safe housing for older adults;
- 3) Mental and Physical Health - Support programs and services designed to enhance cognitive, emotional and physical health of older adults;
- 4) Recreation and Leisure Programs - Promote physical and social health in older adults through recreation and leisure opportunities; and

5) Transportation - Support effective local and regional transportation services among public and private sources that provide transportation for older adults

The Senior Services Commission will also present the long term goals such as the building of a new senior center, developing support for new and ongoing senior programs and creating awareness of the senior population and their needs to the public, government officials and community groups.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Objective 3b. Empower and connect our Inter-Neighborhood Council Organizations (INCOs), Community Advisory Groups (CAGs) and Neighborhood Watch Program.

Objective 3d. Discuss CAG goals at respective CAG meetings and develop an action plan for annual implementation.

FINANCIAL IMPACT

There is no fiscal impact with the presentation of this annual report.



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Public Hearing

AGENDA ITEM NO.: 1

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

FROM: Ashley Golden
Development Services Director

SUBJECT: Introduce for First Reading an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program with the Los Angeles Community Choice Energy Joint Powers Authority and Approving the Related Joint Powers Agreement. (15/15/15)

CONTACT: Ashley Golden, Development Services Director
Ashley.Golden@oxnard.org, 385-7882

RECOMMENDATION:

That the Council consider the introduction of an Ordinance approving the Joint Powers Agreement for the Los Angeles Community Choice Energy program and Authorizing the Implementation of the Community Choice Aggregation Program.

BACKGROUND

At the December 19, 2017 City Council meeting, the City Council received a presentation regarding Community Choice Energy or Aggregation (CCE and CCA). At this meeting, Council was generally supportive of joining the Los Angeles Community Choice Energy (LACCE) program but directed staff to conduct public outreach in January 2018 and to provide the City Council with the necessary ordinance documents to join the LACCE program (see Attachment A – Dec. 19th staff report materials). The February 6, 2018 City Council meeting was selected in order to conduct the first and second reading of the required ordinance by the LACCE extended deadline of March 31, 2018.

Participation in the LACCE requires a municipal agency to approve the Joint Powers Agreement

Ordinance Approving Joint Powers Agreement to Join LACCE (15/15/15)

February 6, 2018

Page 2

(JPA) with the City of Los Angeles Community Choice Energy Authority (LACCEA), and authorizes the implementation of the CCA Program by way of the ordinance. The attached ordinance acknowledges the development of the LACCEA JPA, and the development of the LACCE Business Plan, and identifies the ability for the City to withdraw its membership in the LACCEA and the CCA program as detailed in the JPA.

On January 31, 2018 City Staff conducted a public outreach meeting at the Oxnard Performing Arts & Convention Center from 6 – 8 p.m. The purpose of the meeting was to provide information to residents and businesses regarding the LACCE program. At this meeting translation was provided. Notification of the meeting was promoted through the City’s website, promotional flyers, public access TV, posters in various key locations throughout the City, and on the River Park sign marque (see Attachment B). Additionally, on January 8th staff gave a presentation and announced the public meeting to the Land Use Committee of the Chamber of Commerce. As a result of the timing in preparing this staff report, staff will summarize the public outreach comments and general input at the February 6th City Council meeting.

ANALYSIS

What is LACCE

LACCE potentially provides lower energy rates and greater energy choices for residents and businesses, promotes electrical rate price stability, addresses climate change by reducing energy-related greenhouse gas emissions, creates jobs, and encourages development of local green energy projects.

LACCE is a method for governments to buy and/or generate electricity for residents and businesses and provides a partnership between the City and existing utility providers like Southern California Edison, giving local governments the option to purchase up to 100% renewable electricity such as solar, wind, bioenergy, geothermal, and hydroelectric at competitive rates. Oxnard could purchase from cleaner sources while using existing utilities to deliver electrical energy to residents. With the LACCE program, residents can choose to buy power through the LACCE or “opt out” and continue with Southern California Edison. In either case, Edison will continue to handle transmission and process the billing. Greater specific detail regarding the LACCE is provided in the attached Feasibility Study, LACCE Presentation for City Councils and Managers and the Board Report on LACCE Implementation. Additional information can be reviewed at the following: <https://www.lacounty.gov/lacce- documents> (see Attachment C – Feasibility Study and LACCE Presentation provided at the January 31st public meeting).

LACCE Governance

LACCE will be governed by a Board of Directors, comprised of one elected representative of each city or jurisdiction participating in the program. Each jurisdiction that joins will be required to designate two alternate Directors to fill in if the primary is unavailable. Final

decisions regarding the specific level of renewable energy to be procured, prioritization of local renewable energy programs and job development, and other governance issues will be determined by the Board of Directors, as specified in the JPA. These items will be determined by the Board at its regular meetings. The first official meeting of the Board was held August 4, 2017. Current member agencies include the County of Los Angeles and the cities of West Hollywood, Rolling Hills, South Pasadena, and Calabasas. Additionally, the County reports that the following cities have introduced an ordinance to join LACCE and will be official members with each ordinance's passage at the second reading: Cities of Alhambra, Carson, Sierra Madre, Manhattan Beach, Malibu, and Agoura Hills. Additionally, the City of Thousand Oaks has joined. The City of Moorpark is considering membership, along with a number of other Ventura County cities.

The voting structure of the Board of Directors, which has a two-tiered voting system intended to balance voting power between large and small cities. All actions are approved by a simple majority of the member agencies present, with each jurisdiction having a single vote. Approved actions can be overturned on a voting shares basis. The outcome of a voting shares vote is determined by the amount of power each agency procures as a percentage of the overall agency's electricity portfolio. For example, if an agency's total electrical load is five percent of LACCE's total portfolio (all the energy it buys for all of its member agencies), that agency would have five percent of the total vote. As such, the voting share vote acts a veto mechanism. While an action can be overturned with a voting shares vote, no actions can be approved solely by a voting shares vote. Instead, pursuant to the provisions of the JPA (Section 4.10.2), the action would require an affirmative voting shares vote and an affirmative percentage vote.

Financing

Funding for financing the creation of LACCE has been provided exclusively by the County of Los Angeles. No compensation from additional members is expected or required as part of the initial adoption phase, which includes the hard costs associated with JPA formation and program development. The JPA explicitly provides that the County will be reimbursed for all of its actual incurred expenses in creating both the Authority and the CCA program. All start-up costs associated with this project are fully reimbursable from revenue generated by ratepayers; however, the time period for reimbursement will be set by the Authority. Total costs to set up the program have been estimated by the County at \$15 million.

The Authority seated its Board of Directors in August 2017, and the Board initiated early stages of operation at that time. The Authority has established working capital to cover its expenses leading up to the delivery of electricity, which is projected for early 2018. At this time, the Agency has \$10 million in startup capital allocated as part of the \$15 million from the County to pay for program expenses during the approximate three month lag between provision of power to customers and receipt of revenues from SCE. It is possible that the Authority may seek some form of guaranty assistance from one or more of the public agencies if the County funding proves inadequate, although that is unknown at this time and is

not discussed in the Joint Powers Agreement.

Joint Powers Agreement

The LACCE JPA agreement entitled “Los Angeles Community Choice Energy Authority - Joint Powers Agreement” is included as Attachment D (and associated Ordinance) to this report. The agreement was prepared by the County and has been reviewed by the City Attorney, City staff, and staff from other jurisdictions in the County over the course of the past few months. The LACCE agreement is based on similar agreements for CCA programs in the Bay Area. The JPA includes a complete set of rules, regulations, and principles for the formation and operation of LACCE, including the roles and responsibilities of each member agency. The following is a summary of the key provisions in the JPA:

- Separate Legal Entity. The JPA establishes the Los Angeles Community Choice Energy Authority as a separate legal entity; the member cities assume no obligation for the debts and liabilities of the Authority. However, if a member city withdraws from the Authority, that city will have continuing responsibility for any claims, demands, damages, or liabilities arising through the date of withdrawal. (Section 8.4.) In addition, the withdrawing city is also responsible for any costs or obligations associated with the city’s participation in the program that were incurred prior to the city’s withdrawal. (Section 8.4.)
- Board of Directors. The Authority Board of Directors shall consist of an elected representative from each member agency and two alternate directors from each member agency, both of whom must be either a member of the agency’s elected body, City staff, or an individual appointed from the community that has experience in energy related issues.
- Voting. The Authority Board of Directors can act by a majority of directors voting in favor of an item. Following an affirmative vote, if three directors so request, an Authority action can be overturned by a “Voting Shares Vote,” where each director’s vote represents that share of the Authority’s overall electrical load represented by the member entity. For example, Claremont’s share of the overall load is projected to be 0.84 percent, the City’s vote would be 0.84 percent towards a needed fifty percent majority to stop an action from proceeding.
- Implementation Plan. LACCE will create an Implementation Plan to establish a roadmap for the Authority’s operations and strategies. The Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs.
- Withdrawal. The JPA agreement provides a process for member entities to withdraw and provides that in the event of a complete withdrawal of both municipal and all constituent accounts, the member agencies will reimburse the JPA for any costs incurred as a result of serving the withdrawing agency and all of its community’s customers. (Section 8.)
- Powers. The JPA includes a number of powers for the Authority, including the contractual authority to purchase electricity, enter into agreements to implement the CCA program, and to submit documentation and compliance forms to ensure regulatory compliance. In addition, the Authority is granted permission to issue revenue bonds and other forms of indebtedness, to acquire property by eminent domain, as well as other regulatory related actions.

Risks and Risk Management

The primary risk in forming LACCE is that it will be unable to stay competitive with SCE, which could be caused by:

- Sudden and unfavorable changes to the energy market
- High customer opt- out rate
- Unreasonable costs imposed by SCE
- New California State laws or regulations

Other potential concerns involve JPA operational issues. For example, a large member of the JPA (who has a voting share that equals or exceeds the voting share to disapprove a matter before the board) can disapprove a matter if that large member gets the support of only one other member (Section 4.10.2.) A large member can also require that an action of the board has both an affirmative percentage vote of the entire board PLUS an affirmative voting share vote. Thus, a large member could effectively kill any proposal that the large member does not want to see passed.

The LACCE Business Plan concludes that there are no reasonable set of risk- related circumstances that would harm the ability of LACCE to be competitive with SCE.

STRATEGIC PRIORITIES

This agenda item supports the Economic Development strategy. The purpose of the Economic Development strategy is to develop and enhance Oxnard's business climate, promote the City's fiscal health, and support economic growth in a manner consistent with the City's unique character. This item supports the following goals and objectives:

Goal 1. Create vibrant and economically sustainable commercial, industrial and retail industries throughout the City.

Goal 2. Enhance business development throughout the City.

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 5. Ensure orderly development and long-range conservation and management of our natural resources and coastal assets.

Objective 5a. Develop and implement a sustainability program.

Objective 5b. Protect ocean and waterways.

FINANCIAL IMPACT

The direct fiscal impact of the City's participation in LACCE is limited to staff time spent participating in the JPA and the implementation/transition process. If the City decides to exit the JPA after its initial launch, liabilities specified in the Joint Powers Agreement could have a fiscal impact for the City. The specified liabilities include costs from the resale of power contracts by the Authority to serve the City's electrical load and any administrative costs directly attributable to the City's withdrawal. The LACCE agreement creates a legal and financial separation of the assets and liabilities of the JPA from those of its member agencies; therefore, there is no financial risk for agencies to participate beyond costs associated with withdrawal. Currently, staff is unaware of any agencies within the State that have withdrawn from a CCA after electing to participate.

The City would become a customer of LACCE. Depending on which renewable energy scenario is selected by the CCA Board of Directors, the City could see energy costs go up or down.

The City would be eligible to participate in any future efficiency or incentive programs that may be developed by LACCE. The City currently lowers the cost of energy efficiency and renewable energy projects through participation in rebate and incentive programs offered by SCE. The City is expected to maintain eligibility to participate in SCE programs even if the City

Ordinance Approving Joint Powers Agreement to Join LACCE (15/15/15)
February 6, 2018
Page 7

were to join LACCE.

ATTACHMENTS:

Attachment A - Dec. 19th City Council staff report

Attachment B - LACCE PowerPoint

Attachment C - LACCE Feasibility study

Attachment D - Ordinance

(This page is intentionally blank.)



**CITY COUNCIL
AGENDA REPORT**

**TYPE OF ITEM: Appointment
Item**

AGENDA ITEM NO.: 1

DATE: December 19, 2017

TO: City Council

THROUGH: Greg Nyhoff
City Manager

FROM: Ashley Golden
Development Services Director

SUBJECT: Evaluate Options Pertaining to Community Choice Aggregation (15/10/10)

CONTACT: Ashley Golden, Development Services Director
Ashley.Golden@oxnard.org, 385-7882

RECOMMENDATION:

That City Council choose from among three options:

1. Receive a report, and evaluate whether to join the Los Angeles Community Choice Energy (LACCE) program. Should the City Council choose to join the LACCE, the City Council will need to direct staff to return with more information pertaining to the financial and contractual obligations associated with participation in LACCE; and introduce an ordinance approving a Joint Powers Agreement with the Los Angeles Community Choice Energy program, and authorize the implementation of a Community Choice Aggregation program within the City; or
2. Receive a report, meet with key LACCE leadership, and monitor LACCE Authority membership developments over the next several months. Report back to the City Council at the City Council's February 6, 2018 City Council meeting; or
3. Investigate the concept of implementing a Community Choice Energy (CCE) program in the City or with a group of cities in the region; and direct staff to study options and return with a recommendation for a CCE model to consider and identify a funding source to conduct a feasibility study.

SUMMARY

The information in this report is provided to inform the City Council about the concept of Community Choice Aggregation (CCA), Community Choice Energy (CCE) options within

California, and Los Angeles Community Choice Energy (LACCE), and Community Choice Energy (CCE) options within California. The included information provides the greatest degree of certainty and detail possible at this point in time. This report summarizes the LACCE program and provides background associated with CCE programs in California, which would be an alternative to the LACCE program. Finally, staff has provided a summary regarding the feasibility study and conclusions associated with the Central Coast Power, Technical Feasibility Study and findings.

What is Community Choice Aggregation (CCA) or Energy (CCE)?

A CCA program is a legal structure that allows cities and counties to aggregate the buying power of individual electricity customers within their jurisdictions in order to secure energy supply contracts on a community-wide basis. The purpose of aggregating the purchase of electricity is to create an alternative electrical service option to the incumbent utility, which in Oxnard is Southern California Edison (SCE).

The goals of a CCA program include increasing the amount of renewable energy provided to residents, creating local clean energy jobs, reducing greenhouse gas emissions, and providing greater public accountability in energy decisions, generally at a cost savings compared to the incumbent electricity provider.

A CCA program is anticipated to lower electricity bills for participating customers, both residential and commercial, as well as provide a public board that would make decisions regarding the type, amount, and characteristics of clean power to be delivered to the CCA's customers. Local elected officials would then have the authority to create energy programs to support broad environmental and job creation goals, including energy efficiency, renewable energy construction, and energy conservation.

Background and Legislative History

A CCA program provides for government-led procurement of electricity for customers within their jurisdictional boundaries who elect to remain a program participant. This introduction of competition to the marketplace of electricity services allows customers an alternative choice in deciding which provider best meets their needs. As the chart below shows, there are two traditional models for energy service delivery: a Municipal Utility (MU) or an Investor-Owned Utility (IOU). Both models procure power on the market, transmit energy to the customer and is responsible for billing and customer service.

A CCA program is a hybrid approach where either a municipality, or a group of municipalities either under municipal operations or under a Joint Powers Agreement (JPA), procures energy and leverages the billing and transmission systems of the IOU. CCA programs leverage the market power of group purchasing, while enhancing consumer choice and local decision-making. CCA programs enable local governments to procure and/or develop power on behalf of their public facilities, residents, and businesses. CCA programs can lower rates, offer a greater range

Evaluate Options Pertaining to Community Choice Aggregation (15/15/15)

December 19, 2017

Page 3

of clean energy products, and create customized programs that better serve local priorities. In addition, CCA programs can create or increase services to residents, provide public accountability in the decisions and processes of electricity provision, create jobs associated with local clean energy generation and new energy programs, and reduce GHG emissions from the procurement of electricity from cleaner sources. CCAs are expected to provide these benefits for local governments where historically the IOUs have not.

CCA IS A HYBRID UTILITY OPTION

IOU Investor-Owned Utility	CCA Community Choice Aggregation	Municipal Utility (MU)
IOU Procures Power	JPA/Local Govts Procures Power	MU Procures Power
IOU Maintains Transmission Lines	IOU Maintains Transmission Lines	MU Maintains Transmission Lines
IOU Provides Billing & Customer Service	IOU Provides Billing & Customer Service	MU Provides Billing & Customer Service

CCA Legal Creation

In 2002, Governor Gray Davis signed California Assembly Bill 117, allowing groups of communities to purchase power on behalf of their residents and businesses, completely supported by revenues rather than taxpayer subsidies. The bill's stated goal was to provide pathways for local governments to facilitate the adoption of greater levels of clean energy, while providing public accountability in the provision of this service. Not only did it enable California to join the growing number of states allowing CCA, but it also mandated automatic customer enrollment, with an opt-out option.

When a community elects to create a CCA program, all customers within the community's jurisdictional boundaries automatically become a CCA energy recipient. While all residents and businesses automatically become energy customers of the CCA, each individual resident and business has the choice to opt-out and continue to receive energy from the IOU. This provision ensures that CCA programs are able to enroll a sufficient number of customers to maintain viability as a provider of electricity.

Community Choice Energy (CCE) Programs in California

Currently, staff is aware of eight CCE programs in California that deliver electricity to customers. Marin Clean Energy (MCE) was the first operational CCE in California. MCE began providing electricity to customers in May 2010. The program currently provides electricity in Marin, Napa, and Contra Costa counties by procuring energy for participating cities and for unincorporated areas of these counties.

Seven additional CCEs provide power to customers in California. Sonoma Clean Power, serving all cities and the unincorporated areas of Sonoma County, began providing electricity in 2014. The City of Lancaster adopted a CCA, Lancaster Choice Energy, which began providing electricity in 2015. The City and County of San Francisco created CleanPowerSF as a CCE in 2006, although the program did not begin delivering electricity until 2016. The following additional programs are also active within the State: Peninsula Clean Energy (San Mateo County); Redwood Coast Energy Authority (Humboldt County); Silicon Valley Clean Energy (Santa Clara County); and Apple Valley Choice Energy (Town of Apple Valley) (see Attachment A).

Beyond these programs, a large number of cities and counties are considering creating CCA programs. Another seven programs are expected to launch either this year or next, including efforts in Los Angeles County and the region. More than a dozen CCA programs appear to be under consideration across California (see [www. http://cleanpowerexchange.org/california-community-choice/](http://cleanpowerexchange.org/california-community-choice/)). As a result of the growth in CCA's on December 12, 2017 staff became aware of the California Public Utilities (CPUC's - Executive Order E-4907) interest in expanding CPUC oversight over CCAs and the interest in imposing a one year delay on new CCAs or CCA expansions where implementation plans have not been filed as of Dec. 8, 2017. Further, the CPUC is intending to establish a two year delay for programs that do not file implementation plans by Dec. 31, 2017. It also imposes new requirements regarding the start-date of CCA programs which impact economics and other timelines. The details of the executive order have just been released with further study, analysis, and implications to CCA's/CCE's in process to be determined.

Unlike the traditional JPA model where risk is wholly held by the JPA, a city would assume a larger risk responsibility under the hybrid CCEA model. Simply, the more control a city holds, the more risk it maintains. On one extreme, a city could form its own CCA program similar to the one Lancaster originally developed, wherein said city would have complete control over every aspect of the program. These models include the Cities of Lancaster, Apple Valley, Pico Rivera, and the City/County of San Francisco. Additional research is required to determine how financial risk is mitigated in these models. On the other end of the spectrum, a CCA managed by a traditional JPA, such as LACCE, is more directly isolated from the liabilities and obligations of the CCA. The traditional JPA creates a separate and distinct organization from its member agencies, which isolates the liabilities and risks so they do not impact its member agencies. The hybrid JPA is sort of a middle ground between these two options, wherein the member agencies share risk and costs on issues of common benefit, yet they maintain control over functions of local importance. A comparison of the different structures is provided in the table below:

Evaluate Options Pertaining to Community Choice Aggregation (15/15/15)

December 19, 2017

Page 5

CCA Activities	Standalone City	Hybrid JPA	Traditional JPA
Rate Setting	Full Control	Full Control	One Vote
Revenue Control	Full Control	Full Control	One Vote
Renewable Portfolio	Full Control	Full Control	One Vote
Operating Risk	Full Risk	Shared Risk	None
Program Control	Full Control	Full Control	One Vote
Administrative Costs	Full Cost	Shared Cost	None

The fiscal impact associated with a CCE for the City of Oxnard, with or without other cities in the region, has not yet been evaluated but models exist from which to gather information.

Creation of a Community Choice Energy (CCE) Program in Ventura County.

Ventura, Santa Barbara and San Luis Obispo Counties partnered in 2015 to evaluate the feasibility of creating a CCE program for the collective three counties (Central Coast Region).

In August of 2017 the Central Coast Power Feasibility Study (Study) was issued. The Study was completed by Willdan and EnerNex who were hired by the Counties and Cities within the Central Coast region. The Study objectives were directed by the Central Coast Power Advisory Group.

The Study concluded that a CCA Program for the region, and for combinations of agencies within the region, was not financially feasible. Meaning that over the time period examined (2020-2030), CCA rates for nearly all customer classes could not be maintained at levels lower than the incumbent utilities – Pacific Gas & Electric (PG&E) and SCE.

The Study determined CCA feasibility by projecting the cost of procuring wholesale power, by determining the cost of operating a CCA across the region, and by projecting the rates of the incumbent utilities. The Study also examined CCA feasibility across different operating scenarios: different amounts of renewable energy supplied by the CCA, different levels of customer participation, and CCA participation by individual Counties and cities within each County.

The Study concluded that for nearly all rate classes, under all operating scenarios, a Central Coast CCA could not maintain rates lower than PG&E and SCE. The Advisory Group commissioned an independent, Peer Review assessment of the Study was conducted by MRW & Associates even before the Study was issued. The Peer Review is publicly available on the Central Coast Power website, as is the Study author's response to the Peer Review. The Study authors maintain that, even with including several modifications as proposed by the Peer Review consultant, a Central Coast CCA could not maintain rates lower than the incumbent utilities.

Evaluate Options Pertaining to Community Choice Aggregation (15/15/15)

December 19, 2017

Page 6

The Central Coast Power Feasibility Study is confounding in that it declares CCA not feasible in the region at the same time, as staff has pointed out, that CCAs across the State – in both PG&E and SCE territory – are operating and are in formation. The CA Public Utilities Commission has declared that shortly (by 2025) they expect 85% of investor owned utilities load to be served by third parties (either CCAs, customer self-generation, or retail market suppliers – see Attachment B). In SCE territory alone CCAs are operating in the cities of Lancaster, Apple Valley and Pico Rivera. LACCE will commence operations in early 2018 initially serving Los Angeles County municipal accounts only and with 5 other cities enrolled in their CCA JPA. Staff is aware that the County of Riverside is filing their CCA Implementation Plan with the California Public Utility Commission shortly. The Cities of Huntington Beach and Irvine City Councils have commissioned initiation of their own feasibility studies.

CCAs are operating throughout PG&E territory in: Marin, Sonoma, Mendocino, Napa, Alameda, San Francisco, Santa Clara, Monterey, San Benito, Santa Cruz and Yolo Counties.

Los Angeles Community Choice Energy (LACCE) and Formation

Los Angeles County has completed a feasibility assessment for a CCA program throughout Los Angeles County. The County CCA has been named the Los Angeles Community Choice Energy (LACCE) Authority. The LACCE process has produced a technical study, in which a consultant team of energy experts and economists assessed the range of likely costs of implementing a CCA program within Los Angeles County under a variety of scenarios. Such a study is required for any potential CCA. In addition to cost data, the technical study also provides an analysis of various legal, regulatory, market risks and threats to the program. The Los Angeles County technical study was completed in July 2016.

The completed technical study demonstrated that the LACCE program is both feasible and cost effective under a range of scenarios within Los Angeles County. The LACCE program is expected to result in costs that are approximately 5.4 percent lower than all current SCE rate classes. This rate scenario would provide an equivalent portfolio of renewable energy to SCE. Currently, twenty-eight percent of SCE's energy comes from renewable sources which is provided to all SCE customers, including Ventura County. The LACCE could also offer a fifty percent renewable energy package, which was estimated to cost 4.1 percent less than SCE's 28 percent renewables rate.

There is also the potential for the LACCE to provide a 100 percent renewable package, which the study estimated would amount to a 6.3 percent cost increase over the SCE basic cost (28 percent renewables – this based upon the initial business plan). Customers are anticipated to be allowed to voluntarily select this option. As a result, environmentally-minded residents and businesses could contribute to sustainability goals with minimal cost impacts. They could reap these benefits without having to pay the large capital costs associated with the installation of solar panels, and other capital intensive projects. This may be valuable to residents who rent homes in Oxnard and are not able to install solar systems, but would like to support greener energy grid options. Residents who choose to "opt-up" will receive the same energy as other

residents in LACCE but the overall mix of energy provided by LACCE is marginally greener. A fact sheet pertaining to the LACCE program is attached (see Attachment C).

Which of the renewable package options would constitute the basic level of service is not currently defined, and will be decided by the LACCE Authority as it continues with implementation. Also, final determination of all rates to be charged to customers will be determined just prior to LACCE operations.

The LACCE program is structured so that energy is provided as follows:

- ≠ Phase 1 – Energy provided to LA County municipal accounts only; this “pilot” project will occur sometime in the first quarter of 2018;
- ≠ Phase 2 – Energy will be provided to member agency municipal accounts as well as LA County and member agency commercial and industrial accounts; sometime in June 2018 and in a “roll out” fashion; and
- ≠ Phase 3 – Energy provided to residential accounts; by Dec. 2018.

A recent LACCE board action on Dec. 7, 2017 spoke to additional phases for which the LACCE Board is considering.

According to LACCE, in order to ensure that Oxnard can join LACCE with no membership fee, the City must join by December 27, 2017. However, on December 12, 2017, staff learned that due to the Ventura County fires the LACCE Board extended the timeframe by which agencies must go. Interested cities have three months or roughly by the end of March 2018 to join. Because action to join the LACCE is required to be taken by ordinance, a first and second reading of the ordinance followed by a 30-day period before the ordinance will take effect there is no way the required action will be initiated by the December deadline. Entities joining the LACCE after the extended deadline or by March 31, 2018 deadline would be aggregated and added into the LACCE JPA in June 2018. The cost, if any to join after 2017 is not known at this time. Electric power would become available to non-initial participants in 2019.

On December 12th, the County of Ventura Board of Supervisors and the City of Thousand Oaks voted to join LACCE.

Joint Powers Agreement (JPA)

The LACCE JPA agreement entitled “Los Angeles Community Choice Energy Authority - Joint Powers Agreement” is included as Attachment D to this report. The agreement was prepared by LA County and has not been reviewed by the Oxnard City Attorney or fully evaluated by Staff. To participate in the LACCE the City would need to sign the JPA. The following is a summary of the key provisions in the JPA:

Evaluate Options Pertaining to Community Choice Aggregation (15/15/15)

December 19, 2017

Page 8

- ≠ Separate Legal Entity. The JPA establishes the Los Angeles Community Choice Energy Authority as a separate legal entity; the member cities assume no obligations (except in narrow circumstances provided for in the JPA, e.g., upon withdrawal, Section 8 of the JPA) for the debts and liabilities of the Authority.
- ≠ Board of Directors. The Authority Board of Directors shall consist of an elected representative from each member agency and two alternate directors from each member agency, both of whom must be either a member of the agency's elected body, City staff, or an individual appointed from the community that has experience in energy related issues.
- ≠ Voting. The Authority Board of Directors can act by a majority of directors voting in favor of an item. Following an affirmative vote, if three directors so request, an Authority action can be overturned by a "Voting Shares Vote," where each director's vote represents that share of the Authority's overall electrical load represented by the member entity. For example, Claremont's share of the overall load is projected to be 0.84 percent, the City's vote would be 0.84 percent towards a needed fifty percent majority to stop an action from proceeding.
- ≠ Implementation Plan. LACCE will create an Implementation Plan to establish a roadmap for the Authority's operations and strategies. The Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs.
- ≠ Withdrawal. The JPA agreement provides a process for member entities to withdraw and provides that in the event of a complete withdrawal of both municipal and all constituent accounts, the member agencies will reimburse the JPA for any costs incurred as a result of serving the withdrawing agency and all of its community's customers. This could include the cost of power procured over long-term contracts for all JPA members.
- ≠ Powers. The JPA includes a number of powers for the Authority, including the contractual authority to purchase electricity, enter into agreements to implement the CCA program, and to submit documentation and compliance forms to ensure regulatory compliance. In addition, the Authority is granted permission to issue revenue bonds and other forms of indebtedness, to acquire property by eminent domain, as well as other regulatory related actions.

Fiscal impact to the City, LACCE governance, and Financing of the LACCE would need to be further evaluated should the City wish to participate in LACCE and sign the JPA.

Conclusion

CCA programs are being adopted throughout the State. Depending on the renewable portfolio selected by the CCA program, Oxnard residents and businesses could potentially save on their

Evaluate Options Pertaining to Community Choice Aggregation (15/15/15)

December 19, 2017

Page 9

current energy consumption. The City's greenhouse gas (GHG) emissions could also be lowered as a result of CCA program operation; this would support the City Council's goals stipulated in the City's Energy Action Plan (April 2013) of reducing greenhouse gas emissions ten percent by 2020. These monetary savings would be coupled with the environmental benefits that come with having a portfolio with greater amounts of renewable energy being consumed within the community.

Two things are important to note when discussing the feasibility of CCA's:

1. CCAs in California have been operating successfully and other feasibility studies indicate that they are forecasted to continue to operate successfully using the same forecasts of future power supply costs, CCA operating costs, and future utility rates; and
2. Size or scale of customer load does not seem to matter regarding feasibility as individual cities are operating CCAs in SCE territory now, and other individual cities are exploring CCA feasibility.

Joining the LACCE or another, larger CCA should be carefully examined in light of these situations:

1. LACCE is claiming that other jurisdictions may join their CCA, and that there is an urgency in that jurisdictions may be charged a fee for joining later. This is confusing in that other CCAs that enroll other agencies after initial operations (Marin Clean Energy, Sonoma Clean Power) have not charged those agencies. In addition, all CCA operating costs are collected in customer rates – Staff is not aware of one-time, CCA capital or operating costs that should appropriately be collected up front from new participants. Also, if operating CCAs are financially viable, then adding new load from new participants increases financial viability (and revenues) and new participants should be welcomed – not necessarily charged for joining. In other operating CCAs, initial costs to develop and implement were covered by cash contributions or loans which were paid back through customer rates. Under a financially viable CCA, the more customers there are – the sooner the contributions or loans are paid back.
2. An often-stated feature of CCAs is that they provide “local control.” For most CCAs this has meant local entities determine where to procure wholesale power and how to establish retail rates. However, under CCA operations “local control” should also consider the following:
 - ≠ How can rates be used in individual jurisdictions to support community/local goals and objectives (e.g., agricultural and low income in Ventura County)? Can a rate exist specifically for Ventura County/Oxnard ratepayers?
 - ≠ What types of energy programs (efficiency, local renewables, customer behavior, etc.) will be used in communities for the same purposes? Can Ventura County/Oxnard design energy programs for specific rate classes?
 - ≠ How will CCA revenues be used in support of individual/local jurisdictions? Will use of revenues be determined and used locally – or will they be determined and used across the JPA membership?
 - ≠ How can CCAs support local policies and goals? The larger the CCA, the more difficult it may become to meet individual city objectives. Many of the CCAs in

Evaluate Options Pertaining to Community Choice Aggregation (15/15/15)

December 19, 2017

Page 10

northern California consists of jurisdictions that are “like-minded” demographically and politically. Will this be true of joining a CCA JPA with many members and diverse demographics and politics?

In the City of Oxnard especially, given the recent (and ongoing) situation around the Puente Power Plan, Staff recommends that the City should examine how a CCA will meet the City’s specific energy goals. In 2020, the City will again be subjected to an SCE solicitation to acquire resources to mitigate the need for the Puente Power Plant. How can a CCA (whether a large, multi-jurisdiction CCA; or a small CCA – perhaps only Oxnard and neighboring cities) help meet the requirements of that solicitation and finalize the mitigation of Puente Power Plant? These local needs may be lost under a large, geographically and politically diverse CCA.

A more thorough vetting of the value of CCA to “local” needs – especially under the State’s volatile energy industry – is warranted. The CCA landscape is changing and different models are emerging – especially around smaller CCAs that can address local issues and needs. In evaluating the two options, there are pros and cons associated with both. Staff has highlighted them in the table below, but the primary differences between the two programs are program control, comfort with risk, and the desired intensity of staff and resource dedication.

LACCE		CCEA	
Pros	Cons	Pros	Cons
No cost to participate	One vote on Board	City Council makes decisions on behalf of City	Startup loan required
Minimal staff Impact	Potential for large Board	Full revenue control	Heavy staff involvement
No operating risk	Operating procedures not defined	Claremont only programs	Operating risk
	No revenue control		
	Regional programs		

There are still a lot of unknowns with participation in either the LACCA or another CEEA program. If the City were to join LACCE, the program is still in its early stages with a lot of questions to be answered: Can cities phase in their facilities? How would the withdrawal process work if a city decides to exit the program? Will program revenue be shared with the cities and how much? How large will the program/Board be? What percentage of Oxnard program revenues will go back into the community?

Questions regarding CCEA include: Will energy costs savings be similar to LACCE? Will CCEA also have a legislative risk? Specifically, legislation was proposed at the State level at the end of this year’s legislative session that would have prevented the formation of any new CCA programs. While the legislation was defeated this year, it could be introduced again next year. If the City is in the process of studying the feasibility of participation in CCEA and such legislation

were to pass, the City would potentially forfeit its investment in becoming a CCEA member. There are no answers to these questions at the present time.

Joining LACCE would remove the legislative risk and ensure that the City gets to participate in a CCA program, and if the City joins now it would have a chance to mold program operations and procedures as an early adopter. However, joining CCEA provides complete control of programming and local investment. Both programs have their strengths and weaknesses.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 1. Ensure Master plans for all City infrastructure are current, synchronized and consistent with the General Plan.

Goal 5. Ensure orderly development and long-range conservation and management of our natural resources and coastal assets.

Objective 5a. Develop and implement a sustainability program.

Objective 5b. Protect ocean and waterways.

FINANCIAL IMPACT

Any of the options and alternatives the City Council will consider will require a thorough financial analysis. If the City were to join and receive its energy from a LACCE program, the financial and risk impact of this contractual arrangement would need to be analyzed and is dependent upon the energy portfolio selected by the City's ratepayers and the negotiated agricultural rates stipulated by SCE.

It is currently unknown what the costs of participation in any CCA would be and what benefits would be derived for the City under each CCE option.

ATTACHMENTS:

Attachment A - LACCE Fact Sheet

Evaluate Options Pertaining to Community Choice Aggregation (15/15/15)

December 19, 2017

Page 12

Attachment B - JPA Agreement

Attachment C - Summary of CCA's

Attachment D - CPUC Retail Choice White Paper

LOS ANGELES COUNTY

CHIEF SUSTAINABILITY OFFICE**Los Angeles Community Choice Energy FAQ****What is Los Angeles Community Choice Energy (LACCE)?**

LACCE is the name for a Community Choice Aggregation (CCA) program in Los Angeles County. California law allows local governments to control the source and the price of the electricity consumed by their residents and businesses using a CCA program.

How does LACCE work?

LACCE will negotiate contracts for power supply and offer renewable electricity at competitive rates. Southern California Edison (SCE) delivers it through its existing utility lines. SCE continues to bill the customer, maintain power lines and handle new service requests and emergencies.

How will LACCE be run?

LACCE will be run by an Executive Director and a small staff. It will be overseen by elected officials from cities and the county who will serve on a Board of Directors of the LACCE Authority, a nonprofit agency established to operate the program. The Board will be advised by a public Community Advisory Committee.

Will LACCE just create another layer of bureaucracy?

No. LACCE will be entirely self-funded by revenues it receives from the sale of electricity to customers. None of its expenses are paid by taxes, and its revenues cannot be diverted to pay for non-LACCE uses.

Have other communities done this before?

Yes, more than 70 cities and counties in California are already doing this. There are currently seven operational CCAs in California: Apple Valley Choice Energy, CleanPowerSF, Lancaster Choice Energy, MCE Clean Energy, Peninsula Clean Energy, Silicon Valley Clean Energy and Sonoma Clean Power. More

lacounty.gov/sustainability

and more communities in California continue to investigate Community Choice Aggregation. In addition, Illinois, Ohio, Massachusetts, New Jersey, Rhode Island, and New York also have community power programs. Furthermore, the State of California estimates that by the mid-2020s, more than 80% of Investor Owned Utility (IOU) customers will receive their power from non-IOU providers like CCAs.

Have the 70 cities and counties in California that have already formed CCAs experienced rate increases?

No. Almost every city has reduced its residents' utility bills. Some CCAs in California offer rates approximately equal to those offered by their existing utility. However, in these cases the CCAs power is significantly greener than the power offered by the existing utility.

How can CCAs offer lower rates than the existing utilities?

There are many factors that contribute to CCA's ability to offer cheaper rates than incumbent utilities. CCAs have less overhead and can acquire low-cost government debt financing. Also, because CCAs are nonprofit governmental entities, they do not need to make profits for shareholders

Who can participate?

LACCE is available to all residents and businesses in L.A. County cities serviced by SCE. The only cities that cannot participate are cities with their own municipal utility (like LADWP in Los Angeles or Glendale Water & Power in Glendale)

How does a city join LACCE?

Cities join LACCE by having their city councils approve the LACCE Joint Powers Agreement and the CCA enabling ordinance. Once a city chooses to participate, all its residents and businesses will automatically be enrolled for LACCE service, starting in 2018. Importantly, customers can opt out of LACCE service and return to SCE at any time.



There are many cities in LA County. Won't they have different goals in terms of how much renewable energy to purchase and the importance of maintaining lower rates?

Yes. That is why each city can make its own choice on the level of renewable energy it wants to purchase for its residents (e.g., 33%, 50%, or 100%).

Is there a liability or legal risk to a city or its residents for joining?

No. The city and its residents are protected because LACCE is a separate legal entity as defined in California law. Its liabilities and obligations are its own, not those of the individual cities that are members.

Won't L.A. County just make all the decisions for the cities that join?

No. Decisions will be made by the LACCE Board of Directors. L.A. County will have one seat on the Board, as will any participating city. So L.A. County will not be able to make decisions on behalf of cities.

Does it cost for customers opt out of LACCE?

Customers can opt out of LACCE at no cost during the first 60 days of the program. After that, a small processing fee (around \$1.50) may be charged.

How much does it cost a city to join?

There are no membership fees or other costs for cities to participate. Cities may choose to spend money on public information materials and may dedicate some staff time to supporting their representative on the Board of Directors of the LACCE Authority.

Does LACCE replace SCE?

No. LACCE only replaces SCE's electric procurement services with its LACCE's own electric generation services. LACCE will generate cleaner electricity, and pay SCE to carry and deliver it to your home or business through their wires. SCE is still responsible for electric delivery, billing and powerline maintenance, including handling power outages and other emergencies.



How does SCE feel about LACCE?

SCE is officially neutral on the formation of LACCE and is committed to ensuring a smooth transition for all LACCE customers.

Will I get two electric bills?

Customers will see no change with their billing and will continue to receive one monthly bill from SCE. The only difference will be a few line items that note that the customer's electricity was generated by LACCE. And, their bill may be lower.

Will SCE programs still be available to LACCE customers?

Yes, almost all SCE programs are still available to LACCE customers. Furthermore, LACCE will offer other, separate programs for its customers in addition to the existing programs offered by SCE.

When does LACCE begin serving customers?

LACCE will begin serving customers through a three-phase enrollment period. The initial group of customers begin enrollment in January, 2018. The second and third phases will take place later in 2018



LOS ANGELES COMMUNITY CHOICE ENERGY (LACCE)

1. What is LACCE?

Los Angeles Community Choice Energy (LACCE) is the name for a regional Community Choice Aggregation program in Los Angeles County.

Community Choice Aggregation (CCA), authorized in California under AB 117 (2002) and SB 790 (2011), allows local governments, including counties and cities, to purchase electricity in the wholesale power market and sell it to their residents and businesses at competitive rates as an alternative to electricity provided by an investor owned utility (IOU).



LA's got GREEN POWER
#GreenLA #EnergyChoice

2. About the LACCE Feasibility Study

The County of Los Angeles, at the direction of the Board of Supervisors, initiated a technical feasibility study to determine if the County can meet the electricity load requirements for 82 eligible cities and County unincorporated areas with rates that are competitive with the local IOU, Southern California Edison. This feasibility study culminated in a Business Plan. This Business Plan concluded that the formation of a CCA in Los Angeles County is financially feasible and would yield considerable benefits for all participating County residents and businesses.

3. LACCE Benefits

Perhaps the greatest benefit of CCA to local governments is the economic vitality it can bring to the community, and the region as a whole. Benefits to the local community include:

- Local control over energy mix - meet or exceed Renewable Portfolio Standard (RPS)
- Create quality jobs and local, renewable generation assets
- Meet or exceed Climate Action Plan goals
- Invest in local energy programs - integrated demand side management
- Provide rate stability - lower costs for homeowners and businesses
- Consumer choice - competition for lower rates and options for cleaner energy

4. Process of Formation and Funding

From December 2016 - March 2017, the County worked with relevant stakeholders and interested cities to negotiate a Joint Powers Agreement (JPA) to govern the LACCE program.

On Tuesday, April 18, 2017, the Los Angeles County Board of Supervisors unanimously approved a motion to begin the implementation of LACCE, including the JPA and the \$10 Million in funding needed to begin pre-operation and start up activities.

5. Options for Cities

Initial Participants

Cities that execute the LACCE JPA within 180 days of LACCE's formation will become Initial Participants of the program. Initial Participants will benefit from the \$10 Million loan from Los Angeles County and will not have to commit any funds of their own.

Furthermore, Initial Participants will have the opportunity to make important, foundational decisions at the inception of LACCE. These include the establishment of committees to ensure sound governance and the hiring of an Executive Director to oversee LACCE operations.

(Continued on back)

Membership after Formation

If cities do not wish to be Initial Participants, they will have the option to become a member of LACCE after its formation. In this scenario, a city's membership will be subject to approval of the LACCE Board of Directors, and any conditions that the Board of Directors finds reasonable, potentially including a monetary contribution.



Implementation Schedule

LACCE IMPLEMENTATION SCHEDULE									
2017-2018									
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
First City adopts JPA		◆	OPEN ENROLLMENT PERIOD						
First LACCE Board Meeting		◆							
Executive Director Search									
Phase 1 begins								◆	◆

6. Next Steps for Cities

Cities that would like to participate in the LACCE program should reach out to the County of Los Angeles for more information. The County will provide information on upcoming meetings and a more detailed timeline of LACCE formation and launch.

The County can also schedule individual briefings for city councilmembers and/or city staff.

For more information, please contact:

GARY GERO

Chief Sustainability Officer
County of Los Angeles

Phone 213-974-1160

Email ggero@ceo.lacounty.gov

LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY

JOINT POWERS AGREEMENT

This Joint Powers Agreement (the "Agreement"), effective as of _____, 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 public agencies set forth in Exhibit A.

RECITALS

1. The Parties are public agencies sharing various powers under California laws, 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 2.3 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, such as jobs creation, community energy programs; and local power development. 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 Los Angeles Community Choice 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 a Community Choice Aggregation program 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.
6. By establishing the Authority, the Parties seek to:
 - (a) Develop an electric supply portfolio with overall lower greenhouse gas intensity and lower greenhouse gas (GHG) emissions than Southern California Edison ("SCE"), and one that supports the achievement of the parties' greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- (b) Establish an energy portfolio that encourages the use and development of cost-effective local renewable and distributed energy resources and that discourages the use unbundled renewable energy credits;
- (c) Promote an energy portfolio that incorporates energy efficiency and demand response programs and pursues ambitious energy consumption reduction goals;
- (d) Provide electricity rates that are lower or at worst competitive with those offered by SCE for similar products;
- (e) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may "opt-up" and voluntarily participate;
- (f) Achieve quantifiable economic benefits to the region;
- (g) Recognize the value of current workers in existing jobs that support the energy infrastructure of Los Angeles County and Southern California (e.g. union and prevailing wage jobs, local workforce development, apprenticeship programs, and local hire). The Authority, as a leader in the shift to clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a "just transition" to the new clean energy economy;
- (h) Support a stable, skilled workforce through such mechanisms as project labor agreements, collective bargaining agreements, or community benefit agreements, or other workforce programs that are designed to avoid work stoppages, ensure quality, and benefit local residents by delivering cost-effective clean energy programs and projects (e.g. new energy programs and increased local energy investments);
- (i) Promote supplier and workforce diversity, including returning veterans and those from disadvantaged and under-represented communities, to better reflect the diversity of the region;
- (j) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
- (k) Provide and manage its energy portfolio and products in a manner that provides cost savings to customers and promotes public health in areas impacted by energy production;
- (l) Ensure that low-income households and communities are provided with affordable and flexible energy options, including the provision of energy discounted rates to eligible low-income households;
- (m) Recognize and address the importance of healthy communities, including those disproportionately affected by air pollution and climate change;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- (n) Use program revenues to provide energy-related programs and services; and
- (o) Create an administering Authority that is financially sustainable, responsive to regional priorities, well-managed, and a leader in fair and equitable treatment of employees.

1. DEFINITIONS

- 1.1 "AB 117" means Assembly Bill 117 (Stat. 2002, Ch. 838, codified at Public Utilities Code Section 366.2), which created Community Choice Aggregation.
- 1.2 "Act" means the Joint Exercise of Powers Act of the State of California (Chapter 5, Division 7, Title 1 of the Government Code commencing with Section 6500).
- 1.3 "Agreement" means this Joint Powers Agreement.
- 1.4 "Authority" means Los Angeles Community Choice Energy Authority.
- 1.5 "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 Policies and Procedures, the annual budget, and plans and policies.
- 1.6 "Board" means the Board of Directors of the Authority.
- 1.7 "Community Choice Aggregation" or "CCA" means an electric service option available to cities, counties, and other public agencies pursuant to Public Utilities Code Section 366.2.
- 1.8 "CCA Program" means the Authority's program relating to CCA that is principally described in Section 2.4 (Purpose) of this Agreement.
- 1.9 "Days" shall mean calendar days unless otherwise specified by this Agreement.
- 1.10 "Director" means a member of the Board representing a Party, including up to two alternate Directors appointed in accordance with Sections 4.1 (Board of Directors) and 4.2 (Appointment and Removal of Directors) of this Agreement.
- 1.11 "Effective Date" means the date on which the Agreement shall become effective and the Authority shall exist as a separate public agency, as further described in Section 2.1 (Effective Date and Term) of this Agreement.
- 1.12 "Initial Costs" means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of the executive, technical, and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority's initial formation activities or in support of the negotiation, preparation and approval of

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

power purchase agreements. The Board shall determine the termination date for the Initial Costs.

- 1.13 "Initial Participants" means, for purpose of this Agreement, the County of Los Angeles, and the cities of _____, and any other Parties joining in accordance with Section 2.3 (Initial Participants) of this Agreement.
- 1.14 "Operating Policies and Procedures" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.
- 1.15 "Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.3 (Initial Participants) or 2.5 (Addition of Parties) of this Agreement, such that they are considered members of the Authority.
- 1.16 "Party" means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.3 (Initial Participants) or 2.5 (Addition of Parties) of this Agreement, such that it is considered a member of the Authority.
- 1.17 "Public Agency" as defined in the Act includes, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, a county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to the Act.

2. FORMATION OF LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY

- 2.1 **Effective Date and Term.** This Agreement shall become effective and the Authority shall exist as a separate public agency on the date this Agreement is executed by the County of Los Angeles and at least one other public agency after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). 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 the Agreement is terminated in accordance with Section 8.3 (Mutual Termination) of this Agreement, subject to the rights of the Parties to withdraw from the Authority.
- 2.2 **Formation of the Authority.** Under the Act, the Parties hereby create a separate joint exercise of power agency which is named Los Angeles Community Choice 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 body of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. The jurisdiction of the Authority shall be all territory within the geographic boundaries of the Parties; however the Authority may, as authorized under applicable law, undertake any

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

action outside such geographic boundaries as is necessary and incidental to the accomplishment of its purpose.

- 2.3 **Initial Participants.** In addition to Parties executing this Agreement on or prior to the Effective Date, any incorporated municipality, county, or other eligible public agency may become a Party and recognized as an Initial Participant provided during the first 180 days after the Effective Date it executes this Agreement and delivers an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(12) to the Authority. All Initial Participants to this Agreement shall be required to commence electric service as soon as practicable, as determined by the Board.
- 2.4 **Purpose.** The purpose and objectives of this Agreement are to establish the Authority, to provide for its governance and administration, and to define the rights and obligations of the Parties. This Agreement authorizes the Authority to provide a means by which the Parties can more effectively develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources in the region for the benefit of the Parties and their constituents, including, but not limited to, establishing and operating a Community Choice Aggregation program.
- 2.5 **Addition of Parties.** After 180 days from the Effective Date any incorporated municipality, county, or other public agency may become a Party to this Agreement if all of the following conditions are met:
- 2.5.1 The adoption of a resolution of the Board admitting the public agency to the Authority;
 - 2.5.2 The adoption by an affirmative vote of the Board satisfying the requirements described in Section 4.10 (Board Voting) of this Agreement, of a resolution authorizing membership into the Authority and establishing its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership;
 - 2.5.3 The adoption by the public agency of an ordinance required by Public Utilities Code Section 366.2(c)(12) and approval and execution of this Agreement and other necessary program agreements by the public agency;
 - 2.5.4 Payment of the membership payment, if any; and
 - 2.5.5 Satisfaction of any reasonable conditions established by the Board.

Pursuant to this Section 2.5 (Addition of Parties), all parties shall be required to commence electric service as soon as is practicable, as determined by the Board, as a condition to becoming a Party to this Agreement.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 2.6 **Continuing Participation.** The Parties acknowledge that membership in the Authority may change by the addition, withdrawal and/or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 2.5 (Addition of Parties) of this Agreement. 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.

3. **POWERS**

- 3.1 **General Powers.** The Authority shall have the powers common to the Parties and which are necessary or convenient to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 3.4 (Limitation on Powers) of this Agreement. As provided in the Act, the Authority shall be a public agency separate and apart from the Parties.
- 3.2 **Specific Powers.** 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:
- 3.2.1 make and enter into contracts;
 - 3.2.2 employ agents and employees, including but not limited to an Executive Director;
 - 3.2.3 acquire, contract, manage, maintain, and operate any buildings, works or improvements;
 - 3.2.4 acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
 - 3.2.5 lease any property;
 - 3.2.6 sue and be sued in its own name;
 - 3.2.7 incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers authorized by law pursuant to Government Code Section 53850 et seq. and authority under the Act;
 - 3.2.8 issue revenue bonds and other forms of indebtedness;
 - 3.2.9 apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 3.2.10 form independent corporations or entities, if necessary to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;
 - 3.2.11 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;
 - 3.2.12 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Policies and Procedures"); and
 - 3.2.13 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.
- 3.3 **Additional Powers to be Exercised.** In addition to those powers common to each of the Parties, the Authority shall have those powers that may be conferred upon it as a matter of law and by subsequently enacted legislation.
- 3.4 **Limitation on Powers.** As required by Section 6509 of the Act, the powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by the County of Los Angeles.
- 3.5 **Obligations of the Authority.** The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of the Parties unless the governing body of a Party agrees in writing to assume any of the debts, liabilities, and obligations of the Authority. In addition, pursuant to the Act, no Director shall be personally liable on the bonds or subject to any personal liability or accountability by reason of the issuance of bonds.
- 3.6 **Compliance with the Political Reform Act and Government Code Section 1090.** The Authority and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 et seq.) and Government Code Section 1090 et seq. The Board shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board may adopt additional conflict of interest regulations in the Operating Policies and Procedures.

4. GOVERNANCE

- 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 (Appointment and Removal of Directors) of this Agreement. The Board, in consultation with the Executive Director, may determine at any time to consider options to reduce the size of the Board if it determines that the efficient functioning and operation of the Board would be improved by having a smaller number of Directors. Any such change to the size

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

of the Board would require amendment of this Joint Powers Agreement in accordance with Section 4.11 (Special Voting).

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 shall appoint and designate in writing up to two alternate Directors who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the regular Director shall be an elected or appointed member of the governing body of the Party. The persons appointed and designated as the alternate Directors may be an elected or appointed member of the governing body of the Party, an appointed member of an advisory body of the Party, a staff member of the Party or a member of the public who meets the criteria below. All Directors and alternates shall be subject to the Board's adopted Conflict of Interest Code.

(a) Any alternate Director that is a member of the public must have demonstrated knowledge in energy-related matters through significant experience in either: 1) an electric utility or company, agency, or nonprofit providing services to a utility, 2) a regulatory agency or local government body overseeing an electric utility or a company, agency, or nonprofit providing services to such an agency, 3) an academic or nonprofit organization engaged in research and/or advocacy related to the electric sector.

4.2.2 The Operating Policies and Procedures, to be developed and approved by the Board in accordance with Section 3.2.12 (Specific Powers), 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 Directors have been removed may appoint a replacement.

4.3 Terms of Office. Each regular and alternate 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, the affected Party shall appoint to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

4.4 Purpose of Board. The general purpose of the Board is to:

4.4.1 Provide structure for administrative and fiscal oversight;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 4.4.2 Retain an Executive Director to oversee day-to-day operations;
 - 4.4.3 Retain legal counsel;
 - 4.4.4 Identify and pursue funding sources;
 - 4.4.5 Set policy;
 - 4.4.6 Maximize the utilization of available resources; and
 - 4.4.7 Oversee all Committee activities.
- 4.5 **Specific Responsibilities of the Board.** The specific responsibilities of the Board shall be as follows:
- 4.5.1 Identify Party needs and requirements;
 - 4.5.2 Formulate and adopt the budget prior to the commencement of the fiscal year;
 - 4.5.3 Develop and implement a financing and/or funding plan for ongoing Authority operations;
 - 4.5.4 Retain necessary and sufficient staff and adopt personnel and compensation policies, rules and regulations;
 - 4.5.5 Adopt rules for procuring supplies, equipment, and services;
 - 4.5.6 Adopt rules for the disposal of surplus property;
 - 4.5.7 Establish standing and ad hoc committees as necessary to ensure that the interests and concerns of each Party are represented and to ensure operational, technical, and financial issues are thoroughly researched and analyzed;
 - 4.5.8 The setting of retail rates for power sold by the Authority and the setting of charges for any other category of retail service provided by the Authority;
 - 4.5.9 Termination of the CCA Program;
 - 4.5.10 Address any concerns of consumers and customers;
 - 4.5.11 Conduct and oversee Authority audits at intervals not to exceed three years;
 - 4.5.12 Arrange for an annual independent fiscal audit;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 4.5.13 Adopt such bylaws, rules and regulations as are necessary or desirable for the purposes hereof; provided that nothing in the bylaws, rules and regulations shall be inconsistent with this Agreement;
- 4.5.14 Exercise the Specific Powers identified in Sections 3.2 and 4.6 except as the Board may elect to delegate to the Executive Director; and
- 4.5.15 Discharge other duties as appropriate or required by statute.
- 4.6 **Startup Responsibilities.** The Authority shall have the duty to do the following within one year of the Effective Date of the Agreement:
 - 4.6.1 To adopt an implementation plan prepared by the County of Los Angeles, pursuant to Public Utilities Code Section 366.2(c)(3), for electrical load aggregation;
 - 4.6.2 To prepare a statement of intent, pursuant to Public Utilities Code Section 366.2(c)(4), for electrical load aggregation;
 - 4.6.3 To encourage other qualified public agencies to participate in the Authority;
 - 4.6.4 To obtain financing and/or funding as is necessary or desirable;
 - 4.6.5 To evaluate the need for, acquire, and maintain insurance.
- 4.7 **Meetings and Special Meetings of the Board.** The Board shall hold at least one 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 Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.
- 4.8 **Brown Act Applicable.** All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.).
- 4.9 **Quorum; Approvals.** 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. The affirmative votes of a majority of the Directors who are present at the subject meeting shall be required to take any action by the Board.
- 4.10 **Board Voting.**
 - 4.10.1 **Percentage Vote.** Each Director shall have one vote. Action of the Board on all matters shall require an affirmative vote of a majority of all

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

Directors who are present at the subject meeting, except when a supermajority vote is expressly required by this Agreement. When a supermajority vote is required under Section 4.11 (Special Voting), action of the Board shall require an affirmative vote of the specified supermajority of all Directors who are present at the subject meeting. All votes taken pursuant to this Section 4.10.1 shall be referred to as a percentage vote. Notwithstanding the foregoing, in the event of a tie in a percentage vote, the Board can break the tie and act upon an affirmative voting shares vote as described in section 4.10.2 (Voting Shares Vote).

4.10.2 Voting Shares Vote. In addition to and immediately after an affirmative percentage vote three or more Directors may request that a vote of the voting shares shall be held. In such event, the corresponding voting shares, as described in section 4.10.3, of all Directors voting in order to take an action shall exceed 50%, or such other higher voting shares percentage expressly required by this Agreement or the Operating Policies and Procedures of all Directors who are present at the subject meeting. All votes taken pursuant to this Section 4.10.2 shall be referred to as a voting shares vote. In the event that any one Director has 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. When a voting shares vote is held, action by the Board requires both an affirmative percentage vote and an affirmative voting shares vote.

4.10.3 Voting Shares Formula. When a voting shares vote is requested by three or more Directors, voting shares of the Directors shall be determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) "Annual Energy Use" means (i) with respect to the first two years following the Effective Date, the annual electricity usage, expressed in kilowatt hours ("kWh"), within the Party's respective jurisdiction and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, 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.

4.11 Special Voting.

4.11.1 Except as provided below, matters that require Special Voting as described in this Section shall require 72 hours prior notice to any Brown Act meeting or special meeting. Two-thirds vote (or such greater vote as required by state law) of the appointed Directors shall be required to take any action on the following:

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- (a) Change the designation of Treasurer or Auditor of the Authority;
- (b) Issue bonds or other forms of debt;
- (c) Exercise the power of eminent domain, subject to prior approval by the passage of an authorizing ordinance or other legally sufficient action by the affected Party; and
- (d) Amend this Agreement or adopt or amend the bylaws of the Authority. At least 30 days advance notice shall be provided for such actions. The Authority shall also provide prompt written notice to all Parties of the action taken and enclose the adopted or modified documents.

5. INTERNAL ORGANIZATION

- 5.1 **Chair and Vice Chair.** For each fiscal year, the Board shall elect a Chair and Vice Chair from among the Directors. 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 Chair shall be the presiding officer of all Board meetings, and the Vice Chair shall serve in the absence of the Chair. The Chair shall sign all contracts on behalf of the Authority, and shall perform such other duties as may be imposed by the Board. In the absence of the Chair, the Vice-Chair shall sign contracts and perform all of the Chair's duties. The office of 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 from the Authority pursuant to the provisions of this Agreement. Upon a vacancy, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. Succeeding officers shall perform the duties normal to said offices.
- 5.2 **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 office records of the Authority.
- 5.3 **Treasurer.** The Board shall appoint a qualified person to act as the Treasurer, who need not be a member of the Board. 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 6506 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 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

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

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.

- 5.4 **Auditor.** The Board shall appoint a qualified person to act as the Auditor, who shall not be a member of the Board. The Board may require the 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.
- 5.5 **Executive Director.** The Board shall appoint an Executive Director for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Executive Director may exercise all powers of the Authority, except those powers specifically reserved to the Board including but not limited to those set forth in Section 4.5 (Specific Responsibilities of the Board) of this Agreement or the Operating Policies and Procedures, or those powers which by law must be exercised by the Board. The Executive Director may enter into and execute any Energy Contract, in accordance with criteria and policies established by the Board.
- 5.6 **Bonding of Persons Having Access to Property.** Pursuant to the Act, the Board shall designate the public officer or officers or person or persons who have charge of, handle, or have access to any property of the Authority exceeding a value as established by the Board, and shall require such public officer or officers or person or persons to file an official bond in an amount to be fixed by the Board.
- 5.7 **Other Employees/Agents.** The Board shall have the power by resolution to hire employees or appoint or retain such other agents, including officers, loan-out employees, or independent contractors, as may be necessary or desirable to carry-out the purpose of this Agreement.
- 5.8 **Privileges and Immunities from Liability.** All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents or employees of a public agency when performing their respective functions shall apply to the officers, agents or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents or employees under this Agreement. None of the officers, agents or employees directly employed by the Board shall be deemed, by reason of their employment by the Authority to be employed by the Parties or by reason of their employment by the Authority, to be subject to any of the requirements of the Parties.
- 5.9 **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. The Board may establish

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

5.9.1 The Board shall establish the following Advisory Committees:

- (a) **Executive Committee.** The Board shall establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the Executive Committee's such authority as the Board might otherwise exercise, except that the Board may not delegate authority regarding certain essential functions, including but not limited to, approving the fiscal year budget or hiring or firing the Executive Director, and other functions as provided in the Operating Policies and Procedures. The Board may not delegate to the Executive Committee or any other committee its authority under Section 3.2.12 to adopt and amend the Operating Policies and Procedures.
- (b) **Finance Committee.** The Board shall establish a finance committee consisting of a smaller number of Directors. The primary purpose of the Finance Committee is to review and recommend to the Board:
 - (1) A funding plan;
 - (2) A fiscal year budget;
 - (3) Financial policies and procedures to ensure equitable contributions by Parties;
 - (4) Such other responsibilities as provided in the Operating Policies and Procedures, including but not limited to policies, rules and regulations governing investment of surplus funds, and selection and designation of financial institutions for deposit of Authority funds.
- (c) **Community Advisory Committee.** The Board shall establish a community advisory committee comprised of members of the public representing key stakeholder communities. The primary purpose of the Community Advisory Committee shall be to provide a venue for ongoing citizen support and engagement in the operations of the Authority.
- (d) **Meetings of the Advisory Committees.** All meetings of the Advisory Committees shall be held in accordance with the Ralph M. Brown Act. For the purposes of convening meetings and conducting business, unless otherwise provided in the bylaws, a majority of the members of the Advisory Committee shall

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

constitute a quorum for the transaction of business, except that less than a quorum or the secretary of each Advisory Committee may adjourn meetings from time-to-time. As soon as practicable, but no later than the time of posting, the Secretary of the Advisory Committee shall provide notice and the agenda to each Party, Director and Alternate Directors.

- (e) **Officers of Advisory Committees.** Unless otherwise determined by the Board, each Advisory Committee shall choose its officers, comprised of a Chairperson, a Vice-Chairperson and a Secretary.

6. IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

6.1 Preliminary Implementation of the CCA Program.

- 6.1.1 **Enabling Ordinance.** In addition to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.
- 6.1.2 **Implementation Plan.** The Authority shall cause to be prepared and secure Board approval of 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. .
- 6.1.3 **Termination of CCA Program.** Nothing contained in this Section 6 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.

- 6.2 **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 or minute action, including but not necessarily limited to the Operating Policies and Procedures, 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 Section 8 (Withdrawal and Termination) of this Agreement.

7. FINANCIAL PROVISIONS

- 7.1 **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.
- 7.2 **Depository.**

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 7.2.1 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.
- 7.2.2 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 and duplication 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 6506 of the Act.
- 7.2.3 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 Policies and Procedures. 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.

7.3 **Budget and Recovery Costs.**

- 7.3.1 **Budget.** The initial budget shall be approved by the Board. The Board may revise the budget from time to time 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 Policies and Procedures.
- 7.3.2 **Funding of Initial Costs.** Subject to the approval of the Board of Supervisors, the County of Los Angeles has agreed to provide up to \$10 million for funding Initial Costs in establishing the Authority and implementing the CCA Program. In the event that the CCA Program becomes operational, the County of Los Angeles shall be reimbursed for the Initial Costs. The County and the Authority will execute an agreement specifying the terms and conditions of the Initial Costs provided by the County, including but not limited to: (a) Repayment of this amount, which shall be first priority in relation to all other indebtedness of the Authority; and (b) authorization for the County Auditor-Controller to conduct an audit of the Authority's books and records (including personnel records, as necessary) and/or investigation, following reasonable advance notice from the County, to ensure compliance with the terms and conditions of the agreement. 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 shall not be entitled to any reimbursement of the Initial Costs they have paid from the Authority or any other Party.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 7.3.3 **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.
- 7.3.4 **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 bases as the Board shall determine pursuant to the Authority documents.
- 7.4 **Contributions.** Parties are not required under this Agreement to make any financial contributions. Consumers may subscribe as customers of the Authority pursuant to the Act and outside of this Agreement and through their on-bill selections.
- 7.4.1 A Party may, in the appropriate circumstance, and when agreed-to:
- (a) Make contributions from its treasury for the purposes set forth in this Agreement;
 - (b) Make payments of public funds to defray the cost of the purposes of the Agreement and Authority;
 - (c) Make advances of public funds for such purposes, such advances to be repaid as provided by written agreement; or
 - (d) Use its personnel, equipment or property in lieu of other contributions or advances.
 - (e) No Party shall be required to adopt any tax, assessment, fee or charge under any circumstances.
- 7.5 **Accounts and Reports.** The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement entered into with respect to the proceeds of any bonds issued by the Authority. The books and records of the Authority in the hands of the Treasurer shall be open to inspection and duplication at all reasonable times by duly appointed representatives of the Parties. The Treasurer, within 180 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Parties.
- 7.6 **Funds.** The Treasurer shall receive, have custody of and/or disburse Authority funds in accordance with the laws applicable to public agencies and generally accepted accounting practices, and shall make the disbursements required by this Agreement in order to carry out any of the purposes of this Agreement.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

8. WITHDRAWAL AND TERMINATION

8.1 Withdrawal

8.1.1 Withdrawal by Parties. Any Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.

8.1.2 Amendment. Notwithstanding Section 8.1.1 (Withdrawal by Parties) of this Agreement, a Party may withdraw its membership in the Authority upon approval and execution of an amendment to this Agreement provided that the requirements of this Section 8.1.2 are strictly followed. A Party shall be deemed to have withdrawn its membership in the Authority effective 180 days after the Board approves 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.

8.1.3 Continuing Liability; Further Assurances. A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 8.4 (Continuing Liability; Refund) of this Agreement, including, but not limited to, Power Purchase Agreements. 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 Policies and Procedures 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.

8.2 Involuntary Termination. 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 4.10 (Board Voting) of this Agreement, 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

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

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 8.4 (Continuing Liability; Refund) of this Agreement. 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 (Board Voting) of this Agreement.

8.3 **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 8.1 (Withdrawal) of this Agreement.

8.4 **Continuing Liability; Refund.** 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.

8.5 **Disposition of Authority Assets.** Upon termination of this Agreement and dissolution of the Authority by all Parties, and after payment of all obligations of the Authority, the Board:

8.5.1 May sell or liquidate Authority property; and

8.5.2 Shall distribute assets to Parties in proportion to the contributions made by the existing Parties.

Any assets provided by a Party to the Authority shall remain the asset of that Party and shall not be subject to distribution under this section.

9. **MISCELLANEOUS PROVISIONS**

9.1 **Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

shall engage in nonbinding mediation or arbitration in the manner agreed upon by the Party or Parties and the Authority. The Parties agree that each Party may specifically enforce this section 9.1 (Dispute Resolution). In the event that nonbinding mediation or arbitration is not initiated or does not result in the settlement of a dispute within 60 days after the demand for mediation or arbitration is made, any Party and the Authority may pursue any remedies provided by law.

- 9.2 **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.
- 9.3 **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 governing board 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.
- 9.4 **Notices.** Any notice required or permitted to be made hereunder shall be in writing and shall be delivered in the manner prescribed herein at the principal place of business of each Party. The Parties may give notice by (1) personal delivery; (2) e-mail; (3) U.S. Mail, first class postage prepaid, or a faster delivery method; or (3) by any other method deemed appropriate by the Board.
- Upon providing written notice to all Parties, any Party may change the designated address or e-mail for receiving notice.
- All written notices or correspondence sent in the described manner will be deemed given to a party on whichever date occurs earliest: (1) the date of personal delivery; (2) the third business day following deposit in the U.S. mail, when sent by “first class” mail; or (3) the date of transmission, when sent by e-mail or facsimile.
- 9.5 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of each Party.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 9.6 **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 9.6 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 9.6 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 the 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.
- 9.7 **Severability.** If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement were adjudged invalid or void by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall remain in full force and effect to the maximum extent permitted by law.
- 9.8 **Governing Law.** This Agreement is made and to be performed in the State of California, and as such California substantive and procedural law shall apply.
- 9.9 **Headings.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language of this Agreement.
- 9.10 **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.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

CITY OF _____

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Community Choice Energy in California

Sonoma Clean Power

- Santa Rosa
- Sonoma County
- Mendocino County
- Town of Windsor
- Sebastopol
- Petaluma
- Cloverdale
- Cotati
- Town of Sonoma
- Rohnert Park
- Fort Bragg

Silicon Valley Clean Energy

- Cupertino
- Los Gatos
- Mountain View
- Santa Clara County
- Los Altos Hills
- Los Altos
- Campbell
- Gilroy
- Morgan Hill
- Sunnyvale
- Monte Sereno
- Saratoga

Peninsula Clean Energy

- San Mateo County
- City of San Mateo
- Atherton
- Belmont
- Brisban
- Burlingame
- Colma
- Daly City
- Foster City
- East Palo Alto
- Hillsborough
- Menlo Park
- Half Moon Bay
- Millbrae
- Pacifica
- Portola Valley
- Redwood City
- San Bruno
- San Carlos
- Woodside
- South San Francisco

Lancaster Choice Energy

- Lancaster
- Pico Rivera
- San Jacinto

Marin Clean Energy

- Mill Valley
- Walnut Creek
- County of Marin
- Richmond
- Benicia
- San Rafael
- El Cerrito
- Town of Ross
- Larkspur
- Sausalito
- Town of San Anselmo
- County of Napa
- San Pablo
- Town of Tiburon
- Novato
- Belvedere
- Town of Corte Madera
- Town of Fairfax

Clean Power San Francisco

- San Francisco

Apple Valley Choice Energy

- Apple Valley



Consumer and Retail Choice, the Role of the Utility, and an Evolving Regulatory Framework

Staff White Paper

**CALIFORNIA PUBLIC UTILITIES COMMISSION
MAY 2017**



DISCLAIMER

This paper does not necessarily represent the views of the CPUC, its employees, or the State of California. This paper has not been approved or disapproved by the CPUC nor has the CPUC passed upon the accuracy or adequacy of the information in this paper

Introduction

California's electric sector is undergoing unprecedented change, brought about by a sequence of innovations in technology as well as many incremental policy actions taken in several different decision-making arenas. Between rooftop solar, Community Choice Aggregators (CCAs) and Direct Access providers (ESPs), as much as 25%¹ of Investor Owned Utility (IOU) retail electric load will be effectively unbundled and served by a non-IOU source or provider sometime later this year. This share is set to grow quickly over the coming decade with some estimates that over 85% of retail load served by sources other than the IOUs by the middle of the 2020s². All this is to say that California may well be on the path towards a competitive market for consumer electric services, but is moving in that direction without a coherent plan to deal with all the associated challenges that competition poses, ranging from renewable procurement rules to reliability requirements and consumer protection.

In many ways, these changes are a function of California's success implementing world leading policies like the Renewable Portfolio Standard (RPS), the California Solar Initiative (CSI), and the Energy Storage Mandate. Through these policies, California's regulatory bodies and its IOUs have integrated renewable energy into the electric grid at massive scale, both at the transmission level through independently-owned large-scale projects and the distribution level through rooftop solar. This experience has empowered customers to choose new energy options and enabled new market entrants like Community Choice Aggregators (CCAs) to serve customers with innovative solutions. Though these changes have been largely positive so far, the consequence of fast-scaling competition is that the California Public Utilities Commission (CPUC) and California Energy Commission (CEC) must now look at long held assumptions in their regulatory frameworks and examine the role of the electric utility at the center of this system, tasked with the primary responsibility for providing power and other services to all consumers within a geographic service area.

California's Changing Electricity Landscape

California has set itself on the path to reducing statewide greenhouse gas emissions by 40% below 1990 levels³ by 2030, using tools such as a 50% renewable portfolio standard, doubling of existing energy efficiency savings for both electricity and natural gas usage⁴ and putting well over 1.5 million zero emission vehicles on the road⁵. Achieving these goals will require enormous investments in the electricity sector, from widespread deployment of electric charging infrastructure to thousands of

¹ Estimate of Direct Access, CCA and NEM retail sales offsets are 23% to 24% of Utility 2015 Retail Sales. For Direct Access, in 2016 ESPs served 12.9% of IOU Load (Direct Access Implementation Activity Reports). For CCAs, estimated retail sales are 7.4 GWh per CPUC Presentation at Feb 1, 2017 CCA En Banc. For NEM, 4,555 MWs of rooftop PV, per California Solar Statistics, April 19, 2017, with expected capacity factor of 15%-16% based on NREL PV Watts calculation of fixed tilt rooftop systems in San Jose, Los Angeles and San Diego. Other sources of NEM not counted for purposes of this estimate as rooftop PV accounts for more than 90% of NEM capacity per CPUC Net Energy Metering information page.

² Estimate of 85% load departure based on 15 to 20 million consumers being served by CCA, Direct Access or Customer sited generation like rooftop solar

³ SB 32 (2016) requires California Air Resources Board ensures that statewide greenhouse gas emissions are reduced 40% below the 1990 level by 2030

⁴ SB 350 (2015) requires the amount of electricity generated and sold to retail customers per year from eligible renewable energy resources be increased to 50% by December 31, 2030. Requires the State Energy Resources Conservation and Development Commission (Energy Commission) to establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030.

⁵ Executive Order B-16-12: Goal for CA to Deploy 1.5 million Zero-Emission Vehicles by 2025

megawatts of renewable energy, hundreds of miles of transmission lines and a much more robust distribution system.

Much of the policy framework underpinning the goals has presumed the electric utility serves as the central agent for making these investments, raising low cost capital in financial markets, and then recovering costs through sales of electricity. Yet, at the same time that California is grappling with how to plot a path forward to build this infrastructure in the most efficient, reliable and equitable way, the status quo retail electric service model is being up-ended.

Leading up to the new millennium, California de-regulated the electric industry and created a flawed retail market structure and rate design for consumer choice. Essentially, private electric utilities only provided wire and transmission services, and customers were expected over time to buy their electricity from third party companies. After a catastrophic collapse of the new markets, California made the conscious decision to return to the three IOUs as the dominant and monopoly providers of retail electric service for most California consumers, while continuing to restrict their ownership of sources of electric generation. As part of California's return to a regulated retail electric market, customers who had direct access at the time of the suspension were allowed to maintain service with their ESPs. A 2009 law (Senate Bill 695) led to a relatively small number of additional non-residential electric consumers being given the option to obtain their electric needs by ESPs. None of this had directly affected ongoing service by municipal and publicly owned utilities (POUs) who serve all customers in their service area with both electric and local transmission services. As a result, the three IOUs and 34 POUs have been the dominant parties on whom policy makers have relied as enablers of a number of key public policy initiatives, ranging from the procurement of renewable energy to providing low-income Californians with subsidized electricity.

Among the many new trends reshaping the California electricity landscape is the continued growth of net energy metering, largely driven by technology innovation and cost reduction in solar PV manufacturing and financing. Since 2007, over 4,500 MWs and 550,000 customers have 'gone solar'⁶. Programs like the Self Generation Incentive Program (SGIP) have furthered market transformation for additional technologies like fuel cells, thermal storage and lithium ion battery storage, allowing customers to produce their own power and /or to reduce their peak energy consumption. On top of these trends, energy efficiency programs and changes in California's economy have sharply reduced the growth rate in the use of electricity here.

One more recent trend is the growth of the CCA. Marin Clean Energy formed California's first CCA in 2010 and now serves 255,000 customers in Marin County, Napa County and the Cities of Richmond, Benicia, El Cerrito, San Pablo, Walnut Creek, and Lafayette.⁷ Other active CCAs include Sonoma Clean Power, Lancaster Choice Energy, Clean Power San Francisco and Peninsula Clean Energy who serve a cumulative 660,000 customers⁸. Between all these communities, 915,000 customers currently take retail

⁶ <https://www.californiasolarstatistics.ca.gov/> as of April 19, 2017

⁷ CPUC Staff Presentation at Feb 1, 2017 CCA En Banc-- <http://www.cpuc.ca.gov/general.aspx?id=2567>

⁸ CPUC Staff Presentation at Feb 1, 2017 CCA En Banc-- <http://www.cpuc.ca.gov/general.aspx?id=2567>

service from a CCA⁹. This number is set to grow significantly in the coming years as cities and counties with populations in excess of 15,000,000 people consider launching CCAs¹⁰.

This new set of developments fundamentally challenges the incumbent regulated utility business model, which depends on: a) borrowing large amounts of money to meet customer needs based on the expectation that IOUs are able to recover their investment through retail rates; b) maintaining highly reliable service at all times and for all customers; c) providing help to low income customers to ensure that everyone has access to basic electricity service; and d) providing quality customer service among other more traditional services. Additionally, utility financing is increasingly being used to pay for new mandates that will help reduce California's greenhouse gas emissions, not just in the electric industry, but also in natural gas, transportation and natural land sectors, as well.

Much of the revenue to repay that borrowing by IOUs for the energy infrastructure Californians need to safeguard our future comes from a rate structure that depends on the volumetric (\$/kWh) sales of electricity. When customers pay for electricity, they are paying for a vast network of connected infrastructure and services, from generation (from utility scale to rooftop) to energy efficiency programs to poles, power lines, substations and the many components of the grid beyond electric power generators that delivers it to California homes, businesses and industries. As sales by the regulated IOUs shifts to customers who provide for some of their own needs but still rely on the grid for various services, or to third party providers (like CCAs) of retail service, some portion of the many costs other than electricity itself may shift to the ratepayers who remain fully bundled customers of the IOUs.

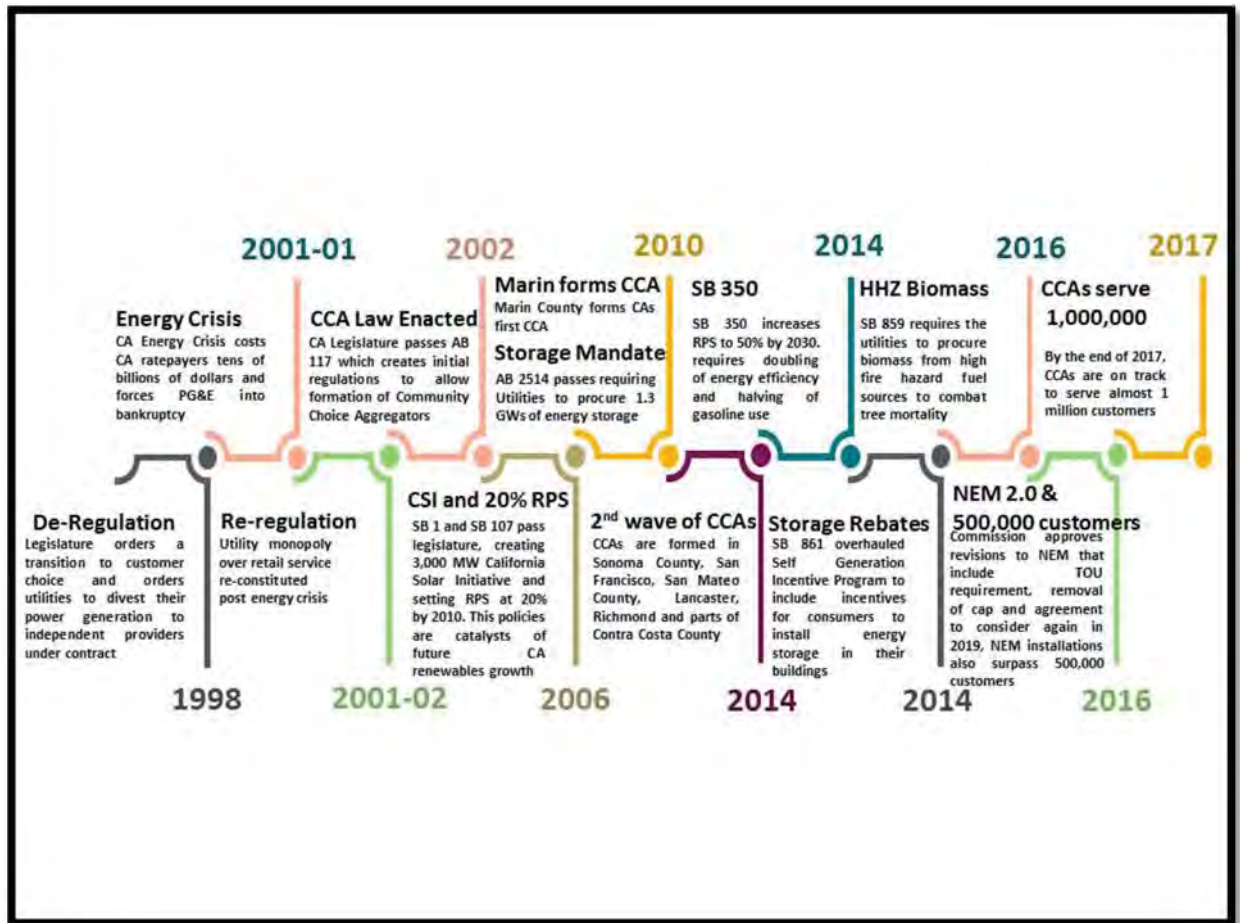
But there is more at risk here than fairly apportioning costs or the utility business model: California's utility policy makers must address how these changes will affect our continued progress on our efforts to avoid and mitigate the impacts of climate change (and to do so in ways that sustain California's strong economy). This emergent issue may be at the heart of the most important policy discussion regarding the electric industry in the last century.

This whitepaper and the upcoming 'Customer and Retail Choice En Banc' aim to frame a discussion on the trends that are driving change within California's electricity sector and overall clean-energy economy. The overarching goal being to lay out elements of a path forward to ensure that California achieves its reliability, affordability, equity and carbon reduction imperatives while recognizing important role that technology and customer preferences will play in shaping this future.

⁹ CPUC Staff Presentation at Feb 1, 2017 CCA En Banc-- <http://www.cpuc.ca.gov/general.aspx?id=2567>

¹⁰ Los Angeles County, Alameda County, Santa Clara County, City of San Diego, and City of San Francisco are all actively in the process of forming, expanding or considering the formation of CCAs. A number of smaller communities are also pursuing CCA formation, including Hermosa Beach, Monterey, Salinas and Lake County. Cumulative population of these Cities and Counties exceeds 15,000,000 people according to census.gov.

Figure 1 - How did we get here?



The following section lays out a timeline of the major events that have occurred since the mid-1990's that have played a major role in the evolution of the retail electric market and describes the major regulatory efforts that are implicated by these changes.

Part 2 . Key framework policies affected by these trends:

Resource Planning

The annual process for planning for energy needs, including natural gas, petroleum, electric generation and energy efficiency, starts with the CEC's Integrated Energy Planning Report (IEPR), which establishes a ten year needs projection. The CPUC includes this in an annual Long Term Procurement Process (LTPP), setting a long range set of resource goals – taking into account legislative and policy direction such as the Renewable Portfolio Standard or AB 2514's storage requirements – for each load setting entity under the agency's purview. The CPUC also sets annual requirements for resource adequacy. The CAISO also uses the IEPR's forecast for its transmission planning process.

SB 350 established new clean energy, clean air and greenhouse gas reduction goals for 2030 and beyond. SB 350 requires the CPUC to (1) identify a preferred portfolio of resources that meets multiple objectives including minimizing costs, maintaining reliability, and reducing greenhouse gas (GHG) emissions (Section 454.51), and (2) oversee an integrated resource planning process involving a wide range of load serving entities, including the IOUs, CCAs and ESPs. SB 350 requires these LSEs to submit proposals for incremental procurement to satisfy their renewable integration needs. The CPUC is currently undertaking a proceeding to develop the rules that will govern the IRP process, including the level of oversight that the Commission will exert over resource portfolios. The CEC and CPUC are working hand in hand in this process, holding joint hearings and sharing modeling and analysis as needed, in order to develop a consistent framework that will also apply to publicly-owned utilities.

CPUC oversight of IOU procurement, through the legacy LTPP proceedings, has historically been extremely rigorous, with CPUC approval required for both resource need and individual contracts for resources that anticipate recovery of contract costs from customers. The challenge facing the CPUC in the implementation of the IRP proceeding is that as non-IOU LSEs serve an ever-greater percentage of load, the CPUC's top-down approach to regulation will be challenged by the need to interact with many more procuring entities. Further complicating the issue is the fact that there are outstanding questions regarding what role the CPUC has in the CCA IRP process.¹¹ Depending on the resolution of these questions, issues of consistency and coordination between CPUC requirements and CCA independent authority could diminish the long-term effectiveness of the IRP process and could limit the state's ability to meet its GHG emission reduction goals.

These complications are also implicit in the limited CEC oversight of the POUs, who have generally developed procurement plans for their local service areas, but which has somewhat reduced the most optimal procurement and coordination of resources and utilization across the state.

Ensuring Reliability

The CPUC's Resource Adequacy (RA) program covers all CPUC-jurisdictional LSEs including IOUs, CCAs and ESPs. All LSEs submit load forecasts and the CPUC determines each LSE's RA obligations as

¹¹ See "Comments on Implementing GHG Planning Targets Staff White Paper" at www.cpuc.ca.gov/General.aspx?id=6442451195.

proportionate to their peak load share. The LSEs then submit annual and monthly filings to the CPUC to demonstrate compliance with their RA obligations.

When there is a need for procurement in order to meet a reliability need or a state priority goal (e.g., in response to the outage of San Onofre Nuclear Generating Station and the procurement of preferred resources to meet the need) the CPUC has ordered the IOUs to procure capacity and allocates the associated costs to all LSEs through the “Cost Allocation Mechanism” (CAM). The capacity benefits for these priority resources are also allocated to the LSEs as a reduction in their RA requirement. If significant numbers of bundled customers move to non-Utility LSEs, entities like CCAs and ESPs would make up the majority of the RA procurement requirement. This creates a number of new risk factors. These entities, without the traditional tethers to state regulatory bodies and statewide policy goals, might be less willing to utilize the RA program to advance dual reliability and public policy goals, particularly in emergency situations. This could create inequities across the body of consumers who benefit from and need to support the state’s economic and environmental goals, and could disrupt RA assumptions that must be commonly shared by all consumers of electricity from the grid. These issues of central planning and goal setting become even more critical as the grid becomes more variable due to the dynamic changes in generation from renewables, the need to focus on localized reliability instead of system reliability needs, and accommodating the increase in behind the meter distributed energy resources.

The CEC demand forecast is a foundational element of electricity system planning and procurement in California. The adopted demand forecast incorporates analysis of fundamental demand trends, impacts of distributed resources, and energy efficiency. To support distributed and renewable resource integration, the demand forecast is increasingly disaggregated, both geographically and temporally; future forecasts will be produced at an hourly level. The CEC forecast is a key input into the CPUC LTTP and resource adequacy proceedings, and the CAISO’s TPP and local and flexibility capacity needs analysis.

To support CEC demand forecasting, all LSEs in California, including CCAs and ESPs, are currently subject to data and forecast reporting requirements that vary in complexity by the size and type of the LSE. As nontraditional service providers expand and evolve, the data they provide to the CEC will also need to evolve to support demand forecasting that reflects the multiple trends affecting the timing and location of energy demand.

The California Independent System Operator (ISO) ensures reliable operation of the high voltage transmission system and infrastructure planning. Every year, the ISO conducts a transmission planning process that provides a comprehensive evaluation of the grid under the ISO’s control. The Transmission Planning Process (TPP) identifies upgrades needed to maintain reliability, successfully meet California’s policy goals, and projects that can bring economic benefits to consumers. The ISO’s TPP uses the same single forecast set as LTTP and the CEC’s IEPR. Efforts are underway to continue the agency process alignment under the CPUC’s IRP.

Ensuring All Customers Pay Their Fair Share

One of the most contentious issues that comes before the CPUC has to do with allocating costs between customers. For CCAs and ESPs, the CPUC relies on the Power Charge Indifference Adjustment (PCIA) to recover above market energy costs from customers who depart bundled service for ESPs or CCAs.

For CCA and ESP customers, the PCIA rate is set annually through the IOUs Energy Resource Recovery Account (ERRA) forecast proceedings. As the IOUs have procured increasing quantities of renewable energy, an increasing share of costs recovered through the PCIA are made up of the cost of the initial round of wind and solar projects procured through the RPS. These early, high-cost projects are often pointed to as one of the critical drivers globally of the major cost reductions that now benefit CCAs. Both the IOUs and the departing load parties have agreed that the current PCIA methodology is flawed. However stakeholders disagree on what changes are needed to ensure customer indifference and fairness.

For Self-Generation customers, IOUs rely on rates, including non-bypassable charges (NBCs), to recover broad infrastructure costs, as well as specific types of costs like low-income programs, and funding future de-commissioning of nuclear power stations. Each IOU calculates its own NBCs and applies them to all customer bills. When a customer self-generates, the IOU applies NBCs onto both electricity the customer buys from the grid and the electricity they produce and consume on-site. NEM customers have historically been exempt from paying NBCs on their solar generation, but with approval of NEM 2.0, a subset of NBCs are now going to be applied to NEM generation. Figure 2 below illustrates three examples of how NBCs are applied to PG&Es residential customers bills.

Figure 2 – PG&E Residential NBCs

	Residential NBCs	NEM 2.0 NBCs	NEM 1.0 NBCs
PPP	1.405	1.405	0
Nuclear Decommissioning	0.022	0.022	0
Competition Transition Charge	0.338	0.338	0
DWR Bond	0.539	0.539	0
Transmission	1.649	0	0
New System Generation Charge	0.255	0	0
Storage Mandate	0.045	0.045	0
TOTAL	\$0.04253/kWh	\$0.02349/kWh	\$0.00/kWh

Setting the NBCs for NEM customers was a central point of conflict throughout the NEM 2.0 proceeding and remains contentious, with both the IOUs and consumer advocates arguing that NEM customers still do not pay their fair share transmission infrastructure they rely on. Whereas, solar advocates argue that the value of NEM systems to the grid exceeds the cost of NBCs.

For the broader set of infrastructure investments, IOUs recover their transmission and distribution (T&D) related costs from ratepayers predominantly through volumetric (\$/kWh) rates. For larger customers, a portion of these infrastructure costs are recovered through demand based rates (\$/kW). Under NEM, customers (particularly residential customers) are able to largely avoid paying any volumetric contribution to infrastructure costs – with the passage of AB 327 (2014), the CPUC can consider allowing a utility to collect a \$10/month fixed charge for non-CARE customers. In the larger customer segments, energy storage systems – often subsidized by the Self Generation Incentive Program - are starting to be installed that allow customers to minimize paying demand based charges. The issue that both IOUs and consumer advocates raise is that NEM – and potentially energy storage – customers are not paying their fair share of T&D infrastructure costs. In contrast, solar advocates argue that the grid benefits of rooftop solar exceed the solar customer’s share of infrastructure costs, and as a result all customers are better off. In an effort to find middle ground between these two positions, the CPUC mandated that all NEM 2.0 systems take service under Time of Use (TOU) rates that more closely align what a customer pays for T&D infrastructure with the costs IOUs actually incur to serve them.

Allocating both generation and infrastructure costs between bundled customers and un-bundled customers is going to become more complicated as both business models and technology provide different forms of unbundling that each require different cost allocation solutions. The CPUC’s task is to seek to continue to adjust rates and tariffs like the PCIA and NEM in ways to both allow customers to continue to make the choices they want while ensuring that all other customers are not left with an unfair allocation of costs.

Ensuring Universal Access

Currently, POUs and IOUs are the provider of last resort in their respective service territories. With changes coming to California’s retail energy market, the CPUC must consider the implications of the changes for customers and evaluate whether a new ‘provider of last resort’ (POLR) requirement should be put in place. In retail choice states, POLR service (also known as Default, Basic Generation, or Standard Offer Service) is typically made available to customers who do not exercise their right to shop for energy. In all states besides Texas, the retail distribution utility holds the POLR responsibility. Even so, an overarching principle in virtually every jurisdiction with retail choice is that POLR’s structure should not undermine the competitive retail energy market and should afford to customers the opportunity to provide quality, reliable, and transparent electric commodity service while also having access to non-discriminatory electric delivery service through the local utility.

One question which may need to be addressed is: which service – competitive retail or POLR service – becomes the default. This arises in consideration of whether non-Utility LSE service is an “opt in” or an “opt out” choice. Only Texas has adopted a retail-choice model in which all customers must still affirmatively decide which retail commodity supply is the one to provide them with electricity service.

Another issue arises from IOUs’ historical obligation as the sole default providers of bundled retail service, for which they were required to make long-term investments in generation resources and long-term financial commitments through purchased power contracts. This has created (and if unaddressed

may continue to create further) a cost legacy that must be addressed during a transition to retail choice. Most of the states that adopted retail choice have addressed legacy costs through the imposition of non-bypassable exit fees and/or continuing wires charges. The sizes of the fee have been controversial. Fees set too high undermine retail choice, while fees set too low enable departing customers to shift costs to those who remain on bundled service.

A third issue pertains to rules governing when and under what circumstances CCA or ESP customers are allowed to return to a utility's bundled retail service (assuming the utility continues to provide such service). If unchecked, one possible outcome may be customers taking CCA or ESP service when it is relatively less costly and to return to the utility when it is not. There should be clear rules about the conditions applicable to customer returns to utility service: when are customers allowed to return, how long they must they remain on utility service, what price must they pay for energy, and so on. As CCAs continue to grow quickly, the CPUC must consider how its current rules fit within a much bigger competitive landscape.

Rate Design

With the passage of AB 327 (2014) and CPUC Decision (D) 15-07-001, time-of-use rate structures are scheduled to become the default for all customers in 2019. The major goals of this requirement are to better align customer bills with the actual cost to serve and to provide customers with greater incentives to use electricity during off-peak periods when the grid is less strained and with lower costs to serve. AB 327 allowed the CPUC to require each of the IOUs to develop default time-of-use rates for residential customers, but did not authorize the CPUC to set such a requirement CCAs or ESPs. As a result, it is conceivable that the utility rates for bundled service will reflect time-of-use rates for all components of electric service, and that in cases where the utility only provides T&D service, this T&D component will be based on a time-of-use structure, while the generation component of the rate served by the CCA or ESP may not.

Non-participation in default time-of-use carries two major risks. The first one has to do with consumer protection. Currently, the vast majority of residential customers in each of the IOU service territories have the same basic rate design, incorporating both the design of delivery rates and the supply of electric commodity service. By contrast, customers taking service from CCAs and ESPs have rates that reflect the retail distribution rate design approved by the CPUC as well as the generation-service provider's non-CPUC regulated generation rates. This means that residential consumers in Pacific Gas and Electric's (PG&E) territory could go from effectively having the same rate everywhere – from Chico to San Francisco to Fresno - to having dozens of different rates based solely on where a customer lives. This is not *per se* a bad thing; the risk comes when the rates among CCAs or ESPs are more or less expensive based on factors like the consumer's income or where the consumer lives. Where variation arises due to customers' options for utility service, this seems like a benefit of competition; but where variation in pricing and rates for commodity service arises from customer profiling by location, it gives rise to concerns about discrimination and other problems relating to assurance of access to basic electricity services.

The second risk is that some CCAs will choose not to default their residential customers to time-of-use or that consumer confusion around applicability of time-of-use and hard-to-understand differences in time-of-use rates across communities that are served by both an IOU and a CCA will undermine the effectiveness of time-of-use pricing. Though the actual impact of time-of-use is as yet unmeasured, the hope is that the time-of-use transition will play an important role in supporting important grid integration and renewables growth policies.

Consumer Protection

In 1997, California Senate Bill 477 adopted consumer protections that, among other things, required that all ESPs offering electrical services to residential or small commercial customers provide proof of financial viability and of technical and operational ability as a precondition to registration. SB 477 also required the CPUC to develop uniform standards for assessing ESPs financial viability and technical and operational ability. In Decision (D.) 98-03-072, D.99-05-034, and D.03-12-015, the CPUC implemented these standards through its framework for ESP registration, with particular attention to concerns about residential and small commercial customers with peak demands under 20 kW. Subsequent CPUC decisions modified various provisions governing DA enrollment, customer switching, involuntary returns to bundled service, and ESP financial security requirements.

Similar safeguards have never been fully developed to govern new forms of customer choice, whether it be CCAs, rooftop solar installers or community solar marketers. That said, the market for these products is different than the services marketed by ESPs and so differing regulations may be appropriate. The CPUC currently is examining consumer protection issues as part of its on-going oversight of NEM. As retail electric choices expand, the CPUC will need to adapt its capabilities to protect consumers from predatory marketing, misinformation and fraudulent behavior. In California, competition in telecom and natural gas have demonstrated that the CPUC must have robust consumer protection programs, otherwise residential customers face risks.

PART 3 -- Expectations for the En Banc:

Given the strong evidence of profound changes and disruptions within the electric industry and its ratemaking/regulatory foundations, we seek comment and thoughts from a wide range of key constituencies on the following major questions:

1. As an increasing number of customers can obtain electric generation service from a variety of sources (including IOUs, ESPs, CCAs, and on-site technologies), how does California ensure that all customers get the benefit of having multiple institutions play an important role in helping finance the infrastructure needed to meet the State of California's GHG strategies, including electrification of transportation and fuel switching in the natural gas industry, while also ensuring that all customers have access to at least basic electric service?
2. What are the roles of the incumbent electric distribution utilities in the future, and what are the means for them to finance their core functions (e.g., distribution service, transmission service, POLR retail service) where some of these services are provided to all electricity customers and some are provided to only some customers (and in some cases may be provided because no other supplier is willing and/or able to provide them)?
3. Who will be the provider of last resort for customers who don't seek to make key decisions for themselves, but prefer a simple and reliable bundled service? What agencies are best designed to provide customer protection in this new electric industry structure? What policies and/or authorities are necessary for utility regulators (or others) to assure that all customers - regardless of their supplier of generation and/or delivery service) have access to reliable and efficient electricity supply that also supports California's economic and environmental goals?
4. How does the State of California ensure that the many different players work together to ensure that the State's electric supply is not only clean but is also reliable, efficient and resilient? For example in light of the changes underway in the State's electric system, how should the State provide such products and services as ramping power, voltage support, frequency control and managing over-generation? How should the State's electric system become more resilient (e.g., capable of fending off attacks from physical and cyber threats, as well as speedy recovery from disasters)? How will California's consumers pay for the many mandated public goods programs, ranging from energy research to providing energy efficiency upgrades and rate discounts for low income customers, which the California legislature has determined are core elements of the State's electric system?
5. How will the State of California provide protection for consumers against predatory actions by providers of electric service or energy technologies in these new policy settings?

The CPUC and CEC, as sponsors of the En Banc, will prepare and publish a report from the hearing, summarizing the range of comments on these key questions, and summarizing the insights gleaned from comments.

The CPUC intends to open a Rulemaking to examine, and coordinate among other open proceedings, an examination of the future role(s), structure(s), fiscal and other functions of the three large California electric IOUs. This, in turn, requires a discussion of the scope and scale of the current framework for

regulation of competition – including customer centered technologies - and the structure of the retail electric market, and the transition from IOUs’ responsibilities today and their responsibilities in the future. As part of this process, the CPUC will likely examine a variety of different retail market and customer choice constructs to assess what best practices and lessons learned can be applied in California given our unique set of public policy goals.

As part of this process, the CPUC will work closely with the CEC to coordinate efforts with the Integrated Energy Planning Report (IEPR) and the Energy Program Investment Charge (EPIC) program. Because of the interplay between the CPUC and the CEC on funding research (drawn from the IOUs based on their share of electric sales), and because of the CEC’s role in setting overall electric need and overall procurement goals to meet that need, both agencies are both concerned about finding good and durable answers to these questions.

This effort necessarily implicates the ISO, as changes to retail market structures and the evolution of regulation will affect the transmission system and the wholesale power market. Furthermore, the same providers and technologies that are disrupting the retail electric market and the distribution system are also finding ways to participate within the bulk power system -- whether it be toward transacting in the wholesale market or offering alternative solutions to traditional transmission projects. To this end, this Rulemaking will seek to identify opportunities to harmonize market rules between retail and wholesale market and planning efforts between distribution and transmission infrastructure.

Finally (and as a fundamental framing consideration), it is critical to recognize that whatever the specific outcomes of this proceeding, it is very difficult to conceive of a scenario where the CPUC and CEC will not find that significant changes to the regulatory model and the utility structure are required. Drivers of change to the California electric system are accelerating whether we want them to or not. Technology will continue to advance and as a result consumers will have more options to meet their energy needs. Customers will seek to use these new developments to further their own needs and interests. California leaders and citizens intend to continue moving forward to decarbonize our economy, and the will to forge ahead grows stronger every day.

Los Angeles Community Choice Energy (LACCE)

GARY GERO, CHIEF SUSTAINABILITY OFFICER

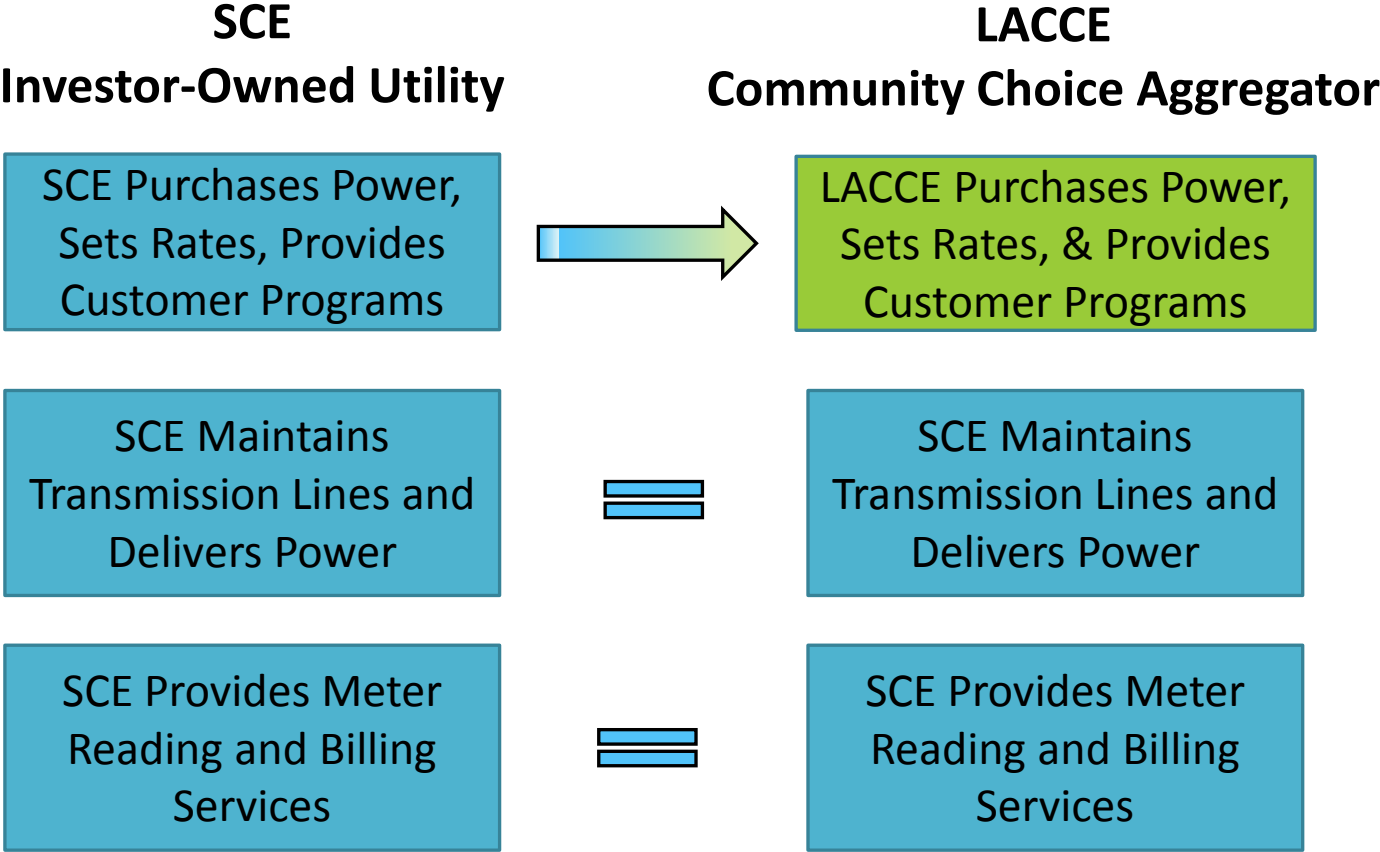
Los Angeles Community Choice Energy

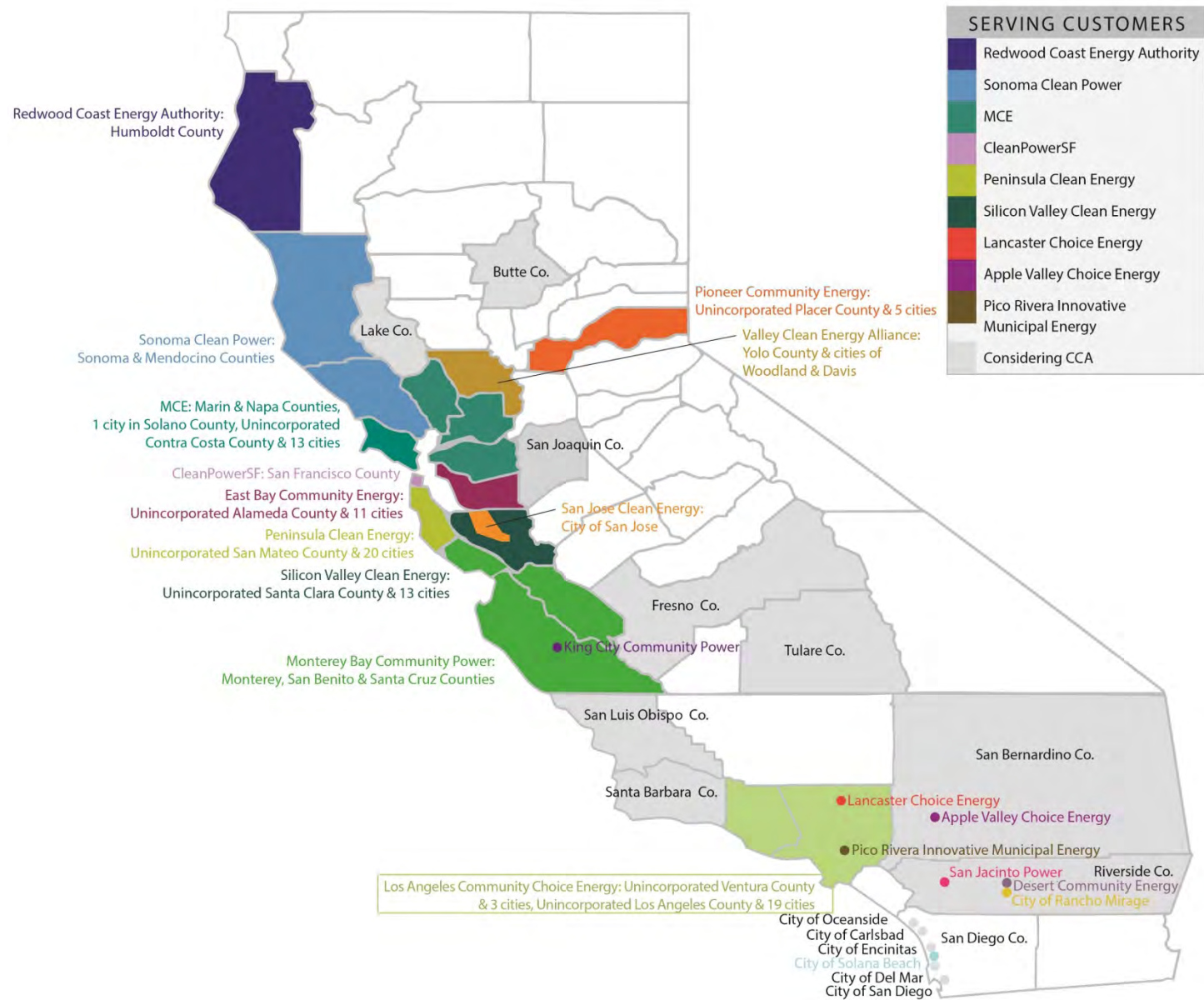
Overview

1. What is a CCA?
2. CCA Benefits
3. LACCE JPA Formation Process
4. JPA – Governance
5. Community Advisory Committee
6. Schedule and Next Steps

Los Angeles Community Choice Energy

Community Choice Aggregation (CCA): A Hybrid Approach to Utility Operations





Los Angeles Community Choice Energy

Member Agencies of the LACCE JPA

as of January 19, 2018

Agoura Hills	Manhattan Beach
Alhambra	Moorpark
Arcadia	Ojai
Beverly Hills	Paramount
Calabasas	Rolling Hills Estates
Carson	Santa Monica
Claremont	Sierra Madre
Culver City	South Pasadena
Downey	Temple City
Hawaiian Gardens	Thousand Oaks
Hawthorne	West Hollywood
Los Angeles County (unincorporated)	Whittier
Malibu	Ventura County (unincorporated)

Los Angeles Community Choice Energy

CCA Benefits: Customer Choice and Local Control

■ Customer Choice

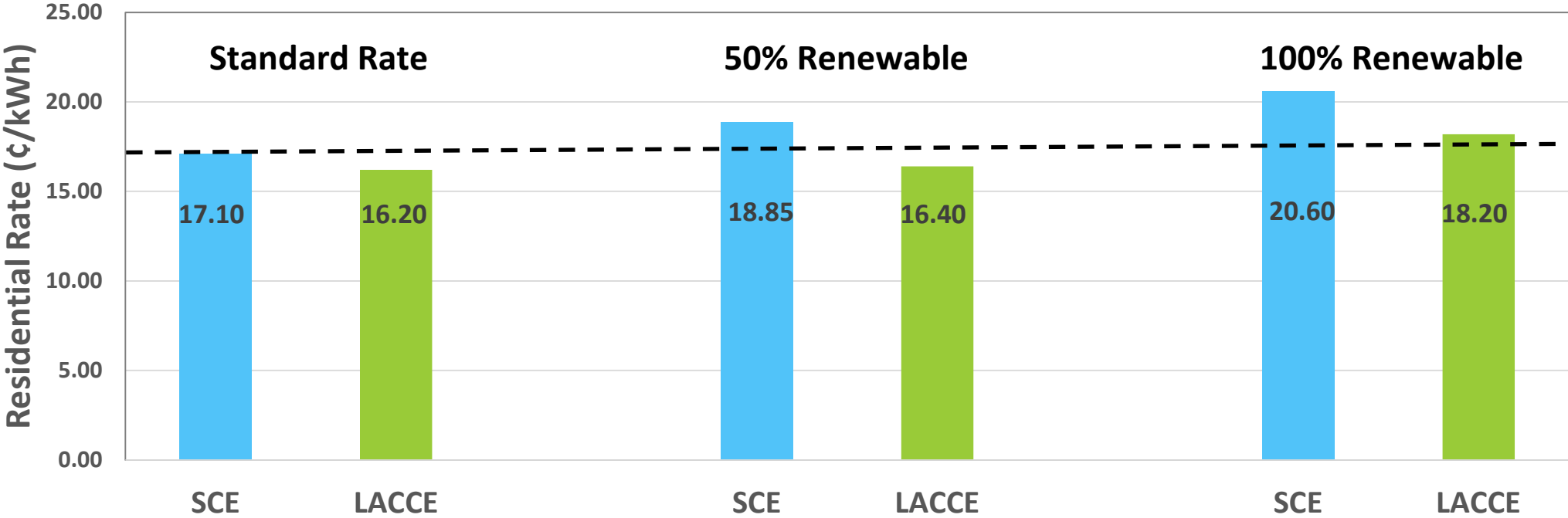
- CCAs offer customers new options (CCA rate offerings), without removing old options (SCE)
- Having both CCA and SCE products gives customers choice
- Customers may opt out of the CCA at any time and return to SCE

■ Local Control

- CCAs enable communities to invest locally; instead of sending money to SCE, CCA revenues can be reinvested in the local community
- CCAs have total local control over their power supply, rates, and customer programs (e.g., energy efficiency, solar incentives, EV incentives, etc.)
- Each member city determines its own default renewable energy level and has opportunity to tailor local programs to meet local priorities.

Los Angeles Community Choice Energy

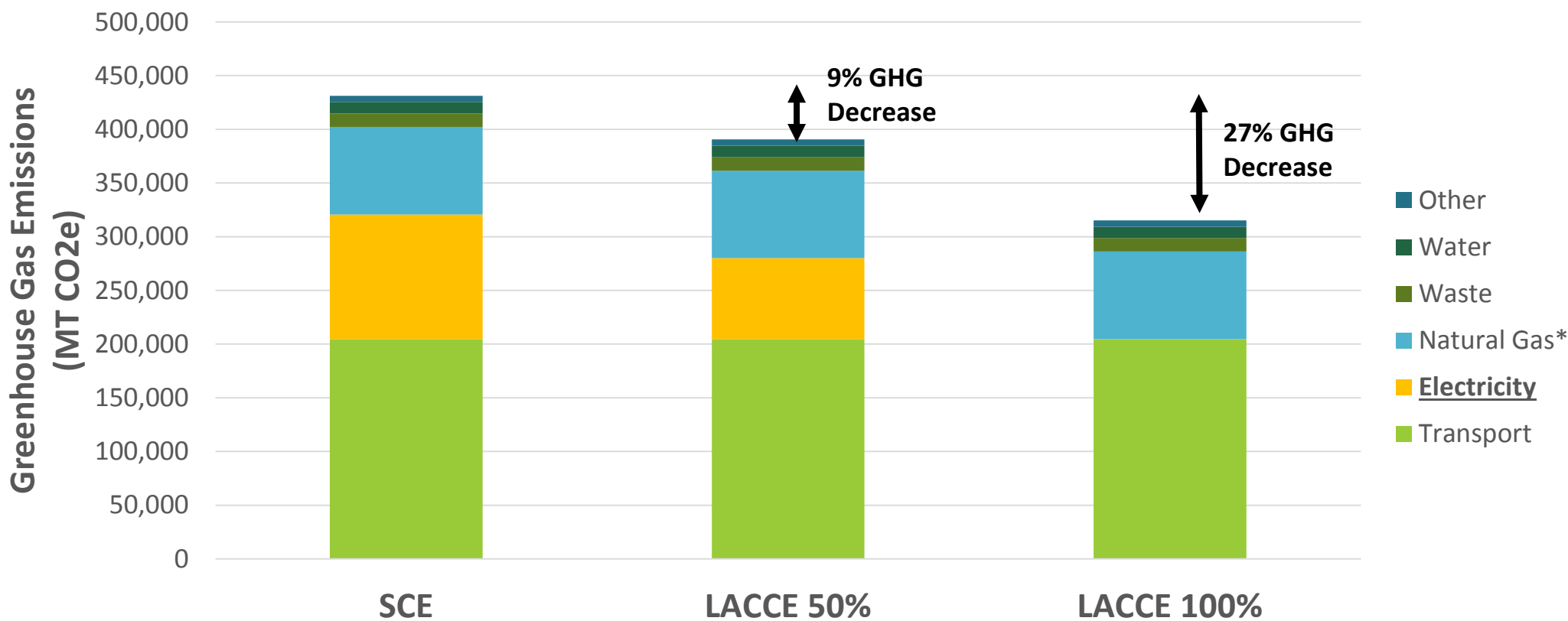
LACCE Benefits: Rate Savings



- Rates are taken from the LACCE Business Plan
- LACCE rates include considerable financial reserve

LACCE Benefits: GHG Emissions

Example: Average City in Los Angeles



*The natural gas category refers to use for heating and cooking in buildings, not for use in electricity generation.

LA County Board of Supervisors

CCA JPA Formation Process

- **LA County Board of Supervisors approved a motion in March 2015 asking staff to conduct a CCA feasibility study for LA County**
- **Report completed in June 2016**
- **On April 18, 2017 the Board of Supervisors approved a joint motion from Supervisors Shelia Kuehl and Mark Ridley-Thomas to approve:**
 - LACCE Joint Powers Agreement
 - CCA enabling ordinance
 - \$10 Million in startup funding
 - Plan for program implementation

Los Angeles Community Choice Energy

Joint Powers Agreement

■ LACCE Governance

- Every member government gets an equal seat on the Board
- Primary Directors must be an elected official of the member city or county
- Most votes are by a majority of members present
- Some special items require 2/3s of all members
- Option to call for a weighted vote based on load share, with the following restrictions:
 - 3 members must agree to have a weighted vote
 - Weighted votes can only follow an affirmative vote of the Board

Los Angeles Community Choice Energy

Authorizing language for a Community Advisory Committee

- **Section 5.9.1(c) of the LACCE JPA:**
 - “The Board shall establish a Community Advisory Committee comprised of members of the public representing key stakeholder communities. The primary purpose of the Community Advisory Committee shall be to provide a venue for ongoing citizen support and engagement in the operations of the Authority.”

Los Angeles Community Choice Energy

Community Advisory Committee – Stated Purpose

- **The purpose of the LACCE Community Advisory Committee is to:**
 - Act as a liaison to the community and represent ratepayer concerns
 - Provide feedback on LACCE policies, operational objectives, and programs
 - To the extent possible, provide expert knowledge of relevant subject matter to support Board and staff
 - Assist with outreach to the community
 - Assist with legislative advocacy in conjunction with staff and Board
 - Provide a forum for community discussions on a wide variety of strategies to reduce carbon emissions and maximize LACCE programs

Los Angeles Community Choice Energy

Community Advisory Committee – Criteria

- **Proposed Criteria**
 - Strong preference will be given to applicants who live or work in LACCE territory
 - The Committee should have at least one member explicitly representing disadvantaged communities.
 - Members with expertise in any of the following areas will be highly desirable:
 - Community leadership
 - Environmental justice
 - Ratepayer advocacy
 - Labor relations
 - Neighborhood/Community relations
 - Youth/Student liaison
 - Distributed Energy Resources (DER)
 - Energy Efficiency
 - Renewable Energy
 - California Grid Operation (CAISO)
 - Power sales and markets
 - Utility finance
 - Communications
 - Economic Development
 - Legislative Advocacy

Los Angeles Community Choice Energy

Community Advisory Committee – Function

- **The Committee will have responsibilities that include:**
 - Reviewing and providing input on the LACCE Strategic Plan, Implementation Plans, Communication Plan, and other key documents.
 - Public outreach and community engagement regarding LACCE programs and goals
 - Working closely with staff to stay abreast of issues and set Committee agendas
 - Special projects identified by the Committee itself that may include studying DER project development, new programs, or community partnership opportunities
- **The Committee will be able to:**
 - Select its own Chair and Vice Chair
 - Submit reports to the LACCE Board for consideration
 - Request financial resources from the LACCE Board to support specific studies and/or projects
 - Form working groups and subcommittees to address specific issues as may be necessary
 - Monitor the LACCE program to ensure it is meeting the needs of the communities it serves

Los Angeles Community Choice Energy

Schedule

■ Phases

- Phase 1: February 2018 – County municipal accounts
- Phase 2: Q2 2018 – County and City commercial + industrial accounts
- Phase 3: Q4 2018 – All County and city residential accounts
- Phase 4: Q1 2019 – Cities that join in Q1 2018*

* Subject to CPUC Draft Resolution E-4097

Los Angeles Community Choice Energy

Cities Joining in 2018

■ **New entrants permitted if in LACCE best economic interest***

- Consider on case-by-case basis
- LACCE may require some initial funding if unable to manage entry in a way that is protective of LACCE's financial position.
 - These costs would be reimbursable.
- Batch new entrants 2-3x/year for efficiency and certainty.

* Unless granted 90-day grace period waiver by LACCE Board due to impact of wildfires on ability to have adopted before the end of 2017.

Los Angeles Community Choice Energy

Next Steps for Cities

■ Process

- Cities adopt ordinance and JPA but withholds execution of JPA until LACCE determines feasibility*.
- LACCE assesses economics and if determined to be feasible, City and LACCE negotiate entry terms, if any.
- Once approved for entry, City executes JPA and is included in upcoming Implementation Plan Amendment.
- City designates its representatives to LACCE Board of Directors.

* Cities granted grace period waiver may execute JPA agreement immediately

Los Angeles Community Choice Energy

Contact Information

Gary Gero
Chief Sustainability Officer

ggero@ceo.lacounty.gov
213-974-1160

More information/documents:
lacounty.gov/sustainability and lacce.org



June 30, 2016

Mr. Howard Choy
County of Los Angeles
Energy Management Division
1100 N. Eastern Avenue
Los Angeles, CA 90063

SUBJECT: County of Los Angeles Community Choice Energy (LACCE) Business Plan

Dear Mr. Choy:

Please find attached EES Consulting, Inc.'s (EES) Community Choice Energy Business Plan (Plan) for the County of Los Angeles (County). This Plan represents the work product of EES and Bki in evaluating the prudence of implementing a Community Choice Energy organization for the County.

We want to thank you and your staff for your assistance in preparing this Plan. It has been a pleasure working with you on this project.

Please contact me directly if there are questions or if we may be of any further assistance.

Very truly yours,

A handwritten signature in blue ink that reads "Gary S. Saleba".

Gary Saleba
President

570 Kirkland Way, Suite 100
Kirkland, Washington 98033

Telephone: 425 889-2700 Facsimile: 425 889-2725
www.eesconsulting.com
A registered professional engineering and management services corporation

Contents

CONTENTS.....	1
EXECUTIVE SUMMARY	1
BACKGROUND	1
DESCRIPTION OF LACCE.....	1
GOVERNANCE.....	2
RISKS	3
PLAN RESULTS	3
RENEWABLE ENERGY IMPACTS.....	4
ENERGY EFFICIENCY PROGRAMS.....	5
ECONOMIC DEVELOPMENT	5
GREEN HOUSE GAS IMPACTS.....	6
SUMMARY	7
INTRODUCTION.....	8
BACKGROUND	8
OBJECTIVE	8
LACCE DESCRIPTION.....	8
CUSTOMER PARTICIPATION SCHEDULE.....	9
SUMMARY OF LACCE’S PROPOSED GOVERNANCE AND OPERATIONS	10
PLAN METHODOLOGY.....	11
PLAN UNCERTAINTIES	12
PLAN ORGANIZATION.....	13
LOAD REQUIREMENTS	14
LACCE JPA MEMBERSHIP PARTICIPATION RATES	14
LACCE CUSTOMER PARTICIPATION RATES	14
HISTORICAL CONSUMPTION	15
FORECAST CONSUMPTION AND CUSTOMERS.....	18
RENEWABLE RESOURCE REQUIREMENT	20
RESOURCE ADEQUACY REQUIREMENTS.....	21
POWER SUPPLY STRATEGY AND COSTS.....	22
RESOURCE STRATEGY	22
RESOURCE COSTS.....	22
TRANSMISSION	26
POWER MANAGEMENT/SCHEDULING AGENT	27
RESOURCE PORTFOLIOS.....	29
LACCE COST OF SERVICE.....	35
COST OF SERVICE FOR LACCE OPERATIONS	35
POWER SUPPLY COSTS	35
NON-POWER SUPPLY COSTS	36
PRODUCTS, SERVICES, RATES COMPARISON AND ENVIRONMENTAL/ECONOMIC IMPACTS	43
RATES PAID BY SCE BUNDLED CUSTOMERS.....	43
RATES PAID BY LACCE CUSTOMERS	43
RATE IMPACTS.....	45
LOCAL RESOURCES/BEHIND THE METER LACCE PROGRAMS	46
IMPACT OF RESOURCE PLAN ON GREENHOUSE GAS (GHG) EMISSIONS	47
ECONOMIC DEVELOPMENT	48

SENSITIVITY ANALYSIS.....	52
LOADS AND CUSTOMER PARTICIPATION RATES.....	53
SCE RATES AND SURCHARGES	53
SENSITIVITY RESULTS.....	54
RISKS	55
SCHEDULE.....	55
SUMMARY AND RECOMMENDATIONS	57
RATE IMPACTS AND COMPARISONS.....	57
RENEWABLE ENERGY IMPACTS.....	58
ENERGY EFFICIENCY IMPACTS	58
ECONOMIC DEVELOPMENT IMPACTS.....	58
IMPACT OF RESOURCE PLAN ON GREENHOUSE GAS (GHG) EMISSIONS	59
SUMMARY	60
APPENDIX A – CITIES/COUNTIES EVALUATING CCA FEASIBILITY.....	61
APPENDIX B – CCA FUNDING OPTIONS PREPARED BY PUBLIC FINANCIAL MANAGEMENT, INC.....	62
APPENDIX C – PROFORMA ANALYSES	67
APPENDIX D – GLOSSARY	70

Executive Summary

Background

The California legislature passed AB 117 in 2002 (amended in 2011 by SB 790) allowing all Cities, Counties, or groups of Cities and Counties to provide an electric power supply source to customers within their jurisdictions that are currently served by Southern California Edison, Pacific Gas & Electric or San Diego Gas & Electric. Community Choice Aggregation (CCA) or Community Choice Energy (CCE) is a customer opt-out program where the CCA provides power supply and behind the meter services, and the incumbent IOUs provide transmission and distribution (wires) service.

This Business Plan (Plan) evaluates the prudence of forming a CCA within the County of Los Angeles (County), the Los Angeles Community Choice Energy (LACCE). The proposed LACCE will provide power supply and behind the meter services, and Southern California Edison (SCE) will provide transmission and distribution services. Customers are part of the LACCE program until they proactively opt-out. This Plan estimates LACCE's power supply costs, administrative costs, electric loads, and future retail rates and compares LACCE's rates to the incumbent SCE. These forecast rates are compared to determine if the proposed LACCE can offer competitive rates, better products and superior customer service while also improving the environment and creating local jobs.

Description of LACCE

The proposed LACCE may include the unincorporated areas of the County and a number of Cities within the County. The unincorporated County average annual energy is 440 aMW (average Megawatts) and 900 MW peak while the total County potential service area average annual energy is estimated at 3,000 aMW and 7,000 MW peak. Energy consumption for the entire County area served by SCE is equal to more than 30 percent of SCE's total retail load.

For this Plan, it is assumed that service will be offered to customers in three phases. Phase 1 will include the County's own municipal facilities residing within the unincorporated County areas. In Phase 2, all customers located in the unincorporated County will be included in LACCE. Finally, service to customers from the Cities within the County will begin under Phase 3. Exhibit ES-1 summarizes this phased approach to forming LACCE, and the number of customers and amount of load attendant with each phase.

**Exhibit ES-1
Participation Schedule**

Phase	Start	Eligibility	Customer Accounts	Peak Load (MW)	Average Load aMW	LACCE Annual Revenues
Phase 1	January 2017	LA County Facilities within Unincorporated Area	1,728	40	20	\$25M
Phase 2	July 2017	All Customers in Unincorporated LA County	306,930	900	440	\$180M
Phase 3	To Be Determined	All Individual Cities	1,497,747	7,000	3,000	\$1,200M

Depending on the interest from Cities located in the County, Phase 1 and Phase 2 may also include customers from individual Cities. However, because of the number of Cities and the size of their associated loads, a phasing of implementation was assumed for this Plan. This phasing strategy enables LACCE to manage any start-up and operational issues before full scale operations are undertaken. In addition, this phasing strategy will allow LACCE's third party electricity suppliers, scheduling agents and data management entities to ramp up power supply procurement and bill processing over several months. Because it is not yet clear which Cities are interested in joining LACCE, this Plan explores the prudence of the first two phases being undertaken over a 20-year forecast period. It is anticipated that the results of this Plan are scalable as additional Cities join LACCE. Adding more customers than assumed in the Plan will increase revenues and further reduce LACCE rates.

By the end of Phase 2, LACCE is projected to serve a potential of over 300,000 retail customers and have annual electricity sales potential of over 3,800 GWh (Gigawatt-hours). Annual revenues to LACCE during Phase 2 operations are projected to be approximately \$180 million.

Governance

The feasibility, analysis and development of LACCE is currently being conducted by the Office of Sustainability within the County's Internal Services Department. While LACCE could, in theory, be an organization operated within the County's existing governance, it is anticipated that a JPA will be formed to provide the legal structure of LACCE. A JPA provides a more flexible framework for LACCE and historically has been the preferred structure for an organization like LACCE. Additionally, a JPA provides financial risk mitigation for its local government members.

Given the above, a key next step in the formation of LACCE is the creation of the JPA (created when two jurisdictions agree to join the JPA). Initiating LACCE operations will then require a governing authority to execute service contracts for LACCE formation and operations.

Alternatively, while a JPA is being finalized and implemented, the Office of Sustainability could manage Phase I operations of LACCE, if directed by the Board of Supervisors.

Risks

All businesses face risks and uncertainty. For LACCE, the major risks will be operational and regulatory. These risks are dealt with extensively later in the Plan. In summary, the Plan concludes that these risks are manageable and that no reasonable set of circumstances will result in LACCE's rates being higher than SCE's for comparable products.

Plan Results

This Plan evaluates the cost and resulting rates of operating LACCE, and compares these rates to a rate forecast for SCE. The analysis begins with a 20-year forecast of electrical loads and customers, incorporates several power supply resource portfolio options, and allows for the sensitivity testing of input assumptions. LACCE customers will see no obvious changes in electric service other than a lower price and increased renewable resources in their power supply resource mix. Customers will pay the power supply charges set by LACCE and no longer pay the costs of SCE power supply.

In addition to paying LACCE's power supply rate, LACCE customers will pay the SCE delivery (wires) rate and all other non-power supply related charges on the SCE bill to include Franchise Fees and Utility User Taxes.

LACCE will establish rates sufficient to recover all costs related to operation of the CCE. It is anticipated that LACCE's rate designs initially will mirror the structure of SCE's rates so that rates similar to SCE's can be provided to LACCE's customers. In setting rates, the Plan's financial analysis assumes the customer phase-in schedule noted above and assumes that the implementation costs are largely financed via a start-up loan.

The first consequence for forming LACCE is the retail rate impact as illustrated on ES-2. ES-2 shows SCE's current total bundled rates of 28 percent renewable power compared to three LACCE rate options. Bundled rates are the "all in" price for electricity delivered to the customer's meter. The Plan's Resource Portfolio Standard (RPS) rate assumes renewable energy is 28 percent of LACCE's initial power supply portfolio and increased per the State's RPS mandate.

For reference, the column headers noted on ES-2 are summarized below.

- RPS Bundled – LACCE rates with the same share (28 percent) of renewables as SCE's current power supply.
- 50% Green Bundled Rate – LACCE rates with 50 percent renewable power.
- 100% Green Bundled Rates – LACCE rates with 100 percent renewable power.

A rate schedule comparison of LACCE's rates and SCE's rates follows.

Exhibit ES-2
Indicative Rate Comparison in ¢/kWh

Rate Class	Customer Type	SCE Bundled Rate*	LACCE RPS Bundled Rate	LACCE 50% Green Bundled Rate	LACCE 100% Green Bundled Rate
Residential	Domestic	17.1	16.2	16.4	18.2
GS-1	Commercial	16.6	15.7	15.9	17.7
GS-2	Commercial	15.8	15.0	15.2	16.9
GS-3	Industrial	14.5	13.8	13.9	15.5
PA-2	Public Authority	12.6	12.0	12.1	13.4
PA-3	Public Authority	10.4	9.9	10.0	11.1
TOU-8 Secondary	Domestic	13.1	12.4	12.6	14.0
TOU-8 Primary	Commercial	11.7	11.1	11.2	12.5
TOU-8 Substation	Industrial	7.5	7.1	7.2	8.0
Total LACCE Rate Savings			5.4%	4.1%	(6.3%)

*SCE bundled average rate based on Table 3 in Advice 3319-E-A.

As can be seen above, the LACCE RPS residential rate is 0.9¢/kWh or 5.4 percent lower than what SCE currently offers with an equal amount of renewable power (28 percent). The LACCE residential rate with 50 percent renewable power (compared to SCE's 28 percent) is 0.7¢/kWh or 4.1 percent lower for roughly twice the amount of green renewable power. The LACCE residential rate with 100 percent green power (compared to SCE's 28 percent) is 1.1¢/kWh or 6.3 percent higher, but this additional amount comes with almost four times more renewable power than the comparable SCE rate.

As an alternative to its standard rates with 28 percent renewable power, SCE also offers rates which feature 50 percent and 100 percent renewable power. For the residential customers, SCE estimates energy costs to be 3.5 cents per kWh higher for each kWh served on the green rate. The LACCE rates for 50 percent and 100 percent renewable power for residential customers are therefore estimated at 12-13% percent lower than SCE's.

The rates calculated under this Plan are for comparison to SCE rates only. Under formal operations, the LACCE governance will determine the actual rates to be offered to customers. For example, LACCE may decide to offer the 50% renewables rate as the base tariff to customers if the environmental benefits far outweigh a minor difference in cost compared to the RPS base case.

Finally, it should be noted that these rate comparisons assume all savings will go towards rate reductions. It is likely that the LACCE governing body may opt to place some of these savings into a financial reserve account for use at other times when needed and/or to accelerate the payoff of start-up and initial operations financing.

Renewable Energy Impacts

A second consequence of forming LACCE will be an anticipated increase in the proportion of energy supplied by renewable resources used by LACCE customers. The Plan includes procurement of renewable energy sufficient to meet 50 percent or more of LACCE customer's electricity needs at start up. The majority of this renewable energy will be met by renewable energy purchased on the wholesale market or newly constructed renewable resources. By 2020, SCE must procure a

minimum of 33 percent of its customers' annual electricity usage from renewable resources due to the State's RPS mandate and the Energy Action Plan requirements of the California Public Utilities Commission (CPUC). In contrast, LACCE customers will target 50 percent renewable power by 2017, which will come from new and some local renewable resources.

Energy Efficiency Programs

A third consequence of the Program will be an increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by SCE will not change as a result of LACCE. LACCE customers will continue to pay the Public Goods Charges to SCE. This charge funds energy efficiency programs for all customers, regardless of power supply provider. The energy efficiency programs ultimately planned by LACCE will be in addition to the level of energy efficiency investment currently provided by SCE. Thus, LACCE has the potential to increase energy savings with an attendant reduction in emissions due to expanded energy efficiency programs.

LACCE will likely establish a program which offers a combination of retail tariffs, rebates, incentives and other bundled offerings intended to increase customer participation in demand-side management programs including: renewable distributed generation, energy storage, energy efficiency, demand response, electric vehicle charging, and other clean energy benefits defined as Distributed Energy Resources (DER). LACCE will work with State agencies and SCE to promote deployment of DERs in specific and targeted locations throughout SCE's distribution grid, and preferably within the County, in order to help support efficient grid operations and maintenance as part of the development of the future "smart grid."

The Southern California Regional Energy Network (SoCalREN), administered by the Office of Sustainability and authorized by the California Public Utilities Commission (CPUC) as an independently administered energy efficiency program in 2012, will serve as a platform for providing the services described above as it already receives funding under the CPUC's Energy Efficiency Program and is active in current CPUC proceedings designed to accelerate the implementation of local DERs.

Economic Development

The fourth consequence of LACCE will be significant economic development. So far, the analyses contained in this Plan focused on the direct effects of forming LACCE. However, in addition to these direct effects, the formation of LACCE will create indirect economic effects. These include increased local investments, increased disposable income due to bill savings, and improved environmental and health conditions.

Exhibit ES-3 shows the economic impact resulting from \$20 million in electric bill savings across the County. The \$20 million rate savings represents the estimated bill savings per year achievable by LACCE once Phase 3 operations begin. Based upon a macroeconomic input/output model employed for this Plan, it is estimated that these savings will create approximately 211 additional jobs in the County and over \$9.6 million in labor income. It is also estimated that the total value added will be approximately \$15.9 million and output close to \$24.2 million.

Exhibit ES-3 \$20 Million Rate Savings Effects on County Economy				
Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	98.3	\$3,674,939	\$5,376,863	\$7,099,612
Indirect Effect	10.4	\$608,838	\$1,057,593	\$1,677,591
Induced Effect	102.1	\$5,319,262	\$9,472,599	\$15,391,851
Total Effect	210.7	\$9,603,040	\$15,907,056	\$24,169,054

In addition to increased economic activity due to electric bill savings, potential local projects can also create job and economic growth within the County. As an example of the macroeconomic activity caused by local DER deployment, this Plan assumes the installation of 50 crystalline silicon, fixed mount solar systems with nameplate capacities of 1 MW each for a total capacity of 50 MW. Overall, the building of a 50 MW solar project is projected to create \$87 million in earnings and \$188 million in output (GDP) in the local economy along with 1,636 jobs during construction and 14 full-time jobs ongoing. It is anticipated that LACCE will ultimately install a number of larger local solar projects such as the one described. LACCE will need between 2,000 – 3,000 MW of solar at build-out. As such, the total economic benefit of LACCE's renewable resource could be 40 – 60 times those estimated above. Local clean projects development under LACCE may serve as a platform for accelerating local hiring programs and job training programs for underserved labor sectors and communities.

Green House Gas Impacts

The fifth consequence of forming LACCE will be significant environment benefits. The share of renewable power in SCE's power supply portfolio is currently 28 percent¹ and is scheduled to shift to 33 percent by 2020. LACCE is committed to reductions in greenhouse gas emissions. If LACCE achieves its 50 percent RPS target at start-up, GHG emissions reductions attributable to LACCE operations in 2019 will range from 289,080 to 505,890 tons CO₂ equivalent (CO₂e) per year relative to SCE's projected resource mix over the same period. Exhibit ES-4 details these reductions.

Exhibit ES-4 Baseline Comparison of GHG Reduction by LACCE			
	2017	2018	2019
Forecast Renewables (50% Renewables)			
LACCE (MWH) – Phase 2	1,438,275	1,459,854	1,459,854
LACCE RPS (MWH) – Phase 2	730,029	737,154	737,154
Additional Green Power (MWH)	708,246	722,700	722,700
CO ₂ reduction – Low (Metric Tons of CO ₂ e)	283,298	289,080	289,080
CO ₂ reduction – High (Metric tons of CO ₂ e)	495,772	505,890	505,890

¹ http://www.cpuc.ca.gov/RPS_Homepage/

These reductions in GHG emissions associated with LACCE operations are significant. Assuming only Phase 2 loads (all unincorporated County loads) are being met by LACCE, CO₂e emissions associated with in-County electricity use will be reduced by 1-2 percent. At full Phase 3 build-out, CO₂ emissions associated with in-County electricity use will be reduced roughly 12-25 percent by LACCE operations.

Summary

This Plan concludes that the formation of a CCA in Los Angeles County is financially prudent and will yield considerable benefits for the County's residents and businesses. These benefits include at least a 4 percent lower rate for electricity than is charged by SCE and roughly twice the amount of renewable resource deployment. With the achievement of Phase 2 operations, LACCE will reduce GHG emissions by as much as 500,000 tons of CO₂e per year, add hundreds of jobs, generate over \$24 million in additional GDP, and give the County and its residents local control over their power supply and distributed energy resource programs. At full build-out (Phase 3), LACCE will reduce in-County generation-related greenhouse gases by as much as 25 percent and total GHGs in the County by 6%. Finally, there is no reasonable set of risk-related circumstances that will result in LACCE's rates being higher than SCE's rates for comparable products.

Introduction

Background

California's legislature passed AB 117 in 2002 (amended in 2011 by SB 790) allowing all Cities, Counties, or groups of Cities and Counties to provide electric service to customers currently served by Investor-Owned Utilities (IOUs). Community Choice Aggregation (CCA) is the legislative organization empowered to provide this service. A CCA is a customer opt-out program where the CCA provides power supply and behind the meter services, and the incumbent IOU provides transmission and distribution (wires) service. This legislation states that CCA will enable California to experience more competitive electricity rates, a more renewable power supply mix, and growth in local resources and associated economic activity. Currently, there are five CCAs operating in California and these utilities offer competitive rates for power supply that have a higher percentage of renewable resources. They have also proven to promote local economic activity and their associated benefits.

Several other California Cities and Counties are currently evaluating the feasibility of CCA formation within their jurisdictions. This information can be found in Appendix A.

There are several potential benefits of the CCA model in addition to competitive rates. Other benefits include local control over energy resources selection including renewable local projects, energy efficiency and a reduction in greenhouse gases (GHG). In addition, CCAs can minimize power supply rates and maximize renewable energy utilization with the attendant local jobs in the local community.

Objective

This Business Plan (Plan) evaluates the feasibility of forming a CCA within the County of Los Angeles (County) named the Los Angeles Community Choice Energy (LACCE). The proposed CCA will provide power supply and behind the meter services, and Southern California Edison (SCE) will provide transmission and distribution (wires) services. This Plan estimates LACCE's power supply costs, administrative costs, electric loads, and future retail rates for the proposed LACCE and incumbent Investor-Owned Utility (IOU), Southern California Edison (SCE). These forecast rates are compared to determine if the proposed LACCE can offer competitive rates, better products and superior customer service. A sound financial and operational foundation for LACCE must be achievable before the other desirable attributes of a CCA can be enjoyed.

LACCE Description

LACCE, as proposed, may include the unincorporated areas of the County and a number of Cities within the County. Unincorporated County average annual energy use is 440 aMW with a 900 MW peak while the total Plan area average annual energy use is estimated at 3,000 aMW with a 7,000 MW peak. Energy consumption for the entire LACCE area equals more than 30 percent of SCE's current retail loads.

For this Plan, it is assumed that service will be offered to customers in three phases. Phase 1 will include the County's own facilities residing within the unincorporated County areas. In Phase 2, all customers located in the unincorporated County will be included into LACCE. Finally, service to customers from the Cities within the County will begin under Phase 3 and after LACCE is completely operational. However, Cities that are ready to participate early will be eligible under Phases 1 and 2. Exhibit 1 summarizes this phased approach to starting LACCE and the amount of load attendant with each phase.

Exhibit 1 Participation Schedule						
Phase	Start	Eligibility	Customer Accounts	Peak Load (MW)	Average Load (MWa)	LACCE Annual Revenues
Phase 1	January 2017	LA County Facilities within Unincorporated Area	1,728	40	20	\$25M
Phase 2	July 2017	All Customers in Unincorporated LA County	306,930	900	440	\$180M
Phase 3	To Be Determined	All Individual Cities	1,497,747	7,000	3,000	\$1,200M

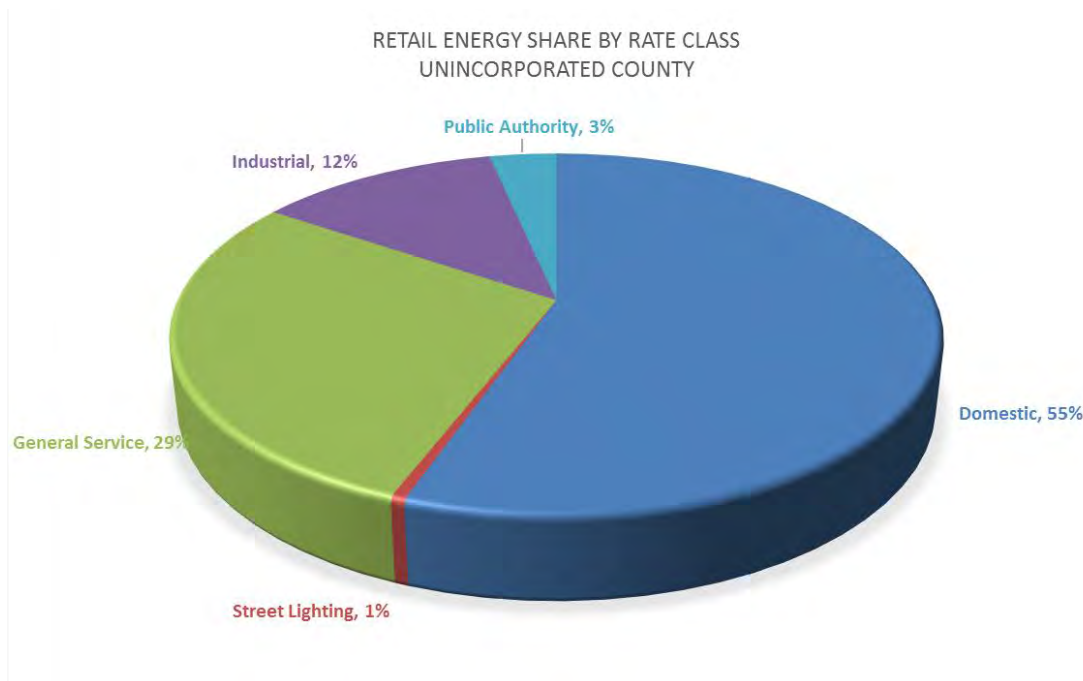
Customer Participation Schedule

Depending on the interest from Cities located in the County, Phase 1 and Phase 2 may include customers from individual Cities; however, because of the number of Cities and the size of their associated loads, a phasing strategy is assumed for this Plan. This phasing strategy enables LACCE to address any start-up and operational issues before full scale operations are undertaken. In addition, this strategy will allow LACCE's third party electricity suppliers, scheduling agents and data managers to ramp up their activities over several months.

Because it is not yet clear when Cities will join LACCE, this Plan explores the feasibility of only the first two phases. It is anticipated that the results of this Plan are scalable as additional Cities join LACCE. However, a few of the key statistics and benefits that LACCE provides have also been noted under full-scale participation of Phase 3. Additional load from other Cities will increase LACCE's revenues and lower overall rates.

By the end of Phase 2, LACCE is projected to serve a potential of over 300,000 retail customers and have annual electricity sales potential of over 3,800 GWh. Annual LACCE revenues at Phase 2 build-out are projected to be \$180 million. At full build-out for the entire County, gross revenues of \$1.2 billion are forecast. The breakdown of projected sales in Phase 2 by major customer class is shown in the following Exhibit 2.

Exhibit 2
Retail Energy Share by Rate Class



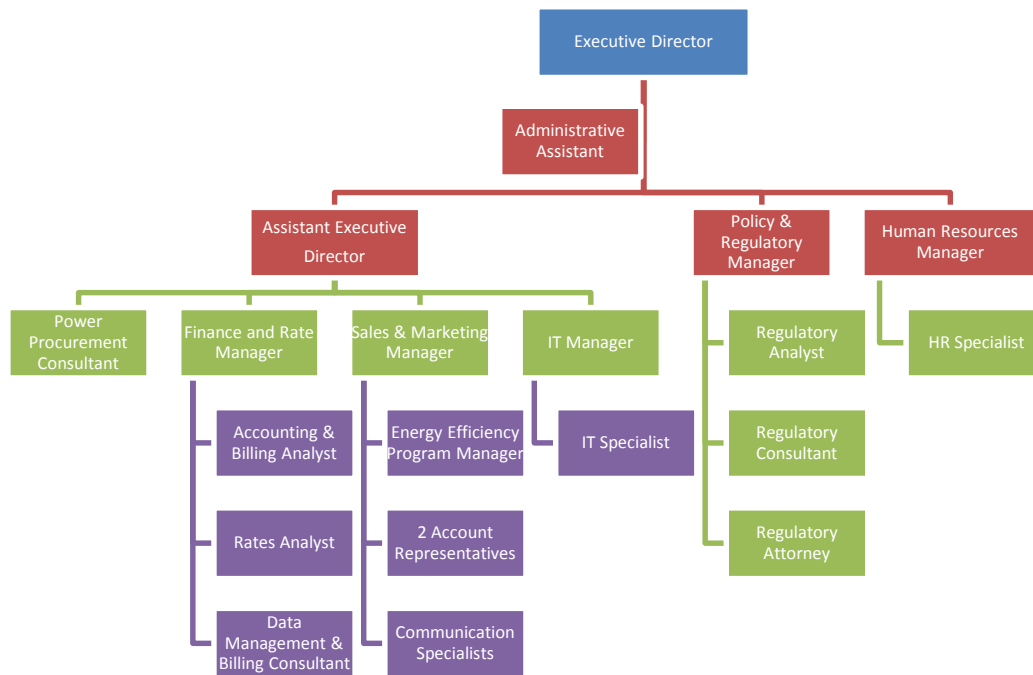
Summary of LACCE's Proposed Governance and Operations

In the future, LACCE will likely be operated under the terms of a Joint Powers Agreement (JPA), which will promote, develop, and conduct electricity-related projects and programs for the County's residences and businesses. The JPA agreement will dictate the governance provisions of LACCE. A description of LACCE operations and governance is described below.

LACCE activities will be overseen by the JPA's Board of Directors (Board). This Board will have primary responsibility for managing all aspects of LACCE programs. Operations of LACCE programs will be the responsibility of an Executive Director, appointed by LACCE's Board. The Executive Director will manage staff, contractors and third party providers, in accordance with the general policies established by the Board. LACCE has responsibilities over the functional areas of Finance, Legal/Regulatory, and Operations. LACCE will utilize a combination of internal staff and contractors. Certain specialized functions are needed within LACCE operations, namely those of electric supply and customer billing management.

If LACCE transitions most of its administrative and operational responsibilities to internally staffed positions sometime during Phase 2 operations, LACCE will have a full time staff of approximately 15 – 20 employees to perform its responsibilities, primarily related to program and contract management, legal and regulatory, finance and accounting, energy efficiency, marketing and customer service. Technical functions associated with managing and scheduling power suppliers and those related to retail customer billings will likely be performed by an experienced third party contractor. The proposed organization chart for LACCE is provided below.

Exhibit 3
Organization Chart



It is estimated that LACCE will need a bridge loan of roughly \$10 million to initiate LACCE and provide the working capital needed in Phase 1. Working capital requirements will increase to approximately \$40 million for Phase 2. Options for acquiring this funding are described later in the Plan.

Plan Methodology

This Plan evaluates the cost and resulting rates of operating LACCE and compares these rates to a SCE rate forecast. This pro forma 20-year feasibility analysis models the following cost components:

- **Power Supply Costs:**
 - Wholesale purchase
 - Renewable purchases
 - Procurement of resource adequacy capacity
 - Other power supply and charges
- **Non-Power Supply Costs:**
 - Start-up costs
 - LACCE staffing and administration costs
 - Consulting support
 - SCE and regulatory charges
 - Financing costs

- Pass-Through Charges from SCE:
 - Transmission and distribution charges
 - Power Cost Indifference Adjustment (PCIA) Charge
 - Other SCE non-bypassable charges

The modeled information above is used to determine the retail rates for LACCE. LACCE rates are then compared to the SCE projected rates for LACCE service area.

Plan Uncertainties

The results of this Plan are subject to uncertainties. These uncertainties are evaluated in the Plan's sensitivity analysis. The list below provides a discussion of the key uncertainties of this Plan.

- Market Price Forecasts – Market prices (and forecasts) are continually changing. The market price forecasts for electricity and natural gas utilized in this Plan are based on the best currently available information regarding future natural gas and electricity prices, and have been confirmed by recent wholesale power transactions in southern California. These types of forecasts vary over time. Thus, a range of market price forecasts are evaluated in the Plan's sensitivity analysis.
- Rate Forecasts – The Plan forecasts both LACCE and SCE rates over a 20-year study period. These forecasts are based on current information regarding inflation and other cost drivers. Unexpected impacts on rates are discussed in more detail in the Plan's sensitivity analysis.
- Forecasted Load and Customer Growth – The Plan bases the load forecasts on customer growth. Each of these forecasts includes a level of uncertainty. To illustrate the load uncertainty, low, medium, and high load forecasts are developed for the Plan's sensitivity analysis.
- Regulatory Risks – Unforeseen changes in legislation (California Public Utility Commission, State legislation and Federal Energy Regulatory Commission) may impact the results of this Plan. Sensitivities on these risks are also provided.

This sensitivity analysis shows that LACCE rate could be greater than SCE rates if:

- The PCIA becomes larger by orders of magnitude
- LACCE loads are much less than forecast
- Wholesale market prices are much less than current experience

Each of these three scenarios has a low risk of actually occurring. For example, wholesale market prices for natural gas/electricity are at all-time lows. The probability of any significant further lowering of these prices is judged to be very small. The PCIA level should be fairly stable going forward as regulatory remedies are in play to stabilize the PCIA. Additionally, the CCA vigilance in this area has increased markedly. A relatively high customer opt-out percentage has been assumed in this Plan as compared to those experienced by operating CCAs. It is very unlikely LACCE loads will not meet or exceed those assumed in the Plan. Finally, the California legislature promulgates energy legislation with some regularity. Most recently, SB 350 was passed which requires periodic filings by all utilities to document their respective power procurement strategies and requires all utilities to procure a large amount of power with contract terms greater than 10 years. While these

new requirements may be viewed as overly prescriptive, they apply to all utilities and should not affect the relative competitiveness of LACCE vis-à-vis SCE.

Plan Organization

This Plan is organized into the following main sections:

- Load Requirements
- Power Supply Strategy and Costs
- LACCE Cost of Service
- Products, Services, Rates Comparison and Environmental/Economic Considerations
- Sensitivity Analysis
- Summary and Recommendations

These Appendices are referenced throughout the balance of this Plan.

Load Requirements

Rates paid by LACCE customers will vary depending on load levels, power supply mix, power purchase strategy, stranded costs estimated via SCE's Power Cost Indifference Adjustment (PCIA), and ultimately LACCE's implementation strategy. This section of the Plan provides an overview of the forecast LACCE load levels. The other key areas noted above will be detailed in the remaining sections of the Plan.

LACCE JPA Membership Participation Rates

For the purpose of this Plan, it has been assumed that the development of LACCE will occur using a three-phase implementation structure. Phase 1 will include the County's own facilities within the unincorporated County. Phase 2 will enroll all customers in the unincorporated County, while Phase 3 opens enrollment to all interested Cities within the County. Because the timing of Phase 3 is uncertain, this Plan examines the feasibility of a LACCE covering only unincorporated LA County (Phases 1 and 2). However, individual Cities could participate in LACCE starting in Phase 1 or Phase 2, if desired. This will require notification to LACCE of a City wishing to join that is early enough for proper power supply and data management issues to be resolved.

Exhibit 4 summarizes this phased approach to starting LACCE and the amount of load attendant with each phase.

Exhibit 4 Implementation Schedule						
Phase	Start	Eligibility	Customer Accounts	Peak Load (MW)	Average Load (MWa)	LACCE Annual Revenues
Phase 1	January 2017	LA County Facilities within Unincorporated Area	1,728	40	20	\$25M
Phase 2	July 2017	All Customers in Unincorporated LA County	306,930	900	440	\$180M
Phase 3	To Be Determined	All Individual Cities	1,497,747	7,000	3,000	\$1,200M

LACCE Customer Participation Rates

Before customers are served by LACCE, they will receive two notices from LACCE that will provide information needed to understand the terms and conditions of service from LACCE and explain how customers can opt-out, if desired. These notices will be provided 60 and 30 days before CCA launch. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled into LACCE. Customers automatically enrolled will continue to have their electric meters read and will be billed for electric service by SCE. LACCE bill processed by SCE will show separate charges for power supply procured by LACCE, all other charges related to delivery of the electricity and other utility charges that will continue to be assessed.

Subsequent to commencement of service, customers will be given two additional opportunities to opt-out and return to SCE at 60 and 30 days after LACCE's launch. Customers that opt-out between the initial switchover date and the close of the post enrollment opt-out period will be responsible for LACCE charges for the time they are served by LACCE but will not otherwise be subject to any charges for leaving LACCE. Customers that have not opted-out within sixty days of switchover to LACCE service will be deemed to have elected to become a participant in LACCE.

This Plan anticipates an overall customer participation rate of 100 percent during Phase 1, as service is being offered to County facilities. For Phase 2, it is assumed that approximately 75 percent of residential customers and 65 percent of non-residential customers will remain with LACCE. These opt-out assumptions are conservative estimates when compared to participation rates in other CCAs. For operating CCAs in California, roughly 85 percent of the applicable customers have stayed with the CCA. A sensitivity analysis is performed around this retail customer participation rate assumption to illustrate the impact on LACCE rates of higher and lower participation rates.

Historical Consumption

SCE provided historical customer consumption and data for the County areas served by SCE. This SCE data included non-coincident and coincident peak demands for the different rate classes plus monthly kWh energy consumption. This data included information from all 82 CCA-eligible Cities within the County plus the County's unincorporated areas. These data inputs provided the basis for LACCE load forecasts. Exhibit 5 summarizes the rate schedules included in the SCE-provided data.

Exhibit 5 Rate Schedules Included in SCE Load Data		
Rate Class	Included Rate Schedules	Rate Schedule Description
Residential	DOM-S/M	Domestic Service – Single-Family Dwelling or individually metered Single-Family Dwelling in a Multifamily Accommodation
	DOM-M/M	Domestic Service – Multifamily Accommodation – Residential Hotel – Qualifying RV Park
	DOM-S/M-CARE	Domestic Service – California Alternate Rates
Small General Service	TOU-GS-1	Time-of-Use – General Service (< 20 kW)
Medium General Service	TOU-GS-2	Time-of-Use – General Service – Demand Metered (20 – 200 kW)
Large General Service	TOU-GS-3	Time-of-Use – General Service – Demand Metered (200 – 500 kW)
Industrial/Large Power	TOU-8-PRI	Time-of-Use – General Service – Large – Primary Transmission
	TOU-8-SEC	Time-of-Use – General Service – Large – Secondary Transmission
	TOU-8-SUB	Time-of-Use – General Service – Large - Subtransmission
Small/Medium Agricultural and Pumping	TOU-PA-2	Time-of-Use – Agricultural & Pumping – Small to Medium
Large Agricultural and Pumping	TOU-PA-3	Time-of-Use – Agricultural & Pumping – Large
Street Lighting	LS-1	Street and Highway Lighting – Unmetered Service – Company-Owned
Traffic Control	TC-1	Traffic Control Service

Based on this data, there are 1,497,747 SCE electric customers within the County served by SCE. Annual energy consumption for all of these customers was 26,290 GWh. Bundled customers (full service) make up over 99 percent of total customer accounts and comprise approximately 86 percent of the total energy use. Direct access customers account for only 0.7 percent of customers, but use nearly 16 percent of the annual energy. Exhibit 6 summarizes historic energy consumption and customer accounts for SCE customers within the County.

Exhibit 6 Summary of Load Data by Customer Type				
Customer Category	Customer Accounts	Customer Accounts (% of total)	Annual Energy Use (MWh)	Energy Use (% of total)
SCE - Bundled Customers	1,497,747	99.3%	26,290,996	85.5%
Direct Access Customers	10,588	0.7%	4,465,290	14.5%
Total	1,508,335	100.0%	30,756,286	100.0%

Direct access customers purchase their power supply and other services from an electric service provider (ESP), rather than the incumbent utility. In California, eligibility for DA enrollment is currently limited to retail non-residential customers and enrollment is based on an annual lottery.² Customers classified as taking service under direct access arrangements were not included in this Plan, as it is assumed that these customers will remain with their current ESPs. Exhibit 7 shows consumption and customer counts by rate class for SCE's bundled customers in the County.

Exhibit 7 Summary of Bundled Load Data by Rate Class				
Rate Class	Customer Accounts	Customer Accounts (% of total)	Annual Energy Use (MWh)	Energy Use (% of total)
Residential	1,242,505	83%	7,721,755	29.0%
Small General Service	200,197	13%	2,368,901	9.0%
Medium General Service	35,591	2%	5,344,593	20.0%
Large General Service	2,630	0.2%	2,656,395	10.0%
Industrial/Large Power	1,112	0.1%	7,372,587	28.0%
Small/Medium Agricultural and Pumping	2,098	0.1%	289,617	1.1%
Large Agricultural and Pumping	226	0.02%	215,097	0.8%
Street Lighting	8,195	0.5%	300,571	1.1%
Traffic Control	5,193	0.3%	21,290	0.1%
Total	1,497,747	100.0%	26,290,996	100.0%

Customers located in CCA-eligible Cities within the County account for approximately 80 percent of SCE customers and 85 percent of annual energy usage in all of the County. Potential customers and energy consumption by location are shown in Exhibit 8.

² S.B. 286 (CA, 2015-2016 Reg. Sess.)

Exhibit 8
Summary of Bundled Load Data by Location

Location within LA County	Customer Accounts	Customer Accounts (% of total)	Annual Energy Use (MWh)	Energy Use (% of total)
Cities	1,190,816	80%	22,448,984	85%
Unincorporated	306,930	20%	3,841,822	15%
Total County	1,497,747	100%	26,290,996	100%

In addition to the SCE consumption data, SCE provided annual consumption, annual revenue and annual peak demands for County-owned buildings served by SCE. Exhibit 8 summarizes the energy consumption and customer counts for County facilities located in the Cities and unincorporated areas of the County. This data provides the basis for Phase 1 of LACCE's Implementation Plan. Exhibit 9 shows that there are 3,358 total eligible County facilities in the County and these customers use approximately 472,892 MWh of energy per year. The number of County accounts are distributed nearly equally between Cities and unincorporated County areas, yet County buildings in Cities account for over two thirds of annual County electrical consumption.

Exhibit 9
Summary of LA County Facility Load Data by Location

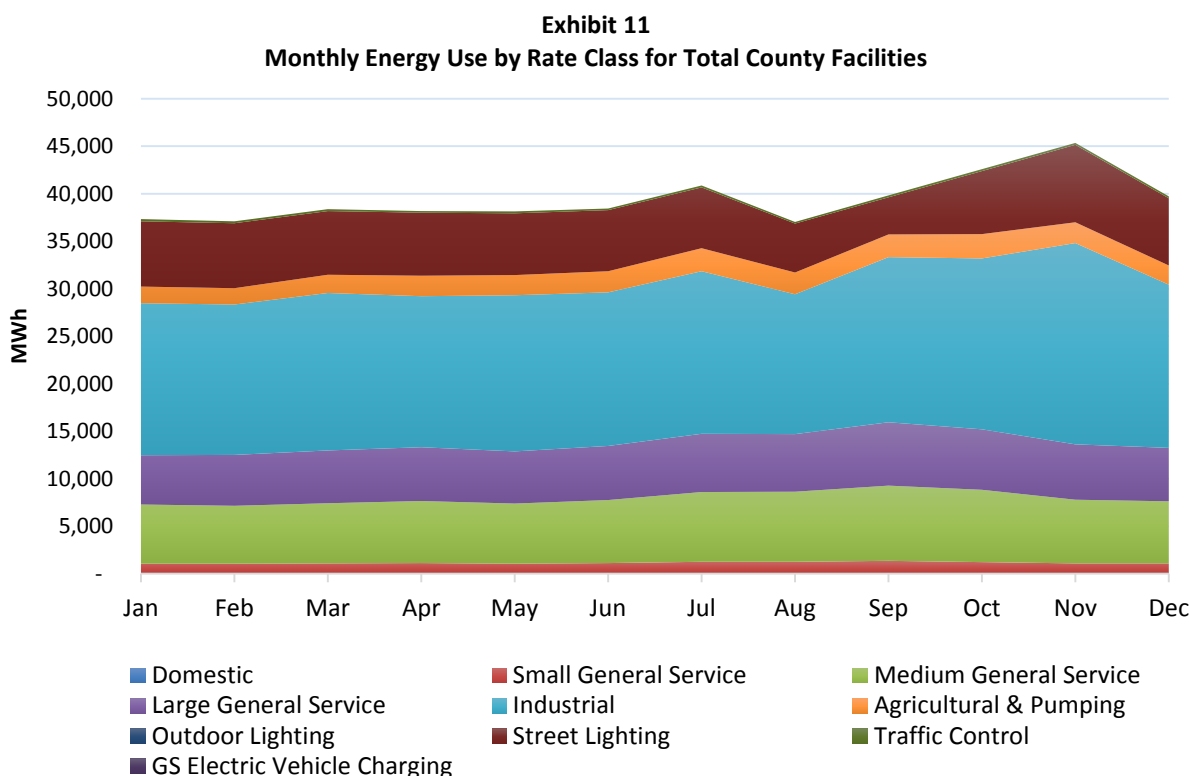
Location	Customer Accounts	Customer Accounts (% of total)	Annual Energy Use (MWh)	Energy Use (% of total)
Cities	1,630	49%	298,027	63%
Unincorporated	1,728	51%	174,865	37%
Total	3,358	100%	472,892	100%

Exhibit 10 shows energy consumption and customer distribution by rate class for all County-owned facilities. General service customers account for over half of the County customers (55 percent) and 35 percent of County loads.

Exhibit 10
Summary of LA County Facility Load Data by Rate Schedule

Rate Class	Customer Accounts	Customer Accounts (% of total)	Annual Energy Use (MWh)	Energy Use (% of total)
Domestic	71	2%	359	< 1%
Small General Service	1,361	41%	13,428	3%
Medium General Service	432	13%	81,666	17%
Large General Service	63	2%	69,606	15%
Industrial	30	1%	202,514	43%
Agricultural & Pumping	202	< 1%	25,650	5%
Outdoor Lighting	11	< 1%	20	< 1%
Street Lighting	340	10%	77,358	16%
Traffic Control	847	25%	2,290	< 1%
General Service Electric Vehicle Charging	1	< 1%	0.2	< 1%
Total	3,358	100%	472,892	100%

Since the County facilities data included annual totals only, assumptions were made to estimate monthly energy and monthly peak demands. Load profiles have been created, based on monthly loads for each rate schedule, from SCE-provided data. Load profiles were assigned to County facilities based on rate schedule. The resulting monthly energy distribution is illustrated in Exhibit 11. Monthly energy and customer estimates, by rate class and facility location, were used to adjust SCE data to avoid double-counting customers and energy when developing load forecasts.



Forecast Consumption and Customers

Upon enrollment of customers in each of LACCE's implementation phases, customers will be switched over to service with LACCE on their next regularly scheduled meter read date. Forecast loads are needed to estimate LACCE revenue and power supply costs. A range of load forecasts have been developed at the rate class level for each phase of LACCE's operations.

Average energy use per customer for residential and general service customers has been normalized to remove any abnormal weather impacts from the historic energy data. Going forward, projections for customers enrolled in LACCE and retail energy consumption have been forecast to increase at 1.5 percent per year. This forecast is based on the mid-case electricity demand forecasts for the SCE planning area, as reported to the California Energy Commission (CEC).³ Hourly electric

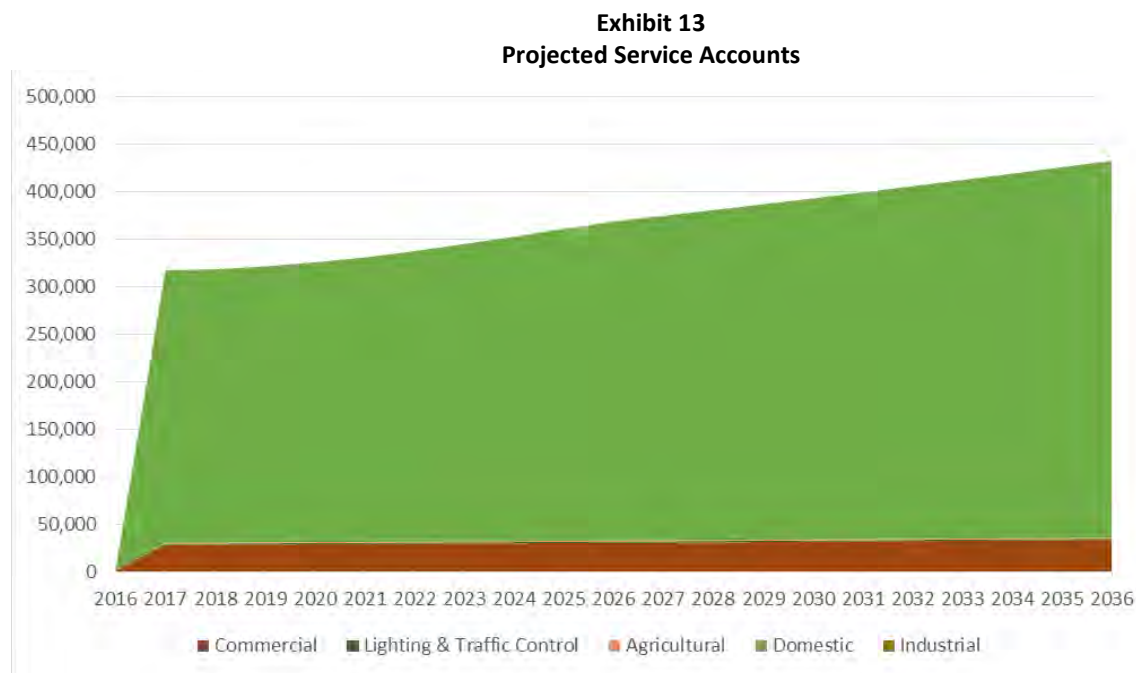
³ Southern California Edison. *California Energy Demand 2015 Revised - Mid Demand Case*. December 2015. Sacramento, CA: California Energy Commission.

consumption and peak demands have been estimated based on SCE's hourly load profiles for each customer classification.

The number of accounts served by LACCE at the beginning of each phase is shown in Exhibit 12.

Exhibit 12 Projected Customer Enrollments		
Program Customers	Phase 1	Phase 2
Domestic	43	286,656
Commercial	925	27,902
Industrial	10	135
Street Lighting & Traffic	686	1,288
Ag & Pump	64	986
Total	1,728	306,903

The forecast of service accounts (customers) served by LACCE for each of the next ten years is shown in Exhibit 13, which reflects an estimated annual growth of 1.5 percent and excludes other Cities.



The LACCE forecast of kWh sales reflects the roll-out and customer enrollment schedule shown above. The annual electricity needed to serve LACCE retail customers increases from just over 50 GWh in the first year to over 3,134 GWh by 2025. Annual energy requirements are shown below in Exhibit 14.

Exhibit 14
Projected Annual Energy Requirements

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Retail Sales (MWh)	1,646,785	2,873,075	2,894,927	2,921,864	2,952,194	2,995,937	3,040,110	3,085,547	3,134,997
Losses (MWh)	105,353	198,565	200,173	202,091	204,226	207,276	210,312	213,442	216,846
Total Load Requirements (MWh)	1,752,137	3,071,640	3,095,099	3,123,954	3,156,421	3,203,213	3,250,422	3,298,989	3,351,843

Renewable Resource Requirement

In addition to estimating the potential retail loads and customers, current legislation requires that a certain percent of annual retail electric sales be supplied from qualified renewable energy resources.

SBX1-2 passed in April, 2011 established a 33 percent Renewable Portfolio Standard (RPS) requirement by 2020 with certain procurement targets prior to 2020. SBX1-2 also defined three types of renewable categories (or Buckets) that can be used to meet the RPS target.

Bucket 1 – Renewable resources located in California or out-of-state renewable resources that can meet strict scheduling requirement ensuring deliverability into California. According to SBX1 2 there are no limits on Bucket 1 renewable resources.

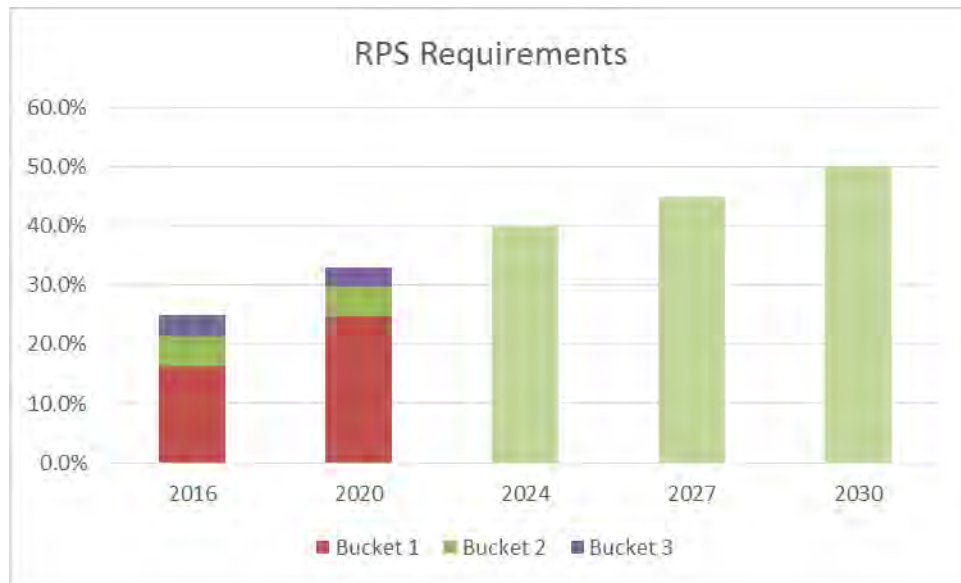
Bucket 2 – Bucket 2 renewable resources are firmed or shaped renewable resources not necessarily delivered to California, but an equivalent amount of energy is delivered from a different non-renewable resource and then bundled with Renewable Energy Certificates (RECs). Bucket 2 resources are limited to annual maximum of 20 percent of total RPS procurement through 2016 and 15 percent through 2020.

Bucket 3 – Bucket 3 consists of unbundled Renewable Energy Certificates (RECs) which are separated from the actual electric energy. Bucket 3 resources are limited to an annual maximum of 15 percent of total RPS procurement through 2016 and 10 percent through 2020.

In addition, SB350 increased the RPS requirement to 50 percent by 2030. At this time, the amount of REC's that can be used to meet the 50 percent RPS requirement has not been finalized.

Exhibit 15 provides an overview of the RPS requirements until 2030.

Exhibit 15
California RPS Requirements as a Percent of Total Power Supply



LACCE's Plan has been developed assuming LACCE will meet a 50 percent RPS target as soon as possible through contracts, distributed generation and local resources.

LACCE will exceed SCE's renewable energy percentage from the first day of its operations when it meets its 50 percent goal. LACCE will therefore significantly exceed the minimum RPS requirements and significantly exceed the renewable power share provided by SCE.

Resource Adequacy Requirements

In addition to determining the renewable resource requirement, LACCE will also need to demonstrate it has sufficient physical power supply capacity to meet its projected peak demand plus a 15 percent planning reserve margin. This requirement is in accordance with resource adequacy regulation administered by the CPUC and the California Energy Commission (CEC).

The CPUC's resource adequacy standards applicable to LACCE require a demonstration one year in advance that LACCE has secured physical capacity for 90 percent of its projected peak demand for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, LACCE must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

The Plan's load forecast estimates capacity needs, including resource capacity requirements, to be used for the power supply cost forecasting.

Power Supply Strategy and Costs

This section of the Plan provides a discussion of the power supply resource cost forecasts, potential power supply strategies that could be implemented by LACCE and provides portfolio pricing based on the loads projected for LACCE.

LACCE will be charged with developing both short (one and two-year) and long-term (five to twenty years) resource plans. LACCE will develop the resource plan under the guidance provided by the Joint Power Agency (JPA), in compliance with California law, and other requirements of California regulatory bodies (CPUC and CEC).

Long-term resource planning includes load forecasting and supply planning on a 10- to 20-year time horizon. LACCE's planners will develop integrated resource plans that meet their supply objectives and balance cost, risk, and environmental considerations. Integrated resource planning considers demand side energy efficiency and demand response programs as well as traditional supply options. LACCE will require a planning function even if the day-to-day supply operations are contracted to third parties. This will ensure that local preferences regarding the future composition of supply and demand resources are planned for, developed and implemented.

Resource Strategy

LACCE should seek to maximize the use of local, cost-effective renewable generation resources in its resource plan. The ability to invest capital in power supply and demand-side resources using tax-exempt financing is an important factor in LACCE's ability to increase the use of renewable energy while offering rates that are competitive with SCE. Power purchases from renewable and non-renewable resources will supply the remaining majority of the resource mix. LACCE's electric portfolio will be managed by a third party electric supplier, at least during the initial implementation period. Through a power services agreement, LACCE will obtain full service requirements electricity for its customers, including providing for all electric, ancillary services and the scheduling arrangements necessary to provide delivered electricity.

Resource Costs

For this Plan, individual resource costs are estimated and other energy providers based on current market condition, recent power supply contracts for renewable energy as well as a review of the applicable regulatory requirements.

Market Purchases

Natural gas-fired power plants are typically the marginal power supply resource that sets the electricity market price in southern California and elsewhere in the Western Energy Coordinating Council (WECC) footprint. WECC guides power supply resources west of the Rocky Mountains. As the market price of electricity is usually set by the cost of the marginal unit, a wholesale market price forecast has been developed using a forecast of natural gas prices and the projected relationship between gas price and electricity price (also defined as market-implied heat rates or

spark spreads). The projected market-implied heat rates reflect the average efficiency of gas-fired power plants in California. Projected heat rates are based on historic market-implied heat rates which are calculated by dividing historic southern California (SP15) wholesale market prices by historic southern California natural gas prices. A natural gas price forecast has been developed based on NYMEX forward gas prices for the Henry Hub trading hub and southern California basis differentials. Projected market heat rates have then been applied to the southern California natural gas price forecast to calculate a wholesale electric market price forecast for southern California.

The following steps have been taken to produce the wholesale electric market price forecast:

1. Forward prices for natural gas at Henry Hub are available through June 2025. A 3.5 percent annual growth rate is assumed after June 2025.
2. The southern California basis differential is used to adjust the Henry Hub forward prices to southern California prices. Southern California forward natural gas prices are equal to NYMEX forward prices (Henry Hub) plus the southern California basis. The southern California basis forward curve is available through December 2020. After December 2020, the monthly southern California basis is assumed to increase at 4 percent.
3. Projected monthly market-implied heat rates are multiplied by forecast southern California natural gas prices to calculate forecast southern California wholesale market prices.
4. Projected heat rates are based on historic heat rates (southern California wholesale electricity prices divided by SoCal natural gas prices).
5. Monthly market-implied heat rates are held constant in all years.
6. Forecast southern California prices are benchmarked against other market price forecasts.

Based on the methodology detailed above, southern California wholesale market prices are projected to escalate annually at an average rate of 3.9 percent over 2017 through 2036.

Exhibit 16 shows the forecast southern California natural gas prices.

Exhibit 16
Forecast SoCal Natural Gas Price (\$/MMBtu)

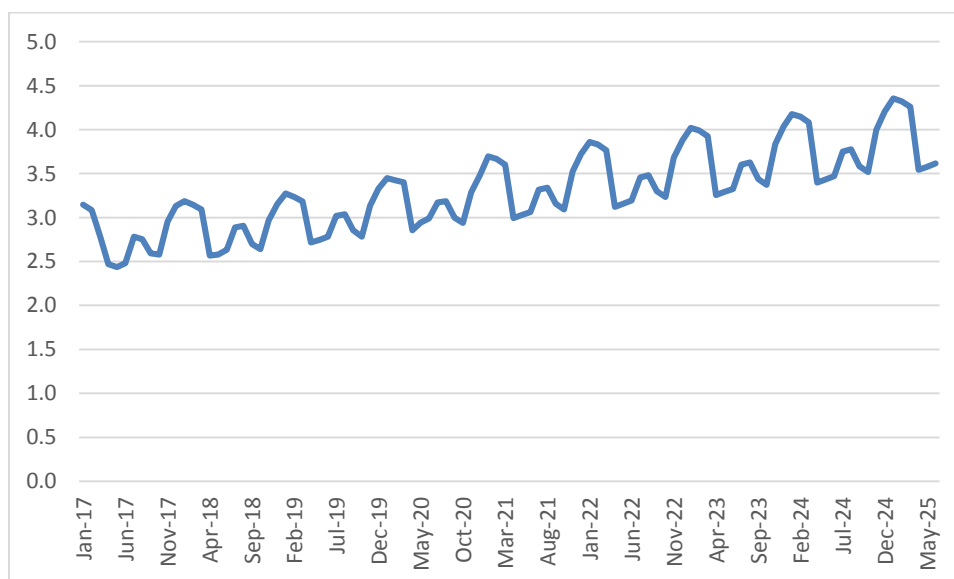
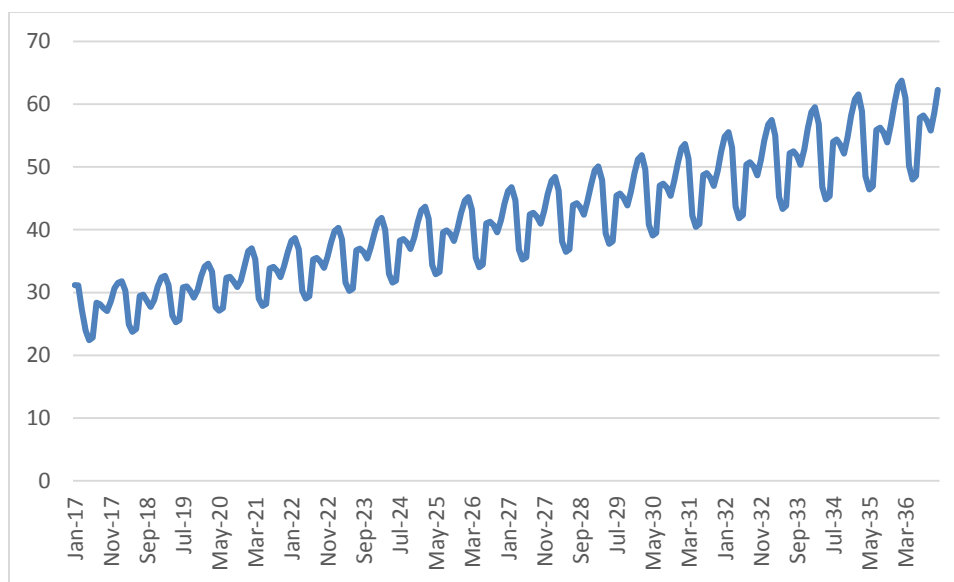


Exhibit 17 shows the resulting monthly southern California wholesale electric market price forecast. The levelized value of market prices over the study period is \$39.5/MWh (2016 \$) assuming a 4 percent discount rate.

Exhibit 17
Forecast Southern California Wholesale Market Prices (\$/MWh)



Wholesale power prices have been used to calculate balancing market purchases and sales. When LACCE's loads are greater than its resource capabilities, LACCE's scheduling agent will schedule balancing purchases and LACCE will incur balancing market purchase costs. When LACCE's loads are less than its resource capabilities, LACCE's scheduling agent will transact balancing sales and LACCE will receive market sales revenue. Balancing market purchases and sales can be transacted on a monthly, daily and hourly pre-schedule basis.

Renewable Energy

The wholesale market prices shown above are for "brown" power (i.e., this product does not come with any renewable energy credit (REC) attributes). The costs of renewable resources vary greatly. Wind and solar levelized project costs vary from \$35 to \$60/MWh. Geothermal project costs can vary from \$70 to \$100/MWh. The availability of off-shore wind and ocean power in the marketplace is fairly minimal and, as such, these resources were not included in the assessment of renewable energy market prices.

Based on a survey of renewable resources currently in operation and new projects coming on-line, a base case renewable energy market price of \$42/MWh has been determined. Renewable energy prices may increase in the future as the demand for renewable energy increases due to California's RPS. However, renewable prices are being driven down by solar project costs which have declined sharply over the past few years and are expected to continue to decrease over the next 10 to 20

years. Again, the renewable energy prices have been independently confirmed by current market tenders in southern California.

Projected power costs in this Plan are calculated using the base case renewable energy market price of \$42/MWh. The amount of renewable energy purchased will be assumed to be equal to the RPS requirements in the base case. A higher case of 50 and 100 percent renewable energy will also be considered later in this Plan. In the “100 percent renewables” case the renewable energy market price was increased to \$52/MWh. The \$42/MWh price was based on an assumption that renewable purchases would be served almost exclusively with the output from solar projects. In the “100 percent renewables” case a higher price was assumed in recognition that a more diverse, and therefore more expensive, renewable energy portfolio would be needed. As such, the \$52/MWh is a blend of projected solar, geothermal and wind project costs. This is a conservative assumption as 100 percent solar power procurement is likely an achievable objective for LACCE.

Renewable Energy Credits (RECs)

As noted earlier, California load serving entities must purchase renewable energy or attributes that meet certain eligibility requirements across three categories or buckets. Each of the buckets represents a different type of renewable energy and can be used to meet a specific percent of the total. The shares of each bucket also changes over time. The three buckets and the type of energy included in each bucket can be summarized as follows:

- Bucket 1: In-state renewable generation
- Bucket 2: Firmed and shaped renewable energy products from a generator that has its first point of interconnection with a California Balancing Authority (such as the CAISO)
- Bucket 3: Energy is not included with the RECs (also known as unbundled RECs)

Under the current guidelines, the amount of RECs procured through Buckets 1 and 2 is limited and decreases over time. Historically, the first bucket has been the most expensive type of energy to purchase and load serving entities were only procuring the minimum they need to meet the RPS requirement. However, with the decrease in solar project costs, Bucket 1 has become relatively less expensive (compared to Buckets 2 and 3).

RECs are not viewed as good for the development of new projects. In addition, the REC market is not as liquid as it once was. For the Plan’s base case, unbundled REC prices are assumed to increase from \$10/REC in 2017 to \$20 in 2036 (3.7 percent annual escalation). Due to the decline in solar project costs (to near \$40/MWh), the cost of unbundled RECs to meet RPS requirements and wholesale market purchases to meet load are negligible. Due to this shift in market dynamics, Bucket 3 RECs are no longer the least expensive option (as they were historically).

The Plan assumes that LACCE will not rely on REC purchases to meet RPS requirements. The REC market can, however, be used to balance RPS requirements with renewable energy acquisitions. If LACCE is short of RECs in a given compliance year, RECs could be purchased to meet the requirements. If the CCE is long on RECs in a given compliance year, surplus RECs could be sold.

Transmission

LACCE will pay the CAISO for transmission congestion and ancillary services. Transmission congestion occurs when there is insufficient capacity to meet the demands of all transmission customers. Congestion refers to a shortage of transmission capacity to supply a waiting market, and is marked by systems running at full capacity and still being unable to serve the needs of all customers. The transmission system is not allowed to run above its rated capacities. Congestion is managed by the CAISO by charging congestion charges in the day-ahead market. Congestion charges can be managed through the use of Congestion Revenue Rights (CRR). CRRs are financial instruments made available through a CRR allocation, a CRR auction, and a secondary registration system. CRR holders manage variability in congestion costs. The CCE's congestion charges will depend on the transmission paths used to bring resources to load. As such, the location of generating resources used to serve LACCE load will impact these congestion costs.

The Grid Management Charge (GMC) is the vehicle through which the CAISO recovers its administrative and capital costs from the entities that utilize the CAISO's services. LACCE's Grid Management Charges are expected to near \$0.5/MWh.

The CAISO performs annual studies to identify the minimum local resource capacity required in each local area to meet established reliability criteria. Load serving entities receive a proportional allocation of the minimum required local resource capacity by transmission access charge area, and submit resource adequacy plans to show that they have procured the necessary capacity. Depending on these results of the annual studies, there may be costs associated with local capacity requirements for LACCE.

Because generation is delivered as it is produced and, particularly with respect to renewables can be intermittent, deliveries need to be firmed using ancillary services to meet LACCE's load requirements. Ancillary services will need to be purchased from the CAISO. Regulation and operating reserves are described below.

- *Regulation Service:* Regulation service is necessary to provide for the continuous balancing of resources with load and for maintaining scheduled interconnection frequency at 60 cycles per second (60 Hertz). Regulation and frequency response service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load.
- *Operating Reserves - Spinning Reserve Service:* Spinning reserve service is needed to serve load immediately in the event of a system contingency. Spinning reserve service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service.
- *Operating Reserves – Non-Spinning Reserve Service:* Non-spinning reserve service is available within a short period of time to serve load in the event of a system contingency. Non-spinning reserve service may be provided by generating units that are on-line but not providing power, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service.

Based on a survey of ancillary service costs currently paid by CAISO participants, LACCE's ancillary service costs are estimated to be near \$5/MWh. The Plan's base case will assume the CCE's ancillary service costs are \$5/MWh in 2017, escalating by 1.5 percent annually thereafter. Serving a greater percentage of load with renewables will likely result in increased grid congestion and higher ancillary service costs. For this reason, the ancillary service costs have been increased in the 50 percent and 100 percent renewables cases included in this Plan. For the 50 percent renewables case, ancillary service costs are assumed to be \$5.5/MWh in 2017, escalating by 1.5 percent. For the 100 percent renewables case, ancillary service costs are assumed to be \$8/MWh in 2017, escalating by 2.5 percent.

Power Management/Scheduling Agent

Given the likely complexity of LACCE's resource portfolio, LACCE will want to rely on a reputable scheduling agent to economically manage LACCE's power purchases and wholesale market transactions. LACCE's resource portfolio will ultimately include market purchases, shares of some relatively large power supply projects, as well as shares of smaller, most likely renewable, resources with intermittent output. Managing a diverse resource portfolio with metered loads that will be heavily influenced by distributed generation will be one of the most important functions of LACCE. As such, LACCE needs a dependable, established scheduling agent with a proven track record in the industry. LACCE's scheduling agent will be one of its most important business partners.

LACCE should initially contract with a third party with the necessary experience (and balance sheet) to perform most of LACCE's portfolio operation requirements. This will include the procurement of energy and ancillary services, scheduling coordinator services, and day-ahead and real-time trading. Portfolio operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of LACCE customers.
- *Risk Management* – standard industry risk management techniques will be employed to reduce exposure to the volatility of energy markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop accurate load forecasts, both long term for resource planning, and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the CAISO.

LACCE should approve and adopt a set of protocols that will serve as the risk management tools for LACCE and any third party involved in LACCE portfolio operations. Protocols will define risk management policies and procedures, and a process for ensuring compliance throughout the organization. During the initial start-up period, the chosen full requirements electric suppliers will bear the majority of risks and be responsible for their management. Development of protocols can

take place during the first few months of LACCE operations to cover electricity procurement activities.

A scheduling agent provides day-ahead and real-time power and transmission scheduling services. Scheduling agents bear the responsibility for accurate and timely load forecasting and resource scheduling including wholesale power purchases and sales required to maintain hourly load/resource balances. A scheduling agent needs to provide the marketing expertise and analytical tools required to optimally dispatch LACCE's surplus resources on a monthly, daily and hourly basis.

Inside each hour, the CAISO Energy Imbalance Market (EIM) takes over load/resource balancing duties. The EIM automatically balances loads and resources every fifteen minutes and dispatches the least-cost resources every 5-minutes. The EIM allows balancing authorities to share reserves, and more reliably and efficiently integrate renewable resources across a larger geographic region.

Within an hour, metered energy (i.e. actual usage) may differ from supplied power due to hourly variations in resource output or unexpected load deviations. Deviations between metered energy and supplied power are accounted for by the EIM. The imbalance market is used to resolve imbalances between supply and demand. The EIM deals only with energy, not ancillary services or reserves (which are addressed in the next section).

The EIM optimally dispatches participating resources to maintain load/resource balance in real-time. The EIM uses the CAISO's real-time market which uses Security Constrained Economic Dispatch (SCED). SCED finds the lowest cost generation to serve the load taking into account operational constraints such as limits on generators or transmission facilities. The five-minute market automatically procures generation needed to meet future imbalances. The purpose of the five-minute market is to meet the very short term load forecast. Dispatch instructions are effectuated through the Automated Dispatch System (ADS).

The CAISO is the market operator that runs and settles EIM transactions. LACCE's scheduling agent will submit LACCE's load and resource information to the market operator. EIM processes are running continuously for every fifteen-minute and five-minute intervals, producing dispatch instructions and prices.

Participating resource scheduling coordinators submit energy bids to let the market operator know that they are available to participate in the real-time market to help resolve energy imbalances. Resource schedulers may also submit an energy bid to declare that resources will increase or decrease generation if a certain price is struck. An energy bid is comprised of a megawatt value and a price. For every increase in megawatt level, the settlement price also increases.

The CAISO calculates financial settlements based on the difference between schedules and actual meter data, and bid prices during each hour. Locational Marginal Prices (LMP) are used in settlement calculations. The LMP is the price of a unit of energy at a particular location at a given time. LMPs are influenced by nearby generation, load level, and transmission constraints and losses.

LACCE's scheduling agent will need to forecast LACCE's hourly loads as well as LACCE's hourly resources including shares of any hydro, wind, solar and other resources in which LACCE is a

participant/purchaser. Forecasting the output of hydro, wind and solar projects involves more variables than forecasting loads. Scheduling agents already have models set up to forecast accurately hourly hydro, wind and solar generation. Accurate load and resource forecasting will be a key element in assuring LACCE's power supply costs are minimized.

A scheduling agent also needs to provide monthly checkout and after-the-fact reconciliation services. This requires scheduling agents to agree on the amount of energy purchased and/or sold and the purchase costs and/or sales revenue associated with each counterparty with which LACCE transacted in a given month.

Based on conversations with scheduling agents currently working the CAISO footprint, the estimated cost of scheduling services is in the \$1 to \$2/MWh range. For the base case, the Plan has assumed a cost of \$1.5/MWh or \$2.4 million in 2017 after Phase 2 is operational and escalating at 2.5 percent annually.

Resource Portfolios

In order to develop pricing options for LACCE customers and evaluate the impact of varying levels of renewable resources in LACCE's portfolios, three resource portfolios were developed: RPS Portfolio, 50 percent renewable portfolio and 100 percent renewable portfolio.

Resource Options

For each of the resource portfolios, a combination of resources has been assumed in order to meet the renewable target, resource adequacy targets, and ancillary and balancing requirements.

Exhibit 18 shows the 20-year levelized resource costs included in this Plan.

Exhibit 18
20-Year Levelized Cost
(2016 \$/MWh)

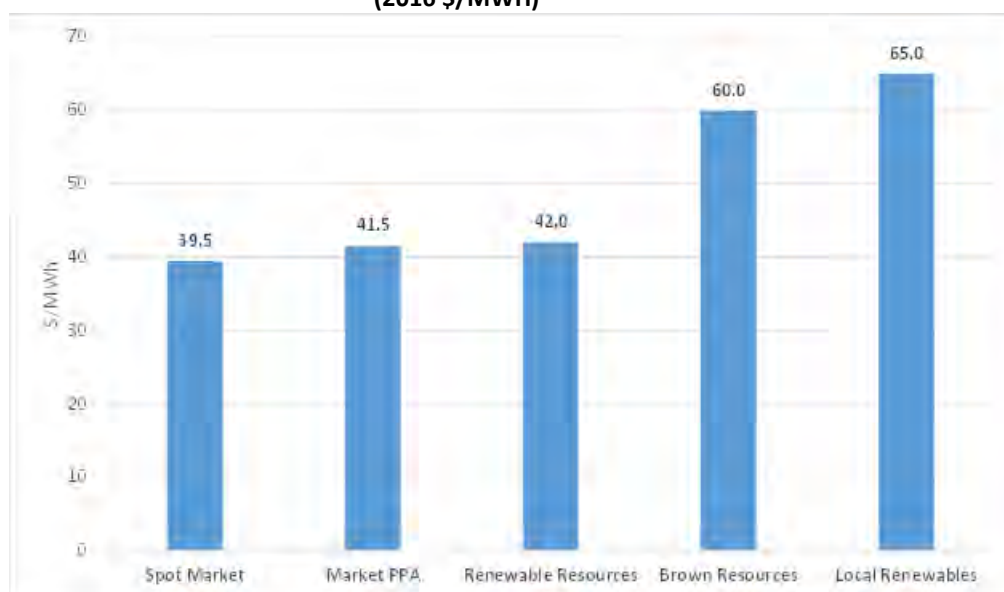


Exhibit 18 above includes both spot market and market PPA costs. It is assumed that these costs are primarily for natural gas resources although the specific resource source cannot be determined from a spot market purchase. Market PPA costs are slightly greater than spot market costs in recognition of the cost of the PPA supplier absorbing the market price risk associated with providing a long-term PPA contract price.

The capacity factor for market PPA purchases is assumed to be 100 percent (flat monthly blocks of power). The capacity factor for renewable resources and local renewables is assumed to be 33 percent. The capacity factor for non-renewable resources is assumed to be 80 percent. As noted above, the cost of renewable resources was increased from \$42/MWh to \$52/MWh in the 100 percent renewables case in recognition of the need for a more diverse mix of renewable resources. Again, this higher price may be mitigated if large solar projects continue to be pursued in California.

As shown above, the base case 20-year levelized cost of renewable resources is comparable to the 20-year levelized cost of market purchases. The cost of solar projects has declined significantly over the past few years. The \$42/MWh projection is based on the cost of relatively new solar projects that reflect the decreased costs, on a \$/watt basis, of solar projects and the extension of the Federal production tax credit. The \$/watt is expected to continue to decrease in future years. As such, the cost of the output of solar projects is expected to continue to decrease.

On a \$/watt basis, the cost of smaller scale solar projects is greater than the cost of large scale solar projects. The \$65/MWh cost associated with local renewables reflects this trend. The advantage of local renewable projects is lower transmission costs and less stress on the congested transmission grid.

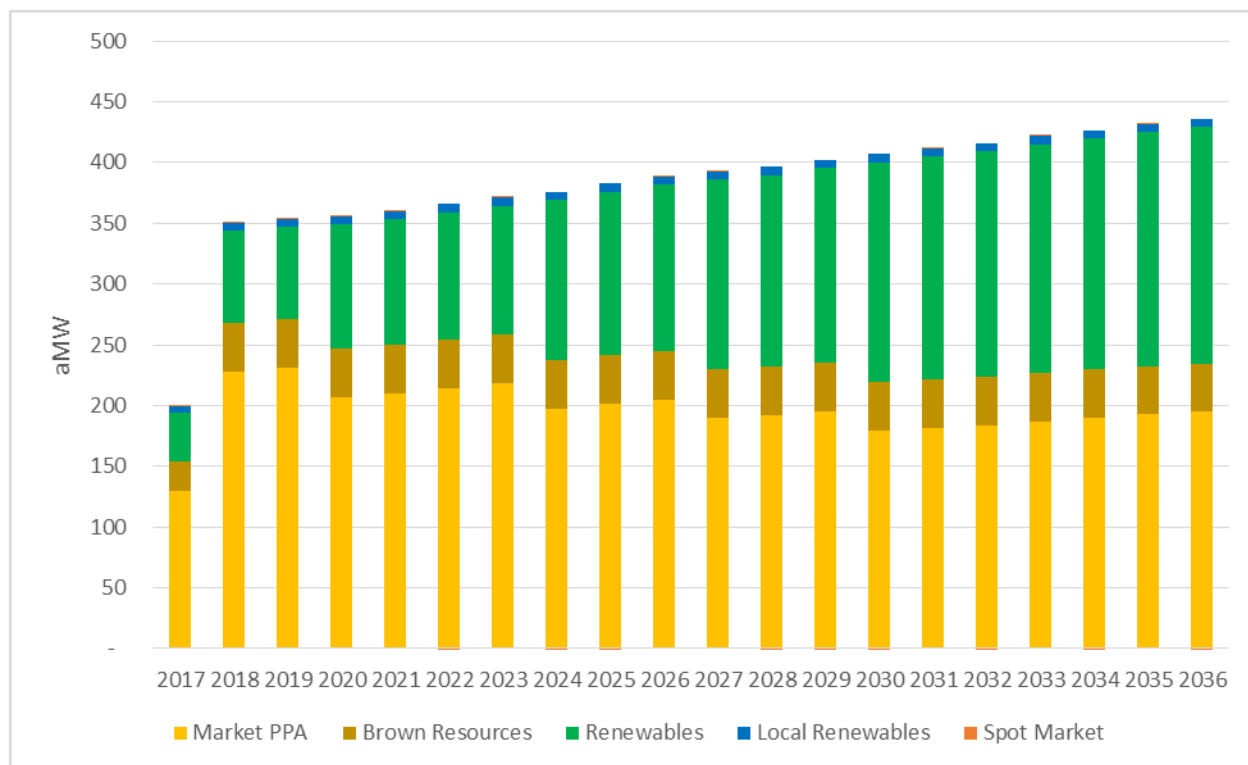
Portfolio 1: Meet Current RPS Requirements (Baseline Portfolio, similar to current SCE resource mix)

In the first portfolio, LACCE will meet the State RPS requirements shown below:

- 2017-19: 25 percent
- 2020-23: 33 percent
- 2024-26: 40 percent
- 2027-29: 45 percent
- 2030 - 50 percent

As shown above, due to the decrease in the cost of solar projects, the projected cost of renewables is only slightly greater than the cost of market power and less than the cost of greenfield brown resources (e.g. natural gas fired generation). Exhibit 19 shows the power supply portfolio used to serve load in Portfolio 1.

Exhibit 19
Portfolio 1: Meet RPS Requirements

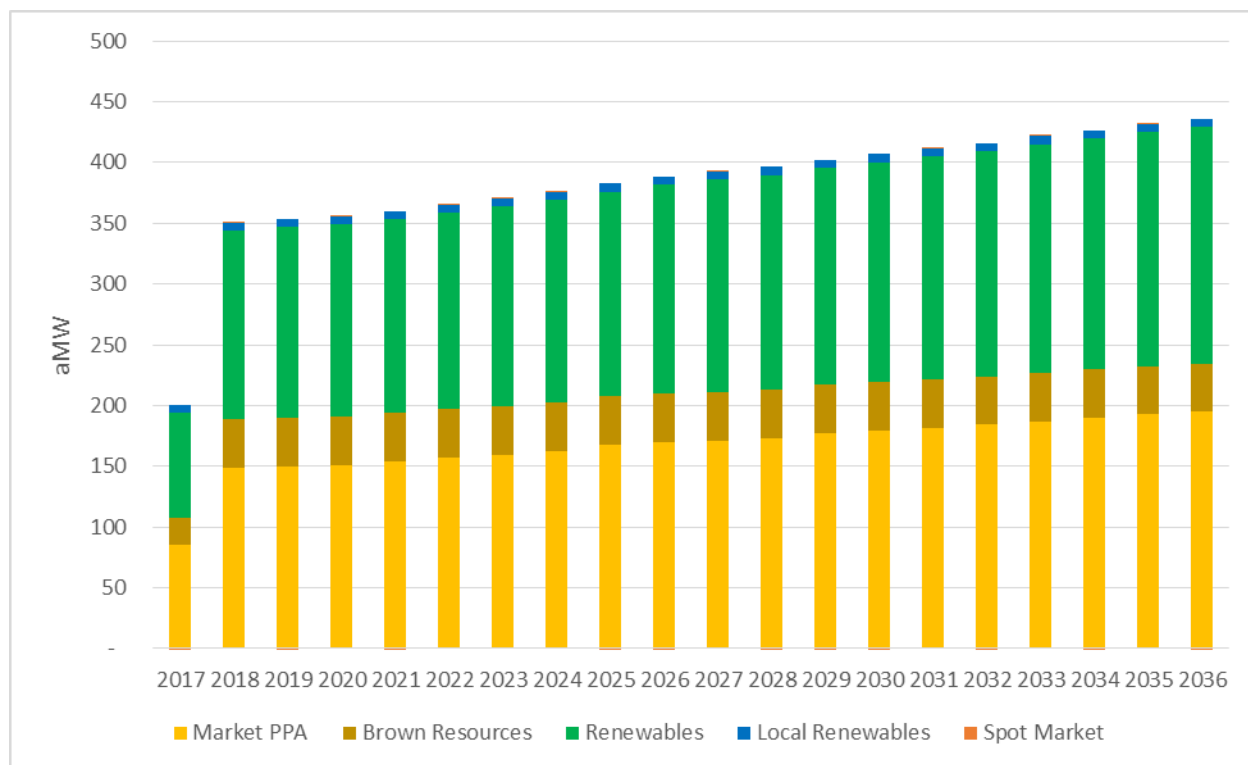


The green bars increase each year along with California's RPS requirements. The costs associated with this portfolio could be reduced if it was assumed that more power was purchased from market PPAs instead of brown resources. The percent of non-renewable energy purchased via market PPAs, as opposed to brown resources, is the same in each of the three portfolios.

Portfolio 2: Serve 50% of Retail Load with Renewables Starting on Day 1

In this portfolio, the 50 percent renewable energy purchase requirement in the RPS is effectively moved up from 2030 to January 1, 2017. The amount of power purchased from the relatively expensive (\$65/MWh 20-year levelized cost) local renewables is held constant at 20 MW with a 33 percent capacity factor in each of the three portfolios. As shown below in Exhibit 20 the green bars showing renewable energy purchases in 2017 through 2029 increased compared to those shown above in Exhibit 19.

Exhibit 20
Portfolio 2: Serve 50% of Retail Load with Renewables

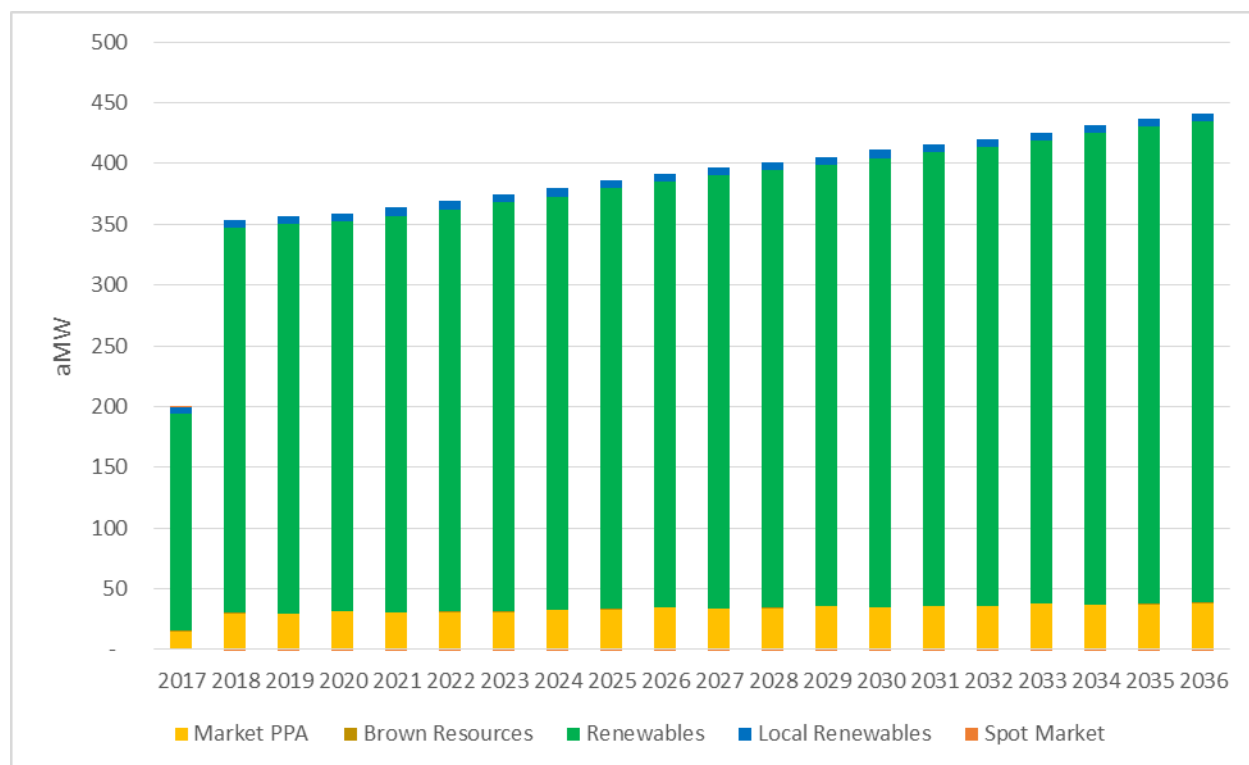


The percentage of non-renewable energy purchased from the more expensive brown resources is approximately the same as Portfolio 1. In all three portfolios, approximately 15 percent of non-renewable energy is purchased from brown resources, which has a base case 20-year levelized cost of \$60/MWh. In all three portfolios, 85 percent of non-renewable energy is purchased at the lower \$41.5/MWh levelized cost associated with market PPA purchases.

Portfolio 3: Serve 100% of Retail Load with Renewables Starting on Day 1

In this portfolio retail loads are served entirely with renewable energy purchases. It is also assumed that 50 MW of local renewable energy projects will be pursued in Phase 3. Exhibit 21 below shows the resource mix used to serve load in Portfolio 3.

Exhibit 21
Portfolio 3: Serve 100% of Retail Load with Renewables



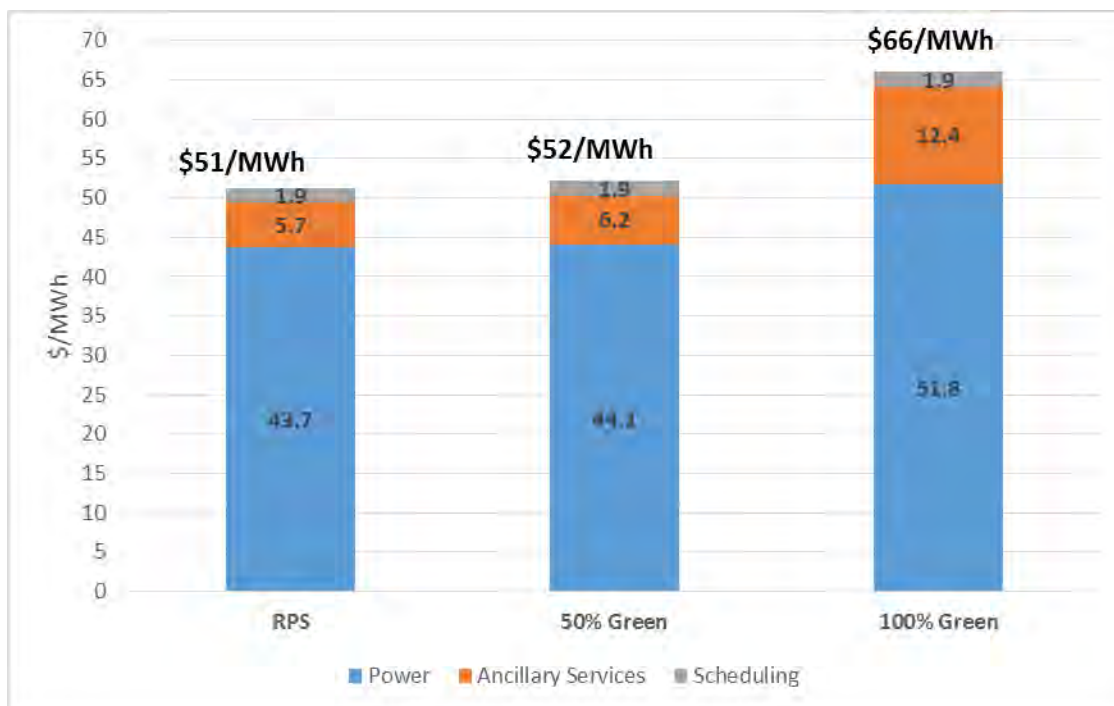
There is a small amount of market PPA and brown resource power included in Portfolio 3 due to distribution and transmission system losses and balancing requirements. The renewable energy requirements in the State's RPS are based on retail energy sales. To be consistent, it was assumed that the 100 percent renewable energy target would only apply to retail energy sales. The same concept applies to Portfolios 1 and 2. For example, renewable energy purchases in Portfolio 2 are equal to 50 percent of projected retail energy sales in all years.

Non-renewable resources will be needed in Portfolio 3 to serve load during hours when renewable resources are not capable of generating power (e.g. when the wind is not blowing or the sun is not shining). Purchasing an amount of renewable generation that is equal to 100 percent of LACCE's retail load will likely result in over-supply in on-peak hours when solar projects are generating power and under-supply in off-peak hours when solar projects are not generating. As such, on-peak energy may need to be exchanged for off-peak energy. The cost of exchanging or firming some of the solar generation into off-peak blocks of energy is reflected in higher ancillary service costs in Portfolio 3.

20-Year Levelized Portfolio Costs

The 20-year levelized costs have been calculated based on the base case assumptions detailed above regarding resource costs and resource compositions under the three portfolios. Exhibit 22 shows a breakdown of power, ancillary service and scheduling costs associated with each portfolio.

Exhibit 22
20-year Levelized Base Case Portfolio Costs (\$/MWh)



As shown above in Portfolios 1 and 2, power costs are fairly similar across the three portfolios. There is not a large variance in power costs in these two portfolios because the majority of power is supplied by market PPA and renewable energy purchases in each portfolio. The projected costs of renewable energy and market PPA purchases are very close. Exhibit 18 shows that at \$42/MWh the projected 20-year levelized cost of renewables is only \$0.5/MWh greater than the projected 20-year levelized cost of market PPA purchases at \$41.5/MWh.

Total costs under Portfolio 3 are approximately \$15/MWh greater than Portfolios 1 and 2. The costs of renewables have been assumed to be \$10/MWh greater in Portfolio 3 than in Portfolios 1 and 2 in recognition of the need for a more diverse mix of renewable resources. This translates into greater power costs (the blue bar) for Portfolio 3.

Each portfolio assumes that 15 percent of non-renewable energy is purchased from brown, natural gas-fired resources with a projected 20-year levelized cost of \$66/MWh. However, since more non-renewable energy is purchased in Portfolio 1 it has the highest percentage of brown resource purchases. In Portfolio 1, 9 percent of power purchases are brown resource purchases, compared to 8 percent in Portfolio 2 and 1 percent in Portfolio 3.

LACCE Cost of Service

This section of the Plan describes the financial pro forma analysis and cost of service for LACCE. It includes estimates of start-up costs, staffing and administrative costs, consultant costs, power supply costs, and SCE charges. In addition, it provides an estimate of start-up working capital and longer-term financial needs.

Cost of Service for LACCE Operations

The first category of the pro forma analysis is the cost of service for LACCE operations. To estimate the overall costs associated with LACCE operations, the following components have been included:

- Power Supply Costs
- Non-Power Supply Costs
 - Start-up costs
 - LACCE staffing and administration costs
 - Consulting Support
 - SCE and regulatory charges
 - Financing costs
- Pass-Through Charges from SCE
 - Transmission and distribution charges
 - Power Cost Indifference Adjustment (PCIA) Charge
 - Other non-bypassable charges

Once the costs of LACCE operations have been determined, the total costs can be used to develop LACCE rates to be compared to SCE's projected rates.

Power Supply Costs

A key element of the cost of service analysis is the assumption that electricity will be procured under a power purchase arrangement (PPA) for both renewable and non-renewable power until local LACCE resources can be developed. Power supply must be obtained by LACCE's procurement contractor prior to commencing operations. The products required from the third party procurement are energy, capacity, renewable energy, load forecasting and scheduling coordination.

The calculated starting cost of electric power supply, including the cost of the scheduling coordinator and all regulatory power requirements, is between \$43 and \$62 per MWh. This price represents the price needed for a full requirements electricity contract. The variation in price is a function of the desired level of renewable resources.

Non-Power Supply Costs

While power supply costs make up the majority of costs associated with operating LACCE (roughly 80 percent), there are several additional cost components that must be considered in the pro forma financial analysis. These additional non-power supply costs are noted below. This calculation assumed LACCE non-power supply costs began accumulating in June of 2016.

Startup Activities and Costs

Monthly costs associated with LACCE start-up and phasing of customer enrollments include expenditures for program staff/contract staff, associated infrastructure, contractor costs and fees payable to SCE by LACCE. The estimated startup costs include capital expenditures and one-time expenses as well as ongoing expenses that will be accrued before significant revenues from LACCE operations are realized. These cost components are quantified in Exhibit 23 and Exhibit 24 below.

Exhibit 23 Monthly Start-Up Cost Summary							
	Pre-Start						
	June	July	Aug	Sept	Oct	Nov	Dec
Start-Up Costs							
Infrastructure	\$0	\$0	\$45,000	\$35,000	\$25,000	\$25,000	\$25,000
Consultants	\$70,000	\$100,000	\$120,000	\$120,000	\$120,000	\$130,000	\$130,000
Staffing	\$0	\$0	\$45,000	\$55,000	\$55,000	\$55,000	\$55,000
Utility Trans. Fee	\$0	\$0	\$0	\$780	\$0	\$0	\$2,938
Total Start-Up	\$70,000	\$100,000	\$210,000	\$210,780	\$200,000	\$210,000	\$212,938

Exhibit 24 Start-Up Costs Summarized by Phase			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Start-Up Costs			
Infrastructure	\$155,000	\$160,000	\$230,000
Consultants	\$790,000	\$715,000	\$715,000
Staffing	\$265,000	\$380,000	\$1,215,000
Utility Trans. Fee	\$3,718	\$1,132,892	\$230,000
Total Start-Up	\$1,213,718	\$2,387,892	\$2,390,000

Other costs related to starting up LACCE's program will be the responsibility of LACCE's contractors. These include capital requirements paid by others, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs. The costs payable by LACCE are contained in Exhibit 24.

Estimated Staffing Costs

Staffing is a key component of the start-up. Staff will be added incrementally to match workloads involved in forming LACCE, managing contracts, and initiating customer outreach/marketing during the pre-operations period.

Exhibit 25 provides the estimated staffing budgets for the startup period (Phase 1 and Phase 2 of LACCE implementation). Staffing budgets include direct salaries and benefits. For start-up, it is

anticipated that LACCE will employ one assistant Executive Director and one manager of policy and regulatory affairs. The remaining functions will be performed by consultants. Exhibit 25 details the anticipated staffing of LACCE.

Exhibit 25 Staffing Plan			
Number of Staff	Pre Start-Up	2017	2018
Executive Director	0	1	1
Assistant Executive Director	1	1	1
<u>Legal</u> , Policy & Regulatory Manager	1	1	1
Regulatory Analyst	0	1	1
Administrative Assistant	0	1	1
Finance & Rates Manager	0	1	1
Rates Analyst	0	1	1
Accounting & Billing Analyst	0	1	1
Human Resources Manager	0	1	1
HR Specialist	0	1	1
Sales & Marketing Manager	0	1	1
Energy Efficiency Program Manager	0	0	1
Account Representatives	0	0	1
Communication Specialists	0	0	1
IT Manager	0	1	1
IT Specialist	0	0	1
Total Number of Employees	2	12	17
Total Staffing Costs	\$45,000*	\$1,595,000	\$3,396,600

*Represents only partial year.

Based on this staffing plan, LACCE will initially employ 2 staff members. Once LACCE has expanded its service area to the unincorporated County and operated for one year, it is anticipated that staffing will increase to approximately 17 employees. These positions to be hired by LACCE over the first two years are described below:

Executive Director

The Executive Director will be responsible for overseeing LACCE operation and ensuring that the vision of the JPA Board is followed. The Executive Director will ultimately be responsible for all LACCE programs, finances and communication programs plus be accountable to the Board.

Assistant Executive Director

The Assistant Executive Director will oversee the day to day operation of LACCE. In particular, this staff position will work closely with outside consultants, and oversee hedging and power procurement, resource portfolio strategy, CAISO settlements and other financial planning and rate setting analysis. Behind the meter LACCE programs will also be coordinated through this position.

Policy and Regulatory Manager

The Policy and Regulatory Manager will oversee the legal and regulatory functions of LACCE. This position will work closely with the CPUC and State/Federal legislators. LACCE will require ongoing regulatory representation to file resource plans, resource adequacy compliance, compliance with

California RPS, and overall representation on issues that will impact LACCE and its customers. LACCE will maintain an active role at the CPUC, CEC, FERC and the California legislature.

Finance and Rates Manager

The Finance and Rates Manager oversees LACCE's budgets and accounting functions. In addition, this person will develop annual budgets, rates and credit policies for approval by the Board. Managing the overall financial aspects of LACCE is expected to be a significant work activity.

Sales and Marketing Manager

The Sales and Marketing Manager is responsible for the enrollment and notification of new customers. In addition, this staff person will market LACCE, and provide on-going communication with LACCE's communities and customers. A significant amount of customer service and key account representation will be necessary in addition to regular marketing services. This position will be the point person for the outsourced data management and customer service consultants.

Administrative Assistance

The staffing plan assumes a full-time administrative assistance will be added during the pilot phase to provide administrative assistance to management.

Future Staff

As additional customers join LACCE, duties can be shifted from third-party consultants to in-house staff if internal staffing is more cost effective.

Estimated Infrastructure Costs

Infrastructure or overhead needed to support the organization includes computers and other equipment, office furnishings, office space and utilities. These expenses are estimated at \$155,000 during program pre-startup. Office space and utilities are ongoing monthly expenses that will begin to accrue before revenues from program operations commence and are therefore assumed to be financed as shown in Exhibit 26 and Exhibit 27.

Exhibit 26							
Monthly Estimated Infrastructure Costs							
	Pre-Start						
	June	July	Aug	Sept	Oct	Nov	Dec
Infrastructure Costs							
Computers	\$0	\$0	\$10,000	\$5,000	\$0	\$0	\$0
Furnishings	\$0	\$0	\$10,000	\$5,000	\$0	\$0	\$0
Office Space	\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Utilities/Other							
Office Supplies	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Start-Up	\$0	\$0	\$45,000	\$35,000	\$25,000	\$25,000	\$25,000

Exhibit 27
Estimated Infrastructure Cost by Phase

		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Infrastructure Costs			
Computers	\$15,000	\$5,000	\$40,000
Furnishings	\$15,000	\$5,000	\$40,000
Office Space	\$75,000	\$90,000	\$90,000
Utilities/Other Office Supplies	\$50,000	\$60,000	\$60,000
Total Infrastructure Costs	\$155,000	\$160,000	\$230,000

It is estimated that the per employee start-up cost is approximately \$10,000. This expense covers computer and furniture needs. An additional annual expense of \$180,000 for office space, and approximately \$120,000 per year in office supplies and utilities costs is expected.

Utility Implementation and Transaction Charges

The estimated costs payable to SCE for services related to LACCE start-up include costs associated with initiating service with SCE, processing of customer opt-out notices, customer enrollment, post enrollment opt-out processing, and billing fees. These distribution utilities fees are explicitly stated in the relevant SCE tariffs.

Customers who establish service with LACCE will be automatically enrolled in the program and have sixty days from the date of enrollment to customer opt-out of the program. Such customers will be provided with two opt-out notices within this sixty-day post enrollment period. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. As required by CPUC regulations, LACCE will use SCE's opt-out processing service. Following automatic enrollment, two additional opt-out notices will be provided within the sixty-day period following customer enrollment. It is estimated that the charges for the opt-out notices will be approximately \$10,000 for 2016 and \$3.1 million for 2017, as shown in Exhibit 28 and Exhibit 29.

Exhibit 28
Monthly Utility Transaction Fees

	Pre-Start						
	June	July	Aug	Sept	Oct	Nov	Dec
Enrollment Charges	\$0	\$0	\$780	\$0	\$0	\$2,938	\$6,203
Ongoing Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total SCE Transaction Fee	\$0	\$0	\$780	\$0	\$0	\$2,938	\$6,203

Exhibit 29
Utility Transaction Fees by Phase

		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Enrollment Charges	\$9,921	\$1,128,588	\$1,212,268
Ongoing Charges	0	4,305	779,791
Total SCE Transaction Fees	\$9,921	\$1,132,892	\$1,992,059

Estimates of Third Party Consultant Costs

Contractor costs include outside assistance for advertising, legal services, resource and financial planning, implementation support, customer enrollment, customer service, and payment processing/accounts receivable and verification. The latter three will be provided by LACCE's customer account services provider, and these preliminary estimates will be refined as the services and costs provided by the selected contractor are negotiated. Exhibit 30 and Exhibit 31 show the estimated contractor costs during the startup period.

Exhibit 30							
Monthly Estimated Consultant Costs							
	Pre-Start						
	June	July	Aug	Sept	Oct	Nov	Dec
Legal/Regulatory	\$20,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Communication	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000
Data Management	\$0	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Financial Consulting	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Consultant Costs	\$70,000	\$100,000	\$120,000	\$120,000	\$120,000	\$130,000	\$130,000

Exhibit 31			
Estimated Consultant Costs by Phase			
		Phase 1	Phase 2
	Total Pre-Start Costs	2017	2018
Legal/Regulatory	\$320,000	\$250,000	\$250,000
Communication	\$20,000	\$200,000	\$200,000
Data Management	\$100,000	\$12,960	\$2,377,248
Financial Consulting	\$350,000	\$265,000	\$265,000
Total Consultant Costs	\$790,000	\$727,960	\$3,092,248

The estimate for each of the services is based on costs experienced by other CCEs.

Cash Flow Analysis and Working Capital

This cash flow analysis estimates the level of working capital that will be required until full operation of LACCE is achieved. For the purposes of this analysis, it is assumed that LACCE pre-operations begin in June 2016 and continue through the end of 2016. In general, the components of the cash flow analysis can be summarized into two distinct categories: (1) Cost of LACCE operations, and (2) Revenues from LACCE operations. The cash flow analysis identifies and provides monthly estimates for each of these two categories. A key aspect of the cash flow analysis is to focus primarily on the monthly costs and revenues associated with LACCE and specifically account for the transition or "Phase-In" of LACCE customers. The cash flow analysis assumes the phase-In schedule for LACCE as described previously.

The cash flow analysis also provides estimates for revenues generated from LACCE operations or from electricity sales to customers. In determining the level of revenues, the cash flow analysis assumes the customer phase-in schedule noted above, and assumes that LACCE provides a discount of 4.0 percent from the existing rates for each customer class, where pre-operations run from June 1, 2016 to December 31, 2016. Thereafter, Phase 1 starts in January 2017 and Phase 2 starts in July 2017.

The results of the cash flow analysis provide an estimate of the level of working capital required for LACCE to move through the pre-operations period. This estimated level of working capital is determined by examining the monthly cumulative net cash flows (revenues minus cost of operations) based on assumptions for payment of costs by LACCE, along with an assumption for when customer payments will be received. The cash flow analysis assumes that customers will make payments within 60 days of the service month, and that LACCE will make payments to suppliers within 30 days of the service month. This analysis is somewhat conservative because customer payments begin to come in soon after the bill is issued, and most are received before the due date. At the same time, some customer payments are received well after the due date. The 30-day net lag is a conservative assumption for cash flow purposes.

For purposes of determining working capital requirements related to power purchases, LACCE will be responsible for providing the working capital needed to support electricity procurement unless the electricity provider can provide the working capital as part of the contract services. In addition, LACCE will be obligated to meet working capital requirements related to program management. For this Plan, it is assumed that this working capital requirement is included in the short term financing associated with start-up funding.

A summary of working capital needs is presented below on Exhibit 32.

Exhibit 32		
Working Capital Needs		
	2016	2017
Working Capital	\$6,500,000	\$42,000,000

Total Financing Requirements

The start-up of the LACCE program will require a significant amount of capital for three major functions: (1) staffing and contractor costs; (2) program initiation; and (3) working capital. Each of these anticipated requirements is discussed below.

Staffing costs for the pre-implementation period (June 2016 through December 2016) are estimated to be approximately \$265,000. Contractor costs for the same time period are estimated to be approximately \$790,000. These costs include: advertising/communications, consulting, legal, and data management.

LACCE initiation costs include the infrastructure that LACCE will require (office space, utilities, computers) as well as the distribution utility fees for initiating LACCE. Infrastructure costs are estimated to be approximately \$155,000 and the distribution utility fees are estimated to be approximately \$1,140,000.

The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to SCE service under certain circumstances. In addition, SCE requires a bond equivalent to two months of transaction fees.

During the start-up and pilot periods, the total financing requirements are estimated to be approximately \$10 million, increasing to approximately \$40 million following enrollment of unincorporated County customers. The first \$10 million is needed in early summer of 2016.

Financing Plan

The initial start-up funding will be provided via short-term financing. LACCE will recover the principal and interest costs associated with the start-up funding via subsequent retail rates. It is anticipated that the start-up costs will be fully recovered within the first two years of LACCE operations.

The anticipated start-up and working capital requirements for LACCE through Phase 1 are approximately \$10 million. Once the LACCE program is up and running, these costs would be recovered through retail rates. Actual recovery of these costs will be dependent on third-party electricity purchase prices and decisions regarding initial rates for Phase 1 customers.

Additional financing will be needed at the beginning of Phase 2. Depending on market conditions and payment terms established with the third-party suppliers, the loan may need to be increased to approximately \$42 million for the start of Phase 2. This number will be refined as the LACCE program becomes operational, and bids are received from power providers.

Appendix B contains a preliminary discussion from Public Financial Management, Inc. (PFM) on the options available to LACCE for funding the first two phases of LACCE operations. Based on this information, the Plan's financial analysis assumes that LACCE can obtain a loan for the first \$10 million with a term of 2 years at a rate of 5.5 percent. The second loan for \$42 million is assumed for a 20-year term at 5.5 percent.

Products, Services, Rates Comparison and Environmental/Economic Impacts

This section of the Plan provides a comparison of service and rates between SCE and LACCE. Rates are evaluated based on total LACCE electric total bundled rates as compared to SCE's total bundled rates. Total bundled electric rates include the rates charged by LACCE, including non-bypassable charges, plus SCE's delivery charges. This section also includes the environmental impacts based on the reduction in Green House Gases (GHG), and the economic development impact on local jobs and overall economic activity created by LACCE programs.

Rates Paid by SCE Bundled Customers

The average customer weighted SCE rates have been calculated based on current rate schedules and LACCE's projected customer mix. SCE's current 2016 rates and surcharges have been applied to customer load data aggregated by major rate schedules to form the basis for the SCE rate forecast.

The average SCE delivery rate, which is paid by both SCE bundled customers and LACCE bundled customers, has been calculated based on the forecasted customer mix for LACCE. For future years, the SCE rate forecast assumes the delivery costs will increase by 2 percent per year, a conservative assumption given the history of SCE rate increases.

Similarly, the current average power supply rate component for SCE bundled customers has been calculated based on the estimated LACCE customer mix. The SCE power supply rate component has been forecast to increase based on SCE's most recent filings and incorporating the increased RPS requirement mandated by SB 350. In the 2015/2016 Energy Resource Recovery Account (ERRA) filing, SCE reduced overall power supply rates due to lower than anticipated fuel and purchase power, over collection in balancing accounts, and adjustment of GHG costs and allowance revenues. Some of these adjustments are one time only and of short duration while others are due to the current energy market in California. For 2017, SCE rates have been normalized to remove the one-time impact of over collection of balancing accounts and other onetime adjustments. Finally, the SCE power supply rates have been projected to increase based on the renewable and non-renewable market price forecast, regulatory requirement for RPS, storage requirement(s) and resource adequacy objectives.

Rates Paid by LACCE Customers

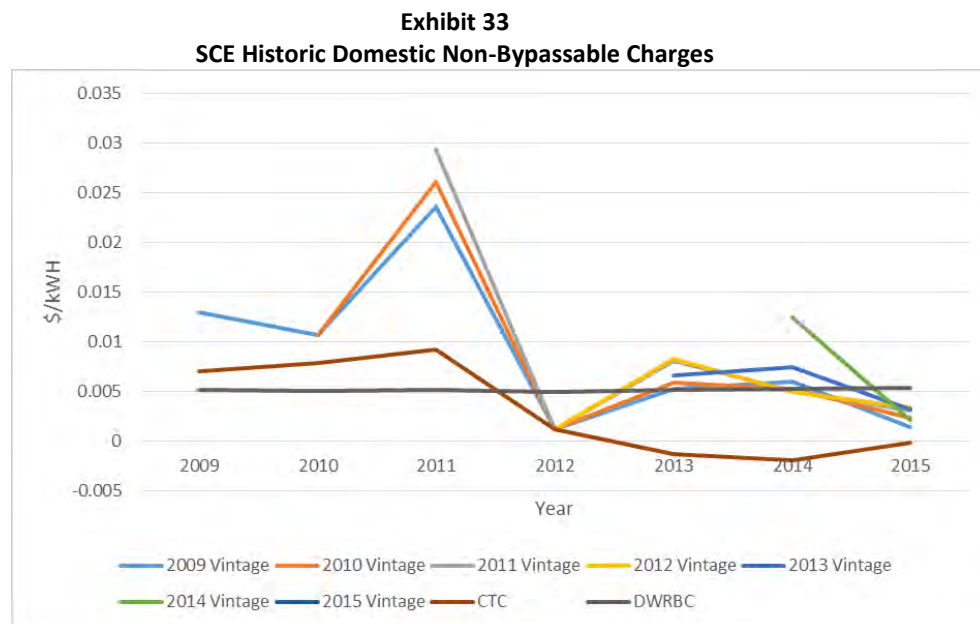
It is anticipated that LACCE's rate designs will initially mirror the structure of SCE's rates so that similar rates can be provided to LACCE's customers. In determining the level of LACCE rates, the financial analysis assumes the customer phase-in schedule noted above and that the implementation phase costs are financed via a start-up loan.

In addition to paying LACCE's power supply rate, LACCE customers will pay the SCE delivery rate and several non-bypassable charges. The calculation of the delivery rate is described earlier. The non-bypassable charges that are payable to SCE by LACCE customers include:

- Power Cost Indifference Adjustment (PCIA)
- Department of Water Resources Bond Charge (DWRBC)
- Competition Transition Charge (CTC)
- Generation Municipal Surcharge (or Franchise Charge)

The DWRBC is the charge to recover the interest and principle of the California Department of Water and Resources (DWR) bonds. The CTC is the ongoing charge which recovers the above market costs of utility generation. The PCIA is a charge that is designed to keep bundled customers indifferent when other customers leave bundled service. The PCIA is calculated annually by subtracting the market price of wholesale power from the incumbent utility's average cost of power supply based on a methodology determined by the CPUC.⁴

Exhibit 33 provides the historic values of the PCIA, CTC and DWRBC for the residential customer class (domestic schedule). It is important to note that the non-bypassable charges differ by the vintage of a CCA. The vintage of the CCA depends on when the CCA provides a binding notice of intent to SCE.



Note that CARE and medical base line customers do not pay the DWRBC or PCIA charges.

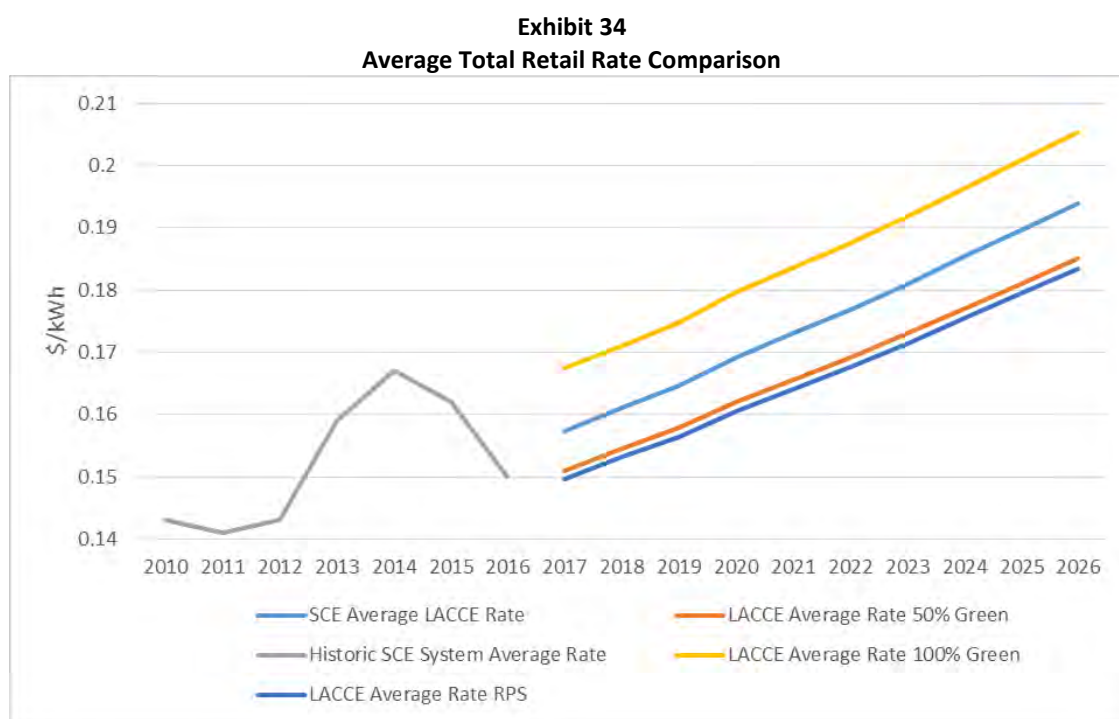
For this Plan, it is assumed in the base case that the PCIA charges are based on the differential between SCE's generation cost and market prices. If the difference between SCE's power costs and

⁴ See D.-6-07-030 as modified by D. 11-12-018.

market prices declines, then the PCIA will decline. The PCIA increases if the difference between market price and SCE generation costs increases. For this Plan, the PCIA is forecast to increase initially due to the end of offsetting credits that expire in 2018. Post-2018, the PCIA is expected to grow based on the inverse of the market price growth rate. As market prices increase, SCE's surplus resources become more cost effective and the PCIA therefore decreases.

Rate Impacts

Based on LACCE's projected power supply costs/operating costs and SCE's power supply/delivery costs, forecasts of LACCE and SCE total rates have been developed. These rates are illustrated below on Exhibit 34.



As can be seen above, LACCE RPS residential rate with an equal amount of renewable power (28 percent) to what SCE currently offers is .9¢/kWh or 5.4 percent lower than SCE's 2017 rates. LACCE residential rate with 50 percent renewable power (compared to SCE's 28 percent) is .7¢/kWh or 4.1 percent lower than SCE's rates for roughly twice the amount of green renewable power. LACCE residential rate with 100 percent green power (compared to SCE's 28 percent) is 1.1¢/kWh or 6.3 percent higher, but this additional amount comes with almost four times more renewable power than the comparable SCE rate. These rate calculations assume all bill savings associated with forming LACCE will be refunded to the residences and businesses within the County. Based upon final LACCE policy direction, some of these savings could be retained by LACCE to build up financial reserves and/or build more local renewable energy projects.

As an alternative to its standard rates with 28 percent renewable power, SCE also offers rates which feature 50 percent and 100 percent renewable power. For the residential customers, SCE estimates energy costs to be 3.5 cents per kWh higher for each kWh served on the green rate. The LACCE

rates for 50 percent and 100 percent renewable power for residential customers are therefore estimated at 12-13 percent lower.

Based on these assumed LACCE discounts off the comparable SCE rate, Exhibit 35 provides a comparison of the indicative bundled rates for LACCE's products compared to the current SCE rate.

Exhibit 35				
Indicative Rate Comparison (\$/kWh)				
Rate Class	SCE Bundled Rate*	LACCE RPS Bundled Rate	LACCE 50% Green Bundled Rate	LACCE 100% Green Bundled Rate
Residential	17.1	16.2	16.4	18.2
GS-1	16.6	15.7	15.9	17.7
GS-2	15.8	15.0	15.2	16.9
GS-3	14.5	13.8	13.9	15.5
PA-2	12.6	12.0	12.1	13.4
PA-3	10.4	9.9	10.0	11.1
TOU-8 Secondary	13.1	12.4	12.6	14.0
TOU-8 Primary	11.7	11.1	11.2	12.5
TOU-8 Substation	7.5	7.1	7.2	8.0
Total LACCE Rate Savings (Increases)		5.4%	4.1%	(6.3%)

*SCE bundled average rate based on Table 3 in Advice 3319-E-A.

A financial proforma in support of these rates can be referenced in Appendix C.

Local Resources/Behind the Meter LACCE Programs

LACCE should plan to establish a Net Energy Metering ("NEM") program for qualified customers in their service territory to encourage Distributed Energy Resources (DER). In addition, LACCE will work with State agencies and SCE to promote deployment of DER within LACCE's service territory, with the goal of maximizing use of the available incentives that are funded through current utility distribution rates and public goods surcharges.

LACCE should also establish a program which offers a combination of retail tariffs, rebates, incentives and other bundled offerings intended to increase customer participation in demand-side programs including: renewable distributed generation, energy storage, energy efficiency, demand response, electric vehicle charging, and other clean energy benefits defined as Distributed Energy Resources (DER). LACCE will work with State agencies and SCE to promote deployment of DERs in specific and targeted locations throughout SCE's distribution grid in order to help support efficient grid operations and maintenance as part of development of the future "smart grid."

Additionally, LACCE will pursue energy efficiency programs at a faster pace than SCE. Below are ongoing activities undertaken by the SoCalREN under two current proceedings at the CPUC which are leading to a transformation of the energy industry.

Under the CPUC's current Energy Efficiency Proceeding (R. 13-11-005), the SoCalREN has already been established as an independent administrator of energy efficiency funding provided from Southern California Edison and Southern California Gas Company ratepayers. The current proceeding seeks to establish energy efficiency programs under a "Rolling Portfolio" funding cycle

which could provide stable, predictable program funding for up to 10 years. The “Rolling Portfolio” concept will allow energy efficiency program administrators, like the SoCalREN, to conduct more strategic planning, development and implementation of programs.

Under the CPUC’s current Distribution Resource Plans (R.14-08-013), and Distributed Energy Resources (R. 14-10-003) Proceedings, the SoCalREN is a proceeding participant seeking to help establish resource programs which are comprehensive (i.e., include all demand side management resources such as energy efficiency, storage, demand reduction, distributed generation) and which are compensated for multiple benefits that they produce (energy efficiency, real-time grid operations benefits, reduced grid operations and maintenance expenses, and greenhouse gas reductions). Each of these proceedings examine different aspects of creating, integrating and funding distributed energy resources.

CCEs, as entities that can provide wholesale power and design retail rates without lengthy and expensive regulatory proceedings, and as entities that can design and implement other end-user programs using wholesale power or other revenues, are uniquely positioned to be valued partners of investor-owned utilities who would retain their role as distribution grid operators. CCEs program and rate flexibilities can perfectly complement utilities efforts to maximize grid operations and flexibility in a world where behind the meter (and ahead of the meter) distributed generation, energy storage, thermal storage, electric vehicle charging, demand reduction and energy efficiency will increase dramatically. CCEs can partner with utility grid operators in aggregating and financing locational-specific distributed resources in grid areas of specific needs as well in assisting IOUs in investing in these distributed resources.

The SoCalREN is already funded and operational, and is an active participant in these new proceedings. This is advantageous in that any new CCE would typically have to apply for energy efficiency or other CPUC funding under regulated proceedings.

Impact of Resource Plan on Greenhouse Gas (GHG) Emissions

The amount of renewable power in SCE’s power supply portfolio is 28 percent⁵ and will rise to 33 percent by 2020. LACCE is committed to reductions in greenhouse gas emissions. Based on the power supply strategy described previously, GHG emission reductions resulting from the formation of LACCE are estimated to range from 289,080 to 505,890 tons CO₂e per year by 2019 assuming a 50 percent RPS target is achieved. The baseline for comparison is the projected resource mix used by SCE in the same time period. Exhibit 36 details these reductions.

⁵ http://www.cpuc.ca.gov/RPS_Homepage/

Exhibit 36
Baseline Comparison of GHG Reduction by LACCE

	2017	2018	2019
Forecast Renewables (50% Renewables)			
LACCE (MWH) – Phase 2	1,438,275	1,459,854	1,459,854
LACCE RPS (MWH) – Phase 2	730,029	737,154	737,154
Additional Green Power	708,246	722,700	722,700
CO2 reduction – Low (Metric Tons of CO ₂ e)	283,298	289,080	289,080
CO2 reduction – High (Metric tons of CO ₂ e)	495,772	505,890	505,890

These reductions in GHG emissions associated with LACCE operations are significant. Assuming only Phase 2 loads (all unincorporated County loads) are being met by LACCE, CO₂e emissions associated with in-County electricity use will be reduced by 1-2 percent. At full Phase 3 build-out, CO₂ emissions associated with in-County electricity use will be reduced roughly 12-25 percent by LACCE operations.

Economic Development

The analyses contained in this Plan of forming LACCE has focused only on the direct effects of this formation. However, in addition to direct effects, indirect microeconomic effects are also encountered.

The indirect effects of creating LACCE include the effects of increased commerce and improved environmental and health conditions. Within this Plan, an Input/Output (IO) analysis is undertaken to analyze these indirect effects. The IO model turns on the assumption that forming LACCE will lead to lower energy rates for their customers. Three types of impacts are analyzed in the IO model. These are described below.

Local Investment – LACCE will likely choose to implement programs to incentivize investments in local distributed energy resources (DER). Participants in LACCE may pursue local clean DER. These resources can be behind the meter or community projects where several customers participate in a centrally located project. This demand for local resources will lead to an increase in the manufacturing and installation of DER and lead to an increase in employment the manufacturing and construction sectors.

Increased Disposable Income – Establishing LACCE will lead to reduced customer rates for energy, more disposable income for individuals and greater revenues for businesses. These cost savings would then lead to more investment by individuals and businesses for personal or business purposes. This increase in spending will then lead to increased employment for multiple sectors such as retail, construction, and manufacturing.

Environmental and Health Impacts – With the creation of LACCE, other non-commerce indirect effects will occur. These may be largely environmental such as improved air quality or improved human health due to LACCE adopting mainly renewable energy sources versus continuing use of traditional energy sources. This resource strategy significantly reduces GHG emissions compared with SCE's current resource mix. While the change in GHG emissions is not modeled directly in

economic development models used in this Plan, the reduction of these GHGs may be captured in indirect effects projected by the models.

Input-Output Modeling (IO modeling)

IO modeling is a quantitative analysis representing relationships (dependence) between industries in an economy. IO models are based on the implicit assumption that each basic sector has a multiplier, or ripple effect, on the wider economy because each sector purchases goods and services to support that sector. IO modeling estimates the inter-industry transactions and uses those transactions to estimate the economic impacts of any change to the economy.

The IO model used in the Plan, IMPLAN, displays the economic impacts of changes in rates into four categories: employment, labor income, value added, and output. Employment is the number of jobs gained or lost. Labor income involves the increase in salaries and wages for current and newly gained or lost employees. Value added, similar to Gross Domestic Product (GDP), is the payment to labor and capital used in production of a particular industry.

IO models are made up of matrices of multipliers between each industry present in an economy. Each column shows how an industry is dependent on other industries for both its inputs to production and outputs. The tables of multipliers can be used to estimate the effects in changes in spending for various industries, household consumption, or labor income. Both positive and negative impacts can be measured using IO modeling. IO modeling produces results broken down into several categories. Each of these is described below:

- **Direct Effects** – Increased purchases of inputs used to produce final goods and services purchased by residents. Direct effects are the input values in an IO model, or first round effects.
- **Indirect Effects** – Value of inputs used by firms affected by direct effects (inputs). Economic activity that supports direct effects.
- **Induced Effects** – Results of Direct and Indirect effects (calculated using multipliers). Represents economic activity from household spending.
- **Total Effects** – Sum of Direct, Indirect, and Induced effects.
- **Total Output** – Value of all goods and services produced by industries.
- **Value Added** – Total Output less value of inputs, or the Net Benefit/Impact to an economy.
- **Employment** – Number of additional/reduced full time employment resulting from direct effects.

This study uses value added and employment figures to represent the total additional economic impact for each Project Alternative. IMPLAN has been used in this Plan to gauge the impacts on the County of retail rate reductions associated with forming LACCE. These impacts are discussed in detail below.

Increase in Disposal Income Associated with Rate Reduction Impacts

Exhibit 37 shows the effects \$20 million in rate savings will have on the County's economy. The \$20 million rate savings represents the minimum bill savings per year achievable by LACCE once Phase 3 operations begin. Direct effects from reduced rates are expected to add 98 jobs. Indirect effects

are expected to add about 10 jobs. The induced effects of the project create approximately 211 jobs in the County with over \$9.6 million in labor income. It is also projected that the total value added will be approximately \$15.9 million and output close to \$24.2 million. Exhibit 37 details the macroeconomics on the County of the anticipated LACCE customer bill reductions.

Exhibit 37 \$20 Million Rate Savings Effects on County Economy				
Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	98.3	\$3,674,939	\$5,376,863	\$7,099,612
Indirect Effect	10.4	\$608,838	\$1,057,593	\$1,677,591
Induced Effect	102.1	\$5,319,262	\$9,472,599	\$15,391,851
Total Effect	210.7	\$9,603,040	\$15,907,056	\$24,169,054

These savings are based on the economic construct that households will spend some share of the increased disposable income on more goods and services. This increased spending on goods and services will then lead to producers either increasing the wages of their current employees or hiring additional employees to handle the increased demand. This in turn will give the employees a larger disposable income which they spend on goods and services and thus repeating the cycle of increased demand. Again, these macroeconomic impacts shown on Exhibit 37 could be 6-7 times greater at Phase 3 build-out.

DER Development Impacts

The economic impacts of DER development are estimated using the Jobs and Economic Development Impact (JEDI) model. JEDI estimates the effects of DER development on construction industries and the local economy. JEDI was initially developed by the National Renewable Energy Laboratory to demonstrate the economic benefits associated with constructing and operating wind and photovoltaic systems in the United States. JEDI has since been expanded to analyze similar economic impacts for various energy sources such as biofuels, coal, concentrating solar power, geothermal, marine and hydrokinetic power, and natural gas. A primary goal of JEDI is that it is being used as a tool for system developers, renewable energy advocates, government officials, decision makers, and others to easily identify the local economic impacts associated with constructing and operating these systems on the economy as a whole, whether through direct and indirect effects.

Users input general information about a particular energy project, such as the project location, the type of system being installed, nameplate capacity, annual operations and maintenance costs, and others. JEDI has default but modifiable data regarding various aspects of each energy system type, such as equipment costs, tax parameters, and labor costs. JEDI then uses the input general information and the data, default or modified, to run calculations on the types of economic effects produced by the proposed project. This model can output projected direct job creation by industry, indirect job and business increases due to the project, projected operation costs, and more.

In order for JEDI to provide information, it must be populated with detailed data for the assumed DER project. Projected system data, type of solar cell, nameplate capacity (kW), and the number of systems. As an example of the macroeconomic activity caused by local DER deployment, this Plan assumes the installation of a 50 crystalline silicon, fixed mount solar systems with nameplate

capacities of 1 MW each for a total capacity of 50 MW. It is anticipated that LACCE will ultimately install a number of larger local solar projects such as the one described above. Exhibit 38 describes the macroeconomic impacts of constructing only one of these local solar projects.

Exhibit 38			
Projected Solar Systems Impacts on County's Economy			
Description	Jobs	Earnings, \$000	Output (GDP), \$000
During Construction and Installation Period			
*Project Development and Onsite Labor Impacts			
Construction and Installation Labor	342.5	\$22,182	
Construction and Installation Related Services	374.3	\$20,007	
Subtotal	716.8	\$42,189	\$67,620
*Module and Supply Chain Impacts			
Manufacturing Impacts	0.0	\$0	\$0
Trade (Wholesale and Retail)	79.4	\$4,425	\$12,887
Finance, Insurance and Real Estate	0.0	\$0	\$0
Professional Services	53.9	\$2,326	\$6,908
Other Services	141.4	\$15,048	\$42,364
Other Sectors	317.1	\$10,656	\$19,428
Subtotal	591.7	\$32,455	\$81,587
Induced Impacts	326.7	\$13,067	\$39,092
Total Impacts	1,635.3	\$87,710	\$188,298
During Operating Years			
*Onsite Labor Impacts			
PV Project Labor Only	9.2	\$555	\$555
*Local Revenue and Supply Chain Impacts	2.7	\$145	\$458
*Induced Impacts	1.9	\$74	\$221
Total Impacts	13.8	\$774	\$1,235

Exhibit 38 shows the construction and ongoing effects of building 50, 1 MW solar power systems. It is projected that roughly 1,635 jobs will be created during construction and installation. Of this total, about 719 jobs will be directly involved in construction and installation while roughly 592 jobs will be indirectly involved with the building of the project. Induced impacts of the construction and installation will create approximately 327 jobs. These induced effects may include anything from increased employment in restaurants, retail, education, and others. Overall, the building of this one solar project is projected to create \$87 million in earnings and \$188 million in output (GDP) in the local economy along with 1,636 jobs during construction and 14 full-time jobs ongoing. LACCE will need 2,000 – 3,000 MW of solar power plants at Phase 3 build-out so the potential employment impact on the County could be very significant.

Sensitivity Analysis

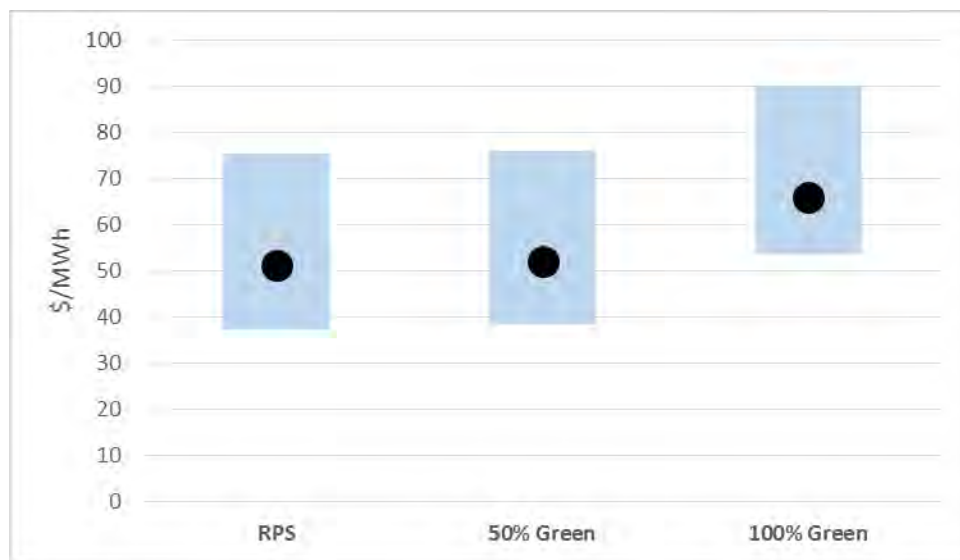
The aforementioned economic analysis provides the base case analysis of forming LACCE. This base case is predicated on numerous assumptions and estimates that influence the overall results. This section of the Plan will provide the range of impacts that could result from changes in the most significant variables. In addition, this section will address risks that cannot be quantified, but should be addressed and mitigated to the maximum amount possible. Each key assumption is discussed, a band of uncertainty is established and LACCE's rate impacts associated with factoring in this uncertainty is developed for each key variable.

Since resource costs are based on forecast natural gas, wholesale market and renewable market prices, it is prudent to look at the sensitivity of the 20-year levelized cost calculation to fluctuations in these projections. Exhibit 39 below shows a summary of low, base, and high resource costs.

Exhibit 39 Low, Base and High 20-year Levelized Resource Costs (\$/MWh)					
Case	Market PPA	Portfolio 1 and 2 Renewables	Portfolio 3 Renewables	Brown Resources	Local Renewables
Low Case	25.0	32	40	45	45
Base Case	41.5	42	52	60	65
High Case	70.0	62	76	80	85

The 20-year levelized costs of each portfolio has been calculated using the range of resource costs shown above. The base case costs are depicted by the black dots in Exhibit 40.

Exhibit 40
Sensitivity of Portfolio 20-year Levelized Costs



Portfolio 3, which relies on renewable energy purchases to serve all retail loads, has the highest projected costs that range from a low of \$54/MWh to a high of \$90/MWh. The low case for Portfolio 3 (\$54/MWh) is greater than the base case for both Portfolios 2 and 3. The likelihood of solar costs

increasing to the point that 20-year levelized costs are near \$62/MWh seems unlikely. All signs point to decreases in solar equipment costs on a \$/watt basis. There have been significant decreases in solar costs over the past few years. Given the financial incentives targeted at the solar industry as well as the continuing advances in technology, it seems very unlikely that solar costs will increase over the next 10 to 20 years.

The potential for market PPA prices to increase to the high case of \$70/MWh has a much higher likelihood. Wholesale market prices are dependent on many factors the most notable of which are natural gas prices. Natural gas prices are at historic lows and wholesale market prices have followed. However, natural gas prices are subject to variety of local, national and international forces that could drastically alter the current market place. For one, increased regulation of the natural gas industry with respect to the deployment of fracking technology could cause decreases in natural gas supplies and commensurate increases in natural gas prices. If natural gas prices increased, it is highly likely that electric wholesale market prices would also increase.

When evaluating risks, it is important to note that power supply costs are approximately 79 percent of the total CCE costs, SCE non-bypassable charges account for 13 percent and CCE operating costs account for 8 percent of total CCE revenue requirement.

Loads and Customer Participation Rates

The Plan bases the 20-year load forecasts on expected load growth, load profiles and participation rates. In order to evaluate the potential impact of varying loads, low, medium, and high load forecasts have been developed for the sensitivity analysis. SCE made available load shape profiles by customer class for the entire SCE service area. These load profiles were applied to all customer loads despite the varying climate zones within the County.

Another assumption that can impact the costs of LACCE are the customer participation rates. This Plan uses a conservative participation rate as the base case. A higher participation rate will increase energy sales relative to the base case and decrease the fixed costs paid by each customer. On the other hand, a reduced participation rate will increase the fixed costs to LACCE participants. Sensitivity to changes in projected loads has been tested for the high and low load forecast scenarios. For the sensitivity analysis, the high case assumes an additional 10 percent participation rate, while the low case assumes the participation rate is reduced by 50 percent. The low case assumes a 0 percent growth in energy and customers after 2017, while the high scenario assumes a 5 percent growth in energy and customers.

SCE Rates and Surcharges

The base case forecast of SCE rates assumes delivery rates increase at 2 percent per year and generation rates increase approximately 2.0 percent based on the projected market prices and renewable resource growth rates.

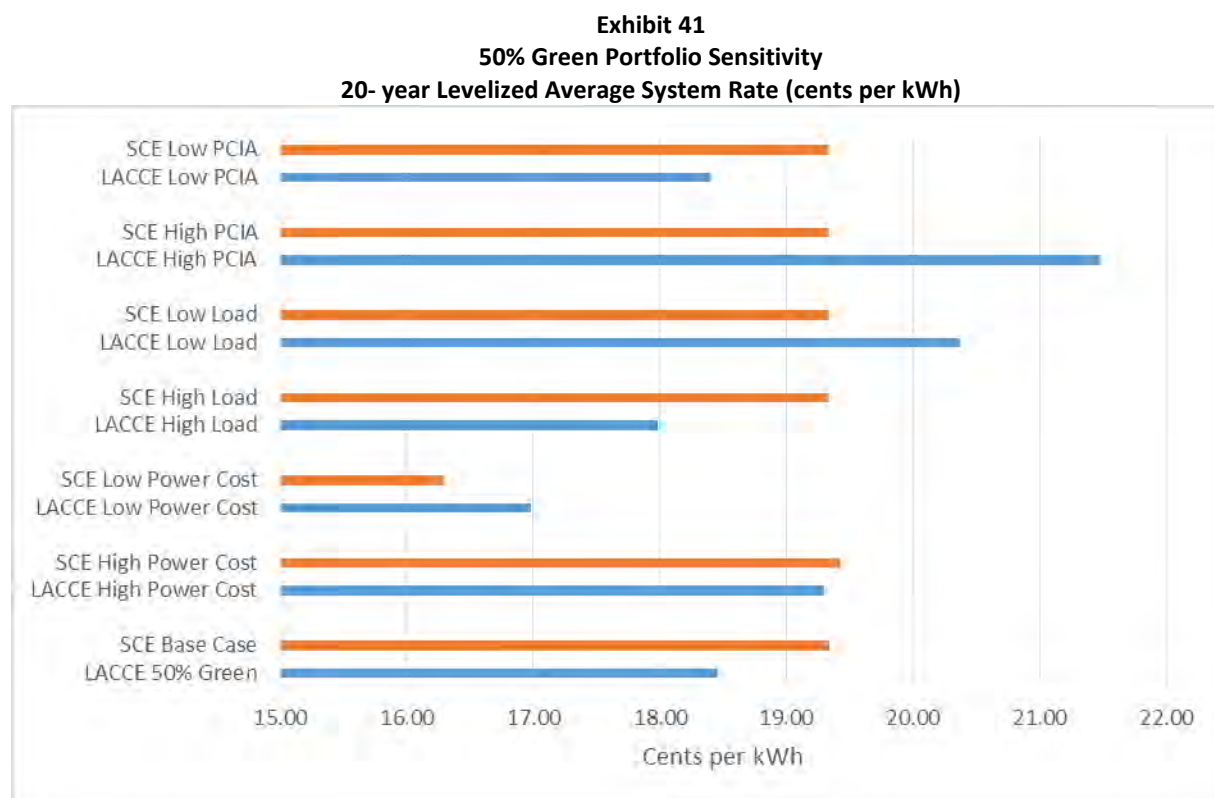
There are numerous factors that could impact SCE's rates in addition to the market price impacts described above. Regulatory changes, plant or technology retirements or additions, and the long-term impact of the Aliso Canyon leak all can impact SCE rates in the future. To address these

uncertainties, sensitivity to the SCE results has been modeled assuming a high and low SCE generation growth rate of 5 percent and 1.5 percent respectively.

The level of the PCIA and the amount of franchise surcharges will impact the cost competitiveness of LACCE. In order to be cost-effective, LACCE power supply costs plus PCIA and other surcharges must be lower than SCE's generation rates. Over time, the PCIA will vary, but it is expected that it will decline as market prices increase. The PCIA reflects SCE's own resources and signed contracts. Once the contracts expire, the related PCIA will disappear. Sensitivity to the PCIA has been modeled in the high case by assuming the PCIA would increase to reflect a historic high of 2.5 cents per kWh and remain flat for the 20-year analysis period. For the low case, it was assumed that the PCIA decreases by 50 percent in year 1 and remains flat for the 20-year analysis period.

Sensitivity Results

Exhibit 41 provides the results of the sensitivity analysis for the 50% Green Scenario, which is the most likely portfolio for LACCE to pursue. This sensitivity shows that the biggest risk to LACCE is if the PCIA increases to historic levels, LACCE does not achieve sufficient customer participation or if market prices fall significantly below their current historical low level.



This sensitivity analysis shows that LACCE rate could be greater than SCE rates if:

- The PCIA becomes larger by orders of magnitude
- LACCE loads are much less than forecast
- Wholesale market prices are much less than current experience

Each of these three scenarios has a low risk of actually occurring. For example, wholesale market prices for natural gas/electricity are at all-time lows. The probability of any significant further lowering of these prices is judged to be very small. The PCIA level should be fairly stable going forward as regulatory remedies are in play to stabilize the PCIA and the CCA vigilance in this area has increased markedly. Finally, a relatively high customer opt-out percentage in this Plan has been assumed when compared to those experienced by operating CCAs. It is very unlikely LACCE loads will not meet or exceed those assumed in this Plan.

Risks

Regulatory Risks

Regulatory issues continue to arise that may impact the competitiveness of LACCE. However, California's operating CCAs have worked hard to address any potentially detrimental changes through effective lobbying and technical support.

New legislation can also impact LACCE. For example, new legislation that recently affected CCAs are SB 350 and AB 1110. In addition, there are several changes that impact CCEs regarding power supply procurement and contracting. The CCE-specific changes reflected in SB 350 are generally positive, providing for ongoing autonomy with regard to resource planning and procurement. CCEs must be aware, however, of the long term contracting requirement associated with renewable energy procurement.

Regulatory risks also include the potential for utility generation costs to be shifted to non-bypassable and delivery charges. LACCE will need to continually monitor and lobby at the Federal, State and local levels to ensure fair and equitable treatment related to non-bypassable charges.

Participating Cities

LACCE has the possibility of being one of the largest utilities in California. As such, it is prudent to proceed with caution and implement LACCE's enrollment incrementally. The proposed phase-in approach allows for LACCE to hire staff and consultants incrementally, and ensure the power supply procurement, billing and data management process are smooth and with limited issues. This Plan demonstrates that if LACCE does not add any Cities to its service area, it is still cost competitive with SCE projected rates. As additional Cities are added, it is expected that LACCE rates will be reduced even more when compared to SCE's.

Schedule

A schedule for LACCE start-up is provided below.

Los Angeles Community Choice Energy (LACCE)
Phase 1 Summary Milestone Schedule

Task Name	2015			2016												2017		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Task Force Meetings	◆		◆		◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Acquire SCE Data (three phases)		◆ Order	◆ 1st	◆ 2nd	◆ Final													
Business Plan				Draft ◆						◆ Final								
JPA Governing Documents										◆ Final								
Board Approves Ordinance/Resolution										◆ Authorization								
Implementation Plan/Statement of Intent										◆ Submit to CPUC								
JPA Formation											◆ Complete							
Marketing and Outreach																		
Negotiate Financing/Line of Credit																		
Energy Services/Data Management								RFQ ◆				◆ Contracts						
CPUC Certification and Launch Date Set													◆ Certification by CPUC					
Cities Opt-In for Municipal Buildings												◆ Deadline						
Negotiate Power Contracts													◆ Contracts					
Finalize Cost of Service and Rates														◆				
Execute SCE Service Agreement*											◆							
Integration with SCE																		
Initial Opt-Out Notices													1st ◆	2nd ◆				
Phase 1 Service Begins															◆ Phase 1 Launch			
Final Opt-Out Notices																1st ◆	◆ 2nd	

Summary and Recommendations

Rate Impacts and Comparisons

The first impact associated with forming LACCE will be lower electricity bills for LACCE customers. LACCE customers should see no obvious changes in electric service other than the lower price and more renewable power procurement. Customers will pay the power supply charges set by LACCE and no longer pay the higher costs of SCE power supply.

Given this Plan's findings, LACCE's rate setting can establish a goal of providing rates that are lower than the equivalent rates offered by SCE even under the 50 percent renewable portfolio. Under the 100 percent renewable portfolio, LACCE customers will pay 6.3 percent more for their power, but will receive roughly four times as much renewable energy compared to the SCE product. The projected LACCE and SCE rates are illustrated in Exhibit 42.

Exhibit 42 Indicative Rate Comparison (\$/kWh)				
Rate Class	SCE Bundled Rate*	LACCE RPS Bundled Rate	LACCE 50% Green Bundled Rate	LACCE 100% Green Bundled Rate
Residential	17.1	16.2	16.4	18.2
GS-1	16.6	15.7	15.9	17.7
GS-2	15.8	15.0	15.2	16.9
GS-3	14.5	13.8	13.9	15.5
PA-2	12.6	12.0	12.1	13.4
PA-3	10.4	9.9	10.0	11.1
TOU-8 Secondary	13.1	12.4	12.6	14.0
TOU-8 Primary	11.7	11.1	11.2	12.5
TOU-8 Substation	7.5	7.1	7.2	8.0
Total LACCE Rate Savings		5.4%	4.1%	(6.3%)

*SCE bundled average rate based on Table 3 in Advice 3319-E-A.

As an alternative to its standard rates with 28 percent renewable power, SCE also offers rates which feature 50 percent and 100 percent renewable power. For the residential customers, SCE estimates energy costs to be 3.5 cents per kWh higher for each kWh served on the green rate. The LACCE rates for 50 percent and 100 percent renewable power for residential customers are therefore estimated at 12-13% percent lower than SCE's.

Once LACCE gives notice to SCE that it will commence service, LACCE customers will not be responsible for costs associated with SCE's future electricity procurement contracts or power

plant investments.⁶ This is a distinct advantage to LACCE customers as they will now have local control of power supply costs through LACCE.

Renewable Energy Impacts

A second consequence of forming LACCE will be an increase in the proportion of energy generated and supplied by renewable resources. The Plan includes procurement of renewable energy sufficient to meet 50 percent or more of LACCE's electricity needs. The majority of this renewable energy will be met by new renewable resources. By 2020, SCE must procure a minimum of 33 percent of its customers' annual electricity usage from renewable resources due to the state Renewable Portfolio Standard and the Energy Action Plan requirements of the CPUC. In contrast, LACCE will target 50 percent renewable by 2017 and these resources will likely be new renewable resources.

Energy Efficiency Impacts

A third consequence of forming LACCE will be an increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by SCE are not expected to change as a result of forming LACCE. LACCE customers will continue to pay the public goods charges to SCE which funds energy efficiency programs for all customers, regardless of supplier. The energy efficiency programs ultimately planned for LACCE will be in addition to the level of investment that would continue in the absence of LACCE. Thus, LACCE has the potential for increased energy investment and savings with an attendant further reduction in emissions due to expanded energy efficiency programs.

Economic Development Impacts

The fourth consequence of forming LACCE will be enhanced local economic development. The analyses contained in this Plan has focused primarily on the direct effects of this formation. However, in addition to direct effects, indirect economic effects are also encountered. The indirect effects of creating LACCE include the effects of increased local investments, increased disposable income due to bill savings and improved environmental and health conditions.

Exhibit 43 shows the effects \$20 million in electric bill savings will have on the County's economy. The \$20 million rate savings represents the minimum bill savings per year achievable by LACCE once in full operation. It is estimated that the electric bill savings can create approximately 211 additional jobs in the County with over \$9.6 million in labor income. It is also projected that the total value added will be approximately \$15.9 million and output close to \$24.2 million.

⁶ CCAs may be liable for a share of unbundled stranded costs from new generation, but would then receive associated Resource Adequacy credits.

Exhibit 43
\$20 Million Rate Savings Effects on County Economy

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	98.3	\$3,674,939	\$5,376,863	\$7,099,612
Indirect Effect	10.4	\$608,838	\$1,057,593	\$1,677,591
Induced Effect	102.1	\$5,319,262	\$9,472,599	\$15,391,851
Total Effect	210.7	\$9,603,040	\$15,907,056	\$24,169,054

These savings are based on the economic construct that households will spend some share of the increased disposable income on more goods and services. This increased spending on goods and services will then lead to producers either increasing the wages of their current employees or hiring additional employees to handle the increased demand. This in turn will give the employees a larger disposable income which they spend on goods and services and thus repeating the cycle of increased demand.

In addition to increased economic activity due to electric bill savings, potential local projects can also create job and economic growth in the local economy. As an example of the macroeconomic activity caused by local DER deployment, this Plan assumes the installation of fifty crystalline silicon, fixed mount solar systems with nameplate capacities of 1 MW each for a total capacity of 50 MW. Overall, the building of this one solar project is projected to create \$87 million in earnings and \$188 million in output (GDP) in the local economy along with 1,636 jobs during construction and 14 full-time jobs ongoing. It is anticipated that LACCE will ultimately install a number of larger local solar projects such as the one described. At full Phase 3 build-out, the positive economic impacts could be 6-7 times larger than those calculated for Phase 2 operations.

Impact of Resource Plan on Greenhouse Gas (GHG) Emissions

The fifth consequence of forming LACCE will be reduced GHG emissions. The amount of renewable power in SCE's power supply portfolio is 28 percent⁷ and will rise to 33 percent by 2020. LACCE is committed to reductions in greenhouse gas emissions. Based on power supply strategy described previously, the estimated GHG emission reductions are forecast to range from 289,080 to 505,890 tons CO₂e per year by 2019 assuming a 50 percent RPS target is achieved. The baseline for comparison is the resource mix used by SCE versus the resource mix that will be utilized by LACCE. Exhibit 44 details these reductions.

⁷ http://www.cpuc.ca.gov/RPS_Homepage/

Exhibit 44 Baseline Comparison of GHG Reduction by LACCE			
	2017	2018	2019
Forecast Renewables (50% Renewables)			
LACCE (MWH) – Phase 2	1,438,275	1,459,854	1,459,854
LACCE RPS (MWH) – Phase 2	730,029	737,154	737,154
Additional Green Power	708,246	722,700	722,700
CO2 reduction – Low (Metric Tons of CO ₂ e)	283,298	289,080	289,080
CO2 reduction – High (Metric tons of CO ₂ e)	495,772	505,890	505,890

These reductions in GHG emissions associated with LACCE operations are significant. Assuming only Phase 2 loads (all unincorporated County loads) are being met by LACCE, CO₂e emissions associated with in-County electricity use will be reduced by 1-2 percent. At full Phase 3 build-out, CO₂ emissions associated with in-County electricity use will be reduced roughly 12-25 percent by LACCE operations.

Summary

This study concludes that the formation of a CCA in Los Angeles County is financially feasible and would yield considerable benefits for all participating County residents and businesses. These benefits could include 4.1 percent lower rates for electricity that is supplied by roughly twice the amount of renewable resources as SCE. LACCE will reduce GHG emissions by as much as 500,000 tons of CO₂e per year by serving only the County's unincorporated areas. At full build-out, a 2 percent rate reduction (a fraction of the total reduction possible) will add 211 jobs, generate over \$24.2 million in additional GDP, and give the County and its residents greater control over their power supply and energy efficiency programs. The positive impacts on the County and its inhabitants of forming LACCE are so significant that this effort should be pursued. No likely combination of sensitivities will change this recommendation.

Appendix A – Cities/Counties Evaluating CCA Feasibility

	CCA Name	Service Area	Start Date	IOU
Operational				
	Marin Clean Energy	Marin County, Napa County, part of Contra Costa and Solano Counties	May 2010	PG&E
	Sonoma Clean Power	Sonoma County	May 2014	PG&E
	Lancaster Choice Energy	City of Lancaster	May 2015	SCE
	Clean Power San Francisco	City of San Francisco	May 2016	PG&E
	Peninsula Clean Energy	San Mateo County	June 2016	PG&E
Exploring/In Process				
	East Bay Community Energy	Alameda County		PG&E
	TBD	Butte County		PG&E
	TBD	City of San Jose		PG&E
	TBD	Contra Costa County		PG&E
	TBD	Humboldt County		PG&E
	LA Community Choice Energy	LA County		SCE
	TBD	Mendocino County		PG&E
	TBD	Monterey County		PG&E
	TBD	Placer County		PG&E
	TBD	Riverside County		SCE
	TBD	San Benito County		PG&E
	TBD	San Bernardino County		SCE
	TBD	San Diego County		SDG&E
	TBD	San Luis Obispo County		PG&E
	TBD	Santa Barbara County		SCE/PG&E
	Silicon Valley Clean Energy	Santa Clara County		PG&E
	TBD	Santa Cruz County		PG&E

Appendix B – CCA Funding Options Prepared by Public Financial Management, Inc.

This Appendix C is provided by Public Financial Management, Inc., the energy programs financial advisor to the Office of Sustainability hired to assist in LACCE start-up activities.

LACCE has funding requirements at each Phase of the program, including initial start-up costs as well as working capital necessary to bridge the timing lag between initial power purchases and the receipt of customer revenues. The complexity and availability of funding opportunities is influenced by the nature of each Phase of the program and the core structural features of the LACCE program itself. The discussion that follows reviews the current state of the financial marketplace for CCA programs and the funding options available to LACCE for each Phase of the program, as well as an overview of how other California CCAs have approached start-up and launch phase funding requirements.

Overview of Funding Requirements

Start-Up/Phase 1 – Start-Up and Phase 1 funding requirements are estimated to be approximately \$10 million. This amount consists of initial capital needs for infrastructure to establish the CCA as well as working capital to fund initial power procurement related expenses and bridge the timing lag between payment deadlines and the receipt of the first customer revenues. Phase 1 is expected to launch January 1, 2017, but funds will be required pre-launch starting on or about July 1, 2016 or later if some start-up costs can continue to be covered by initial County funding to develop the Business Plan.

Phase 2 – Phase 2 is scheduled to launch six months after Phase 1 on or about July 1, 2017. Phase 2 funding requirements are estimated to be approximately \$40 million largely oriented towards working capital and credit support for power procurement expenses. Similar to the Phase 1 timing, financing will be required several months prior to the launch of Phase 2. The lending community will view both Phase 1 and Phase 2 as having elevated risk profiles, given the start-up nature of the enterprise and uncertainty with respect to customer opt-out rates. On a relative basis, Phase 1 carries additional funding risk as a result of risks associated with failure to launch and untested revenue estimates, while the risk profile of Phase 2 should benefit from a limited history of successful collections and operating results as well as the ability to cure any preliminary start-up issues during the Phase 1 limited launch.

Current CCA Funding Landscape

The CCA market is rapidly expanding with increasingly proven success. To date, there are four operational CCAs in California with varying degrees of operating histories; however, all four CCAs have demonstrated the ability to generate positive operating results. As a result, power providers have kept pace and expanded their comfort level with CCA counterparty risks, offering

elongated and more flexible repayment terms for initial power purchases. The same cannot yet be said for the financial marketplace. To date, the financial counterparties who have gotten comfortable with CCA counterparty risk are very limited with only 3 to 5 banks currently offering credit to CCAs in the startup phase. The early adopters were community banks in the CCA service territory. In recent months a mix of regional and large national banks have shown increased levels of interest, particularly towards CCAs with (i) longer operating track-records and (ii) larger service territories. This expanded financial counterparty base should give LACCE comfort that it will have access to a deeper pool of potential financial counterparties than previous programs.

This is especially important since the LACCE program will dwarf all programs launched to date with respect to load served and potential customer base and thus require greater dollars.

Why are banks hesitant to lend to CCAs? LACCE will be formed as a Joint Action Agency (JPA) which is a proven organizational construct within California. Hundreds of JPAs have been created in CA and used to access billions in capital dollars over the decades. In particular, public power utilities in Southern California have sold billions of dollars of tax-exempt bonds and have had access to bank credit support in the form of letters and lines of credit. The key differentiating feature between all of these entities and a CCA is a monopoly right to a revenue stream to repay their creditors. Based on the existing legislative construct, CCAs have opt-out risk which gives creditors pause for concern. This is the fundamental reason why the financial marketplace has yet to get comfortable with CCAs on a broad-based basis.

As CCAs have successfully launched across the state and a more robust data set of opt-out history becomes available, the financial community has been more comfortable to provide credit support to CCAs. As more and larger opportunities such as LACCE, San Francisco, San Mateo County and San Diego potentially become available it is driving the financial community to respond and adapt. To date, the financial community as a whole has essentially been unaware of the growing CCA opportunity. Additional outreach and large scale public procurement efforts will continue to educate the marketplace.

With respect LACCE, funding requirements for start-up, Phase 1 and Phase 2 will be difficult funds to procure from a third party lender without some form of credit support (discussed below). The lending community will view the Start-up/Phase 1 \$10MM investment as high-risk because the CCA has yet to launch and begin collecting revenues which would be available to repay the lender. This investment is viewed much like an investment in any other start-up company that may not get off the ground. Phase 2 needs become a bit less risky as an operating history is established, but this history will be very limited and a significant amount of risk still exists for any lender. Future phases will reap the benefits of early Phase success and a reduced risk profile as LACCE demonstrates a record of operating results.

As a result of these funding challenges, all programs that have launched to date and those in development have relied on a sponsoring municipality to provide support for obtaining these needed funds. This support has come in varied forms which are summarized in Exhibit B-1 below:

Exhibit B-1
Forms of Support

Existing CCAs	Start-Up Funding Requirement ¹	Funding Sources
MCE Clean Energy	\$2- \$5 million	Startup loan from the County of Marin, individual investors, and local community bank loan.
Sonoma Clean Power	\$4 - \$6 million	Loan from Sonoma County Water Authority as well as loans from a local community bank secured by a Sonoma County general fund guarantee.
CleanPower SF	~\$5 million	Appropriations from the Hetch Hetchy reserve (SFPUC).
Lancaster Choice CCA	~\$2 million	Loan from the City of Lancaster general fund.
Peninsula Clean Energy	\$10 - \$12 million	San Mateo County has stated a willingness to fund a \$6MM escrow to secure lenders.

¹ Source: Respective entity websites and publicly available information.

Funding Option Review

LACCE will have more options than the initial CCA efforts in the state; however, the fundamental marketplace developments described above will nevertheless influence LACCE's financing alternatives. This is a very dynamic and rapidly evolving market so what is written here will likely be different and perhaps more favorable when LACCE moves toward launch.

A review of the current state of options for obtaining funds for these initial phases is detailed below:

Direct Loan from LA County – LACCE can approach LA County for a loan to fund all or a portion of the Start-up/Phase 1 and Phase 2 needs. The County would be secured by the CCA revenues once launched. LA County could expect to be repaid in one to three years for this investment based on the history of other operational CCAs. LA County would likely assess a risk-appropriate rate for such a loan which is likely higher than the County earns for funds otherwise invested. This rate is estimated to be 4.0 percent to 6.0 percent.

Phase 1 needs are wholly County-contained risks in that the CCA is serving power to County facilities. This is a very controlled risk for the County in that it is essentially both the lender and the creditor. The opt-out risk is completely in the County's control. While untested, it is possible that a lender other than the County could be found to fund these needs. Should the County be willing to offer up additional credit protection in the form of a 3-year agreement to not opt-out of the CCA, then external funding sources may be more readily available. The loan at that point would be no different than a loan to the County's general fund, which has ample access to bank credit, given its high investment grade credit ratings and strong credit profile.

Phase 2 needs are broader and exposed to opt-out risk of customers beyond the County's control. A direct loan from the County would be the easiest and most reliable approach to funding for LACCE Phase 2. The County will need to assess such risk appropriately and, if it decides to fund a loan, should fund at levels that reflect such risk. This has ranged 4.0 percent to 6.0 percent as

noted above. To date, the tenor of such loans has been relatively short, albeit with somewhat flexible repayment terms. The County would have other vehicles described below to support the CCA while limiting its risk.

Collateral Arrangement from LA County – As an alternative to a direct loan from the County, the County could establish an escrow account to backstop a lender’s exposure to the CCA. The County would agree to deposit funds in an interest-bearing escrow account which the lender could tap should the CCA fail to pay the lender directly.

The escrow would be interest bearing on behalf of the County so to the extent funds are not used the County is not forgoing interest earnings or principal. The amount of deposit required is negotiable with the lenders but could be as high as 50 percent of the loan needs or \$12.5 million to \$20 million for Phase 2. This limits the County’s exposure to 50 percent vs 100 percent direct exposure with a loan. This arrangement will attract interest from the existing CCA lending community and likely bring additional competition via a lending procurement effort.

Loan from a Financial Institution without Support – Market appetite for this option at such an early stage of the CCA is untested. To date, only CCAs with a more extensive 2 to 3-year operating history have been able to move away from a supported funding arrangement. LACCE should nonetheless explore this option.

Vendor Funding – LACCE can pursue arrangements with its power suppliers to eliminate or reduce the need for or size of funding for the initial Phases. This could come in a number of forms such as a “lockbox” approach with one power provider or a “credit-sleeving” approach with a power marketer. However, this approach is less transparent and the associated cost may outweigh the benefit of eliminating or reducing the need for a bank facility. It has been a very viable approach for the first CCA programs, but with the expansion of the marketplace it may not be required.

Revenue Bond Financing – This is not a feasible option at this point given the start-up nature of the enterprise. Once the CCA is more established (3 to 5 years) and can obtain a credit rating this could be an avenue to explore for future capital needs. Other CCAs with a longer operating history will likely explore and establish this marketplace before LACCE.

Summary

Funding for the LACCE program is available and viable in various forms as the financial marketplace continues to evolve for CCAs. The program should explore all options to determine which alternatives or combination of alternatives delivers the lowest cost funding.

Phase 1 needs are best supported by LA County as the sole impacted CCA participant. There are options beyond this, but each involves a significant amount of risk for the counterparty and thus likely to be available at a higher cost for LACCE.

Phase 2 needs will greatly benefit from an LA County pledge, but the marketplace may allow alternatives as noted above.

Appendix C – Proforma Analyses

LA County Community Choice Aggregation

Financial Proforma

Portfolio - 50% Renewable

Load Data	2017 Jan - June	2017 July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<i>Customer Accounts</i>																					
Domestic	43	279,478	286,656	287,449	290,158	294,277	299,063	305,491	312,692	320,160	328,122	335,746	341,378	347,105	352,928	358,849	364,870	370,991	377,215	383,543	389,978
Commercial	925	27,673	27,902	28,199	28,489	28,718	28,942	29,276	29,511	29,754	30,031	30,222	30,514	30,809	31,107	31,408	31,711	32,018	32,328	32,641	32,957
Industrial	10	135	135	135	135	134	134	134	134	134	134	134	134	134	134	133	133	133	133	133	133
Lighting & Traffic Control	686	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Agricultural	64	984	986	989	991	994	997	1,000	1,003	1,005	1,008	1,011	1,014	1,017	1,020	1,023	1,025	1,028	1,031	1,034	1,037
Total Customers	1,728	309,558	316,966	318,060	321,061	325,412	330,424	337,189	344,628	352,341	360,583	368,401	374,328	380,353	386,477	392,701	399,028	405,459	411,995	418,639	425,393
<i>Energy Sales (MWh)</i>																					
Domestic	86	825,737	1,486,894	1,500,905	1,522,211	1,546,971	1,580,223	1,617,470	1,656,100	1,697,285	1,736,723	1,765,859	1,795,484	1,825,607	1,856,234	1,887,376	1,919,040	1,951,236	1,983,971	2,017,256	2,051,099
Commercial	23,544	439,958	828,482	836,747	843,298	849,674	859,196	865,918	872,855	880,765	886,220	894,552	902,966	911,464	920,047	928,716	937,471	946,313	955,243	964,262	973,371
Industrial	42,848	222,120	415,784	415,082	413,882	412,796	413,483	413,405	412,993	413,065	412,935	412,646	412,357	412,068	411,779	411,491	411,203	410,915	410,628	410,341	410,054
Lighting & Traffic Control	12,604	19,547	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444
Agricultural	4,917	55,425	103,471	103,750	104,029	104,310	104,591	104,873	105,156	105,439	105,724	106,009	106,295	106,582	106,870	107,159	107,448	107,739	108,030	108,322	108,615
Total Energy Sales (MWh)	83,998	1,562,787	2,873,075	2,894,927	2,921,864	2,952,194	2,995,937	3,040,110	3,085,547	3,134,997	3,180,045	3,217,509	3,255,546	3,294,165	3,333,375	3,373,185	3,413,606	3,454,646	3,496,316	3,538,625	3,581,583
CCE Operating Costs	2017 Jan - June	2017 July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Power Supply	\$5,115,141	\$78,575,785	\$147,670,090	\$151,208,630	\$155,034,198	\$159,257,906	\$164,317,538	\$169,532,598	\$175,061,789	\$181,154,265	\$186,972,696	\$192,469,336	\$198,332,840	\$204,691,824	\$211,012,300	\$217,680,878	\$224,618,939	\$231,778,097	\$239,348,954	\$247,253,173	\$255,387,886
Billing & Data Management	\$12,960	\$2,321,688	\$4,754,496	\$4,770,904	\$4,815,913	\$4,881,173	\$4,956,358	\$5,057,834	\$5,169,415	\$5,285,118	\$5,408,747	\$5,526,017	\$5,614,925	\$5,705,295	\$5,797,151	\$5,890,517	\$5,985,418	\$6,081,880	\$6,179,928	\$6,279,589	\$6,380,890
SCE Fees	\$1,106,742	\$230,000	\$1,559,583	\$1,564,964	\$1,579,727	\$1,601,133	\$1,625,793	\$1,659,077	\$1,695,676	\$1,733,627	\$1,774,177	\$1,812,641	\$1,841,803	\$1,871,445	\$1,901,574	\$1,932,198	\$1,963,325	\$1,994,965	\$2,027,124	\$2,059,813	\$2,093,040
Technical Services	\$715,000	\$715,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000
Staffing	\$380,000	\$1,215,000	\$3,396,600	\$3,464,532	\$3,533,823	\$3,604,499	\$3,676,589	\$3,750,121	\$3,825,123	\$3,901,626	\$3,979,658	\$4,059,251	\$4,140,436	\$4,223,245	\$4,307,710	\$4,393,864	\$4,481,742	\$4,571,376	\$4,662,804	\$4,756,060	\$4,851,181
General & Administrative expenses	\$160,000	\$230,000	\$356,000	\$312,120	\$318,362	\$324,730	\$331,224	\$337,849	\$344,606	\$351,498	\$358,528	\$365,698	\$373,012	\$380,473	\$388,082	\$395,844	\$403,761	\$411,836	\$420,072	\$428,474	\$437,043
Debt Service (CCE Bonds & Start-up Costs)	\$3,514,532	\$3,514,532	\$7,029,064	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532
Start-Up Capital	(\$5,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$58,598	\$500,548	\$953,462	\$954,270	\$974,531	\$997,343	\$1,024,971	\$971,640	\$1,000,666	\$1,032,673	\$1,063,290	\$1,092,187	\$1,122,723	\$1,155,747	\$1,188,726	\$1,223,367	\$1,259,378	\$1,296,514	\$1,335,729	\$1,376,632	\$1,418,720
Total Operating Costs	\$6,062,973	\$87,302,553	\$167,149,294	\$167,219,951	\$171,201,087	\$175,611,316	\$180,877,005	\$186,253,651	\$192,041,806	\$198,403,338	\$204,501,628	\$210,269,662	\$216,370,272	\$222,972,560	\$229,540,074	\$236,461,199	\$243,657,094	\$251,079,199	\$258,919,144	\$267,098,274	\$275,513,292
Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CCE Revenue Requirement	\$6,062,973	\$87,302,553	\$167,149,294	\$167,219,951	\$171,201,087	\$175,611,316	\$180,877,005	\$186,253,651	\$192,041,806	\$198,403,338	\$204,501,628	\$210,269,662	\$216,370,272	\$222,972,560	\$229,540,074	\$236,461,199	\$243,657,094	\$251,079,199	\$258,919,144	\$267,098,274	\$275,513,292
Average CCE Rate (\$/kWh)		\$0.0530	\$0.0582	\$0.0578	\$0.0586	\$0.0595	\$0.0604	\$0.0613	\$0.0622	\$0.0633	\$0.0643	\$0.0654	\$0.0665	\$0.0677	\$0.0689	\$0.0701	\$0.0714	\$0.0727	\$0.0741	\$0.0755	\$0.0769
Average SCE Generation Rate (\$/kWh)		\$0.0684	\$0.0692	\$0.0709	\$0.0734	\$0.0750	\$0.0767	\$0.0785	\$0.0805	\$0.0823	\$0.0841	\$0.0858	\$0.0875	\$0.0894	\$0.0908	\$0.0926	\$0.0946	\$0.0965	\$0.0986	\$0.1008	\$0.1029
<i>Total CCE Charges</i>																					
SCE Non-bypassable Charges	\$715,270	\$13,307,632	\$24,496,470	\$24,588,226	\$24,679,691	\$24,854,670	\$25,142,156	\$9,046,076	\$9,091,988	\$9,163,882	\$9,219,721	\$9,259,956	\$9,297,027	\$9,332,491	\$9,393,772	\$9,435,616	\$9,477,832	\$9,520,054	\$9,562,324	\$9,604,837	\$9,649,378
CCE Revenue Requirement	\$6,062,973	\$87,302,553	\$167,149,294	\$167,219,951	\$171,201,087	\$175,611,316	\$180,877,005	\$186,253,651	\$192,041,806	\$198,403,338	\$204,501,628	\$210,269,662	\$216,370,272	\$222,972,560	\$229,540,074	\$236,461,199	\$243,657,094	\$251,079,199	\$258,919,144	\$267,098,274	\$275,513,292
Total CCE Generation Revenue Requirement	\$6,778,244	\$100,610,186	\$191,645,765	\$191,808,177	\$195,880,777	\$200,465,986	\$206,019,161	\$195,299,727	\$201,133,794	\$207,567,220	\$213,721,348	\$219,529,618	\$225,667,299	\$232,305,051	\$238,933,846	\$245,896,815	\$253,134,927	\$260,599,253	\$268,481,467	\$276,703,111	\$285,162,670
<i>Other Revenue</i>																					
Bundled SCE Revenues	\$13,222,230	\$246,000,134	\$462,690,313	\$476,602,301	\$494,417,741	\$510,735,421	\$530,026,448	\$550,333,342	\$572,141,453	\$594,470,424	\$616,770,113	\$637,141,478	\$658,526,273	\$680,869,244	\$702,056,698	\$725,605,074	\$750,044,967	\$775,447,673	\$801,854,568	\$829,294,440	\$857,637,876
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$12,680,167	\$235,915,032	\$443,865,280	\$456,869,595	\$473,336,572	\$488,673,425	\$506,842,962	\$525,968,140	\$546,452,655	\$567,524,699	\$588,543,233	\$607,770,036	\$627,923,408	\$648,959,453	\$669,089,958	\$691,296,020	\$714,336,051	\$738,273,377	\$763,146,083	\$788,981,674	\$815,673,277
Savings	\$542,063	\$10,085,102	\$18,825,033	\$19,732,707	\$21,081,169	\$22,061,996	\$23,183,486	\$24,365,202	\$25,688,798	\$26,945,725	\$28,226,879	\$29,371,443	\$30,602,865	\$31,909,791	\$32,966,740	\$34,309,054	\$35,708,916	\$37,174,296	\$38,708,485	\$40,312,767	\$41,964,598
Percent Savings	4.1%	4.1%	4.1%	4.1%	4.3%	4.3%	4.4%	4.4%	4.5%	4.5%	4.6%	4.6%	4.6%	4.7%	4.7%	4.7%	4.8%	4.8%	4.8%	4.9%	4.9%

LA County Community Choice Aggregation

Financial Proforma

Portfolio - RPS

Load Data	2017 Jan - June	2017 July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<i>Customer Accounts</i>																					
Domestic	43	279,478	286,656	287,449	290,158	294,277	299,063	305,491	312,692	320,160	328,122	335,746	341,378	347,105	352,928	358,849	364,870	370,991	377,215	383,543	389,978
Commercial	925	27,673	27,902	28,199	28,489	28,718	28,942	29,276	29,511	29,754	30,031	30,222	30,514	30,809	31,107	31,408	31,711	32,018	32,328	32,641	32,957
Industrial	10	135	135	135	135	134	134	134	134	134	134	134	134	134	134	133	133	133	133	133	133
Lighting & Traffic Control	686	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Agricultural	64	984	986	989	991	994	997	1,000	1,003	1,005	1,008	1,011	1,014	1,017	1,020	1,023	1,025	1,028	1,031	1,034	1,037
Total Customers	1,728	309,558	316,966	318,060	321,061	325,412	330,424	337,189	344,628	352,341	360,583	368,401	374,328	380,353	386,477	392,701	399,028	405,459	411,995	418,639	425,393
<i>Energy Sales (MWh)</i>																					
Domestic	86	825,737	1,486,894	1,500,905	1,522,211	1,546,971	1,580,223	1,617,470	1,656,100	1,697,285	1,736,723	1,765,859	1,795,484	1,825,607	1,856,234	1,887,376	1,919,040	1,951,236	1,983,971	2,017,256	2,051,099
Commercial	23,544	439,958	828,482	836,747	843,298	849,674	859,196	865,918	872,855	880,765	886,220	894,552	902,966	911,464	920,047	928,716	937,471	946,313	955,243	964,262	973,371
Industrial	42,848	222,120	415,784	415,082	413,882	412,796	413,483	413,405	412,993	413,065	412,935	412,646	412,357	412,068	411,779	411,491	411,203	410,915	410,628	410,341	410,054
Lighting & Traffic Control	12,604	19,547	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444
Agricultural	4,917	55,425	103,471	103,750	104,029	104,310	104,591	104,873	105,156	105,439	105,724	106,009	106,295	106,582	106,870	107,159	107,448	107,739	108,030	108,322	108,615
Total Energy Sales (MWh)	83,998	1,562,787	2,873,075	2,894,927	2,921,864	2,952,194	2,995,937	3,040,110	3,085,547	3,134,997	3,180,045	3,217,509	3,255,546	3,294,165	3,333,375	3,373,185	3,413,606	3,454,646	3,496,316	3,538,625	3,581,583
CCE Operating Costs	2017 Jan - June	2017 July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Power Supply	\$5,110,839	\$74,072,864	\$139,247,657	\$143,573,115	\$149,887,088	\$154,656,623	\$160,300,239	\$166,177,870	\$172,701,936	\$179,005,281	\$185,335,719	\$190,997,414	\$197,061,702	\$203,479,087	\$208,779,585	\$215,379,743	\$222,252,573	\$229,434,741	\$236,941,797	\$244,780,164	\$252,847,304
Billing & Data Management	\$12,960	\$2,321,688	\$4,754,496	\$4,770,904	\$4,815,913	\$4,881,173	\$4,956,358	\$5,057,834	\$5,169,415	\$5,285,118	\$5,408,747	\$5,526,017	\$5,614,925	\$5,705,295	\$5,797,151	\$5,890,517	\$5,985,418	\$6,081,880	\$6,179,928	\$6,279,589	\$6,380,890
SCE Fees	\$1,106,742	\$230,000	\$1,559,583	\$1,564,964	\$1,579,727	\$1,601,133	\$1,625,793	\$1,659,077	\$1,695,676	\$1,733,627	\$1,774,177	\$1,812,641	\$1,841,803	\$1,871,445	\$1,901,574	\$1,932,198	\$1,963,325	\$1,994,965	\$2,027,124	\$2,059,813	\$2,093,040
Technical Services	\$715,000	\$715,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000
Staffing	\$380,000	\$1,215,000	\$3,396,600	\$3,464,532	\$3,533,823	\$3,604,499	\$3,676,589	\$3,750,121	\$3,825,123	\$3,901,626	\$3,979,658	\$4,059,251	\$4,140,436	\$4,223,245	\$4,307,710	\$4,393,864	\$4,481,742	\$4,571,376	\$4,662,804	\$4,756,060	\$4,851,181
General & Administrative expenses	\$160,000	\$230,000	\$356,000	\$312,120	\$318,362	\$324,730	\$331,224	\$337,849	\$344,606	\$351,498	\$358,528	\$365,698	\$373,012	\$380,473	\$388,082	\$395,844	\$403,761	\$411,836	\$420,072	\$428,474	\$437,043
Debt Service (CCE Bonds & Start-up Costs)	\$3,514,532	\$3,514,532	\$7,029,064	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532
Start-Up Capital	(\$5,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$58,577	\$478,034	\$911,349	\$916,092	\$948,796	\$974,337	\$1,004,884	\$954,867	\$988,866	\$1,021,928	\$1,055,105	\$1,084,828	\$1,116,367	\$1,149,683	\$1,177,562	\$1,211,862	\$1,247,546	\$1,284,797	\$1,323,693	\$1,364,267	\$1,406,017
Total Operating Costs	\$6,058,650	\$82,777,118	\$158,684,749	\$159,546,259	\$166,028,241	\$170,987,026	\$176,839,620	\$182,882,150	\$189,670,154	\$196,243,610	\$202,856,466	\$208,790,381	\$215,092,779	\$221,753,760	\$227,296,195	\$234,148,558	\$241,278,895	\$248,724,126	\$256,499,951	\$264,612,900	\$272,960,008
Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CCE Revenue Requirement	\$6,058,650	\$82,777,118	\$158,684,749	\$159,546,259	\$166,028,241	\$170,987,026	\$176,839,620	\$182,882,150	\$189,670,154	\$196,243,610	\$202,856,466	\$208,790,381	\$215,092,779	\$221,753,760	\$227,296,195	\$234,148,558	\$241,278,895	\$248,724,126	\$256,499,951	\$264,612,900	\$272,960,008
Average CCE Rate (\$/kWh)		\$0.0503	\$0.0552	\$0.0551	\$0.0568	\$0.0579	\$0.0590	\$0.0602	\$0.0615	\$0.0626	\$0.0638	\$0.0649	\$0.0661	\$0.0673	\$0.0682	\$0.0694	\$0.0707	\$0.0720	\$0.0734	\$0.0748	\$0.0762
Average SCE Generation Rate (\$/kWh)		\$0.0684	\$0.0692	\$0.0709	\$0.0734	\$0.0750	\$0.0767	\$0.0785	\$0.0805	\$0.0823	\$0.0841	\$0.0858	\$0.0875	\$0.0894	\$0.0908	\$0.0926	\$0.0946	\$0.0965	\$0.0986	\$0.1008	\$0.1029
<i>Total CCE Charges</i>																					
SCE Non-bypassable Charges	\$715,270	\$13,307,632	\$24,496,470	\$24,588,226	\$24,679,691	\$24,854,670	\$25,142,156	\$9,046,076	\$9,091,988	\$9,163,882	\$9,219,721	\$9,259,956	\$9,297,027	\$9,332,491	\$9,393,772	\$9,435,616	\$9,477,832	\$9,520,054	\$9,562,324	\$9,604,837	\$9,649,378
CCE Revenue Requirement	\$6,058,650	\$82,777,118	\$158,684,749	\$159,546,259	\$166,028,241	\$170,987,026	\$176,839,620	\$182,882,150	\$189,670,154	\$196,243,610	\$202,856,466	\$208,790,381	\$215,092,779	\$221,753,760	\$227,296,195	\$234,148,558	\$241,278,895	\$248,724,126	\$256,499,951	\$264,612,900	\$272,960,008
Total CCE Generation Revenue Requirement	\$6,773,920	\$96,084,750	\$183,181,219	\$184,134,485	\$190,707,932	\$195,841,697	\$201,981,776	\$191,928,225	\$198,762,142	\$205,407,491	\$212,076,187	\$218,050,337	\$224,389,806	\$231,086,250	\$236,689,967	\$243,584,175	\$250,756,728	\$258,244,180	\$266,062,274	\$274,217,737	\$282,609,386
<i>Other Revenue</i>																					
Bundled SCE Revenues	\$13,222,230	\$246,000,134	\$462,690,313	\$476,602,301	\$494,417,741	\$510,735,421	\$530,026,448	\$550,333,342	\$572,141,453	\$594,470,424	\$616,770,113	\$637,141,478	\$658,526,273	\$680,869,244	\$702,056,698	\$725,605,074	\$750,044,967	\$775,447,673	\$801,854,568	\$829,294,440	\$857,637,876
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$12,507,756	\$232,707,322	\$437,900,502	\$450,715,892	\$466,905,427	\$482,029,638	\$499,947,775	\$518,808,581	\$538,999,629	\$559,786,926	\$580,518,962	\$599,491,879	\$619,373,431	\$640,121,821	\$660,012,706	\$681,922,162	\$704,653,177	\$728,267,445	\$752,802,338	\$778,285,044	\$804,613,140
Savings	\$714,474	\$13,292,812	\$24,789,811	\$25,886,409	\$27,512,314	\$28,705,783	\$30,078,674	\$31,524,761	\$33,141,824	\$34,683,498	\$36,251,151	\$37,649,600	\$39,152,842	\$40,747,422	\$42,043,993	\$43,682,912	\$45,391,791	\$47,180,229	\$49,052,230	\$51,009,396	\$53,024,736
Percent Savings	5.4%	5.4%	5.4%	5.4%	5.6%	5.6%	5.7%	5.7%	5.8%	5.8%	5.9%	5.9%	5.9%	6.0%	6.0%	6.0%	6.1%	6.1%	6.1%	6.2%	6.2%

LA County Community Choice Aggregation

Financial Proforma

Portfolio - 100% Renewable

Load Data	2017 Jan - June	2017 July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Customer Accounts																					
Domestic	43	279,478	286,656	287,449	290,158	294,277	299,063	305,491	312,692	320,160	328,122	335,746	341,378	347,105	352,928	358,849	364,870	370,991	377,215	383,543	389,978
Commercial	925	27,673	27,902	28,199	28,489	28,718	28,942	29,276	29,511	29,754	30,031	30,222	30,514	30,809	31,107	31,408	31,711	32,018	32,328	32,641	32,957
Industrial	10	135	135	135	135	134	134	134	134	134	134	134	134	134	134	133	133	133	133	133	133
Lighting & Traffic Control	686	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Agricultural	64	984	986	989	991	994	997	1,000	1,003	1,005	1,008	1,011	1,014	1,017	1,020	1,023	1,025	1,028	1,031	1,034	1,037
Total Customers	1,728	309,558	316,966	318,060	321,061	325,412	330,424	337,189	344,628	352,341	360,583	368,401	374,328	380,353	386,477	392,701	399,028	405,459	411,995	418,639	425,393
Energy Sales (MWh)																					
Domestic	86	825,737	1,486,894	1,500,905	1,522,211	1,546,971	1,580,223	1,617,470	1,656,100	1,697,285	1,736,723	1,765,859	1,795,484	1,825,607	1,856,234	1,887,376	1,919,040	1,951,236	1,983,971	2,017,256	2,051,099
Commercial	23,544	439,958	828,482	836,747	843,298	849,674	859,196	865,918	872,855	880,765	886,220	894,552	902,966	911,464	920,047	928,716	937,471	946,313	955,243	964,262	973,371
Industrial	42,848	222,120	415,784	415,082	413,882	412,796	413,483	413,405	412,993	413,065	412,935	412,646	412,357	412,068	411,779	411,491	411,203	410,915	410,628	410,341	410,054
Lighting & Traffic Control	12,604	19,547	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444	38,444
Agricultural	4,917	55,425	103,471	103,750	104,029	104,310	104,591	104,873	105,156	105,439	105,724	106,009	106,295	106,582	106,870	107,159	107,448	107,739	108,030	108,322	108,615
Total Energy Sales (MWh)	83,998	1,562,787	2,873,075	2,894,927	2,921,864	2,952,194	2,995,937	3,040,110	3,085,547	3,134,997	3,180,045	3,217,509	3,255,546	3,294,165	3,333,375	3,373,185	3,413,606	3,454,646	3,496,316	3,538,625	3,581,583
CCE Operating Costs	2017 Jan - June	2017 July - Dec	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Power Supply	\$6,007,321	\$106,068,728	\$198,408,928	\$201,450,106	\$204,500,269	\$208,262,418	\$212,887,455	\$217,705,763	\$222,563,531	\$227,944,748	\$233,140,721	\$237,747,217	\$242,462,617	\$247,687,986	\$252,644,070	\$258,072,774	\$263,233,933	\$269,375,999	\$274,892,693	\$280,988,647	\$286,983,057
Billing & Data Management	\$12,960	\$2,321,688	\$4,754,496	\$4,770,904	\$4,815,913	\$4,881,173	\$4,956,358	\$5,057,834	\$5,169,415	\$5,285,118	\$5,408,747	\$5,526,017	\$5,614,925	\$5,705,295	\$5,797,151	\$5,890,517	\$5,985,418	\$6,081,880	\$6,179,928	\$6,279,589	\$6,380,890
SCE Fees	\$1,106,742	\$230,000	\$1,559,583	\$1,564,964	\$1,579,727	\$1,601,133	\$1,625,793	\$1,659,077	\$1,695,676	\$1,733,627	\$1,774,177	\$1,812,641	\$1,841,803	\$1,871,445	\$1,901,574	\$1,932,198	\$1,963,325	\$1,994,965	\$2,027,124	\$2,059,813	\$2,093,040
Technical Services	\$715,000	\$715,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000	\$1,430,000
Staffing	\$380,000	\$1,215,000	\$3,396,600	\$3,464,532	\$3,533,823	\$3,604,499	\$3,676,589	\$3,750,121	\$3,825,123	\$3,901,626	\$3,979,658	\$4,059,251	\$4,140,436	\$4,223,245	\$4,307,710	\$4,393,864	\$4,481,742	\$4,571,376	\$4,662,804	\$4,756,060	\$4,851,181
General & Administrative expenses	\$160,000	\$230,000	\$356,000	\$312,120	\$318,362	\$324,730	\$331,224	\$337,849	\$344,606	\$351,498	\$358,528	\$365,698	\$373,012	\$380,473	\$388,082	\$395,844	\$403,761	\$411,836	\$420,072	\$428,474	\$437,043
Debt Service (CCE Bonds & Start-up Costs)	\$3,514,532	\$3,514,532	\$7,029,064	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532	\$3,514,532
Start-Up Capital	(\$5,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles	\$63,059	\$638,013	\$1,207,156	\$1,205,477	\$1,221,862	\$1,242,366	\$1,267,821	\$1,212,506	\$1,238,174	\$1,266,625	\$1,294,130	\$1,318,577	\$1,343,372	\$1,370,727	\$1,396,884	\$1,425,327	\$1,452,453	\$1,484,503	\$1,513,447	\$1,545,310	\$1,576,696
Total Operating Costs	\$6,959,614	\$114,932,961	\$218,141,826	\$217,712,635	\$220,914,488	\$224,860,850	\$229,689,773	\$234,667,682	\$239,781,057	\$245,427,774	\$250,900,493	\$255,773,933	\$260,720,698	\$266,183,703	\$271,380,003	\$277,055,055	\$282,465,162	\$288,865,091	\$294,640,601	\$301,002,425	\$307,266,439
Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total CCE Revenue Requirement	\$6,959,614	\$114,932,961	\$218,141,826	\$217,712,635	\$220,914,488	\$224,860,850	\$229,689,773	\$234,667,682	\$239,781,057	\$245,427,774	\$250,900,493	\$255,773,933	\$260,720,698	\$266,183,703	\$271,380,003	\$277,055,055	\$282,465,162	\$288,865,091	\$294,640,601	\$301,002,425	\$307,266,439
Average CCE Rate (\$/kWh)		\$0.0698	\$0.0759	\$0.0752	\$0.0756	\$0.0762	\$0.0767	\$0.0772	\$0.0777	\$0.0783	\$0.0789	\$0.0795	\$0.0801	\$0.0808	\$0.0814	\$0.0821	\$0.0827	\$0.0836	\$0.0843	\$0.0851	\$0.0858
Average SCE Generation Rate (\$/kWh)		\$0.0684	\$0.0692	\$0.0709	\$0.0734	\$0.0750	\$0.0767	\$0.0785	\$0.0805	\$0.0823	\$0.0841	\$0.0858	\$0.0875	\$0.0894	\$0.0908	\$0.0926	\$0.0946	\$0.0965	\$0.0986	\$0.1008	\$0.1029
Total CCE Charges																					
SCE Non-bypassable Charges	\$715,270	\$13,307,632	\$24,496,470	\$24,588,226	\$24,679,691	\$24,854,670	\$25,142,156	\$9,046,076	\$9,091,988	\$9,163,882	\$9,219,721	\$9,259,956	\$9,297,027	\$9,332,491	\$9,393,772	\$9,435,616	\$9,477,832	\$9,520,054	\$9,562,324	\$9,604,837	\$9,649,378
CCE Revenue Requirement	\$6,959,614	\$114,932,961	\$218,141,826	\$217,712,635	\$220,914,488	\$224,860,850	\$229,689,773	\$234,667,682	\$239,781,057	\$245,427,774	\$250,900,493	\$255,773,933	\$260,720,698	\$266,183,703	\$271,380,003	\$277,055,055	\$282,465,162	\$288,865,091	\$294,640,601	\$301,002,425	\$307,266,439
Total CCE Generation Revenue Requirement	\$7,674,884	\$128,240,593	\$242,638,296	\$242,300,861	\$245,594,178	\$249,715,521	\$254,831,928	\$243,713,758	\$248,873,045	\$254,591,656	\$260,120,214	\$265,033,889	\$270,017,725	\$275,516,193	\$280,773,774	\$286,490,671	\$291,942,995	\$298,385,145	\$304,202,925	\$310,607,262	\$316,915,817
Other Revenue																					
Bundled SCE Revenues	\$13,222,230	\$246,000,134	\$462,690,313	\$476,602,301	\$494,417,741	\$510,735,421	\$530,026,448	\$550,333,342	\$572,141,453	\$594,470,424	\$616,770,113	\$637,141,478	\$658,526,273	\$680,869,244	\$702,056,698	\$725,605,074	\$750,044,967	\$775,447,673	\$801,854,568	\$829,294,440	\$857,637,876
Total CCE Customer Bill Revenues (Power Supply and Delivery)	\$14,059,453	\$261,576,714	\$491,583,504	\$506,099,214	\$524,785,738	\$541,823,722	\$562,004,460	\$583,244,616	\$606,076,859	\$629,426,882	\$652,737,405	\$673,995,291	\$696,323,224	\$719,660,507	\$741,707,978	\$766,286,884	\$791,799,049	\$818,320,835	\$845,896,040	\$874,554,708	\$904,154,380
Savings	(\$837,224)	(\$15,576,580)	(\$28,893,191)	(\$29,496,913)	(\$30,367,997)	(\$31,088,301)	(\$31,978,011)	(\$32,911,274)	(\$33,935,406)	(\$34,956,458)	(\$35,967,292)	(\$36,853,812)	(\$37,796,950)	(\$38,791,263)	(\$39,651,280)	(\$40,681,810)	(\$41,754,081)	(\$42,873,162)	(\$44,041,472)	(\$45,260,268)	(\$46,516,504)
Percent Savings	-6.3%	-6.3%	-6.2%	-6.2%	-6.1%	-6.1%	-6.0%	-6.0%	-5.9%	-5.9%	-5.8%	-5.8%	-5.7%	-5.7%	-5.6%	-5.6%	-5.6%	-5.5%	-5.5%	-5.5%	-5.4%

Appendix D – Glossary

aMW: Average annual Megawatt. A unit of energy output over a year that is equal to the energy produced by the continuous operation of one megawatt of capacity over a period of time (8,760 megawatt-hours).

Basis Difference (Natural Gas): The difference between the price of natural gas at the Henry Hub natural gas distribution point in Erath, Louisiana, which serves as a central pricing point for natural gas futures, and the natural gas price at another hub location (such as for Southern California).

Brown Power: Electricity generated from non-renewable sources or that does not come with a Renewable Energy Credit (REC).

Buckets: Buckets 1-3 refer to different types of renewable energy contracts according to the Renewable Portfolio Standards requirements. Bucket 1 are traditional contracts for delivery of electricity directly from a generator within or immediately connected to California. These are the most valuable and make up the majority of the RECS that are required for LSEs to be RPS compliant. Buckets 2 and 3 have different levels of intermediation between the generation and delivery of the energy from the generating resources.

Bundled Customers: Electricity customers who receive all their services (transmission, distribution and supply) from the Investor-Owned Utility.

CAISO: The California Independent System Operator. The organization responsible for managing the electricity grid and system reliability within the former service territories of the three California IOUs.

California Clean Power (CCP): A private company providing wholesale supply and other services to CCEs.

California Energy Commission (CEC): The state regulatory agency with primary responsibility for enforcing the Renewable Portfolio Standards law as well as a number of other, electric-industry related rules and policies.

California Public Utilities Commission (CPUC): The state agency with primary responsibility for regulating IOUs, as well as Direct Access (ESP) and CCE entities.

Capacity Factor: the ratio of an electricity generating resource's actual output over a period of time to its potential output if it were possible to operate at full nameplate capacity continuously over the same period. Intermittent renewable resources, like wind and solar, typically have lower capacity factors than traditional fossil fuel plants because the wind and sun do not blow or shine consistently.

CCEAC: Community Choice Energy Advisory Committee - a committee formed to advise the City of Davis on the best options for pursuing a CCE.

Climate Zone: A geographic area with distinct climate patterns necessitating varied energy demands for heating and cooling.

Coincident Peak: Demand for electricity among a group of customers that coincides with peak total demand on the system.

Community Choice Aggregation: Method available through California law to allow Cities and Counties to aggregate their citizens and become their electric generation provider.

Community Choice Energy: A City, County or Joint Powers Agency procuring wholesale power to supply to retail customers.

Community Choice Partners: A private company providing services to CCEs in California.

Congestion Revenue Rights (CRRs): Financial rights that are allocated to Load Serving Entities to offset differences between the prices where their generation is located and the price that they pay to serve their load. These rights may also be bought and sold through an auction process. CRRs are part of the CAISO market design.

Demand Response (DR): Electric customers who have a contract to modify their electricity usage in response to requests from a utility or other electric entity. Typically, will be used to lower demand during peak energy periods, but may be used to raise demand during periods of excess supply.

Direct Access: Large power consumers which have opted to procure their wholesale supply independently of the IOUs through an Electricity Service Provider.

EEI (Edison Electric Institute) Agreement: A commonly used enabling agreement for transacting in wholesale power markets.

Electric Service Providers (ESP): An alternative to traditional utilities. They provide electric services to retail customers in electricity markets that have opened their retail electricity markets to competition. In California the Direct Access program allows large electricity customers to opt-out of utility-supplied power in favor of ESP-provided power. However, there is a cap on the amount of Direct Access load permitted in the state.

Electric Tariffs: The rates and terms applied to customers by electric utilities. Typically have different tariffs for different classes of customers and possibly for different supply mixes.

Enterprise Model: When a City or County establish a CCE by themselves as an enterprise within the municipal government.

Federal Tax Incentives: There are two Federal tax incentive programs. The Investment Tax Credit (ITC) provides payments to solar generators. The Production Tax Credit (PTC) provides payments to wind generators.

Feed-in Tariff: A tariff that specifies what generators who are connected to the distribution system are paid.

Forward Prices: Prices for contracts that specify a future delivery date for a commodity or other security. There are active, liquid forward markets for electricity to be delivered at a number of Western electricity trading hubs, including NP15 which corresponds closely to the price location which the City of Davis will pay to supply its load.

Implied Heat Rate: A calculation of the day-ahead electric price divided by the day-ahead natural gas price. Implied heat rate is also known as the 'break-even natural gas market heat rate,' because only a natural gas generator with an operating heat rate (measure of unit efficiency) below the implied heat rate value can make money by burning natural gas to generate power. Natural gas plants with a higher operating heat rate cannot make money at the prevailing electricity and natural gas prices.

Integrated Resource Plan: A utility's plan for future generation supply needs.

Inter-continental Exchange (ICE): The main electronic trading platform for trading wholesale electricity and gas contracts in the United States. (Also handles trading in other commodities and securities.)

Investor-Owned Utility: For profit regulated utilities. Within California there are three IOUs - Pacific Gas and Electric, Southern California Edison and San Diego Gas and Electric.

ISDA (International Swaps and Derivatives Association): Popular form of bilateral contract to facilitate wholesale electricity trading.

Joint Powers Agency (JPA): A legal entity comprising two or more public entities. The JPA provides a separation of financial and legal responsibility from its member entities.

Lancaster Choice Energy (LCE): The most recent California CCE to go-live, exclusively serving the City of Lancaster in Southern California.

LEAN Energy (Local Energy Aggregation Network): A not-for-profit organization dedicated to expanding Community Choice Aggregation nationwide.

Load Forecast: A forecast of expected load over some future time horizon. Short-term load forecasts are used to determine what supply sources are needed. Longer-term load forecasts are used for budgeting and long-term resource planning.

Marginal Unit: An additional unit of power generation to what is currently being produced. At an electric power plant, the cost to produce a marginal unit is used to determine the cost of increasing power generation at that source.

MCE: Formerly Marin Clean Energy - the first CCE in California serving Cities within and the Counties of Marin and Napa.

MRTU: CAISO's Market Redesign and Technology Upgrade. The redesigned, nodal (as opposed to zonal) market that went live in April of 2009.

Net Energy Metering: The program and rates that pertain to electricity customers who also generate electricity, typically from rooftop solar panels.

Non-Coincident Peak: Energy demand by a customer during periods that do not coincide with maximum total system load.

NP15: Refers to a wholesale electricity pricing hub - North of Path 15 - which roughly corresponds to PG&E's service territory. Forward and Day-Ahead power contracts for Northern California typically provide for delivery at NP15. It is not a single location, but an aggregate based on the locations of all the generators in the region.

On-Bill Repayment (OBR): Allows electric customers to pay for financed improvements such as energy efficiency measures through monthly payments on their electricity bills.

Operate on the Margin: Operation of a business or resource at the limit of where it is profitable.

Opt-Out: Community Choice Aggregation is, by law, an opt-out program. Customers within the borders of a CCE are automatically enrolled within the CCE unless they proactively opt-out of the program.

Power Cost Indifference Adjustment (PCIA): A charge applied to customers who leave IOU service to become Direct Access or CCE customers. The charge is meant to compensate the IOU for costs that it has previously incurred to serve those customers.

PPA (Power Purchase Agreement): The standard term for bilateral supply contracts in the electricity industry.

Renewable Energy Credits (RECs): The renewable attributes from RPS-qualified resources which must be registered and retired to comply with RPS standards.

Resource Adequacy (RA): The requirement that a Load-Serving Entity own or procure sufficient generating capacity to meet its peak load plus a contingency amount (15 percent in California) for each month.

RPS (Renewable Portfolio Standards): The state-based requirement to procure a certain percentage of load from RPS-certified renewable resources.

Scheduling Coordinator: An entity that is approved to interact directly with CAISO to schedule load and generation. All CAISO participants must be or have an SC.

Scheduling Agent: A person or service that forecasts and monitors short term system load requirements and meets these demands by scheduling power resource to meet that demand.

Sonoma Clean Power (SCP): A CCE serving Sonoma County and Sonoma County Cities.

Spark Spread: The theoretical gross margin of a gas-fired power plant from selling a unit of electricity, having bought the fuel required to produce this unit of electricity. All other costs (capital, operation and maintenance, etc.) must be covered from the spark spread.

Supply Stack: Refers to the generators within a region, stacked up according to their marginal cost to supply energy. Renewables are on the bottom of the stack and peaking gas generators on the top. Used to provide insights into how the price of electricity is likely to change as the load changes.

Weather Adjusted: Normalizing energy use data based on differences in the weather during the time of use. For instance, energy use is expected to be higher on extremely hot days when air conditioning is in higher demand than on days with comfortable temperature. Weather adjustment normalizes for this variation.

Western Electric Coordinating Council (WECC): The organization responsible for coordinating planning and operation on the Western electric grid.

Wholesale Power: Large amounts of electricity that are bought and sold by utilities and other electric companies in bulk at specific trading hubs. Quantities are measured in MWs, and a standard wholesale contract is for 25 MW for a month during heavy-load or peak hours (7am to 10 pm, Mon-Sat), or light-load or off-peak hours (all the other hours).

WSPP (Western States Power Pool) Agreement: Common, standardized enabling agreement to transact in the wholesale power markets.

Los Angeles Community Choice Energy (LACCE)
Phase 1 Summary Milestone Schedule

Task Name	2015			2016												2017		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Task Force Meetings	◆		◆		◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Acquire SCE Data (three phases)		◆ Order	◆ 1st	◆ 2nd	◆ Final													
Business Plan				Draft ◆							◆ Final							
JPA Governing Documents											◆ Final							
Board Approves Ordinance/Resolution											◆ Authorization							
Implementation Plan/Statement of Intent											◆ Submit to CPUC							
JPA Formation											◆ Complete							
Marketing and Outreach																		
Negotiate Financing/Line of Credit																		
Energy Services/Data Management								RFQ ◆				◆ Contracts						
CPUC Certification and Launch Date Set													◆ Certification by CPUC					
Cities Opt-In for Municipal Buildings													◆ Deadline					
Negotiate Power Contracts													◆ Contracts					
Finalize Cost of Service and Rates															◆			
Execute SCE Service Agreement*											◆							
Integration with SCE																		
Initial Opt-Out Notices													1st ◆	2nd ◆				
Phase 1 Service Begins																◆ Phase 1 Launch		
Final Opt-Out Notices																1st ◆	◆ 2nd	

* Includes all required forms and Binding Letter of Intent.

Start-Up LACCE Cash Needs for CY 2016						
	August	September	October	November	December	Total
IOU Fees (including Billing)	\$780	\$0	\$0	\$2,938	\$6,203	\$9,921
Consultants						
PFM	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$100,000
Legal/Regulatory	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Financial	\$25,000	\$25,000	\$25,000	\$25,000	\$50,000	\$150,000
Advertising/Communication				\$10,000	\$10,000	\$20,000
Services	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Staffing	\$45,000	\$55,000	\$55,000	\$55,000	\$55,000	\$265,000
General & Admin	\$45,000	\$35,000	\$25,000	\$25,000	\$25,000	\$155,000
CPUC Bond	\$0	\$100,000	\$0	\$0	\$0	\$100,000
SCE Bond (Phase 1 & 2)	\$0	\$259,930	\$0	\$0	\$0	\$259,930
Total Budget	\$210,780	\$569,930	\$200,000	\$212,938	\$216,203	\$1,409,851

ORDINANCE NO. XXX

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD, CALIFORNIA AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM WITH THE LOS ANGELES COMMUNITY CHOICE ENERGY JOINT POWERS AUTHORITY AND APPROVING THE RELATED JOINT POWERS AGREEMENT

WHEREAS, the City of Oxnard seeks to secure energy services in the City which are greener and cost effective for residents and businesses; and

WHEREAS, cleaner energy for residents and businesses is consistent with the City's 2013 Energy Action Plan; and

WHEREAS, Los Angeles County has established a Joint Powers Agreement (JPA) for the execution of Community Choice Energy (CCE) and has expanded the program to cities throughout Southern California.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Findings. The City of Council of the City of Oxnard does hereby make the following findings:

A. The Los Angeles Community Choice Energy Joint Powers Authority ("LACCE JPA") is a joint powers authority established for the purpose of studying, promoting, developing, conducting, operating and managing energy and energy-related climate change programs including but not limited to implementing a community choice aggregation program under California Public 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 electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation ("CCA").

B. The Act expressly authorizes participation in a CCA program through a joint powers agency, and to this end the County of Los Angeles ("County") has been participating since 2015 in the evaluation of a CCA program for the County and the cities and towns within it.

C. The LACCE JPA has developed the Los Angeles Community Choice Energy Authority Joint Powers Agreement ("Joint Powers Agreement") (attached hereto as Exhibit A) in order to accomplish the following:

1. To form a Joint Powers Authority (JPA) known as "Los Angeles Community Choice Energy JPA"; and

2. To specify the terms and conditions by which participants may participate as a group in energy programs including, but not limited to, the preliminary implementation of a CCA program.

D. The City of Oxnard ("City") has been investigating options to provide electric

services to constituents within its service area with the intent of achieving greater local involvement over the provisions of electric services and promoting competitive and renewable energy.

E. Community Choice Aggregation, by and through the LACCE JPA, appears to provide a reasonable opportunity to accomplish all of the following:

1. To provide greater levels of local involvement in and collaboration on energy decisions;
2. To increase significantly, the amount of renewable energy available to LACCE JPA energy customers;
3. To provide initial price stability, long-term electricity cost savings, and other benefits for the community; and
4. To reduce greenhouse gases that are emitted by creating electricity for the community.

F. The Act requires CCA program participants to individually adopt an ordinance ("CCA Ordinance") electing to implement a CCA program within its jurisdiction by and through its participation in the LACCE JPA.

G. The City desires to join the LACCE JPA and participate in its CCA program.

H. The Joint Powers Agreement expressly allows the City to withdraw its membership in the LACCE JPA (and its participation in the CCA program) prior to the actual implementation of a CCA program through Program Agreement.

I. This Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" and has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3).) The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308.) The Planning Director shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 2. The City Council finds that the above findings are true and correct.

SECTION 3. Authorization. Based upon the foregoing and to provide businesses and residents within the City of Oxnard with a choice of power providers, the City of Oxnard hereby: (a) elects to implement a community choice aggregation program within the

jurisdiction of the City by participating in the Community Choice Aggregation program of the LACCE JPA, as described in its Joint Powers Agreement; and (b) approves the City's execution of the LACCE JPA Joint Powers Agreement (see Attachment A).

SECTION 4. Severability. If any part of this Ordinance, or the application thereof to any person or circumstances, is for any reason held invalid by a court of competent jurisdiction, the validity of the remainder of this Ordinance, or the application of such provision to other persons or circumstances, shall not be affected.

SECTION 5. The City Clerk shall certify as to the adoption of the ordinance and shall cause a summary of the ordinance to be published within fifteen (15) calendar days of the adoption and shall post a certified copy of the ordinance, including the vote for and against the same, in the office of the City Clerk in accordance with Government Code Section 36933/ Ordinance No. _____ was first read on _____, 2018, and finally adopted on _____, 2018, to become effective thirty days thereafter.

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Mayor

ATTEST:

Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

ATTACHMENT A
JOINT POWERS AGREEMENT

M.1.d

LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY JOINT

POWERS AGREEMENT

This Joint Powers Agreement (the "Agreement"), effective as of _____, 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 public agencies set forth in Exhibit A.

RECITALS

1. The Parties are public agencies sharing various powers under California laws, 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 2.3 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, such as jobs creation, community energy programs; and local power development. 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 Los Angeles Community Choice 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 a Community Choice Aggregation program 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.
6. By establishing the Authority, the Parties seek to:
 - (a) Develop an electric supply portfolio with overall lower greenhouse gas intensity and lower greenhouse gas (GHG) emissions than Southern California Edison ("SCE"), and one that supports the achievement of the parties' greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- (b) Establish an energy portfolio that encourages the use and development of cost-effective local renewable and distributed energy resources and that discourages the use unbundled renewable energy credits;
- (c) Promote an energy portfolio that incorporates energy efficiency and demand response programs and pursues ambitious energy consumption reduction goals;
- (d) Provide electricity rates that are lower or at worst competitive with those offered by SCE for similar products;
- (e) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may "opt-up" and voluntarily participate;
- (f) Achieve quantifiable economic benefits to the region;
- (g) Recognize the value of current workers in existing jobs that support the energy infrastructure of Los Angeles County and Southern California (e.g. union and prevailing wage jobs, local workforce development, apprenticeship programs, and local hire). The Authority, as a leader in the shift to clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a "just transition" to the new clean energy economy;
- (h) Support a stable, skilled workforce through such mechanisms as project labor agreements, collective bargaining agreements, or community benefit agreements, or other workforce programs that are designed to avoid work stoppages, ensure quality, and benefit local residents by delivering cost-effective clean energy programs and projects (e.g. new energy programs and increased local energy investments);
- (i) Promote supplier and workforce diversity, including returning veterans and those from disadvantaged and under-represented communities, to better reflect the diversity of the region;
- (j) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
- (k) Provide and manage its energy portfolio and products in a manner that provides cost savings to customers and promotes public health in areas impacted by energy production;
- (l) Ensure that low-income households and communities are provided with affordable and flexible energy options, including the provision of energy discounted rates to eligible low-income households;
- (m) Recognize and address the importance of healthy communities, including those disproportionately affected by air pollution and climate change;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- (n) Use program revenues to provide energy-related programs and services; and
- (o) Create an administering Authority that is financially sustainable, responsive to regional priorities, well-managed, and a leader in fair and equitable treatment of employees.

1. DEFINITIONS

- 1.1 "AB 117" means Assembly Bill 117 (Stat. 2002, Ch. 838, codified at Public Utilities Code Section 366.2), which created Community Choice Aggregation.
- 1.2 "Act" means the Joint Exercise of Powers Act of the State of California (Chapter 5, Division 7, Title 1 of the Government Code commencing with Section 6500).
- 1.3 "Agreement" means this Joint Powers Agreement.
- 1.4 "Authority" means Los Angeles Community Choice Energy Authority.
- 1.5 "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 Policies and Procedures, the annual budget, and plans and policies.
- 1.6 "Board" means the Board of Directors of the Authority.
- 1.7 "Community Choice Aggregation" or "CCA" means an electric service option available to cities, counties, and other public agencies pursuant to Public Utilities Code Section 366.2.
- 1.8 "CCA Program" means the Authority's program relating to CCA that is principally described in Section 2.4 (Purpose) of this Agreement.
- 1.9 "Days" shall mean calendar days unless otherwise specified by this Agreement.
- 1.10 "Director" means a member of the Board representing a Party, including up to two alternate Directors appointed in accordance with Sections 4.1 (Board of Directors) and 4.2 (Appointment and Removal of Directors) of this Agreement.
- 1.11 "Effective Date" means the date on which the Agreement shall become effective and the Authority shall exist as a separate public agency, as further described in Section 2.1 (Effective Date and Term) of this Agreement.
- 1.12 "Initial Costs" means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of the executive, technical, and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority's initial formation activities or in support of the negotiation, preparation and approval of

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

power purchase agreements. The Board shall determine the termination date for the Initial Costs.

- 1.13 "Initial Participants" means, for purpose of this Agreement, the County of Los Angeles, and the cities of _____, and any other Parties joining in accordance with Section 2.3 (Initial Participants) of this Agreement.
- 1.14 "Operating Policies and Procedures" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.
- 1.15 "Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Section 2.3 (Initial Participants) or Section 2.5 (Addition of Parties) of this Agreement, such that they are considered members of the Authority.
- 1.16 "Party" means, singularly, a signatory to this Agreement that has satisfied the conditions in Section 2.3 (Initial Participants) or Section 2.5 (Addition of Parties) of this Agreement, such that it is considered a member of the Authority.
- 1.17 "Public Agency" as defined in the Act includes, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, a county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to the Act.

2. FORMATION OF LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY

2.1 **Effective Date and Term.** This Agreement shall become effective and the Authority shall exist as a separate public agency on the date this Agreement is executed by the County of Los Angeles and at least one other public agency after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). 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 the Agreement is terminated in accordance with Section 8.3 (Mutual Termination) of this Agreement, subject to the rights of the Parties to withdraw from the Authority.

2.2 **Formation of the Authority.** Under the Act, the Parties hereby create a separate joint exercise of power agency which is named Los Angeles Community Choice 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 body of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. The jurisdiction of the

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

Authority shall be all territory within the geographic boundaries of the Parties; however the Authority may, as authorized under applicable law, undertake any action outside such geographic boundaries as is necessary and incidental to the accomplishment of its purpose.

- 2.3 **Initial Participants.** In addition to Parties executing this Agreement on or prior to the Effective Date, any incorporated municipality, county, or other eligible public agency may become a Party and recognized as an Initial Participant provided during the first 180 days after the Effective Date it executes this Agreement and delivers an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(12) to the Authority. All Initial Participants to this Agreement shall be required to commence electric service as soon as practicable, as determined by the Board.

- 2.4 **Purpose.** The purpose and objectives of this Agreement are to establish the Authority, to provide for its governance and administration, and to define the rights and obligations of the Parties. This Agreement authorizes the Authority to provide a means by which the Parties can more effectively develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources in the region for the benefit of the Parties and their constituents, including, but not limited to, establishing and operating a Community Choice Aggregation program.

- 2.5 **Addition of Parties.** After 180 days from the Effective Date any incorporated municipality, county, or other public agency may become a Party to this Agreement if all of the following conditions are met:
 - 2.5.1 The adoption of a resolution of the Board admitting the public agency to the Authority;

 - 2.5.2 The adoption by an affirmative vote of the Board satisfying the requirements described in Section 4.10 (Board Voting) of this Agreement, of a resolution authorizing membership into the Authority and establishing its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership;

 - 2.5.3 The adoption by the public agency of an ordinance required by Public Utilities Code Section 366.2(c)(12) and approval and execution of this Agreement and other necessary program agreements by the public agency;

 - 2.5.4 Payment of the membership payment, if any; and

 - 2.5.5 Satisfaction of any reasonable conditions established by the Board.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

Pursuant to this Section 2.5 (Addition of Parties), all parties shall be required to commence electric service as soon as is practicable, as determined by the Board, as a condition to becoming a Party to this Agreement.

- 2.6 **Continuing Participation.** The Parties acknowledge that membership in the Authority may change by the addition, withdrawal and/or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 2.5 (Addition of Parties) of this Agreement. 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.

3. **POWERS**

- 3.1 **General Powers.** The Authority shall have the powers common to the Parties and which are necessary or convenient to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 3.4 (Limitation on Powers) of this Agreement. As provided in the Act, the Authority shall be a public agency separate and apart from the Parties.
- 3.2 **Specific Powers.** 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:
- 3.2.1 make and enter into contracts;
 - 3.2.2 employ agents and employees, including but not limited to an Executive Director;
 - 3.2.3 acquire, contract, manage, maintain, and operate any buildings, works or improvements;
 - 3.2.4 acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
 - 3.2.5 lease any property;
 - 3.2.6 sue and be sued in its own name;
 - 3.2.7 incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers authorized by law pursuant to Government Code Section 53850 et seq. and authority under the Act;
 - 3.2.8 issue revenue bonds and other forms of indebtedness;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 3.2.9 apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;
- 3.2.10 form independent corporations or entities, if necessary to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;
- 3.2.11 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;
- 3.2.12 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Policies and Procedures"); and
- 3.2.13 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.
- 3.3 **Additional Powers to be Exercised.** In addition to those powers common to each of the Parties, the Authority shall have those powers that may be conferred upon it as a matter of law and by subsequently enacted legislation.
- 3.4 **Limitation on Powers.** As required by Section 6509 of the Act, the powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by the County of Los Angeles.
- 3.5 **Obligations of the Authority.** The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of the Parties unless the governing body of a Party agrees in writing to assume any of the debts, liabilities, and obligations of the Authority. In addition, pursuant to the Act, no Director shall be personally liable on the bonds or subject to any personal liability or accountability by reason of the issuance of bonds.

3.6 **Compliance with the Political Reform Act and Government Code**

Section 1090. The Authority and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 et seq.) and Government Code Section 1090 et seq. The Board shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board may adopt additional conflict of interest regulations in the Operating Policies and Procedures.

4. GOVERNANCE

- 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 (Appointment and Removal of Directors) of this

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

Agreement. The Board, in consultation with the Executive Director, may determine at any time to consider options to reduce the size of the Board if it determines that the efficient functioning and operation of the Board would be improved by having a smaller number of Directors. Any such change to the size of the Board would require amendment of this Joint Powers Agreement in accordance with Section 4.11 (Special Voting).

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 shall appoint and designate in writing up to two alternate Directors who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the regular Director shall be an elected or appointed member of the governing body of the Party. The persons appointed and designated as the alternate Directors may be an elected or appointed member of the governing body of the Party, an appointed member of an advisory body of the Party, a staff member of the Party or a member of the public who meets the criteria below. All Directors and alternates shall be subject to the Board's adopted Conflict of Interest Code.

(a) Any alternate Director that is a member of the public must have demonstrated knowledge in energy-related matters through significant experience in either: 1) an electric utility or company, agency, or nonprofit providing services to a utility, 2) a regulatory agency or local government body overseeing an electric utility or a company, agency, or nonprofit providing services to such an agency, 3) an academic or nonprofit organization engaged in research and/or advocacy related to the electric sector.

4.2.2 The Operating Policies and Procedures, to be developed and approved by the Board in accordance with Section 3.2.12 (Specific Powers), 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 Directors have been removed may appoint a replacement.

4.3 Terms of Office. Each regular and alternate 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, the affected Party shall appoint to fill the position of

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

the previous Director within 90 days of the date that such position becomes vacant.

4.4 **Purpose of Board.** The general purpose of the Board is to:

- 4.4.1 Provide structure for administrative and fiscal oversight;
- 4.4.2 Retain an Executive Director to oversee day-to-day operations;
- 4.4.3 Retain legal counsel;
- 4.4.4 Identify and pursue funding sources;
- 4.4.5 Set policy;
- 4.4.6 Maximize the utilization of available resources; and
- 4.4.7 Oversee all Committee activities.

4.5 **Specific Responsibilities of the Board.** The specific responsibilities of the Board shall be as follows:

- 4.5.1 Identify Party needs and requirements;
- 4.5.2 Formulate and adopt the budget prior to the commencement of the fiscal year;
- 4.5.3 Develop and implement a financing and/or funding plan for ongoing Authority operations;
- 4.5.4 Retain necessary and sufficient staff and adopt personnel and compensation policies, rules and regulations;
- 4.5.5 Adopt rules for procuring supplies, equipment, and services;
- 4.5.6 Adopt rules for the disposal of surplus property;
- 4.5.7 Establish standing and ad hoc committees as necessary to ensure that the interests and concerns of each Party are represented and to ensure operational, technical, and financial issues are thoroughly researched and analyzed;
- 4.5.8 The setting of retail rates for power sold by the Authority and the setting of charges for any other category of retail service provided by the Authority;
- 4.5.9 Termination of the CCA Program;

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 4.5.10 Address any concerns of consumers and customers;
 - 4.5.11 Conduct and oversee Authority audits at intervals not to exceed three years;
 - 4.5.12 Arrange for an annual independent fiscal audit;
 - 4.5.13 Adopt such bylaws, rules and regulations as are necessary or desirable for the purposes hereof; provided that nothing in the bylaws, rules and regulations shall be inconsistent with this Agreement;
 - 4.5.14 Exercise the Specific Powers identified in Sections 3.2 and 4.6 except as the Board may elect to delegate to the Executive Director; and
 - 4.5.15 Discharge other duties as appropriate or required by statute.
- 4.6 **Startup Responsibilities.** The Authority shall have the duty to do the following within one year of the Effective Date of the Agreement:
- 4.6.1 To adopt an implementation plan prepared by the County of Los Angeles, pursuant to Public Utilities Code Section 366.2(c)(3), for electrical load aggregation;
 - 4.6.2 To prepare a statement of intent, pursuant to Public Utilities Code Section 366.2(c)(4), for electrical load aggregation;
 - 4.6.3 To encourage other qualified public agencies to participate in the Authority;
 - 4.6.4 To obtain financing and/or funding as is necessary or desirable;
 - 4.6.5 To evaluate the need for, acquire, and maintain insurance.
- 4.7 **Meetings and Special Meetings of the Board.** The Board shall hold at least one regular meeting 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 Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.
- 4.8 **Brown Act Applicable.** All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.).
- 4.9 **Quorum; Approvals.** A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

law. The affirmative votes of a majority of the Directors who are present at the subject meeting shall be required to take any action by the Board.

4.10 **Board Voting.**

4.10.1 **Percentage Vote.** Each Director shall have one vote. Action of the Board on all matters shall require an affirmative vote of a majority of all Directors who are present at the subject meeting, except when a supermajority vote is expressly required by this Agreement. When a supermajority vote is required under Section 4.11 (Special Voting), action of the Board shall require an affirmative vote of the specified supermajority of all Directors who are present at the subject meeting. All votes taken pursuant to this Section 4.10.1 shall be referred to as a percentage vote. Notwithstanding the foregoing, in the event of a tie in a percentage vote, the Board can break the tie and act upon an affirmative voting shares vote as described in section 4.10.2 (Voting Shares Vote).

4.10.2 **Voting Shares Vote.** In addition to and immediately after an affirmative percentage vote three or more Directors may request that a vote of the voting shares shall be held. In such event, the corresponding voting shares, as described in section 4.10.3, of all Directors voting in order to take an action shall exceed 50%, or such other higher voting shares percentage expressly required by this Agreement or the Operating Policies and Procedures of all Directors who are present at the subject meeting. All votes taken pursuant to this Section 4.10.2 shall be referred to as a voting shares vote. In the event that any one Director has 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. When a voting shares vote is held, action by the Board requires both an affirmative percentage vote and an affirmative voting shares vote.

4.10.3 **Voting Shares Formula.** When a voting shares vote is requested by three or more Directors, voting shares of the Directors shall be determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) "Annual Energy Use" means (i) with respect to the first two years following the Effective Date, the annual electricity usage, expressed in kilowatt hours ("kWh"), within the Party's respective jurisdiction and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, 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.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT**4.11 Special Voting.**

4.11.1 Except as provided below, matters that require Special Voting as described in this Section shall require 72 hours prior notice to any Brown Act meeting or special meeting. Two-thirds vote (or such greater vote as required by state law) of the appointed Directors shall be required to take any action on the following:

- (a) Change the designation of Treasurer or Auditor of the Authority;
- (b) Issue bonds or other forms of debt;
- (c) Exercise the power of eminent domain, subject to prior approval by the passage of an authorizing ordinance or other legally sufficient action by the affected Party; and
- (d) Amend this Agreement or adopt or amend the bylaws of the Authority. At least 30 days advance notice shall be provided for such actions. The Authority shall also provide prompt written notice to all Parties of the action taken and enclose the adopted or modified documents.

5. INTERNAL ORGANIZATION

5.1 **Chair and Vice Chair.** For each fiscal year, the Board shall elect a Chair and Vice Chair from among the Directors. 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 Chair shall be the presiding officer of all Board meetings, and the Vice Chair shall serve in the absence of the Chair. The Chair shall sign all contracts on behalf of the Authority, and shall perform such other duties as may be imposed by the Board. In the absence of the Chair, the Vice-Chair shall sign contracts and perform all of the Chair's duties. The office of 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 from the Authority pursuant to the provisions of this Agreement. Upon a vacancy, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. Succeeding officers shall perform the duties normal to said offices.

5.2 **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 office records of the Authority.

5.3 **Treasurer.** The Board shall appoint a qualified person to act as the Treasurer, who need not be a member of the Board. Unless otherwise exempted from such

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6506 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 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.

- 5.4 **Auditor.** The Board shall appoint a qualified person to act as the Auditor, who shall not be a member of the Board. The Board may require the 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.
- 5.5 **Executive Director.** The Board shall appoint an Executive Director for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Executive Director may exercise all powers of the Authority, except those powers specifically reserved to the Board including but not limited to those set forth in Section 4.5 (Specific Responsibilities of the Board) of this Agreement or the Operating Policies and Procedures, or those powers which by law must be exercised by the Board. The Executive Director may enter into and execute any Energy Contract, in accordance with criteria and policies established by the Board.
- 5.6 **Bonding of Persons Having Access to Property.** Pursuant to the Act, the Board shall designate the public officer or officers or person or persons who have charge of, handle, or have access to any property of the Authority exceeding a value as established by the Board, and shall require such public officer or officers or person or persons to file an official bond in an amount to be fixed by the Board.
- 5.7 **Other Employees/Agents.** The Board shall have the power by resolution to hire employees or appoint or retain such other agents, including officers, loan-out employees, or independent contractors, as may be necessary or desirable to carry-out the purpose of this Agreement.
- 5.8 **Privileges and Immunities from Liability.** All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents or employees of a public agency when performing their respective functions shall apply to the officers, agents or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents or employees under this

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

Agreement. None of the officers, agents or employees directly employed by the Board shall be deemed, by reason of their employment by the Authority to be employed by the Parties or by reason of their employment by the Authority, to be subject to any of the requirements of the Parties.

- 5.9 **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. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

5.9.1 The Board shall establish the following Advisory Committees:

- (a) **Executive Committee.** The Board shall establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the Executive Committee's such authority as the Board might otherwise exercise, except that the Board may not delegate authority regarding certain essential functions, including but not limited to, approving the fiscal year budget or hiring or firing the Executive Director, and other functions as provided in the Operating Policies and Procedures. The Board may not delegate to the Executive Committee or any other committee its authority under Section 3.2.12 to adopt and amend the Operating Policies and Procedures.
- (b) **Finance Committee.** The Board shall establish a finance committee consisting of a smaller number of Directors. The primary purpose of the Finance Committee is to review and recommend to the Board:
 - (1) A funding plan;
 - (2) A fiscal year budget;
 - (3) Financial policies and procedures to ensure equitable contributions by Parties;
 - (4) Such other responsibilities as provided in the Operating Policies and Procedures, including but not limited to policies, rules and regulations governing investment of surplus funds, and selection and designation of financial institutions for deposit of Authority funds.
- (c) **Community Advisory Committee.** The Board shall establish a community advisory committee comprised of members of the

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

public representing key stakeholder communities. The primary purpose of the Community Advisory Committee shall be to provide a venue for ongoing citizen support and engagement in the operations of the Authority.

(d) **Meetings of the Advisory Committees.** All meetings of the Advisory Committees shall be held in accordance with the Ralph M. Brown Act. For the purposes of convening meetings and conducting business, unless otherwise provided in the bylaws, a majority of the members of the Advisory Committee shall constitute a quorum for the transaction of business, except that less than a quorum or the secretary of each Advisory Committee may adjourn meetings from time-to-time. As soon as practicable, but no later than the time of posting, the Secretary of the Advisory Committee shall provide notice and the agenda to each Party, Director and Alternate Directors.

(e) **Officers of Advisory Committees.** Unless otherwise determined by the Board, each Advisory Committee shall choose its officers, comprised of a Chairperson, a Vice-Chairperson and a Secretary.

6. IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

6.1 Preliminary Implementation of the CCA Program.

6.1.1 **Enabling Ordinance.** In addition to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

6.1.2 **Implementation Plan.** The Authority shall cause to be prepared and secure Board approval of 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. .

6.1.3 **Termination of CCA Program.** Nothing contained in this Section 6 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.

6.2 **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 or minute action, including but not necessarily limited to the Operating Policies and Procedures, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

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 Section 8 (Withdrawal and Termination) of this Agreement.

7. FINANCIAL PROVISIONS

7.1 **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.

7.2 **Depository.**

7.2.1 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.

7.2.2 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 and duplication 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 6506 of the Act.

7.2.3 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 Policies and Procedures. 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.

7.3 **Budget and Recovery Costs.**

7.3.1 **Budget.** The initial budget shall be approved by the Board. The Board may revise the budget from time to time 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 Policies and Procedures.

7.3.2 **Funding of Initial Costs.** Subject to the approval of the Board of Supervisors, the County of Los Angeles has agreed to provide up to \$10 million for funding Initial Costs in establishing the Authority and implementing the CCA Program. In the event that the CCA Program becomes operational, the County of Los Angeles shall be reimbursed for the Initial Costs. The County and the Authority will execute an agreement specifying the terms and conditions of the Initial Costs provided by the

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

County, including but not limited to: (a) Repayment of this amount, which shall be first priority in relation to all other indebtedness of the Authority; and (b) authorization for the County Auditor-Controller to conduct an audit of the Authority's books and records (including personnel records, as necessary) and/or investigation, following reasonable advance notice from the County, to ensure compliance with the terms and conditions of the agreement. 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 shall not be entitled to any reimbursement of the Initial Costs they have paid from the Authority or any other Party.

7.3.3 **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.

7.3.4 **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 bases as the Board shall determine pursuant to the Authority documents.

7.4 **Contributions.** Parties are not required under this Agreement to make any financial contributions. Consumers may subscribe as customers of the Authority pursuant to the Act and outside of this Agreement and through their on-bill selections.

7.4.1 A Party may, in the appropriate circumstance, and when agreed-to:

- (a) Make contributions from its treasury for the purposes set forth in this Agreement;
- (b) Make payments of public funds to defray the cost of the purposes of the Agreement and Authority;
- (c) Make advances of public funds for such purposes, such advances to be repaid as provided by written agreement; or
- (d) Use its personnel, equipment or property in lieu of other contributions or advances.
- (e) No Party shall be required to adopt any tax, assessment, fee or charge under any circumstances.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 7.5 **Accounts and Reports.** The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement entered into with respect to the proceeds of any bonds issued by the Authority. The books and records of the Authority in the hands of the Treasurer shall be open to inspection and duplication at all reasonable times by duly appointed representatives of the Parties. The Treasurer, within 180 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Parties.
- 7.6 **Funds.** The Treasurer shall receive, have custody of and/or disburse Authority funds in accordance with the laws applicable to public agencies and generally accepted accounting practices, and shall make the disbursements required by this Agreement in order to carry out any of the purposes of this Agreement.

8. WITHDRAWAL AND TERMINATION

8.1 Withdrawal

- 8.1.1 **Withdrawal by Parties.** Any Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.
- 8.1.2 **Amendment.** Notwithstanding Section 8.1.1 (Withdrawal by Parties) of this Agreement, a Party may withdraw its membership in the Authority upon approval and execution of an amendment to this Agreement provided that the requirements of this Section 8.1.2 are strictly followed. A Party shall be deemed to have withdrawn its membership in the Authority effective 180 days after the Board approves 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.
- 8.1.3 **Continuing Liability; Further Assurances.** A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 8.4 (Continuing Liability; Refund) of this Agreement, including, but not limited to, Power Purchase Agreements. 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 Policies and Procedures shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party.

8.2 **Involuntary Termination.** 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 4.10 (Board Voting) of this Agreement, 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 8.4 (Continuing Liability; Refund) of this Agreement. 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 (Board Voting) of this Agreement.

8.3 **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 8.1 (Withdrawal) of this Agreement.

8.4 **Continuing Liability; Refund.** 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.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 8.5 **Disposition of Authority Assets.** Upon termination of this Agreement and dissolution of the Authority by all Parties, and after payment of all obligations of the Authority, the Board:

8.5.1 May sell or liquidate Authority property; and

8.5.2 Shall distribute assets to Parties in proportion to the contributions made by the existing Parties.

Any assets provided by a Party to the Authority shall remain the asset of that Party and shall not be subject to distribution under this section.

9. MISCELLANEOUS PROVISIONS

- 9.1 **Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority shall engage in nonbinding mediation or arbitration in the manner agreed upon by the Party or Parties and the Authority. The Parties agree that each Party may specifically enforce this section 9.1 (Dispute Resolution). In the event that nonbinding mediation or arbitration is not initiated or does not result in the settlement of a dispute within 60 days after the demand for mediation or arbitration is made, any Party and the Authority may pursue any remedies provided by law.

- 9.2 **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.

- 9.3 **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 governing board 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.

- 9.4 **Notices.** Any notice required or permitted to be made hereunder shall be in writing and shall be delivered in the manner prescribed herein at the principal

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

place of business of each Party. The Parties may give notice by (1) personal delivery; (2) e-mail; (3) U.S. Mail, first class postage prepaid, or a faster delivery method; or (4) by any other reasonable method deemed appropriate by the Board.

Upon providing written notice to all Parties, any Party may change the designated address or e-mail for receiving notice.

All written notices or correspondence sent in the described manner will be deemed given to a party on whichever date occurs earliest: (1) the date of personal delivery; (2) the third business day following deposit in the U.S. mail, when sent by “first class” mail; or (3) the date of transmission, when sent by e-mail or facsimile.

- 9.5 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of each Party.
- 9.6 **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 9.6 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 9.6 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 the 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.
- 9.7 **Severability.** If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement were adjudged invalid or void by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall remain in full force and effect to the maximum extent permitted by law.
- 9.8 **Governing Law.** This Agreement is made and to be performed in the State of California, and as such California substantive and procedural law shall apply.
- 9.9 **Headings.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language of this Agreement.
- 9.10 **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.

LOS ANGELES COMMUNITY CHOICE ENERGY – JOINT POWERS AGREEMENT

- 9.11 **No Third Party Beneficiaries.** This Agreement and the obligations hereunder are not intended to benefit any party other than the Authority and its Parties, except as expressly provided otherwise herein. No entity that is not a signatory to this Agreement shall have any rights or causes of action against any party to this Agreement as a result of that party's performance or non-performance under this Agreement, except as expressly provided otherwise herein.
- 9.12 **Filing of Notice of Agreement.** Within 30 days after the Effective Date, or amendment thereto, the Secretary shall cause to be filed with the Secretary of State the notice of Agreement required by the Act.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed and attested by its proper officers thereunto duly authorized, its official seals to be hereto affixed, as follows:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(This page is intentionally blank.)



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Report
AGENDA ITEM NO.: 1

DATE: February 6, 2018

TO: City Council

FROM: Phillip Molina
City Treasurer

SUBJECT: Investment Policy and Annual Delegation of Investment Authority (5/5/5)

CONTACT: Phillip Molina, City Treasurer
Phillip.Molina@oxnard.org, 385-7808

RECOMMENDATION:

That City Council adopt a resolution:

1. Adopting the 2018 Investment Policy for the City of Oxnard.
2. Delegating investment authority to the City Treasurer.

DISCUSSION

Government Code Section 53607 authorizes the City Council to delegate authority to invest funds and renew such delegation each year. On September 15, 1992, the City Council adopted Resolution No. 10,455, delegating to the City Treasurer the authority to invest and reinvest the City funds. Government Code Section 53646 provides that the City Treasurer may annually render to the City Council a statement of investment policy, which the City Council shall consider at a public meeting. The attached resolution (Attachment 2) renews the City Treasurer's investment authority and adopts the annual Investment Policy.

The Investment Policy (Attachment 1) uses the Municipal Treasurers Association of US and Canada suggested language and adapted it to Oxnard's needs. Additionally, suggestions from the CMTA raters, were taken into consideration in upgrading the City's investment policy. Adjustments were made to the verbiage in the prior years Annual Investment policy, specifically:

- SCOPE: a report on invested bond proceeds issued by the trustee can be added to

Investment Policy and Annual Report of Investment Activity (5/5/5)

February 6, 2018

Page 2

- monthly investment report;
- The addition of the Ventura County Investment Pool (VCIP) and CALTRUST consistent with Code section 53635;
- The resolution authorizing the Treasurer to invest with VCIP;
- City inter-fund loans will now have the same restrictions as provided in State law and requires the City Treasurer's written approval and the Council approval;
- All U.S. Treasury securities, and authorized pools will now be limited as prescribed by State law;
- The annual audit shall be performed by an "auditor" as defined in FASB and GASB (Financial Accounting Standards Board, and Government Accounting Standards Board);
- Performance standards will use LAIF (Local Agency Investment Fund) as a guide with the intent of generating a higher positive yield;
- Reporting now requires that the City Clerk also be provided copies of monthly, quarterly and annual reports when required to be prepared;
- I have eliminated the questionnaires, and certification forms for Banks, Savings & Loan, Brokers and Broker/Dealers as these are defined but need not be included as to form in the Investment Policy; and
- The California Government Codes have been updated as has the Glossary of terms.

Investment Procedures

The City of Oxnard's portfolio is **conservative** and planned with safety of principal as the first objective followed by provision for funds when needed. Yield is important after these two objectives have been met. The portfolio is diversified as to type of investment, financial institution and maturity. Securities with maturities of more than thirty days are delivered to the City's third-party safekeeping account. City funds are consolidated in the pooled money investment fund to provide maximum investment opportunity. Analysis of cash-flow provides data for anticipated income, clearance of outstanding checks, and dates for extraordinary expenditures to manage liquidity requirements.

Interest Earnings

Previous earnings were based on the fact that a long term cash-flow report was not available thus requiring the Treasurer to invest almost all funds with a very short horizon. The CFO and the Treasurer are working on developing a moving long term cash flow report, which when completed will allow for a more level ladder investment portfolio. Prior investment loaded the one year maturity horizon with 53% of all money invested. By the end of December that percentage was already reduced to 42% with the single biggest increase in the 5 year maturity group. It is expected that once the long term cash flow report becomes available a more detailed planned ladder investment approach could produce 100 to 200 basis points higher earnings.

GASB Reporting Requirements

Quarterly portfolio reports, stating market value of each investment, have not been presented to City Council for some time, but is a high priority again and will contain more detailed

Investment Policy and Annual Report of Investment Activity (5/5/5)

February 6, 2018

Page 3

information than previously provided. As stated in the investment policy, instruments are purchased with defined maturities and with the intent of holding them to maturity thus receiving full value of the investment. Holding investments to maturity provides a stable portfolio with no actual loss of principal.

Effective Cash Management

The City Treasurer's Department is working to coordinate with the Finance Department General Accounting and other departments for amounts and payment dates of bond, interest, and other wired payments as well as anticipated payroll and accounts payable disbursements to develop cash flow reporting and liquidity needs.

California Municipal Treasurers' Association

The California Municipal Treasurer's Association (CMTA) is a valuable resource to the City. The Treasurer's continued attendance at the workshops and annual conference assist in being informed of the new legislation or investment instruments effecting municipalities in today's ever changing economy.

FINANCIAL IMPACT

The City's total cash and investments as of June 30, 2015 were \$119.9 million. Effective management and investment of these funds provide a positive financial benefit to the City.

ATTACHMENTS:

Resolution -18 pg 1

City of Oxnard Investment Policy 2018 1-23-18

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
DELEGATING INVESTMENT AUTHORITY TO THE CITY TREASURER AND
ADOPTING THE 2018 INVESTMENT POLICY

WHEREAS, effective January 1, 1997, Government Code Section 53607 was amended to provide in part:

"The authority of the [city council] to invest or to reinvest funds [of the city] or to sell or exchange securities so purchased, may be delegated for a one-year period by the [city council] to the treasurer [of the city] who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the [city council]. Subject to review, the [city council] may renew the delegation of authority pursuant to this section each year."

WHEREAS, on September 15, 1992, the City Council adopted Resolution No. 10,455, delegating to the City Treasurer the authority to invest and reinvest the City funds; and

WHEREAS, the City Council annually approves a Statement of Investment Policy for the City, which in Section 5.0 delegates to the City Treasurer authority to invest City funds; and

WHEREAS, it remains the intention of the City Council to delegate such authority to the City Treasurer; and

WHEREAS, Government Code Section 53646 provides that the City Treasurer may annually render to the City Council a statement of investment policy, which the City Council shall consider at a public meeting.

NOW, THEREFORE, the City Council of the City of Oxnard resolves:

1. To delegate to the City Treasurer authority to invest and reinvest City funds and to sell or exchange securities so purchased; to reaffirm such delegation of authority contained in Resolution No. 10,455; and to state that the City Council's annual review and approval of a Statement of Investment Policy that includes such delegation of authority constitutes the City Council's delegation of such authority.

2. To adopt the 2018 Investment Policy attached hereto as Exhibit A.

PASSED AND ADOPTED this 6th day of February, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Mayor

ATTEST: _____
Michelle Ascension, City Clerk

APPROVED AS TO FORM

Stephen M. Fischer, City Attorney

City of Oxnard, California
2018 Investment Policy
Adopted January 23, 2018

1.0 INTRODUCTION

This statement is intended to provide guidelines for the prudent investment of surplus funds of the City of Oxnard and to outline the policies for maximizing the efficiency of the city's cash management system. It is the policy of the city to invest public funds in a manner that will provide high investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds. The references to the City Treasurer shall include his or her designee. This policy does not include retirement, retiree health care savings/trust/plan(s) or deferred compensation plans.

2.0 SCOPE

This investment policy applies to the city's pooled investment fund, which includes the general fund, special revenue funds, capital project funds, enterprise funds, trust and agency funds, and internal service funds. This policy is generally applicable to bond proceeds with consideration given to specific provisions of each issuance. Reports of the investment of bond proceeds are issued monthly by the trustee and may be included in the city treasurer's monthly report of the pooled investment fund.

3.0 PRUDENCE-Reference Ca. Govt. Code 53600.3

Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for the investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by city officials responsible for the investment of public funds shall be the "prudent investor" standard and shall be applied in the context of managing the overall city portfolio of funds. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual's security risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 INVESTMENT OBJECTIVES

The city's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the city treasurer to invest funds to the fullest extent possible. The City Treasurer maintains a diversified investment portfolio to accomplish the primary objectives of safety, liquidity and yield (in that order of priority).

Safety – The safety or risk associated with an investment refers to the potential loss of principal, accrued interest or a combination of these. The city seeks to mitigate credit risk by prequalifying and continuously monitoring financial institutions with which it will do business and by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as FDIC bank ratings, Sheshunoff, Fitch, Moody's and Standard and Poor's rating services may be utilized for this

review. The city seeks to mitigate interest rate risk through diversification of instruments as well as maturities.

Liquidity – The city investment portfolio will be structured with sufficient liquidity to allow the city to meet its anticipated cash requirements. This will be accomplished through diversity of instruments to include those with active secondary markets, those which match maturities to expected cash needs and the State Local Agency Investment Fund (LAIF) with immediate withdrawal provisions.

Yield – A competitive market rate of return is the third objective of the city investment program after the fundamental requirements of safety and liquidity have been met.

5.0 DELEGATION OF AUTHORITY

California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate that authority to the Treasurer of the local agency. Effective January 1, 1997 such delegation is to be reviewed annually and may be renewed by the city council (Appendix 3, Section 53607).

City Council – Under City of Oxnard Resolution No. 10455, the City Council has authorized the City Treasurer to invest city funds in accordance with California Government Code Section 53600, et. seq. The City Treasurer will include review of the delegation of authority in the annual presentation of the investment policy to the city council.

City Treasurer – The execution of investment transactions on a daily basis will be conducted by the City Treasurer. The Assistant City Treasurer will execute transactions only as directed by the City Treasurer in the absence of the City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function. The City Treasurer may propose amendments to the city's investment policy, guidelines and procedures at any time in order to carry out the duties as chief investment officer for the city. Such amendments shall be reviewed by the city's Investment Review Committee and considered by the city council at a public meeting.

6.0 ETHICS AND AVOIDANCE OF CONFLICTS OF INTEREST

Investment officials shall refrain from personal business activity that could conflict with proper execution and management of the policy and the investment program, or which could impair their ability to make impartial decisions. Investment officials must provide a public disclosure document by February 1 of each year or when material interest in financial institutions or personal investment position(s) require it. Furthermore, Investment officials must refrain from undertaking personal investment transactions with the same individual(s) employed by the financial institution with whom business is conducted on behalf of the City. The City Treasurer is governed by the Political Reform Act of 1974 regarding disclosure of material financial interests.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS –*Reference: CA Govt. Code 53601.5*

The city treasurer shall transact business only with the banks, savings and loan and properly registered securities dealers.

Authorization – The city may conduct business with major registered securities broker-dealers and with dealers designated "Primary" by the Federal Reserve provided all the following criteria are met. The

Treasurer or his designee will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. These may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). Broker-dealers must:

- a. Have offices located within the State of California;
- b. Be adequately capitalized;
- c. Make markets in securities appropriate to the city’s needs;
- d. Agree to abide by the conditions set forth in the city’s investment policy;

The City Treasurer shall investigate all institutions which wish to do business with the city and shall require that each financial institution complete and return the appropriate questionnaire and required documentation. An annual review of the financial condition and registration of qualified bidders will be conducted by the City Treasurer.

No public deposit shall be made except in a qualified public depository as established by the established state laws. All financial institutions and broker/dealers who desire to conduct investment transactions with the public agency must supply the Treasurer (or Chief Financial Officer) with the following: audited financial statements, proof of NASD certification, trading resolution, proof of State of California registration, completed broker/dealer questionnaire, certification of having read the Public Agency’s investment policy and depository contracts.

Ratings – With the exception of the Local Agency Investment Fund (LAIF) and U.S. Treasury and Government Agency issues, investments shall be placed only in the those instruments and institutions rated favorably as determined by the City Treasurer with the assistance of bank rating services and nationally recognized rating services (FDIC, Fitch’s, Moody’s, Standard & Poor’s, Sheshunoff performance rating, etc.).

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

California Government Code Section 53601 (Appendix 3) defines eligible securities for the investment of surplus funds by local agencies. Surplus funds of the City of Oxnard are invested in compliance with this statute and as further limited in this Investment Policy.

U.S. Government - United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. Maturities are limited to a maximum of five years.

U.S. Agencies - The purchase of instruments of, or issued by, a federal agency or a United States government-sponsored enterprise will be limited to a maximum maturity of five years. Such agencies include, but are not limited to, the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Tennessee Valley Authority, and the Federal National Mortgage Corporation.

Municipal Bonds, Notes or Evidences of Indebtedness - Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of

the revenues from a revenue producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. A maximum of 15% of the portfolio may be so invested.

Bankers' Acceptances - Bills of exchange or time drafts drawn on and accepted by commercial banks which are eligible for purchase by the Federal Reserve System are known as bankers' acceptances. Purchases of these instruments may not exceed 180 days to maturity or 40 percent of an agency's surplus funds. A maximum of 30 percent may be invested in the bankers' acceptances of any one commercial bank.

Commercial Paper - This short-term unsecured promissory note is issued to finance short term credit needs. Eligible paper is that which is ranked "PI" by Moody's Investor Services or "A1" by Standard & Poor's or Fitch's, issued by a domestic corporation having assets in excess of \$500,000,000, and having an "A" or better rating on issuer's debt. Purchases of commercial paper may not exceed 270 days or represent more than 10 percent of the outstanding paper of an issuing corporation. Commercial paper purchases will be limited to 15 percent of the City's portfolio.

Negotiable Certificates of Deposit (NCDs) - Allowable NCDs are issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank. The City Treasurer may invest up to 30 percent of surplus funds in NCDs limited to institutions rated "Aa" or better by Moody's or "AA-" or better by Standard & Poor's CD Rating Services. A rating equivalent to FDIC rating of "One" or "Two" or a Sheshunoff performance rating of A or better is required for those institutions not rated by Moody's, Fitch's or Standard & Poor's. NCDs are considered liquid, trading actively in the secondary market.

Certificates of Deposit (CDs) - Certificates of deposit or "time deposits" of up to \$250,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 30 percent of the portfolio (GC 53601(i)). In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to FDIC rating of "One" or "Two" or a Sheshunoff performance rating of A or better.

Repurchase Agreements - The City may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the City has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored by the city treasurer's office and will not be allowed to fall below 102 percent of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, bankers' acceptances, commercial paper, or securities that are direct obligations

of or that are fully guaranteed by the United States or any agency of the United States. These eligible securities are further defined by California Government Code Section 53651.

Medium Term Notes - A maximum of 30 percent of the City's portfolio may be invested in medium-term notes issued by corporations organized and operating within the United States. Note maturities may not exceed five years. Securities eligible for investment must be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (i.e., Moody's or Standard & Poor's).

Mutual Funds - Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, et. seq., and complying with Section 53601, are permitted investments. Section 53601(l) further defines requirements. A maximum of 20 percent of the portfolio may be so invested.

Local, State, or County Agency Investment Fund - The Local Agency Investment Fund (LAIF) has been established by the State Treasurer for the benefit of local agencies. The City may invest up to the maximum permitted by LAIF and the Ventura County Investment Pool operated under the control of the County Treasurer, and CALTRUST consistent with California Government Code Section 53635.

Ineligible Investments - Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund.

City Inter-fund Loans - With the approval of the City Treasurer evidenced by her/his signature of approval, and with the concurrence of the City Council, funds may be invested in short term loans to provide specific funding to City Programs provided no loan shall violate the time or source limitations prescribed by California Law. A description of each Inter-fund transfer or loan made from the capital facilities fund must be included. The information provided, in the case of an Inter-fund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an Inter-fund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan. Government Codes 66013(d)(5) and 66006(b)(1)(G).

9.0 COLLATERAL

The issue of collateral requirements is addressed in California Government Code Section 53652. All active and inactive deposits must be secured at all times with eligible securities in securities pools pursuant to Sections 53656 and 53657. Eligible securities held as collateral shall have a market value in excess of the total amount of all deposits of a depository as follows:

- government securities, at least 10 percent in excess
- mortgage backed securities, at least 50 percent in excess
- letters of credit, at least 5 percent in excess.

FDIC coverage as the Official Custodian of a public unit is insured up to \$250,000 per bank and all active and inactive deposits above the FDIC insured amount must be collateralized to be secured.

10.0 INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- a) A description of eligible investment securities, and a written statement of investment policy and objectives.
- b) A description of interest calculations and how it is distributed, and how gains and losses are treated.
- c) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- d) A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- e) A schedule for receiving statements and portfolio listings.
- f) Are reserves, retained earnings, etc. utilized by the pool/fund?
- g) A fee schedule, and when and how is it assessed.
- h) Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

11.0 DIVERSIFICATION

The City's portfolio will be suitably diversified by type and institution in an effort to reduce portfolio risk while attaining market average rates.

Security Type and Institution - U.S. Treasury securities and authorized pools, and any portfolio or institutional limits shall comply with California Government Code. Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

Maximum Maturities - To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's portfolio will not be directly invested in securities which mature more than five years from the date of purchase. Reserve funds may be invested in securities exceeding the five years as allowed by California Law (maturity of such investments should coincide as nearly as practicable with expected use of funds).

12.0 INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

Investment Review Committee - The City Treasurer shall form the investment committee, whose members may include the City Manager, and Finance Director, or their designated alternate plus members of the public whose interest and knowledge can provide sound advice to the Investment Review Committee tasked with quarterly review of procedures and adherence to this Investment Policy.

Investment Portfolio Guidelines - Guidelines (Appendix No. 2) have been established for procedures within the City Treasurer's Office to assure internal investment controls and a segregation of responsibilities of investment functions.

Annual Audit - The City's portfolio is included in the annual review of the City's financial management performed by an independent (as defined by FASB and GASB) outside audit firm.

13.0 PERFORMANCE STANDARDS

The investment portfolio will be designed to attain at least a market-average rate of return during budgetary and economic cycles. Whenever possible, and consistent with risk limitations as defined herein and prudent investment principles, the Treasurer shall seek to augment returns above the

market average rate of return as shown on the average CMT (Constant Maturity Treasury) whose maturity most closely matches the average maturity of the portfolio. In addition, the City portfolio will be compared with LAIF and the goal is to maintain a higher positive annual yield than LAIF's annual yield.

14.0 REPORTING—Reference: CA Govt. Code 53646(b)

The City Treasurer shall provide investment information to City Council.

Periodic Reports - The City Treasurer will provide detailed reports of the investments in the pooled investment fund portfolio on a monthly basis to the City Council, City Manager, Chief Financial Officer, and City Clerk. Within thirty days of the end of each quarter, these reports will be provided with additional information such as market pricing. This report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

Annual Report - This Investment Policy will be presented annually following the close of the fiscal year, to the City Council for approval.

Financial Statements per GASB #31 - City Treasurer will provide the portfolio's market value gains/losses to Finance to be incorporated in the fiscal year-end balance sheet.

Financial Statements per GASB #40 - Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to Finance to be incorporated in the Comprehensive Annual Financial Report (CAFR).

15.0 SAFEKEEPING AND CUSTODY—Reference: CA Govt. Code 53608

All security transactions, including collateral for repurchase agreements, entered into by the City Treasurer shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

16.0 INVESTMENT POLICY ADOPTION—Reference: CA Govt. Code 53646

The City of Oxnard's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto by the City Treasurer must be presented to the City Council.

The City Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. *Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.* No person, or officer may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City of Oxnard.

APPENDIX

No. 1 Glossary

No. 2 Investment Portfolio Guidelines

No. 3 California Government Code Sections related to Investment of Public Funds

City of Oxnard, California
2018 Investment Policy
Adopted January 23, 2018

APPENDIX NO. 1: GLOSSARY

AGENCIES: Federal agency securities.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: One one-hundredth of a percent (i.e. 0.01 %)

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&Ls, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loans associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-throughs is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): Funds from local governmental units may be remitted to the California State Treasurer for deposit in this special fund for the purpose of investment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold at a specific date.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase and reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are

subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

RATING AGENCIES: S&P Probably the best known of the Big Three rating agencies, Standard and Poor's (S&P) is a company providing financial publishing, information and media to the world's capital markets. It is owned by the McGraw-Hill Companies. S&P also publishes stock market indices, the most well-known of which is the S&P 500.

S&P's ratings from the best quality borrowers to the lowest are: AAA, AA, A, BBB, BB, B, CCC, CC, C, and D. Investment grade is BBB and above. S&P uses plus and minus to add intermediate designations to these ratings.

Moody's Moody's started in 1909 as a publishing company, issuing railroad bond guides called Moody's Manuals. It later expanded its coverage to municipal and commercial bonds, and is now called Moody's Investment Services.

Moody's uses the following ratings: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C. Numbers are added for intermediate designations, such as Baa1, Baa2, etc. Investment grade is considered to be Baa and above; anything below is considered speculative, or junk.

Fitch Owned by a French Holding Company, Fimalac SA, Fitch operates internationally and offers financial research as well as credit rating services. The smallest of the Big Three, Fitch uses the same ratings scale as S&P.

Conflicts of Interest of rating agencies

Credit ratings agencies receive fees from the issuers of the securities they rate. In the time leading up to the 2008 financial crisis, S&P, Moody's and Fitch all gave consistently high ratings to mortgage-backed securities created by the investment banks who were paying them. This overrating of risky debt instruments contributed to the financial bubble and subsequent decline. Congress has proposed new regulation of these agencies to increase competition and ensure independence in this market

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Federal Reserve Bank is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks' vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SPREAD: a) The yield or price difference between the bid and offer on an issue; b) The yield or price difference between different issues.

TREASURY BILLS: A non-interest bearing security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

City of Oxnard, California
2018 Investment Policy
Adopted January 23, 2018

APPENDIX NO. 2: OXNARD CITY TREASURER INVESTMENT PORTFOLIO GUIDELINES

A. INTRODUCTION. These guidelines are established to direct and control investment activities in such a manner to assure that the goals established in the Investment Policy are attained.

B. GENERAL FACTORS. Several factors must be considered in preparation for effective portfolio management.

1. Cash Forecast. The cash flow of the City shall be updated daily with an analysis of cash receipts and expenditures. A close working relationship with City Departments having a significant impact on cash flow is maintained to maximize the efficiency of the City's cash management system.

2. Pooled Cash. Whenever practical, the City's cash should be consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to specific general ledger cash balances. No City bank account may be opened without the knowledge and consent of the City Treasurer.

3. Authorized Institutions. A list of institutions, which meet the criteria of the Investment Policy and have been authorized by the City Treasurer to do business with the City, will be maintained and regularly updated. Investment transactions will be executed only with approved broker/dealers, banks, and savings and loans.

4. Preservation of Portfolio Value. Yield standards are in place in an effort to maintain earnings consistent with the market average rate of return.

5. Golden Rule of Portfolio Management. Investment instrument characteristics should be known and understood before a purchase of the investment instrument. And recognizing that there are no firm and steadfast rules (strategies) for portfolio management due to the fact that investor expectations change by the day, hour and minute, and because of this market instability, prudent principles of fiscal management must be applied.

C. STRATEGY: Strategy refers to the plan of action for managing financial resources in the most advantageous manner. The City Treasurer uses the following elements in developing strategy.

1. Economic Forecasts. Economic forecast information developed by economists and financial experts, obtained through bankers and brokers, is used to assist the City Treasurer with the formulation of an investment strategy for the City.

2. Investment Implementation. Investment transactions will be executed in conformance with anticipated cash flow requirements, economic conditions, and interest rate trends and must be consistent with the established Investment Policy.

3. Yield Enhancement. Investment techniques will be utilized which increase yield and maintain a fully invested position.

D. INVESTMENT PROCEDURES. The City Treasurer has developed internal investment procedures to provide for effective cash management. Segregation of responsibilities is maintained to assure an adequate system of internal control over the investment function.

1. Diversification. The fund should consist of a mix of various types of securities, issuers, and maturities.

2. Competitive Bids. Purchase and sale of securities shall be made on the basis of competitive bids and offers with a minimum of two quotes being obtained, when practical.

3. Investment Transactions. Investment transactions will be authorized by the City Treasurer. In his/her absence, the Assistant City Treasurer will execute transactions as prescribed by the City Treasurer prior to his/her absence. In the event of unexpected absence and unavailability by the City Treasurer, the Assistant City Treasurer will transact within established guidelines.

4. Electronic Transactions. Whenever possible, the City will use preformatted wire transfers and ACH debits to restrict the transfer of funds to preauthorized accounts only. All electronic transactions require an initiator plus an approval by an authorized employee. Authenticity is verified on next business day for each electronic transaction.

5. Safekeeping. Securities purchased from broker/dealers (on which maturity is greater than 30 days) shall be held in third party safekeeping with the Trust Department of Union Bank of California acting as third party trustee. All such purchases will be on a delivery versus-payment basis. Evidence of account for certificates of deposit will be issued in the City's name and held in City Treasurer's vault.

E. INVESTMENT CRITERIA. All investments will be made in compliance with Federal, State, and Local laws governing the investment of City funds, and in accordance with the City Treasurer's Investment Policy.

1. Maturity of Investment. Investments longer than one year may be made if consistent with the City's cash flow needs, related intent to hold until maturity, unless market conditions demand otherwise. Securities may be sold prior to maturity for cash flow purposes or to otherwise enhance the portfolio. If the rating of any depository declines to an unacceptable level prior to the maturity of an investment of City funds, the investment will be matured at the earliest possible opportunity. If the rating drops below the allowable level of any one of the rating services, the investment will be sold if no significant loss of principal is involved.

Such sales will be determined by the City Treasurer.

2. Certificate of Deposit Evaluation.

- (a) Time Certificates of Deposit shall be evaluated in terms of FDIC coverage. For deposits in excess of the insured maximum of \$250,000, approved collateral shall be required at the percentage above market value as specified by California Government Code Section 53652 and/or 53651.
- (b) Negotiable Certificates of Deposit shall be evaluated in terms of the credit worthiness of the issuer as these deposits are uninsured and uncollateralized promissory notes.

F. PRIMARY GOALS. As set forth in the Investment Policy, the primary goals for the City of Oxnard are safety, liquidity, and yield, in that priority order.

1. Safety. The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City of Oxnard employs investment instruments considered to be safe. The primary duty of the City Treasurer is to protect the cash and investments placed in her trust on behalf of the citizens of the community.
2. Liquidity. Liquidity refers to the ability to convert investment holdings to cash immediately with no loss of principal or accrued interest. This quality of investment is important should an unexpected need for funds occur.
3. Yield. Yield is the dollar earnings the investment provides. Yield becomes important only after the fundamental requirements of safety and liquidity have been met.

G. INTERNAL CONTROL OF INVESTMENTS. Investment transactions are controlled through distribution of responsibilities within the Treasurer's Office by the following procedures:

1. The Treasurer initiates each investment transaction.
2. Details of the investment are recorded on a trade slip and given to the account clerk responsible for encoding the trade details into the Sungard electronic investment system. The same account clerk produces a verification letter mailed to the institution receiving the investment. A copy of the letter is forwarded to the transferring bank.
3. The transaction record is then delivered to a designee who enters the transaction on the cash balance spread sheet.
4. At month end the balances on the spreadsheet, maintained by a designee, must balance with the portfolio balance maintained independently by the Sungard system clerk.
5. Each business day, the Treasurer's Office receives an electronic report from the City's bank. This report contains checking account balances, a listing of debits and credits, overnight investments and a record of wired funds. This information is incorporated into the monthly checking account statement which provides a cross reference.
6. The Treasurer's Office forwards copies of all investment and transfer letters to General Accounting daily. General Accounting also receives copies of all bank statements, daily print-outs, bank reconciliations, credit/debit memorandums, journal vouchers, and tapes coordinating Treasurer's Receipts with deposits.
7. The Treasurer's report of balances and summary of investments and earnings is compiled monthly and distributed to the City Council, City Manager, City Clerk and Chief Financial Officer. A report, including market values, will be provided on a quarterly basis within 30 days of the close of the last month of each quarter. A report of portfolio gains/losses will be provided to the Chief Financial Officer at fiscal year-end for inclusion in year-end balance sheet reporting.

These Guidelines are provided to all staff members of the City Treasurer's Office having involvement with the investment procedures in any way. It is intended that these guidelines define the details of current practice set forth by the Investment Policy.

City of Oxnard, California
2018 Investment Policy
Adopted January 23, 2018

APPENDIX NO. 3: STATE OF CALIFORNIA GOVERNMENT CODE

Government Code - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57550]

(Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]

(Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]

(Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 4. Financial Affairs [53600 - 53997]

(Chapter 4 added by Stats. 1949, Ch. 81.)

ARTICLE 1. Investment of Surplus [53600 - 53610]

(Article 1 added by Stats. 1949, Ch. 81.)

53600.

As used in this article, "local agency" means county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

(Amended by Stats. 1987, Ch. 887, Sec. 2.)

53600.3.

Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

(Amended by Stats. 1996, Ch. 749, Sec. 4. Effective January 1, 1997.)

53600.5.

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

(Amended by Stats. 1996, Ch. 749, Sec. 5. Effective January 1, 1997.)

53600.6.

The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

(Added by Stats. 1995, Ch. 784, Sec. 13. Effective January 1, 1996.)

53601.

This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

- (a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than

10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a

minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency’s bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency’s activities.

(iii) Acceptance of a local agency’s securities or funds as deposits.

(5) (A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.

(B) “Securities,” for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying are purchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery

or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of "A" or its equivalent or better for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(Amended by Stats. 2016, Ch. 366, Sec. 12. Effective January 1, 2017.)

[53601.1.](#)

The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

(Added by Stats. 1983, Ch. 534, Sec. 3.)

[53601.2.](#)

As used in this article, "corporation" includes a limited liability company.

(Added by Stats. 2004, Ch. 118, Sec. 18. Effective January 1, 2005.)

[53601.5.](#)

The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or

federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

(Amended by Stats. 2001, Ch. 57, Sec. 2. Effective January 1, 2002.)

53601.6.

(a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity.

However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601.

(Amended by Stats. 2009, Ch. 332, Sec. 68.1. Effective January 1, 2010.)

53601.8.

Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring both of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(d) The selected depository institution shall serve as a custodian for each such deposit.

(e) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).

(f) Notwithstanding subdivisions (a) to (e), inclusive, a credit union shall not act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) The deposits placed pursuant to this section and Section 53635.8 shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.

(i) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

(Amended (as amended by Stats. 2013, Ch. 228, Sec. 1) by Stats. 2015, Ch. 181, Sec. 1. Effective January 1, 2016. Repealed as of January 1, 2021, by its own provisions. See later operative version, as amended by Sec. 2 of Stats. 2015, Ch. 181.)

53601.8.

Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds may, at its discretion, invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of certificates of deposit pursuant to this section, Section 53635.8, and subdivision (i) of Section 53601 do not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States for the local agency's account.

(c) The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(d) The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the local agency's account.

(e) At the same time the local agency's funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan associations, or credit unions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution for investment.

(f) Notwithstanding subdivisions (a) to (e), inclusive, no credit union may act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) This section shall become operative on January 1, 2021.

(Amended (as added by Stats. 2013, Ch. 228, Sec. 2) by Stats. 2015, Ch. 181, Sec. 2. Effective January 1, 2016. Section operative January 1, 2021, by its own provisions.)

53602.

The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

(Amended by Stats. 1954, 1st Ex. Sess., Ch. 10.)

53603.

The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

(Amended by Stats. 1953, Ch. 537.)

53604.

The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

(Amended by Stats. 1953, Ch. 537.)

53605.

From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

(Amended by Stats. 1953, Ch. 537.)

53606.

The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds them uncanceled. While held uncanceled, the bonds may be resold.

(Added by Stats. 1949, Ch. 81.)

53607.

The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

(Amended by Stats. 1996, Ch. 749, Sec. 6. Effective January 1, 1997.)

53608.

The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

(Amended by Stats. 1985, Ch. 983, Sec. 17. Effective September 26, 1985.)

53635.

(a) This section shall apply to a local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens on managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (h) of Section 53601, except that the local agency shall be subject to the following concentration limits:

(1) No more than 40 percent of the local agency's money may be invested in eligible commercial paper.

(2) No more than 10 percent of the total assets of the investments held by a local agency may be invested in any one issuer's commercial paper.

(b) Notwithstanding Section 53601, the City of Los Angeles shall be subject to the concentration limits of this section for counties and for cities and counties with regard to the investment of money in eligible commercial paper.

(Amended by Stats. 2008, Ch. 709, Sec. 10.7. Effective January 1, 2009.)



CITY COUNCIL
AGENDA REPORT

TYPE OF ITEM: Report
AGENDA ITEM NO.: 2

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

FROM: Jim Throop
Chief Financial Officer

Jim Throop

SUBJECT: Award Contract for Fencing in Various Landscape Maintenance Districts (5/5/5)

CONTACT: Jim Throop, Chief Financial Officer
Jim.Throop@oxnard.org, 385-7475

RECOMMENDATION:

That City Council:

1. Award and authorize the Mayor to execute Agreement A-8040 with Fenceworks, Inc. (Attachment A) in the amount of \$535,140.75 for the Assessment District Fencing Project SD 18-23; and
2. Approve a budget appropriation in the amount of \$20,000 (Attachment B) for the current Fiscal Year 2017-18 from fund balance of LMD 46 Daily Ranch to cover a portion of the project costs for the District.

BACKGROUND

The City of Oxnard Special Assessment Districts provides maintenance of various landscape and amenities in designated neighborhoods throughout Oxnard. Through the budget process, staff identified the need to replace damaged, deteriorated or missing parts of fencing throughout the districts. Fencing is located in perimeter areas and detention basins.

The specific work for this Project within various districts includes furnishing all necessary labor, materials, equipment and other incidentals for removal, repair and/or replacement and installation of new fencing. The contracted amount for this portion of the Project is \$535,140.

Award Contract for Fencing in Various LMDs and CFDs (5/5/5)

February 6, 2018

Page 2

Staff has elected not to move forward with fence work in the Rancho Del La Rosa District due to a lack of funding available. The contract is broken down by district as follows:

District	Fence Repair/Replacement Cost	Purpose
LMD 34 Sunrise Pt/Sunset Cove	\$48,801.40	Detention fence replacement
LMD 36 Villa Santa Cruz	\$79,283.00	Detention fence replacement
LMD 38 Aldea Del Mar	\$71,906.00	Detention fence replacement
LMD 39 El Sueno	\$34,441.50	Detention fence replacement
LMD 39 DR Horton	\$17,221.00	Detention fence replacement
LMD 42 Cantabria/Coronado	\$137,934.85	Detention fence replacement
LMD 46 Daily Ranch	\$113,027.00	Detention fence replacement
CFD #4 Seabridge	\$10,670.00	Repair existing gate at Seabridge yard
CFD #5 Riverpark	\$21,856.00	Chain link fence at Turnout Circle
TOTAL	\$535,140.75	

Lowest Responsive Bid

The notice inviting formal bids (NIFB) on the Project was published on November 9, 2017 and all bids were due on December 11, 2017. The City received the bids listed below:

Fenceworks, Inc.:	\$659,408.35
DASH Construction Company, Inc.:	\$936,726.00

The lowest bidder is Fenceworks, Inc., and its bid is responsive to the City's NIFB. Following this determination, procurement staff reviewed all documentation received from Fenceworks, Inc. and verified possession of required currently valid licenses, reviewed the federal Occupational Safety and Health Administration (OSHA) website for safety violations, checked for City business licenses, and verified registration with the California Department of Industrial Relations (DIR). The recommended contractor has worked on prior City projects and completed work in a satisfactory manner. Staff has no reason at this time to believe that the contractor or any of its subcontractors are not legally responsible. Thus, Staff recommends that the City Council award the contract for this Project to Fenceworks, Inc.

After the bid was awarded, a discrepancy was discovered in the map for LMD 38 – Aldea Del Mar designating the wrong repair location. The description of the area to be repaired and the linear feet were correct; however the designated area on the map was incorrect. To correct this issue, staff has updated the map and e-mailed the contractor to provide us with official certification that the new map is correct and that none of the costs originally bid were affected by this change.

STRATEGIC PRIORITIES

Award Contract for Fencing in Various LMDs and CFDs (5/5/5)

February 6, 2018

Page 3

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

The cost for this agreement will be paid directly by the individual LMDs/CFDs for the respective projects. There are sufficient funds within the adopted Fiscal Year 2017-18 budget, with the exception of one LMD.

The funding for the project in LMD 46 Daily Ranch requires a budget appropriation in the amount of \$20,000 (Attachment B) from Fund 170-8003. The estimated unaudited undesignated unreserved fund balance after this appropriation will be approximately \$598,559.

ATTACHMENTS:

Attachment A: Agreement A-8040 with Fenceworks, Inc.

Attachment B: Budget Appropriation

CONTRACT**CITY OF OXNARD CONTRACT FOR
FENCING PROJECT SD 18-23**

THIS CONTRACT ("Contract") is made and entered this 1st day of February, 2018 ("Effective Date"), by and between the CITY OF OXNARD, a California municipal corporation ("City") and Fenceworks Inc. ("Contractor"). Contractor's license number is 299964 B, C-13.

In consideration of the covenants set forth herein, the parties hereto agree as follows:

1. Incorporation. The Contract consists of all Contract Documents, which shall include the Notice Inviting Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, Standard Plans, Greenbook, Reference Specifications, Bid (including documentation accompanying the Bid and post-Bid documentation submitted before the notice of award), insurance documentation, Bonds, the City business license, permits from regulatory agencies, Addenda, Change Orders and Supplemental Agreements. These documents are incorporated herein by reference.
2. Scope of Services. Contractor shall perform the Work in a good and workmanlike manner for the project identified as Fencing Project SD 18-23 ("Project"), as described in this Contract and in the incorporated Contract Documents.
3. Compensation. In consideration of the services rendered hereunder, City shall pay Contractor a not to exceed amount of Five Hundred Thirty-Five Thousand and One Hundred and Forty-One Dollars (\$535,141) in accordance with the prices as submitted in the Bid, attached hereto as Exhibit "B" and incorporated herein by this reference.
4. Antitrust Claims. In entering into this Contract, Contractor assigns to City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Business and Professions Code Section 16700 *et seq.*) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time City tenders final payment to Contractor without further acknowledgment by the parties.
5. Prevailing Wages. City and Contractor acknowledge that the Project is a public work to which prevailing wages apply. Copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Project are on file with the Project Coordinator at City Hall and will be made available to any interested party on request. Contractor and all Subcontractors are not qualified to bid on, be listed in a Bid proposal, or engage in the performance of any contract for public work, as defined in Labor Code Sections 1720 through 1861, unless registered and qualified to perform public work pursuant to Labor Code Section 1725.5 at the time of Bid submission.
6. Workers' Compensation. Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of Labor Code Section 1861, by signing this Contract, the Contractor certifies as follows: "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

Agreement No. A-8040

7. Titles. The titles used in this Contract are for convenience only and shall in no way define, limit or describe the scope or intent of this Contract or any part of it.

8. Authority. Any person executing this Contract on behalf of Contractor warrants and represents that he or she has the authority to execute this Contract on behalf of Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

9. Entire Agreement. This Contract, including all incorporated documents, constitutes the entire agreement between the parties hereto with respect to the Project, and supersedes all previous agreements, promises, proposals, representations, understandings and negotiations, whether written or oral, between the parties regarding the subject matter.

10. Amendment. No Contract modification, amendment or supplement to this Contract other than Change Orders will be binding unless written and signed by the parties' duly authorized representatives.

11. Counterparts. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Contract transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Contract for all purposes.

(signatures continued on following page)

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

Tim Flynn, Mayor

Date

VENDOR NAME

Jason Ostrander
President/CEO

Date

Alan Kay
Sr. Executive Vice President

Date

ATTEST:

Michelle Ascencion, City Clerk

Date

APPROVED AS TO FORM:

Stephen M. Fischer,
City Attorney

1/9/18
Date

APPROVED AS TO CONTENT:

Jeri Cooper, Project Manager

1/9/18
Date

Jim Throop,
Chief Financial Officer

Date

APPROVED AS TO AMOUNT:

Scott Whitney,
Interim City Manager

Date

APPROVED AS TO INSURANCE:

Mike More, Risk Manager

1/11/18
Date

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

PLEASE DO NOT
REMOVE THIS BOX

Agreement No. A-8040

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

Tim Flynn, Mayor

Date

VENDOR NAME

Jason Ostrander
President/CEO

Date

Alan Kay
Sr. Executive Vice President

Date

ATTEST:

Michelle Ascencion, City Clerk

Date

APPROVED AS TO FORM:

Stephen M. Fischer,
City Attorney

Date

APPROVED AS TO CONTENT:

Jeri Cooper, Project Manager

Date

Jim Throop,
Chief Financial Officer

Date

APPROVED AS TO AMOUNT:

Scott Whitney,
Interim City Manager

Date

APPROVED AS TO INSURANCE:

Mike More, Risk Manager

Date

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

PLEASE DO NOT
REMOVE THIS BOX

Exhibit INS-D

**INSURANCE REQUIREMENTS FOR SMALL/MEDIUM CONSTRUCTION AND SERVICES CONTRACTS
(WITHOUT BUILDER'S RISK REQUIREMENT)**

1 Contractor shall obtain and maintain during the performance of any services under this Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Contractor, its agents, representatives, employees or subcontractors.

2.1 Commercial General Liability Insurance, including Contractual Liability, in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project location or shall be twice the occurrence amount;

2.2 Business Automobile Liability Insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

2.3 If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than \$1,000,000, with neither Contractor nor listed subcontractors having less than \$500,000 individually. The Professional Liability/Errors and Omissions Insurance must be project specific with at least a one-year extended reporting period, or longer upon request.

2.4 Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than \$1,000,000 per claimant.

1 Contractor shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-D. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No. _____
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

2 Contractor agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

3 Contractor agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-D or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

4 The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages (**this must be endorsed**). Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5 Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the

Agreement No. A-8040

Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

6 All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

12/17

Agreement No. A-8040

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS***Certificates of Insurance***

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.**

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

INS-D.doc

Agreement No. A-8040

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

CODE

SUB-CODE

COMPANIES AFFORDING INSURANCE COVERAGE

INSURED

COMPANY
LETTER A

SPECIFY COMPANY NAMES IN THIS SPACE

COMPANY
LETTER B**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE \$1,000,000 PRODUCTS COMP/OP AGG. \$1,000,000 PERSONAL & ADV. INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
A	AUTOMOBILE LIABILITY [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE \$1,000,000 BODILY INJURY \$ (per person) BODILY INJURY \$ (per accident) PROPERTY DAMAGE \$
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$1,000,000
A	OTHER Errors and omissions insurance or malpractice insurance available for the insured's profession; if architectural, engineering or electrical work will be performed under the Agreement				Minimum coverage \$1,000,000 Each consultant/ \$500,000 & listed sub-consultant

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER

CITY OF OXNARD

Attn: Insurance Compliance

Reference No. _____

P.O. Box 100085 – OX

Duluth, GA 30096

Via Email: cityofoxnard@ebix.com

Via Fax: 678-259-1007

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Agreement No. A-8040

GENERAL LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")		SUBMIT IN DUPLICATE					
		ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)				
PRODUCER Telephone: _____ NAMED INSURED		POLICY INFORMATION: Insurance Company: _____ Policy No.: _____ Policy Period: (from) _____ (to) _____ LOSS ADJUSTMENT EXPENSE L. Included in Limits ☐ In Addition to Limits ☐					
TYPE OF INSURANCE GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ COMPREHENSIVE GENERAL LIABILITY ☐ OWNERS & CONTRACTORS PROTECTIVE		APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered: CITY AGREEMENTS/PERMITS _____					
COVERAGES ☐ GENERAL ☐ PRODUCTS/COMPLETED OPERATIONS ☐ PERSONAL & ADVERTISING INJURY ☐ FIRE DAMAGE ☐ _____ ☐ _____		OTHER PROVISIONS Underwriter's representative for claims pursuant to this insurance. CLAIMS: Name: _____ Address: _____ Telephone: (_____) _____					
LIABILITY LIMITS IN THOUSANDS \$ <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">EACH OCCURRENCE</th> <th style="width: 50%;">AGGREGATE</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>		EACH OCCURRENCE	AGGREGATE			In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows: 1. INSURED. The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured. 2. CONTRIBUTION NOT REQUIRED. As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it. 3. SEVERABILITY OF INTEREST. This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included. 4. CANCELLATION NOTICE. With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City. 5. PROVISIONS REGARDING THE INSURED'S DUTIES. Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers. 6. SCOPE OF COVERAGE. This policy, if primary, affords coverage at least as broad as: a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001. Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.	
EACH OCCURRENCE	AGGREGATE						
ENDORSEMENT HOLDER CITY OF OXNARD Attn: Insurance Compliance Reference No. _____ P.O. Box 100085 - OX Duluth, GA 30096 Via Email: cityofoxnard@ebix.com Via Fax: 678-259-1007		AUTHORIZED REPRESENTATIVE Broker/Agent... Underwriter I _____ I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement. Signature _____ (original signature required) Telephone: (_____) _____ Date Signed _____					

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")		SUBMIT IN DUPLICATE	
		ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)
PRODUCER Telephone: NAMED INSURED		POLICY INFORMATION: Insurance Company: Policy No.: Policy Period: (from) _____ (to) LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits ☐ Deductible ☐ Self-Insured Retention (check which) of \$ _____ with an Aggregate of \$ _____ applies to coverage. Per Occurrence: _____ Per Claim: _____ (which) APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered: CITY AGREEMENTS/PERMITS	
TYPE OF INSURANCE ☐ COMMERCIAL AUTO POLICY ☐ BUSINESS AUTO POLICY ☐ OTHER		OTHER PROVISIONS	
LIMIT OF LIABILITY \$ _____ per accident, for bodily injury and property damage.		CLAIMS: Underwriter's representative for claims pursuant to this insurance. Name: _____ Address: _____ Telephone: () _____	
In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows: 1. INSURED. The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured. 2. CONTRIBUTION NOT REQUIRED. As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it. 3. SEVERABILITY OF INTEREST. This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included. 4. CANCELLATION NOTICE. With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City. 5. PROVISIONS REGARDING THE INSURED'S DUTIES. Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers. 6. SCOPE OF COVERAGE. This policy, if primary, affords coverage at least as broad as: a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1). Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.			
ENDORSEMENT HOLDER CITY OF OXNARD Attn: Insurance Compliance Reference No. _____ P.O. Box 100085 - OX Duluth, GA 30096 Via Email: cityofoxnard@ebix.com Via Fax: 678-259-1007		AUTHORIZED REPRESENTATIVE ☐ Broker/Agent ☐ Underwriter _____ I, _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement. Signature _____ (original signature required) Telephone: () Date Signed _____	

Agreement No. A-8040

Bond No. _____

**PAYMENT BOND
(LABOR AND MATERIALS)**

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), State of California, has awarded to Fenceworks Inc.
Melvin Lee Kay, 870 N. Main Street, Riverside, CA 92501 ("Principal")
(Name and address of Contractor)

a contract (the "Contract") for the Work described as FENCING PROJECT SD 18-23.

WHEREAS, under the terms of the Contract, the Principal is required before entering upon the performance of any Work, to file a good and sufficient Payment Bond with the Agency to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code.

NOW, THEREFORE, we, the undersigned Principal, and _____

(Name and address of Surety)

a corporation organized and existing under the laws of the State of _____
 ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, and our heirs, assignees, successors, executors and administrators are held and firmly bound, jointly and severally, unto the Agency and all Contractors, Subcontractors, laborers, material suppliers, and other persons employed in the performance of the Contract and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the penal sum of Five Hundred Thirty-Five Thousand and One Hundred and Forty-One Dollars (\$535,141), this amount being not less than a hundred percent (100%) of the total Contract Price in lawful money of the United States of America, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this Work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this Bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this Bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this Bond.

Upon expiration of the time within which the California Labor Commissioner may serve a civil wage and penalty assessment against the principal, any of its Subcontractors, or both the principal and its Subcontractors pursuant to Labor Code Section 1741, and upon expiration of the time within which a joint labor management committee may commence an action against the principal, any of its Subcontractors, or both the principal and its Subcontractors pursuant to Labor Code Section 1771.2, if the condition of this Bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

Agreement No. A-8040

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract, including all incorporated documents, shall in any manner affect its obligations on this Bond. The Surety hereby waives notice of any such change, extension, alteration, or addition. Additionally, the Surety hereby waives California Civil Code 2845 and 2849 as well as any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: _____

"Principal"

"Surety"

By: _____

By: _____

Its: _____

Its: _____

By: _____

By: _____

Its: _____

Its: _____

(Seal)

(Seal)

Notes: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. Date of Bond must not be before the Effective Date of the Contract. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.

Agreement No. A-8040

Bond No. _____

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), has awarded to Fenceworks Inc. Melvin Lee Kay, 870 N. Main Street, Riverside, CA 92501 ("Principal")
(Name and address of Contractor)

a contract (the "Contract") for the Work described as FENCING PROJECT SD 18-23.

WHEREAS, Principal is required under the terms of the Contract to furnish a Bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the undersigned Principal, and _____

(Name and address of Surety)

a corporation organized and existing under the laws of the State of _____ ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the Agency in the penal sum of Five Hundred Thirty-Five Thousand and One Hundred and Forty-One Dollars (\$535,141), this amount being not less than a hundred percent (100%) of the total Contract Price in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, assignees, successors, executors and administrators, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal, his, her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the Contract and any alteration thereof made as therein provided, on the Principal's part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Agency, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void one (1) year from the date of recordation of the Notice of Completion for the Project; otherwise, it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. Surety hereby waives any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract, including all incorporated documents, or of the Work to be performed thereunder or the Specifications accompanying the same shall in any way affect the Surety's obligations under this Bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work or to the Specifications. Surety hereby waives California Civil Code 2845 and 2849. The City is the principal beneficiary of this Bond and has all rights of a party hereto.

Agreement No. A-8040

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: _____

"Principal"

"Surety"

By: _____

By: _____

Its: _____

Its: _____

By: _____

By: _____

Its: _____

Its: _____

(Seal)

(Seal)

Notes: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. Date of Bond must not be before the Effective Date of the Contract. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.



NOTICE INVITING BIDS FOR FENCING PROJECT SD 18-23

NOTICE IS HEREBY GIVEN that the City of Oxnard, California invites sealed Bids for the Fencing Project. The City will receive such Bids at Oxnard City Hall, 300 West Third Street, Fourth Floor, Oxnard, California 93030, attention: City Clerk, until 4:00 p.m. on December 7, 2017. There will be a public bid opening immediately afterwards at 305 West Third Street, First Floor, Oxnard, California 93030 at the City Council Chambers.

SCOPE OF WORK. The 2015 edition of, and 2016 supplement to, the Standard Specifications for Public Works Construction (collectively the "Greenbook") is incorporated by this reference. As more specifically described in the Contract Documents, the Project includes furnishing all necessary labor, materials, equipment and other incidental and appurtenant Work to replace various detention and perimeter fences ("Project").

OBTAINING BID DOCUMENTS. All Bidders must be plan holders of record to submit a Bid to the City, which entails purchasing copies of all Contract Documents at CyberCopy's Plan Room, located at <http://dfs.cybercopyusa.com/planrooms/public/index.php>. Printed copies will also be available at City Hall for the same price.

PREVAILING WAGES. This Project is a "public work" subject to the requirements of Division 2, Part 7, Chapter 1 of the Labor Code and Title 8, Division 1, Chapter 8 of the California Code of Regulations ("CCR"). The Contractor and all Subcontractors shall pay wages in accordance with the determination of the Director of the DIR. Copies of these rates are on file with the Project Coordinator at City Hall and will be made available to any interested party on request. They are also available at <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>. The Contractor shall post a copy of the DIR's rates at each job site. This Project is subject to compliance monitoring and enforcement by the DIR. The Contractor shall furnish certified payroll records directly to the Labor Commissioner. Contractor and all Subcontractors are not qualified to bid on, be listed in a Bid proposal, or engage in the performance of any contract for public work, as defined in Labor Code Sections 1720 through 1861, unless registered and qualified to perform public work pursuant to Labor Code Section 1725.5 at the time of Bid submission.

BONDS. Each Bid must be accompanied by Bid security as described in the Instructions to Bidders in the Contract Documents. Upon Contract award, the successful Bidder shall provide both Payment and Performance Bonds—each at 100% of the Contract Price—to the City Clerk or his or her representative in accordance with Greenbook Section 2-4 and the Contract Documents. The Performance Bond shall include a one-year warranty period. Bonds must be on the forms in the Contract Documents unless other forms meet all of the City's requirements including that the Bond limit be automatically increased if the Contract amount is increased after execution of the Contract, and the City Attorney at his or her discretion approves the Surety's form. Whenever Bonds are submitted for this Project, Bidder must also submit a photocopy of each Bond.

LICENSES. Each Bidder shall possess a valid Class C-13 Contractor's license issued by California Contractors State License Board at the time of Bid submission and a current City business license at the time of Contract award.

RETENTION. The City shall withhold five percent (5%) of any progress payment as retention.

TRADE NAMES OR EQUALS. Requests to substitute an equivalent material, product, thing or service for a brand or trade name material, product, thing or service must be made by written request submitted no later than fifteen (15) Calendar Days following the award of Contract. Requests received after this time shall not be considered. Requests must clearly describe the product for which approval is requested, including all data necessary to demonstrate acceptability.

LIQUIDATED DAMAGES. Contractor must complete all Work within six (6) months of the City's Notice to Proceed. There will be a \$200 assessment for each Calendar Day that Work remains incomplete beyond the Project completion deadline.

CONTRACT DOCUMENTS

CITY OF

OXNARD



CALIFORNIA

FOR

FENCING PROJECT

SD 18-23

**DUE WEDNESDAY, DECEMBER 7, 2017 AT
4:00 PM**

NOTICE INVITING BIDS	NIB1
INSTRUCTIONS TO BIDDERS.....	I1
GENERAL PROVISIONS	GP1
SPECIAL PROVISIONS	SP1
CONTRACT	C1
INSURANCE	C5
PAYMENT AND PERFORMANCE BONDS	C11
BID (blue pages)	B1

NOTICE INVITING BIDS FOR FENCING PROJECT SD 18-23

NOTICE IS HEREBY GIVEN that the City of Oxnard, California invites sealed Bids for the Fencing Project. The City will receive such Bids at Oxnard City Hall, 300 West Third Street, Fourth Floor, Oxnard, California 93030, attention: City Clerk, until 4:00 p.m. on December 7, 2017. There will be a public bid opening immediately afterwards at 305 West Third Street, First Floor, Oxnard, California 93030 at the City Council Chambers.

SCOPE OF WORK. The 2015 edition of, and 2016 supplement to, the Standard Specifications for Public Works Construction (collectively the "Greenbook") is incorporated by this reference. As more specifically described in the Contract Documents, the Project includes furnishing all necessary labor, materials, equipment and other incidental and appurtenant Work to replace various detention and perimeter fences ("Project").

OBTAINING BID DOCUMENTS. All Bidders must be plan holders of record to submit a Bid to the City, which entails purchasing copies of all Contract Documents at CyberCopy's Plan Room, located at <http://dfs.cybercopyusa.com/planrooms/public/index.php>. Printed copies will also be available at City Hall for the same price.

PREVAILING WAGES. This Project is a "public work" subject to the requirements of Division 2, Part 7, Chapter 1 of the Labor Code and Title 8, Division 1, Chapter 8 of the California Code of Regulations ("CCR"). The Contractor and all Subcontractors shall pay wages in accordance with the determination of the Director of the DIR. Copies of these rates are on file with the Project Coordinator at City Hall and will be made available to any interested party on request. They are also available at <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>. The Contractor shall post a copy of the DIR's rates at each job site. This Project is subject to compliance monitoring and enforcement by the DIR. The Contractor shall furnish certified payroll records directly to the Labor Commissioner. Contractor and all Subcontractors are not qualified to bid on, be listed in a Bid proposal, or engage in the performance of any contract for public work, as defined in Labor Code Sections 1720 through 1861, unless registered and qualified to perform public work pursuant to Labor Code Section 1725.5 at the time of Bid submission.

BONDS. Each Bid must be accompanied by Bid security as described in the Instructions to Bidders in the Contract Documents. Upon Contract award, the successful Bidder shall provide both Payment and Performance Bonds—each at 100% of the Contract Price—to the City Clerk or his or her representative in accordance with Greenbook Section 2-4 and the Contract Documents. The Performance Bond shall include a one-year warranty period. Bonds must be on the forms in the Contract Documents unless other forms meet all of the City's requirements including that the Bond limit be automatically increased if the Contract amount is increased after execution of the Contract, and the City Attorney at his or her discretion approves the Surety's form. Whenever Bonds are submitted for this Project, Bidder must also submit a photocopy of each Bond.

LICENSES. Each Bidder shall possess a valid Class C-13 Contractor's license issued by California Contractors State License Board at the time of Bid submission and a current City business license at the time of Contract award.

RETENTION. The City shall withhold five percent (5%) of any progress payment as retention.

TRADE NAMES OR EQUALS. Requests to substitute an equivalent material, product, thing or service for a brand or trade name material, product, thing or service must be made by written

request submitted no later than fifteen (15) Calendar Days following the award of Contract. Requests received after this time shall not be considered. Requests must clearly describe the product for which approval is requested, including all data necessary to demonstrate acceptability.

LIQUIDATED DAMAGES. Contractor must complete all Work within six (6) months of the City's Notice to Proceed. There will be a \$200 assessment for each Calendar Day that Work remains incomplete beyond the Project completion deadline.

INSTRUCTIONS TO BIDDERS

1. **FORM OF BID.** Each Bid shall be made on a hard copy of the Bid form found within these Contract Documents (the blue sheets). Bidders shall include all Bid forms and type or fill in using blue or black ink all blank spaces, including inserting "N/A" (for "not applicable") where necessary. Any additions, deletions, conditions, limitations or provisos by the Bidder may render the Bid irregular and may cause rejection. All changes must be crossed out and initialed (erasures, correction fluid and correction tape are unacceptable). Modifications submitted separately from the Bid form will not be accepted. Each Bid must be submitted in a sealed envelope that is:

- a. Addressed to the City Clerk;
- b. With the Project name, Project number and the word "Bid" typed or clearly printed on the lower left corner of the envelope;
- c. With the Bidder's name and business address clearly printed on the lower right corner of the envelope; and
- d. With the Bidder and all Subcontractors listed in the Designation of Subcontractors form, along with the Bidder's and each Subcontractor's DIR Contractor Registration Numbers, on the upper right corner of the envelope.

Do not return Plans or Specifications or enclose other documents in the Bid envelope. No other form of Bid shall be considered.

2. **DELIVERY OF BIDS.** Each Bid shall be delivered by the time and to the place specified in the Notice Inviting Bids. The time of delivery shall be definitively determined by the timestamp located at the City Clerk's office. Bidders are solely responsible for ensuring that their Bids are received in proper time, and Bidders assume all risks arising out of their chosen means of delivery. Any Bid received after the deadline shall be returned unopened.

3. **WITHDRAWAL OF BID.** A Bid may be withdrawn without consequences upon the Bidder's written request filed with the City Clerk before the Bid submission deadline. After that deadline, a Bid must remain valid and shall not be subject to withdrawal for sixty (60) Calendar Days. If this period is about to expire, the City may propose an extension and will contact the three (3) lowest bidders to determine if they agree.

4. **BID SECURITY.** Each Bid must be accompanied by Bid security, which shall be either cash, a Bid Bond that conforms substantially to the form provided in these Contract Documents, or a certified or cashier's check made payable to the "City of Oxnard." This Bid security must be in an amount not less than ten percent (10%) of the total Bid submitted. Bid security will likely be held until the Contract is executed.

5. **QUANTITIES APPROXIMATE.** The quantity of Work to be performed and materials to be furnished are approximations only, being provided as a basis for the comparison of Bids. The City does not guarantee that the actual amounts required will correspond with those shown. The City may increase or decrease the amount of any item or portion of Work to be performed or material to be furnished, or the City may omit any such item or portion, in accordance with the Contract Documents or any Addenda issued before Bid opening.

6. **ADDENDA.** Bidders are responsible for ensuring that they have received all Addenda, if any. Bidders may contact the City to verify that they have received all Addenda issued.

7. **REQUESTS FOR CLARIFICATION OR CORRECTION.** Upon discovering an error, omission, ambiguity or conflict in the Contract Documents, a Bidder may mail, email or personally deliver a written request for clarification or correction to the Project Coordinator or his or her representative at least seven (7) Calendar Days before Bid opening, stating the Project name and Project number. Requests received after this deadline will be disregarded. Any clarification or correction will be made only by a written Addendum. No oral clarification or correction shall be binding.

8. **DISCREPANCIES IN BIDS.** In case of any discrepancy between words and figures in a submitted Bid, the words shall prevail.

9. **DISQUALIFICATION OF BIDDERS.** No Person shall be allowed to be interested in more than one Bid for the Project, unless alternate Bids are specifically requested. A Person that has submitted a bid or has quoted prices of materials to a Bidder is not disqualified from submitting a bid or quoting prices to other Bidders or from making a prime Bid. If there is any reason to believe that collusion exists among the Bidders, all affected Bids will be rejected.

10. **AWARD OF CONTRACT.** The City reserves the right to reject any or all Bids or to waive any irregularities or informalities in any Bid or in the bidding process. The Contract award, if made, will be to the lowest responsible Bidder.

11. **BID PROTESTS.** Any protest of the award to the Bidder deemed the lowest responsible bidder shall only be valid and considered if that Bid protest meets the following conditions:

a. The party filing a Bid protest must have actually submitted a timely Bid. A Subcontractor of a party filing a Bid on a Project may not submit a Bid protest.

b. The Bid protest must be submitted by email to the Project Coordinator's attention, copying on that same email the protested Bidder and any other Bidder identified in the Bid protest. The City must receive the Bid protest response at City Hall no later than 5:00 p.m. of the third Calendar Day following the date of the Bid opening, or if City Hall is closed on that Calendar Day, on the next Calendar Day that City Hall is open.

c. The Bid protest must contain: the name of the protesting Bidder and the name, address, phone number and email address of the person representing the protesting Bidder; all factual and legal grounds for the protest, including a precise statement of all relevant facts and references to the specific portion or portions of the document or specific statute that form the basis for the protest; and any written materials that the protesting Bidder wishes to have considered in determining the protest. Bid protests must be complete at the time of submission; the protest may not be supplemented after submission.

d. Any Bidder that receives a copy of a Bid protest may submit by email its response to the Project Coordinator's attention, copying on that same email the protesting Bidder and any other Bidder identified in the Bid protest. The Project Coordinator must receive the Bid protest response at City Hall no later than 5:00 p.m. of the third Calendar Day following the date the Bid protest delivery, or if City Hall is closed on that Calendar Day, on the next Calendar Day that City Hall is open. Bid protest responses must be complete at the time of submission; the response may not be supplemented after submission.

e. The City shall review all timely protests before award of the Contract. Bidders must provide within 24 hours any information and/or documentation requested by City staff as part of such investigation. City staff shall prepare a written response to the Bid protest, which shall also be provided to the protesting Bidder and to any other Bidder identified in the Bid protest.

f. The protesting Bidder may dispute the City's response by emailing a request for an administrative hearing to the Public Works Director's attention, copying on that same email the protested Bidder and any other Bidder identified in the Bid protest. The City must receive the request at City Hall no later than 5:00 p.m. of the third Calendar Day following the date of the City's response letter, or if City Hall is closed on that Calendar Day, on the next Calendar Day that City Hall is open. Upon receipt of such request, the Public Works Director or his or her representative shall set the date of the hearing and shall email the protesting Bidder, the protested Bidder, and any other Bidder identified in the Bid protest a notice that specifies the location, date and time of the hearing. Those Bidders will be notified of applicable hearing procedures that must be followed. The decision of the Public Works Director or his or her representative shall be final.

g. All documents submitted by Bidders pursuant to this Section shall be submitted by email. Any other form of submitting information or documentation will be rejected.

h. The procedures and time limits set forth in this Section are mandatory and are Bidders' sole and exclusive remedy in event of a Bid protest. The Bidder's failure to fully comply with these procedures constitutes a waiver of any right to further pursue the Bid protest, including filing a California Government Code claim or initiating any other legal proceedings.

i. These Bid protest procedures shall not limit the City Council's ability to reject all bids.

12. SELECTING THE LOWEST BIDDER. The lowest Bid will be determined on the basis of the lowest total cost for each fence.

13. SIGNATURES. The Bidder shall provide evidence satisfactory to the City, such as an authenticated resolution of its board of directors or a power of attorney, indicating the capacity of the person(s) signing for the Bidder. In executing any City document, the City requires the following: for a corporation or s-corporation, (1) the Board President, CEO or Vice President, and (2) the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer; for an LLC, two signatures, both of whom must be managers of the LLC; or for a partnership or limited partnership, the signatures of all partners.

14. RETENTION. The City shall withhold five percent (5%) of any progress payment as retention. At the request and expense of the Contractor, securities equivalent to the amount withheld may be deposited with the City or with a State or federally chartered bank as escrow agent, which shall then pay such moneys to the Contractor. Alternatively, the Contractor may request that the City make payments of earned retentions directly to an escrow agent at the Contractor's expense. No such substitutions shall be accepted until all related documents are approved by the City Attorney. Each such request must be made and included when returning two (2) copies of the signed Contract, the Payment and Performance Bonds and a photocopy of each Bond, insurance certificates and a copy of the Contractor's City business license. After all other invoices have been submitted, Contractor shall submit a separate invoice for the retention payment. Assuming all requirements listed in General Provisions Section 6-8.2 are met, thirty-five (35) Calendar Days after the Notice of Completion has been filed the City shall return the securities to the Contractor.

15. ESCROW BID DOCUMENT. This is required only for Projects with Bids over \$500,000.

The three (3) lowest Bidders shall submit, within the specified time after receipt of Bids, one copy of all documentary information generated in preparation of Bid prices for this Project. This material is referred to in the Contract Documents as the Escrow Bid Documents. The Escrow Bid Documents of the successful Bidder will be held in escrow for the duration of the Contract at the City's Public Works Department.

The successful Bidder agrees, as a condition of award of the Contract, that the Escrow Bid Documents constitute complete documentary information used in preparation of his, her or its Bid. No other Bid preparation information shall be considered in resolving disputes. Nothing in the Escrow Bid Documents shall change or modify the terms or conditions of the Contract Documents.

a. **OWNERSHIP:** The Escrow Bid Documents are, and shall always remain, the property of the Contractor, subject only to joint review by the City and the Contractor, as provided herein.

City acknowledges that the Bidder expended substantial sums of money in developing the information included in the Escrow Bid Documents and further acknowledges that it would be difficult for a competitor to replicate the information contained therein. City further acknowledges that the Escrow Bid Documents and the information contained therein are made available to City only because such action is an express prerequisite to award of the Contract. City further acknowledges that the Escrow Bid Documents include a compilation of information used in the Bidder's business intended to give the Bidder an opportunity to obtain an advantage over competitors who do not know of or use the contents of the documentation. City agrees to safeguard the Escrow Bid Documents, and all information contained therein, against disclosure to the extent permitted by law.

b. **PURPOSE:** Escrow Bid Documents may be used only to assist in the negotiation of price adjustments and change orders and in the resolution of disputes, claims and other controversies. They will not be used for pre-award evaluation of the Contractor's anticipated methods of construction or to assess the Contractor's qualifications for performing the Work.

c. **FORMAT AND CONTENTS:** Bidders may submit Escrow Bid Documents in their usual cost-estimating format. It is not the intention of this Specification to cause the Bidder extra work during the preparation of the Bid but to ensure that the Escrow Bid Documents will be adequate to enable complete understanding and proper interpretation for their intended use. The organization of the documents should be consistent and correspond with the Bid Sheets.

It is required that the Escrow Bid Documents clearly itemize the estimated costs of performing the Work of each Bid item contained in the Bid Sheets. Bid items should be separated into sub-items as required to present a complete and detailed cost estimate and allow a detailed cost review. The Escrow Bid Documents shall include all quantity takeoffs, crew, equipment, calculations of rates of production and progress, copies of quotations from equipment manufacturers, Subcontractors and suppliers, and memoranda, narratives, consultant's reports, add/deduct sheets, and all other information used by the Bidder to arrive at the prices contained in the Bid. Estimated costs should be broken down into the Bidder's usual estimate categories such as direct labor, repair labor, equipment operation, equipment ownership, expendable materials, permanent materials, and subcontract cost as appropriate. Plant and equipment and indirect costs should be detailed in the Bidder's usual format. The Contractor's allocation of plant and equipment, indirect costs, contingencies, markup, and other items to each Bid item shall be included.

All costs shall be identified. For Bid items amounting to less than \$10,000, estimated unit costs are acceptable without a detailed cost estimate, providing that labor, equipment, materials, and subcontracts, as applicable, are included and provided that indirect costs, contingencies, and markup as applicable, are allocated.

Contract Documents should not be included in the Escrow Bid Documents unless needed to comply with the requirements of this Specification.

d. **SUBMITTAL:** The Escrow Bid Documents shall be submitted by the three (3) lowest Bidders in a sealed envelope within three (3) Business Days after the time of receipt of Bids to Public Works Department, 305 W. Third Street, East Wing, 3rd Floor, Oxnard, CA 93030 attn: Renee Hatcher. The envelope shall be clearly marked on the outside with the Bidder's name, date of submittal, Project name and the words "Escrow Bid Documents."

The Escrow Bid Documents shall be accompanied with the Escrow Bid Documents Cover Page signed by an individual authorized by the Bidder to execute the Bid. A copy of this form if required is included in the blue bid sheets.

Prior to a Pre-Construction Meeting with the Contractor, his, her or its Escrow Bid Documents may be unsealed, examined, organized, and inventoried by representatives of the City, together with members of the Contractor's staff who are knowledgeable in how the Bid was prepared.

This examination is to ensure that the Escrow Bid Documents are authentic, legible, and complete. It will not include review of, and will not constitute approval of, proposed construction methods, estimating assumptions, or interpretations of Contract Documents. This examination is subject to the condition that the Escrow Bid Documents are proprietary and confidential as described herein. Examination will not alter any condition(s) or term(s) of the Contract.

If all the documentation required in "Format and Contents" has not been included in the original submittal, additional documentation shall be submitted, at the City's discretion, prior to award of the Contract. The detailed breakdown of estimated costs shall be reconciled and revised, if appropriate, by agreement between the Contractor and the City before proceeding with Work on the Project site.

If the Contract is not awarded to the apparent successful Bidder, the Escrow Bid Documents of the Bidder next to be considered for award shall be processed as described above.

Timely submission of complete Escrow Bid Documents is an essential element of the Bidder's responsibility and a prerequisite to Contract award. Failure to provide the necessary Escrow Bid Documents will be sufficient cause for the City to reject the Bid.

If a Bid is based on subcontracting any part of the Work, each Subcontractor that must be listed in the Designation of Subcontractors form shall provide separate Escrow Bid Documents as described herein to be included with those of the Bidder. These documents will be opened and examined in the same manner and at the same time as the examination described above for the apparent successful Bidder.

If the Contractor wishes to subcontract any portion of the Work after award, the City retains the right to require the Contractor to submit Escrow Bid Documents from the new Subcontractor before the subcontract is approved.

Escrow Bid Documents submitted by unsuccessful Bidders will be returned unopened, unless opened as provided above, as soon as they are no longer needed by the City and no later than immediately following award of the Contract.

e. **STORAGE:** The Escrow Bid Documents of the successful Bidder will be placed in storage prior to award of the Contract, for the life of the Contract, with the City's Public Works Department. The cost of storage will be paid by the City.

f. **EXAMINATION AFTER AWARD OF CONTRACT:** The Escrow Bid Documents shall be examined by both the City and the Contractor, at any time deemed necessary after the award of the Contract by either the City or the Contractor to assist in the negotiation of price adjustments and Change Orders, or to settle disputes.

Examination of the Escrow Bid Documents after award of the Contract is subject to the following conditions:

1. The Escrow Bid Documents are proprietary and confidential as described herein and will be so considered to the extent provided by law.

2. The City and the Contractor shall each designate, in writing to the other party and a minimum of ten (10) Business Days prior to examination, representatives who are authorized to examine the Escrow Bid Documents. With the consent of both the City and Contractor, a mediator may examine the Escrow Bid Documents if required to assist in the settlement of a dispute.

Access to the Escrow Bid Documents will take place only in the presence of duly designated representatives of both the City and Contractor.

g. **FINAL DISPOSITION:** The Escrow Bid Documents will be returned to the Contractor at such time as the Contract has been completed and final settlement has been achieved.

GENERAL PROVISIONS

SECTION 0. GREENBOOK

0-1 INCORPORATION

The most current edition of the Standard Specifications for Public Works Construction and the 2016 Supplement to the Standard Specifications for Public Works Construction (collectively the "Greenbook" or "SSPWC") available on the date plans were signed by the City Engineer (or if there are no such signed plans, the time of Bid opening) are incorporated herein by this reference, except for Sections 2-2, 2-4, 2-9.1, 2-9.2, 3-2.5, 3-3.2.2.3, 5-3, 6-1.2, 6-6.1, 6-6.4, 7-2.2, 7-2.3, 7-2.4, 7-3 and 9-3.4. Unless otherwise stated herein, the language of these General Provisions shall supplement the language in the Greenbook.

0-2 CAPITALIZATION OF DEFINED TERMS

Unless otherwise capitalized, capitalized words within these Contract Documents may be defined terms in either the Greenbook or Section 1-2 of these General Provisions.

0-3 NUMBERING OF GENERAL PROVISIONS

The number of sections and subsections in these General Provisions are compatible with the numbering in the Greenbook. Additional standard provisions are in Section 10. If grant provisions apply, they will be in Sections 11 through 99. The Special Provisions will be numbered as Sections 1000 through 9999. Subsections of architectural and/or other work may be numbered according to the Construction Specifications Institute (CSI) format.

SECTION 1. TERMS, DEFINITIONS, ABBREVIATIONS, UNITS OF MEASURE, AND SYMBOLS

1-1 GENERAL [see Greenbook].

1-2 TERMS AND DEFINITIONS.

Whenever in the Greenbook or in the Contract Documents the following terms are used, they shall be understood to mean the following. These terms are in addition to the terms already listed in the Greenbook.

Business Day – Any day that City Hall is open for business

Calendar Days – See "Days" in Greenbook.

Contract Term – The time period listed in the Contract.

Contract Unit – A single unit of an item of Work.

County – County of Ventura, California

Inspector – An inspector of the City.

Laboratory – A laboratory authorized by the City to test materials and Work involved in the Contract.

Payment Bond –A type of Bond issued by a Surety to guarantee that a contractor's subcontractors and material suppliers on a project will be paid. A Payment Bond is also often called a "labor and materials Bond."

Performance Bond – A type of Bond issued by a Surety to guarantee the full and satisfactory completion of a project by a contractor.

Project – See "Work" in Greenbook.

Project Manager – the Public Works Director's representative responsible for this particular Project.

Submittal – Any drawing, calculation, specification, data, samples, manuals, requests for substitutes, spare parts, photographs, survey data, traffic control plans, record drawings, Bonds or similar items required to be submitted to the City under the terms of the Contract.

WIP – Work in place.

Whenever in the Greenbook or in the Contract Documents the following terms are used, they shall be understood to mean the following. These terms are already listed in the Greenbook, and the definitions below amend the definitions in the Greenbook.

Agency – The City of Oxnard.

Board – The City Council of the City of Oxnard.

Contract Documents – As defined in Greenbook Section 1-2, but also including the General Provisions, insurance documentation and Contractor's City business license,.

Working Day – Any day within the Contract Term other than:

- a) Saturday,
- b) Sunday,
- c) Any day designated as a holiday by the Agency,
- d) Any day the Contractor is prevented from working at the beginning of the Working Day for cause as specified in Section 6-6.1, and
- e) Any day the Contractor is prevented from working during the first five (5) hours with at least sixty percent (60%) of the normal Work force for cause as specified in Section 6-6.1.

1-3 ABBREVIATIONS.

1-3.1 General [see Greenbook].

1-3.2 Common Usage [see Greenbook].

1-3.3 Institutions.

The institutions listed in Greenbook Section 1-3.3 shall be supplemented by the list below:

<u>Abbreviation</u>	<u>Word or Words</u>
AAN	American Association of Nurserymen
ACI	American Concrete Institute
AGCA	Associated General Contractors of America
AGCC	Associated General Contractors of California
APWA	American Public Works Association
CRSI	Concrete Reinforcing Steel Institute
CSI	Construction Specifications Institute
IEEE	Institute of Electric & Electronic Engineers
NFPA	National Fire Protection Association

1-3.4 Publications.

<u>Abbreviation</u>	<u>Word or Words</u>
NEC	National Electric Code
SSS	State of California Standard Specifications, latest edition, Department of Transportation
SSP	State of California Standard Plans, latest edition, Department of Transportation
MUTCD	California Manual of Uniform Traffic Control Devices, latest edition

1-4 UNITS OF MEASURE [see Greenbook].

1-4.1 General [see Greenbook].

1-4.2 Units of Measure and Their Abbreviations [see Greenbook].

1-5 SYMBOLS [see Greenbook].

SECTION 2. SCOPE AND CONTROL OF THE WORK

2-1 AWARD AND EXECUTION OF CONTRACT [see Greenbook].

2-2 ASSIGNMENT.

Greenbook Section 2-2, which is not incorporated, shall be completely replaced with the following:

"No Contract or portion thereof or Notice to Proceed or portion thereof may be assigned without consent of the Board, except that the Contractor may assign money due or which will accrue to it under the Contract. If given written notice, such assignment will be recognized by the Board to the extent permitted by law. Any assignment of money shall be subject to all proper withholdings in favor of the Agency and to all deductions provided for in the Contract. All money withheld, whether assigned or not, shall be subject to being used by the Agency for completion of the Work, should the Contractor be in default.

Any purported assignment without written consent of the City shall be null, void, and of no effect, and the Contractor shall hold harmless, defend and indemnify the City and its officers,

officials, employees, agents and representatives with respect to any claim, demand or action arising from or relating to any unauthorized assignment.

If the City opts to consent to assignment, the City's consent shall be contingent upon: (1) a letter from the Surety agreeing to the assignment and assigning the Bonds to the assignee without any reduction, or the assignee supplying new Bonds (with a photocopy of each Bond) in the amounts originally required under the Contract Documents; (2) the assignee supplying all of the required insurance in the amounts required in the Contract Documents; (3) a copy of the assignee's City business license; and (4) the license number(s) of the license(s) issued by the California Contractors State License Board, which license(s) is/are required on this Project. Until the Surety assigns the Bonds or the assignee supplies new Bonds, the assignee supplies all required insurance, and the assignee provides a copy of its City business license, an assignment otherwise consented to in writing by the City shall not be effective. Even if the City consents to assignment, no assignment shall relieve the Contractor of liability under the Contract."

2-3 SUBCONTRACTORS [see Greenbook].

2-3.1 General [see Greenbook].

2-3.2 Self Performance

The first sentence of Greenbook Section 2-3.2 shall be completely replaced with the following:

"The Contractor shall perform, with its own organization, Contract Work amounting to at least seventy-five percent (75%) of the Contract Price except that any designated "Specialty Items" may be performed by subcontract and the amount of any such "Specialty Items" so performed will be deducted from the Contract Price before computing the amount required to be performed by the Contractor with its own organization."

2-3.3 Status of Subcontractors.

The third paragraph of Greenbook Section 2-3.3, which is not incorporated, is completely replaced with the following:

"In addition to the requirements of 2-3.1, before the Work of any Subcontractor is started, the Contractor shall submit to the Engineer for approval a written statement listing the name, contractor license number, DIR registration number, phone number and business address of each Subcontractor and a description of the type of Work and value of each portion of the Work to be so subcontracted."

2-4 CONTRACT BONDS.

Greenbook Section 2-4, which is not incorporated, shall be completely replaced with the following:

"Before execution of the Contract, the Bidder shall file Surety Bonds with the City in the amounts and for the purposes noted below. Bonds issued by a Surety who is listed in the latest version of U.S. Department of Treasury Circular 570, who is authorized to issue bonds in California, and whose bonding limitation shown in said circular is sufficient to provide bonds in the amount required by the Contract shall be deemed to be approved unless specifically rejected by the

City. Bonds from all other Sureties shall be accompanied by all of the documents enumerated in the Code of Civil Procedure Section 995.660(a). The Bidder shall pay all bond premiums, costs, and incidentals.

Each Bond shall incorporate by reference the Contract and be signed by both the Bidder and the Surety. The signature of the authorized agent of the Surety shall be notarized.

The Bidder shall provide two (2) good and sufficient Surety Bonds. The Payment Bond shall be for not less than one hundred percent (100%) of the Contract Price. The Payment Bond shall be to satisfy claims of material suppliers and mechanics and laborers employed by it on the Work. The Contractor shall maintain the Payment Bond in full force and effect until the Project is accepted by the City and until six (6) months after either the period in which a stop payment notice may be given under Civil Code Section 9356 or all claims for materials and labor are paid, whichever shall be later in time.

The Performance Bond shall be for one hundred percent (100%) of the Contract Price to guarantee faithful performance of all Work within the time prescribed in a manner satisfactory to the City and that all materials and workmanship will be free from original or developed defects. The Performance Bond shall remain in full force and effect for one (1) year from the date of recordation of the Notice of Completion.

Should any Bond become insufficient or any Surety give notice of pending liquidation, the Contractor shall renew the Bond within ten (10) Calendar Days after receiving notice from the City. Should any Surety give notice of pending liquidation, the Contractor shall send a copy of the entire notice within five (5) Calendar Days of receiving the notice and shall obtain a new Bond within ten (10) Calendar Days after receiving the notice.

Should any Surety at any time be unsatisfactory according to the rules listed within this Section, the City will notify the Contractor in this regard. No further payments shall be deemed due or will be made under the Contract until a new surety qualifies and is accepted by the City.

Changes in the Work or extensions of time, made pursuant to the Contract, shall in no way release the Contractor or the Surety from its obligations. Notice of such changes or extensions shall be waived by the Surety.

All Bonds must be submitted using the required forms, which are in the Contract Documents, or on any other form approved by the City Attorney (as well as a photocopy of each Bond). Other than for a Bid Bond, Contractor may not provide a deposit in lieu of any Bond. Each Bond shall be executed by an admitted surety insurer. Nothing herein shall abridge or amend Greenbook Section 6-8.3 or the related provisions in these Contract Documents."

2-5 PLANS AND SPECIFICATIONS.

2-5.1 General.

In addition to the requirements under Greenbook Section 2-5.1, the Contractor shall maintain a control set of Plans, Specifications and any other drawings on the Project site at all times. All final locations determined in the field, and any deviations from the Plans and Specifications, shall be marked in red on said control set to show the as-built conditions. These control set of Plans shall also be edited for all Addenda, Requests for Information, Change Orders, field changes not involving cost, and any other variation that occurred during construction. These

documents shall be kept up to date with the progress of the Work. Upon completion of all Work, the Contractor shall return the control set to the Project Manager. Final payment will not be made until this requirement is met.

Where a work feature is shown on the drawings or identified in the Specifications but is not individually mentioned in the Bid sheets, the Contractor is required to complete the Work feature. All costs to the Contractor for constructing, installing, or both constructing and installing such a Work feature shall be included in the Bid.

2-5.2 Precedence of the Contract Documents.

Greenbook Section 2-5.2, which is not incorporated, shall be completely replaced with the following:

“The order of precedence of the documents shall be as follows (with number 1 governing over number 2, etc.):

1. Permits issued by regulatory agencies with jurisdiction.
2. Change Orders and Supplemental Agreements, whichever occurs last.
3. Contract.
4. Addenda.
5. Notice Inviting Bids.
6. Instructions to Bidders.
7. Bid/ Proposal.
8. General Provisions.
9. Special Provisions.
10. Plans.
11. City Standard Plans.
12. SSP.
13. Greenbook.
14. Reference Specifications.

All of the aforementioned documents are incorporated herein by this reference.

2-5.3 Submittals [see Greenbook].

2-5.3.1 General [see Greenbook].

2-5.3.2 Working Drawings [see Greenbook].

2-5.3.3 Shop Drawings [see Greenbook].

2-5.3.4 Supporting Information [see Greenbook].

2-5.3.5 Installation Instructions [see Greenbook].

2-5.3.6 Manufacturer's Operation, Maintenance, and Warranty Instructions [see Greenbook].

2-6 WORK TO BE DONE.

Greenbook Section 2-6, which is not incorporated, shall be completely replaced with the following:

“Upon the City’s issuance of the Notice to Proceed, the Contractor shall perform all Work necessary to complete the Project in accordance with the Contract Documents. Unless otherwise specified, the Contractor shall furnish all materials, equipment, tools, labor, and incidentals necessary to complete the Work. The Contractor shall not be allowed to begin any construction, reconstruction, erection, alteration, restoration, improvement, painting, repainting, demolition and/or repair Work at the Project site before the issuance of the Notice to Proceed. Between the period of the Notice of Award and Notice to Proceed, the Contractor shall process Shop Drawings and begin procuring equipment and materials.”

2-7 SUBSURFACE DATA.

If the City or its consultants have made investigations of subsurface conditions in areas where the Work is to be performed, such investigations shall be deemed made only for the purpose of study and design. It is the Contractor’s sole responsibility to determine whether such investigations exist, and the City makes no affirmative or negative representation concerning the existence of such investigations.

The Contractor represents that it has studied the Plans, Specifications and other Contract Documents, and all surveys and investigation reports of subsurface and latent physical conditions, has made such additional surveys and investigations as necessary for the performance of the Work at the Contract Price in accordance with the requirements of the Contract Documents, and that it has correlated the results of all such data with the requirements of the Contract Documents. No claim of any kind shall be made or allowed for any error, omission or claimed error or omission, in whole or in part, of any geotechnical exploration or any other report or data furnished or not furnished by the City.

2-8 RIGHT-OF-WAY [see Greenbook].

2-9 SURVEYING.

The Contractor shall verify all dimensions on the drawings and shall report to the City any discrepancies before proceeding with related Work. The City does not provide AutoCAD files. The Contractor shall perform all survey and layout Work per the benchmark information on the Project Plans. All surveying Work must conform to the Professional Land Surveyors’ Act (Business and Professions Code Section 8700 *et seq*). All Project surveying notes and “cut-sheets” are to be provided to the City after the completion of each surveying activity, and all final surveying notes shall be provided before final payment to the Contractor.

Construction stakes shall be set and stationed by Contractor at its expense. Unless otherwise indicated in the Special Provisions, surveying costs shall be included in the price of items bid. No separate payment will be made. Re-staking and replacement of construction survey markers damaged as a result of the Work, vandalism, or accident shall be at the Contractor’s expense.

2-9.1 Permanent Survey Markers.

Greenbook Section 2-9.1, which is not incorporated, shall be completely replaced with the following:

“Pursuant to Division 3, Chapter 15 of the Business and Professions Code, the Contractor shall not disturb survey monuments that ‘control the location of subdivisions, tracts, boundaries, roads, streets, or highways, or provide horizontal or vertical survey control’ until they have been tied out by a Registered Land Surveyor or Registered Civil Engineer authorized to practice land surveying within the State of California.

The Contractor shall submit to the Engineer a minimum of seven (7) Calendar Days before starting the Work a list of controlling survey monuments that may be disturbed. The Contractor will:

- a) Set survey points outside the affected Work area that reference and locate each controlling survey monument that may be disturbed;
- b) File a Corner Record or Record of Survey with the County Surveyor after setting the survey points to be used for re-establishment of the disturbed controlling survey monuments; and
- c) File a Corner Record or Record of Survey with the County Surveyor after re-establishment of the disturbed controlling survey monuments.

The Contractor is responsible for preservation and perpetuation of existing monuments that control subdivisions, tracts, boundaries, Streets, other rights-of-way, and easements, and those existing monuments that provide survey control, which will be disturbed or removed due to Contractor's Work. Contractor shall provide a minimum of ten (10) Working Days' notice to the City Engineer or Surveyor before disturbance or removal of existing monuments. The City Engineer or Surveyor shall reset monuments or provide permanent witness monuments and file the required documentation with the County Surveyor pursuant to Business and Professions Code Section 8771.”

2-9.2 Survey Service.

Greenbook Section 2-9.2, which is not incorporated, shall be completely replaced with the following:

“The Contractor will perform and be responsible for the accuracy of surveying adequate for construction. The Contractor shall preserve construction survey stakes and marks for the duration of their usefulness. If any construction survey stakes are lost or disturbed and need to be replaced, such replacement will be performed by the Contractor at its own expense.

The Contractor shall notify the Engineer in writing at least two (2) Working Days before survey services will be required in connection with the laying out of any portion of the Work. The Contractor shall dig all holes necessary for line and grade stakes.

Unless otherwise specified in the Special Provisions, the Contractor will set and station stakes for curbs, headers, sewers, storm drains, structures, and rough grade. A corresponding cut or fill to finished grade (or flowline) will be indicated on a grade sheet.

The line and grades for construction will be parallel to and offset from the position of the Work.

From the established lines and grades, the Contractor shall extend the necessary lines and grades for construction of the Work and shall be responsible for the correctness of same."

2-9.3 Private Engineers [see Greenbook].

2-9.4 Line and Grade [see Greenbook].

2-10 AUTHORITY OF THE CITY COUNCIL, THE CITY ENGINEER AND THE PROJECT MANAGER.

The City Engineer shall decide any and all questions that may arise as to the quality and acceptability of materials furnished and Work performed as to the manner of performance and rate of progress of the Work, and any and all questions which may arise as to the interpretation of the Plans and Specifications. The City Engineer shall likewise decide any and all questions as to the acceptable fulfillment of the Contract on the part of the Contractor, and all questions as to claims and compensations.

The Contractor may appeal any such decision made by the City Engineer by emailing the Public Works Director, copying on that same email the City Engineer, requesting reconsideration of the City Engineer's decision. The appeal must contain: a clear explanation of the decision and how it impacts the rest of the Project; a clear explanation of the Contractor's concern regarding this decision; and all relevant facts and references related to this appeal. The appeal must be complete at the time of submission; the appeal may not be supplemented after submission. The Public Works Director must receive the appeal no later than 5:00 p.m. of the second Calendar Day following the date of the City Engineer's latest notice to the Contractor regarding the decision that Contractor wishes to appeal. Upon receipt of the appeal request, the Public Works Director or his or her representative shall review the email and all other information provided by the Contractor. The Public Works Director or his or her representative shall email the Contractor the decision, which shall be final. The procedures and time limits set forth in this Section are mandatory and are the Contractor's sole and exclusive remedy in event of a decision by the City Engineer with which the Contractor disagrees. The Contractor's failure to fully comply with these procedures constitutes a waiver of any right to further pursue the disagreement regarding the City Engineer's decision, including filing a California Government Code claim or initiating any other legal proceedings.

For the purposes of routine and normal Supervision and coordination of Work, the Project Manager is the City's authorized representative for all Work within the scope of this Contract.

2-11 INSPECTION.

The Contractor shall arrange and pay for all off-site inspection of the Work required by any ordinance or governing authorities. The Contractor shall also arrange and pay for other inspections, including tests in connection therewith, as may be assigned or required.

2-12 SPECIAL NOTICES [see Greenbook].

SECTION 3. CHANGES IN WORK

3-1 CHANGES REQUESTED BY THE CONTRACTOR [see Greenbook].

3-1.1 General [see Greenbook].

3-1.2 Payment for Changes Requested by Contractor *[see Greenbook]*.

3-2 CHANGES INITIATED BY THE AGENCY.

The City reserves the right, without notice to the Surety, to increase or decrease the quantity of any item or portion of the Work described in the Contract Documents or to alter or omit portions of the Work so described, as may be deemed necessary or expedient by the Project Manager, without in any way making the Contract void. Such increases, alterations or decreases of Work shall be considered and treated as though originally contracted for and shall be subject to all the terms, conditions and provisions of the original Contract. The Contractor shall not claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease, alteration or omission of any kind of Work to be done.

3-2.1 General.

The reference to "additive" and "deductive" changes in this Section shall be related to changes made within the scope of the Project.

3-2.2 Contract Unit Prices *[see Greenbook]*.

3-2.2.1 General *[see Greenbook]*.

3-2.2.2 Increases of More Than 25 Percent *[see Greenbook]*.

3-2.2.3 Decreases of More Than 25 Percent *[see Greenbook]*.

3-2.3 Stipulated Unit Prices *[see Greenbook]*.

3-2.4 Agreed Prices *[see Greenbook]*.

3-2.5 Eliminated Items.

Greenbook Section 3-2.5, which is not incorporated, shall be completely replaced with the following:

"Should any Bid item be eliminated in its entirety, and Contractor already ordered materials conforming to the Plans and Specifications in the eliminated item before the date of notification of elimination by the Engineer, Contractor shall attempt to cancel the order or return the materials for a full refund; if Contractor is able to return any of the materials, the City shall pay the Contractor for the supplier's actual cost for returning the material. If canceling the order and returning the materials cannot be done due to reasons outside of Contractor's control, Contractor shall notify Project Manager of the precise unused materials, including the amounts of such materials, that Contractor already obtained and what efforts Contractor took to return the materials. Project Manager shall have the option of deciding what happens with the materials, including but not limited to: paying Contractor for the actual cost of the materials, thereby obtaining the materials as property of the City, and requiring Contractor to transport the materials to the City for its use, paying the Contractor for its actual handling cost; or disposing of the materials, paying the Contractor for its actual handling cost."

3-3 EXTRA WORK.

New and unforeseen work will be classed as Extra Work only when the Work is not covered and cannot be paid for under any of the various items or combination of items for which a Bid price appears on the Bid. The Contractor shall not do any Extra Work except upon written order from the Project Manager. All provisions of these Contract Documents shall apply to the Contractor and its Subcontractors as they perform the Extra Work, except for those provisions expressly addressed in Greenbook Section 3-3, this Section 3-3 of the General Provisions, and the Special Provisions.

3-3.1 General [see Greenbook].

3-3.2 Payment.

3-3.2.1 General [see Greenbook].

3-3.2.2 Basis for Establishing Costs [see Greenbook].

3-3.2.2.1 Labor [see Greenbook].

3-3.2.2.2 Materials [see Greenbook].

3-3.2.2.3 Tool and Equipment Rental.

Greenbook Section 3-3.2.2.3, which is not incorporated, shall be completely replaced with the following:

"The City shall pay for use of equipment in accordance with the latest version of the California State Transportation Agency's Labor Surcharge and Equipment Rental Rates Guide, available at <http://www.dot.ca.gov/hq/construc/equipmnt.html>.

If equipment is used intermittently and, when not in use, could be returned to its rental source at less expense to the City than holding it at the Work site, it shall be returned, unless the Contractor elects to keep it at the Work site at no expense to the City.

All equipment shall be acceptable to the Engineer, in good working condition, and suitable for the purpose for which it is to be used.

The reported rental time for equipment already at the Work site shall be the duration of its use on the Extra Work. This time shall begin when the equipment is first used on the Extra Work, plus the time required to move it from its previous site and back, or to a closer site."

3-3.2.2.4 Other Items [see Greenbook].

3-3.2.2.5 Invoices [see Greenbook].

3-3.2.3 Markup.

The Contractor's reasonable allowance for the markup, including for Subcontractor's costs, shall only include the total sum of office overhead, jobsite overhead and profit for Work.

3-3.2.3.1 Work by the Contractor.

If the Work is completed only by Contractor's own forces, the Contractor may bill the City for

labor, materials and a reasonable markup. The Contractor's reasonable allowance for overhead and profit constituting the markup shall not exceed 10%.

3-3.2.3.2 Work by a Subcontractor.

If the Work is completed only by the Subcontractors' forces, the Subcontractor's reasonable allowance for overhead and profit constituting the markup shall not exceed 10%, and the Contractor's reasonable allowance for overhead and profit constituting the markup shall not exceed 5%.

3-3.3 Daily Reports [see Greenbook].

3-4 CHANGED CONDITIONS [see Greenbook].

3-5 DISPUTED WORK [see Greenbook].

SECTION 4. CONTROL OF MATERIALS

4-1 MATERIALS AND WORKMANSHIP [see Greenbook].

4-1.1 General [see Greenbook].

4-1.2 Protection of Work and Materials.

The Contractor shall continuously maintain adequate protection of all Contractor's Work from damage. The City will not be held responsible for the care or protection of any material, equipment or parts of Work, except as stated in the Special Provisions.

4-1.3 Inspection Requirements [see Greenbook].

4-1.3.1 General [see Greenbook].

4-1.3.2 Inspection by the Agency [see Greenbook].

4-1.3.3 Inspection of Items Not Locally Produced [see Greenbook].

4-1.4 Test of Materials.

Except as elsewhere specified, the City shall bear the cost of testing materials and workmanship that meet or exceed the requirements indicated in the Greenbook and the Special Provisions. The cost of all other tests, including the retesting of material or workmanship that fails to pass the first test, shall be borne by the Contractor.

4-1.5 Certificate of Compliance [see Greenbook].

4-1.6 Trade Names or Equals.

For convenience in designation on the Plans and Specifications, certain materials, products, things, or services incorporated in the Work may be designated under a brand or trade name. Unless otherwise listed in the Notice Inviting Bids, the use of alternative materials, products, things, or services that are of equal quality and of the required characteristics for the purpose intended will be allowed, subject to the approval of the Project Engineer, in accordance with

Public Contract Code Section 3400 and Greenbook Section 4-1.6. Unless otherwise stated in writing, the phrase "or equal" shall be assumed after any and all brand and trade names.

If the Contractor requests to substitute an equivalent material, product or thing for a brand or trade name material, product or thing, the burden of proof as to the comparative quality and suitability of the alternative material, product or thing shall be upon the Contractor, and the Contractor shall furnish, at its own expense, all information necessary or related thereto as required by the Project Engineer, including but not limited to:

- Identification of the material, product or thing and complete manufacturer's literature that details the substituted material, product or thing.
- The names and addresses of the manufacturer's representative for the substituted material, product or thing.
- How the substituted material, product or thing would impact the completion date of the project.
- The difference in cost between the substituted material, product or thing and the specified material, product or thing.
- A detailed description of the difference between the substituted material, product or thing and the specified material, product or thing.
- If requested by the City, samples of the substituted material, product or thing.
- The names and addresses of at least five (5) projects where the substituted material, product or thing has been used.

If the Contractor requests to substitute an equivalent service for a brand or trade name service, the burden of proof as to the comparative quality and suitability of the alternative service shall likewise be upon the Contractor, and the Contractor shall furnish, at its own expense, all information necessary or related thereto as required by the Project Engineer, including but not limited to:

- Identification of the service and literature that details the substituted service.
- The names and addresses of the representatives of the substituted service.
- How the substituted service would impact the completion date of the project.
- The difference in cost between the substituted service and the specified service.
- A detailed description of the difference between the substituted service and the specified service.
- The names and addresses of at least five (5) projects where the substituted service has been used.

All requests for substitution shall be submitted, together with all documentation necessary for the Project Engineer to determine equivalence, no later than fifteen (15) Calendar Days following the award of Contract, unless a different deadline is listed in the Special Provisions.

4-1.7 Weighing and Metering Equipment [see Greenbook].

4-1.8 Calibration of Testing Equipment [see Greenbook].

SECTION 5 UTILITIES

5-1 LOCATION.

The location and existence of all underground Utilities and substructures have not been obtained. The methods used and costs involved to locate existing elements, points of connection and all construction methods are the Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed by the City. The Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which includes contacting Underground Service Alert ("USA") and other private underground locating firm(s), utilizing specialized locating equipment, hand trenching, or both. To obtain a USA Identification Number, call USA a minimum of two (2) Working Days before scheduled excavation. (For best response, provide as much notice as possible up to ten (10) Working Days.) Upon request from the Project Manager anytime up to five (5) years after Project acceptance, the Contractor must submit a written notice of every USA Identification Number issued during the course of and related to the Project. The Contractor shall be responsible for preserving the integrity of the existing underground utilities at the site.

5-1.1 General [see Greenbook].

5-1.2 Payment [see Greenbook].

5-1.3 Entry by Utility Owners [additional to the Greenbook].

The right is reserved to the owners of public Utilities or franchises to enter the Project site for the purpose of making repairs or changes in their property that may be necessary as a result of the Work as well as any other reason authorized by the City. When the Contract Documents provide for the Utility owners to alter, relocate or reconstruct a Utility, or when the Contract Documents are silent in this regard and the Project Manager determines that the Utility owners must alter, relocate or reconstruct a Utility, the Contractor shall schedule and allow adequate time for those alterations, relocations or reconstructions by the respective Utility owners. City employees and agents shall likewise have the right to enter upon the Project site at any time and for any reason or no reason at all.

5-2 PROTECTION.

If Contractor damages or breaks the Utilities, it will be the Contractor's responsibility to repair the Utility at no cost to the Utility or to the City.

5-3 REMOVAL.

Greenbook Section 5-3, which is not incorporated, shall be completely replaced as follows:

"Contractor shall immediately notify the Project Manager in writing of any facilities not identified in the Plans and Specifications that Contractor finds during the prosecution of the Work. After obtaining that written notice, Project Manager will instruct the Contractor as to what should be done with such facilities. Contractor shall not stop Work while waiting for the Project Manager's response; instead, Contractor shall move a reasonable distance from the obstruction to continue Work until Contractor obtains further instruction from the Project Manager. The remaining portion of the existing Utility which is left in place shall be accurately recorded, in elevation and plan, on the control set of Contract Drawings."

5-4 RELOCATION.

The Contractor shall cooperate fully with all Utility forces of the City or forces of other public or

private agencies engaged in the relocation, altering, or otherwise rearranging of any facilities that interfere with the progress of the Work. The Contractor shall schedule the Work so as to minimize interference with the relocation, altering, or other rearranging of facilities.

5-5 DELAYS [see Greenbook].

5-6 COOPERATION.

The Contractor's attention is directed to the fact that Work may be conducted at or adjacent to the site by other contractors during the performance of the Work under this Contract. The Contractor shall conduct its operations so as to cause a minimum of interference with the work of such other contractors, and shall cooperate fully with such contractors to provide continued safe access to their respective portions of the site, as required to perform work under their respective contracts. Compensation for compliance shall be included in the various items of the Work, and no additional compensation shall be allowed therefor.

5-7 NOTIFICATION.

The Contractor shall notify the Public Works Director or his or her representative and the owners of all Utilities and substructures not less than forty-eight (48) hours before starting construction.

SECTION 6. PROSECUTION, PROGRESS, AND ACCEPTANCE OF THE WORK

6-1 BASELINE CONSTRUCTION SCHEDULE AND COMMENCEMENT OF THE WORK.

The Greenbook uses the term "construction schedule" but the City prefers the term "baseline construction schedule" in this context; thus, where "construction schedule" appears in Greenbook Section 6-1 or any of its subsections, "baseline construction schedule" is substituted.

6-1.1 Baseline Construction Schedule.

Notice to Proceed shall not be issued until the baseline construction schedule documents are submitted to the Project Manager for approval. "Approval" within this Section shall mean the Project Manager ensures the baseline construction schedule meets the start and end dates and meets format requirements; "approval" does not include the Project Manager's assessment of whether the Work can be completed according to that baseline construction schedule.

6-1.1.1 Pre-Construction Meeting [additional to the Greenbook].

Contractor and the Project Manager shall hold a pre-construction meeting before any Work on the Project commences. Unless previously submitted to the Project Manager, the Contractor shall bring to the pre-construction meeting copies of each of the following:

- 1) The Baseline Construction Schedule.
- 2) Both the daytime and emergency phone numbers of the person or persons who will be designated as Contractor's general construction superintendent or on-site construction manager for the Project.
- 3) A procurement schedule of major equipment and materials and items requiring long lead time.

- 4) Shop drawing/ a sample submittal schedule.
- 5) A preliminary schedule of values (lump sum price breakdown) for progress payment purposes.

The purpose of the pre-construction meeting is to designate responsible personnel and establish a working relationship. The parties will discuss matters requiring coordination and establish procedures for handling such matters. The complete agenda will be furnished to the Contractor before the meeting date. The Contractor shall be prepared to discuss all of the items listed below.

- 1) The Contractor's proposed baseline construction schedule.
- 2) Notification of local residents before starting any Work and keeping them informed throughout the time in which the Project is being constructed.
- 3) Procedures for transmittal, review, and distribution of the Contractor's submittals.
- 4) Processing applications for payment.
- 5) Maintaining record documents.
- 6) Critical Work sequencing.
- 7) Maintaining sewage service during construction, including proposed by-passes.
- 8) NPDES requirements, if any.
- 9) Field decisions and Change Orders.
- 10) Use of Project site, office and storage areas, security, housekeeping, and the City's needs.
- 11) Major equipment deliveries and priorities.
- 12) Traffic control.
- 13) Labor requirements, including but not limited to prevailing wages.
- 14) Permits.
- 15) Any other item that the Project Manager states is relevant to the meeting.

6-1.1.2 Progress Meetings *[additional to the Greenbook]*.

Progress meetings will be held each week during the course of the Project. The meeting location, day of the week and time of day will be mutually agreed to by the City and the Contractor. The Contractor shall provide a three (3) week "look ahead" schedule and a list of what was completed on the Project in the past week for each meeting. The Project Manager will preside at these meetings. As the Work progresses, if it is determined by mutual agreement of the attendees, that weekly meetings are not necessary, the weekly progress meetings may be changed to another schedule.

6-1.2 Commencement of the Work.

Greenbook Section 6-1.2 shall not be incorporated and shall be replaced as follows:

"The Contract time shall commence upon the date of issuance of the Notice to Proceed. The Work shall start within the time period that the Project Manager states and be diligently prosecuted to completion within the Contract Term."

6-2 PROSECUTION OF THE WORK.

If the Contractor has fallen behind the approved baseline construction schedule, as modified by such time extension as may have been granted by the City for unavoidable delays, by more than two (2) weeks, the Contractor shall submit a recovery schedule to the Project Manager that

exactly indicates measures of schedule recovery including, but not limited to, revised methods of procurement, revised sequencing of Work, and any additional measures such as increasing the number of personnel, shifts, overtime operations, Working Days and amount of construction equipment until such time as the Work is back on schedule. All costs required to bring the Project back on schedule shall be borne by the Contractor without additional cost to the City.

If the Contractor falls behind the approved baseline construction schedule, as modified by such time extension as may have been granted by the City for unavoidable delays, by more than three (3) weeks, the City can deem that the Contractor is in material breach of the Contract, in which case the Work shall be turned over to the Surety for completion.

Alternatively, if the Project Manager determines that the Contractor is failing to prosecute the Work to the proper extent, the Project Manager may issue an order of noncompliance in any form or manner. If the order is in writing, the Project Manager has the option of listing the steps required to remedy the situation and reasonable deadlines for each step. The Project Manager may also provide that if such steps are not taken within such listed deadlines, then an amount of \$200 per Calendar Day may be assessed for each Calendar Day of delay as a result of damages being sustained by the City that are, and will continue to be, impracticable and extremely difficult to determine. The City may assess liquidated damages in accordance with Greenbook Section 6-9 and the relating Section in these General Provisions.

These options are available in addition to all other options in the Greenbook or as otherwise legally available.

6-3 *SUSPENSION OF THE WORK [see Greenbook].*

6-3.1 *General [see Greenbook].*

6-3.2 *Archeological and Paleontological Discoveries [see Greenbook].*

6-4 *TERMINATION OF THE CONTRACT FOR DEFAULT [see Greenbook].*

6-4.1 *General [see Greenbook].*

6-4.2 *Notice to Cure [see Greenbook].*

6-4.3 *Notice of Termination for Default [see Greenbook].*

6-4.4 *Responsibilities of the Surety [see Greenbook].*

6-4.5 *Payment [see Greenbook].*

6-5 *TERMINATION OF THE CONTRACT FOR CONVENIENCE.*

In addition to the reasons for termination listed in Greenbook Section 6-5, which allow termination upon any written notice, the City may terminate the Contract for any other reason or for no reason upon thirty (30) Calendar Days' written notice. The rest of the procedure outlined in Section 6-5 shall apply to such situation, including the Contractor's required immediate notification of Subcontractors and suppliers and the payment. In no event (including termination for impossibility or impracticability, due to conditions or events beyond the control of the City, for any other reason or for no reason) shall the total amount of money to Contractor exceed the

amount which would have been paid to Contractor for the full performance of the services described in the Contract.

Furthermore, some of the City's projects are funded in whole or in part by funds other than the City's General Fund. If this Project is funded by such external funds in whole or in part, those external funds are terminated or reduced at any time and for any reason or for no reason at all, and the City determines at its discretion that no other funding is available for continuation of this Project, the City will not be obligated to continue funding for the services contained in these Contract Documents and may terminate the Project immediately. The City shall reimburse the Contractor for its work satisfactorily completed until the termination date. In no event shall the total amount of money to the Contractor exceed the amount which the City has received in funding from its external source. The Special Provisions may include further details in this regard.

6-6 DELAYS AND EXTENSIONS OF TIME.

6-6.1 General.

Greenbook Section 6-6.1 shall not be incorporated and shall be replaced as follows:

"If delays are caused by unforeseen events beyond the control of the Contractor, and the Project Manager approves the unforeseen events, such delays may entitle the Contractor to an extension of the Contract time as provided herein, but the Contractor will not be entitled to damages or additional payment due to such delays, except as otherwise specified in 6-6.3. In any case, no extension of time will be granted for a delay caused by shortage of materials unless the Contractor furnishes to the Project Manager documentary proof that the Contractor has diligently made reasonable and timely efforts to obtain such materials from all known sources. No time extension will be granted for delays which do not affect the critical path of the baseline construction schedule.

The Contractor shall be responsible for, and shall bear the expense of, the cost of repairing or restoring damage to any Work if the damage is determined to have been proximately caused by an Act of God, up to five percent (5%) of the Contract Price, provided that the Work damaged was built in accordance with accepted and applicable building standards and the Contract Documents. The Contractor shall not be responsible for any such damage beyond five percent (5%) of the Contract Price. For damage determined to have been caused by anything other than an Act of God, the Contractor shall be responsible for all costs of repairing or restoring damage to any Work until final acceptance of the Project by the City as defined in Section 6-8.2. For the purposes of this provision, "Acts of God" shall be defined earthquakes in excess of a magnitude of 3.5 on the Richter scale and tidal waves. The Contractor shall notify the City promptly in writing of each delay, whether by an Act of God or otherwise, and its cause and the expected delay. Upon request, the Contractor shall update such notice.

Unless otherwise agreed to in writing, an adjustment to the Contract time by reason of a Change Order shall be agreed to at the time the Change Order is issued and accepted by Contractor. If the Change Order does not reserve the rights of the parties, or either of them, to seek an adjustment to the Contract time, then the parties forever relinquish and waive such rights and there shall be no further adjustments to the Contract Term."

6-6.2 Extensions of Time.

In the event it is deemed appropriate by the City to extend the time for completion of the Work, any such extension shall not release any guarantee for the Work required by the Contract Documents, nor shall any such extension of time relieve or release the Sureties on the Bonds executed. In executing such Bonds, the Sureties shall be deemed to have expressly agreed to any such extensions of time without additional notice. The amount of time allowed by an extension shall be limited to the period of the delay giving rise to that extension as determined by the City. Notwithstanding any dispute which may arise in connection with a claim for adjustment of the Contract time, the Contractor shall promptly proceed with the Work.

6-6.3 Payment for Delays.

Notwithstanding any other terms and conditions of the Contract Documents, the City shall have no obligation whatsoever to increase the Contract Price or extend the time for delays.

No payment or compensation of any kind shall be made to the Contractor for damages or increased overhead costs caused by any delays in the progress of the Contract, whether such delays are avoidable or unavoidable or caused by any act or omission of the City or its agents. Any accepted delay claim shall be fully compensated for by an extension of time to complete the performance of the Work.

This Section shall not apply to compensable delays caused solely by the City. If a compensable delay is caused solely by the City, the Contractor shall be entitled to a Change Order that: (1) extends the time for completion of the Contract by the period of the delay caused by the City; and (2) provides equitable adjustment, as determined by the City, to the Contractor.

6-6.4 Written Notice and Report.

Greenbook Section 6-6.1 shall not be incorporated and shall be replaced as follows:

"If the Contractor desires payment for a delay or an extension of time, the Contractor shall submit to the Project Manager a written request and report of cause within three (3) Working Days after the beginning of the delay unless such a request and report are impossible to submit due to the nature of the delay. In such a case, Contractor shall submit the request and report as soon thereafter as possible.

Such request and report of cause shall specify the nature of the delay and the conditions that set the beginning time of delay. If the delay is due to an inability to obtain materials or equipment, the request and report of cause must include the following items as appropriate under the circumstances: the date Contractor was first notified of the delay; the date the delay began; the exact description of the material, equipment or other cause of the delay; documentation showing when and from whom the delaying item was ordered; documentation of promise to deliver the delaying item; documentation of actual delivery date of the delaying item; description of how late delivery caused delay, including references to the construction schedule; documentation of measures taken to get prompt delivery; documentation of attempts to get delivery from other sources; description of steps taken in the Work scheduling to minimize effects of late delivery; a description of steps taken to get the Work back on schedule after delivery; and a statement of the actual time lost as a result of late delivery. Failure by the Contractor to file all of these items within the time specified herein will be considered grounds for rejection by the City, regardless of the merit of the issues raised in that notice."

6-7 TIME OF COMPLETION [see Greenbook].

6-7.1 General [see Greenbook].

6-7.2 Not Used [see Greenbook].

6-7.3 Contract Time Accounting [see Greenbook].

6-8 COMPLETION, ACCEPTANCE, AND WARRANTY.

The Contractor shall complete all Work within six (6) months of the City's Notice to Proceed.

6-8.1 Completion [see Greenbook].

6-8.2 Acceptance.

Greenbook Section 6-8.2 shall not be incorporated and shall be replaced as follows:

"Acceptance will occur after all of the requirements contained in the Contract Documents have been fulfilled. If, in the Project Manager's judgment, the Contractor fully performed the Contract, the Project Manager will accept the Project.

The Project will not be considered complete until all required Work is completed, the Work site is cleaned up in accordance with Greenbook Section 7-8, the General Provisions, and the Special Provisions, and all of the following items have been received by the Project Manager:

1. "Notice of Completion" indicating approval by the City;
2. All written guarantees and warranties;
3. All "as-builts"; and
4. Duplicate copies of all operating instructions and manufacturer's operating catalogs and data, together with such field instructions as necessary to fully instruct City personnel in correct operation and maintenance procedures for all equipment installed listed under the electrical, air conditioning, heating, ventilating and other trades. This data and instructions shall be furnished for all equipment requiring periodic adjustments, maintenance or other operation procedures.

The Contractor shall allow at least seven (7) Working Days' notice for final inspection. Such notice shall be submitted to the Project Manager in writing."

6-8.3 Warranty.

For the purposes of the calculation of the start of the warranty period, the Project shall be deemed to be completed on the last day of Work. If that direction is contingent on the completion of any items remaining on a punchlist, the Work shall be deemed to be completed upon the date of the Project Manager's acceptance of the final item on that punchlist.

The Contractor shall repair or replace defective materials and workmanship as required in Greenbook Section 6-8.3 at Contractor's own expense. The Contractor shall make all repairs, replacements, and restorations within thirty (30) Calendar Days of the date of the Project

Manager's written notice, unless that notice shall require such repairs, replacements, and restorations within another time frame. Additionally, the Contractor shall defend, indemnify and hold the City harmless from claims of any kind arising from damage, injury or death due to such defects or non-compliance.

No certificate given shall be conclusive evidence of the faithful performance of the Contract, either in whole or in part, and that no payment shall be construed to be in acceptance of any defective Work or improper materials. Further, the certificate or final payment shall not terminate the Contractor's obligations under this warranty. Payment of the amount due under the Contract and the adjustments and payments due for any Work done in accordance with any alterations of the same shall release the City, the City Council and its officers and employees from any and all claims or liability on account of Work performed under the Contract or any alteration thereof.

6-9 LIQUIDATED DAMAGES.

All references to \$250 in Greenbook Section 6-9 shall not be incorporated and shall be replaced with \$200.

6-10 USE OF IMPROVEMENT DURING CONSTRUCTION [see Greenbook].

SECTION 7. RESPONSIBILITIES OF THE CONTRACTOR

7-1 THE CONTRACTOR'S EQUIPMENT AND FACILITIES [see Greenbook].

7-1.1 General [see Greenbook].

7-1.2 Temporary Utility Services [see Greenbook].

7-1.3 Crushing and Screening Operations [see Greenbook].

7-2 LABOR.

7-2.1 General [see Greenbook].

7-2.2 Prevailing Wages.

Greenbook Section 7-2.2 is not incorporated into these Contract Documents.

7-2.2.1 Public Work [additional to the Greenbook].

The Contractor acknowledges that the Project is a "public work" as defined in Labor Code Section 1720 *et seq.*, and that this Project is subject to Labor Code Section 1720 *et seq.*, including without limitation Labor Code Section 1771, and to the rules and regulations established by the Director of the Department of Industrial Relations ("DIR") implementing such statutes, including but not limited to Title 8, Division 1, Chapter 8 of the California Code of Regulations ("CCR"). The Contractor shall comply with and be bound by all the terms, rules and regulations described in Labor Code Section 1720 *et seq.* and to the rules and regulations established by the Director of the DIR as though set forth in full herein. The Contractor is responsible for ascertaining and complying with all current prevailing wage rates for crafts and any rate changes that occur during the life of the Project.

7-2.2.2 Copies of Wage Rates [additional to the Greenbook].

Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Project are on file with the Project Coordinator at City Hall and will be made available to any interested party on request. Additionally, current wage rate information can be found at the DIR's website at www.dir.ca.gov/. By initiating any Work on this Project, the Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and the Contractor shall post such rates all rate changes at each job site covered by these Contract Documents.

7-2.2.3 *Job Site Notices [additional to the Greenbook].*

The Contractor is required to post job site notices, as prescribed by regulation.

7-2.2.4 *Failure to Pay Prevailing Rates [additional to the Greenbook].*

The Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty paid to the City, forfeit two hundred dollars (\$200) for each Calendar Day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to these Contract Documents by the Contractor or by any Subcontractor.

7-2.2.5 *Apprentices [additional to the Greenbook].*

The Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Code of Regulations Title 8, Section 200 *et seq.* concerning the employment of apprentices on public works projects. The Contractor shall be responsible for compliance with these Sections for all apprenticeable occupations, including notifying approved apprenticeship programs of Contract award, employing apprentices, and paying training fund contributions. Before commencing Work on this Project, the Contractor shall provide the City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) Calendar Days after concluding Work, Contractor and each of its Subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Contract.

7-2.2.6 *Debarment or Suspension [additional to the Greenbook].*

The Contractor and Subcontractors shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or 1777.7. If the Contractor or any Subcontractor becomes debarred or suspended throughout the duration of the Project, the Contractor shall immediately notify the City.

7-2.3 *Payroll Records.*

Greenbook Section 7-2.3 is not incorporated into these Contract Documents. Instead, the following provision shall apply:

"The Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which require the Contractor and each Subcontractor to (1) keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3)

inform the City of the location of the records. The Contractor has ten (10) days in which to comply subsequent to receipt of a written notice requesting these records, or as a penalty to the City, the Contractor shall forfeit one hundred dollars (\$100) for each Calendar Day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Additionally, the Contractor shall furnish certified payroll records directly to the Labor Commissioner in accordance with Chapter 8, Subchapter 4.5, Section 16461 of the CCR."

7-2.4 Hours of Labor.

Greenbook Section 7-2.4 is not incorporated into these Contract Documents. Instead, the following provision shall apply:

"The Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. The Contractor shall comply with and be bound by Labor Code Section 1810. The Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty paid to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Project by the Contractor or by any Subcontractor for each Calendar Day during which such worker is required or permitted to work more than eight (8) hours in any one (1) Calendar Day and forty (40) hours in any one (1) calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code Section 1815, Work performed by employees of the Contractor in excess of eight (8) hours per day, and forty (40) hours during any one (1) week, shall be permitted upon public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay."

7-2.5 Registration with the DIR *[additional to the Greenbook]*.

A Contractor or Subcontractor shall not be qualified to bid on, be listed in a Bid proposal (subject to the requirements of Public Contract Code Section 4104), or engage in the performance of any contract for public work, as defined in Labor Code Section 1720 through 1861, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. An unregistered contractor may submit a Bid that is authorized by Business and Professions Code Section 7029.1 or by Public Contract Code Section 10164 or 20103.5, provided the contractor is registered to perform public work pursuant to Labor Code Section 1725.5 at the time the Contract is awarded. Contractor shall continue without interruption to stay registered and qualified to perform public work pursuant to Section 1725.5 for the duration of the term of the Contract.

7-2.6 Compliance Monitoring *[additional to the Greenbook]*.

This Project is subject to compliance monitoring and enforcement by the DIR.

7-2.7 Subcontractors *[additional to the Greenbook]*.

For every Subcontractor who will perform Work on the Project, the Contractor shall be responsible for such Subcontractor's compliance with Labor Code Sections 1720 *et seq.*, 1860 and 3700, and the Contractor shall include in the written contract between itself and each Subcontractor a copy of the provisions in this Section 7-2 of the General Provisions and a requirement that each Subcontractor shall comply with those provisions. The Contractor shall be

required to take all actions necessary to enforce such contractual provisions and ensure Subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the Subcontractor and upon becoming aware of the failure of the Subcontractor to pay its workers the specified prevailing rate of wages. The Contractor shall diligently take corrective action to halt or rectify any failure.

7-2.8 Debarred or Suspended Subcontractors *[additional to the Greenbook].*

The Contractor shall not perform Work with any Subcontractor that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or 1777.7.

7-2.9 Prevailing Wage Indemnity *[additional to the Greenbook].*

To the maximum extent permitted by law, the Contractor shall indemnify, hold harmless and defend (at the Contractor's expense with counsel reasonably acceptable to the City) the City, its officials, officers, employees, agents and independent contractors serving in the role of City officials, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed in this Section 7-2 of the General Provisions by any Person (including the Contractor, its Subcontractors, and each of their officials, officers, employees and agents) in connection with any Work undertaken or in connection with the Contract Documents, including without limitation the payment of all attorneys' fees and other related costs and expenses.

7-2.10 Survival *[additional to the Greenbook].*

All duties of the Contractor under this Section 7-2 shall survive expiration or termination of the Contract.

7-3 INSURANCE *[see Greenbook].*

Greenbook Section 7-3 is not incorporated and is replaced as follows:

"All insurance requirements shall be those listed as an attachment to the Contract. If an insurance document is not included as an attachment to the Contract, the City's INS-D form shall be incorporated herein by this reference."

Greenbook Sections 7-3.1, 7-3.2, 7-3.3 and 7-3.4 are not be incorporated into these Contract Documents.

7-4 INDEMNIFICATION *[additional to the Greenbook].*

The following indemnity provisions shall supersede the indemnity in Greenbook Section 7-3.

7-4.1 Contractor's Duty *[additional to the Greenbook].*

To the maximum extent permitted by law, the Contractor shall, at its sole cost and expense, to defend with competent defense counsel approved by the City Attorney, protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees and agents (collectively "Indemnitees") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens,

penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or resulting from any act, failure to act, error or omission of the Contractor or any of its officers, employees, agents, Subcontractors, material suppliers or any of their officers or agents, arising out of, incident to, related to, in connection with or resulting from any term, provision, image, plan, covenant, or condition in the Contract Documents, including without limitation, the payment of all attorneys' fees, experts' fees, and other related costs and expenses (individually, a "Claim," or collectively, "Claims"). The Contractor shall promptly pay and satisfy any judgment, award or decree that may be rendered against Indemnitees in any such Claim. The Contractor shall reimburse Indemnitees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Contractor or Indemnitees. This indemnity shall apply to all Claims regardless of whether any insurance policies are applicable.

7-4.2 Civil Code Exception *[additional to the Greenbook]*.

Nothing in this Section 7-4 shall be construed to encompass Indemnitees' sole negligence or willful misconduct to the limited extent that the underlying Contract is subject to Civil Code Section 2782(a) or the City's active negligence to the limited extent that the underlying Contract Documents are subject to Civil Code Section 2782(b), provided such sole negligence, willful misconduct or active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction.

7-4.3 Nonwaiver of Rights *[additional to the Greenbook]*.

Indemnitees do not and shall not waive any rights that they may possess against the Contractor because the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to these Contract Documents. This indemnity provision is effective regardless of any prior, concurrent, or subsequent active or passive negligence by Indemnitees and shall operate to fully indemnify Indemnitees against any such negligence.

7-4.4 Waiver of Right of Subrogation *[additional to the Greenbook]*.

The Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees, while acting within the scope of their duties, from all Claims arising out of or incident to the activities or operations performed by or on behalf of the Contractor regardless of any prior, concurrent or subsequent active or passive negligence by Indemnitees.

7-4.5 Survival *[additional to the Greenbook]*.

The provisions of this Section 7-4 shall survive the term and termination of the Contract, are intended to be as broad and inclusive as is permitted by the law of the State, and are in addition to any other rights or remedies that Indemnitees may have under the law. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against the Contractor shall be conclusive in favor of the Indemnitee's right to recover under this indemnity provision.

7-5 PERMITS.

Before starting any construction work, the Contractor will be required to obtain all necessary

permits from the City, which may include obtaining an encroachment permit for Work within the public right-of-way, as well as all other permits and any permits required from all other agencies. Should this Project require construction of trenches or excavations which are five (5) feet or deeper and into which a person is required to descend, the Contractor shall obtain a Cal/OSHA permit and furnish the City with a copy before Work can commence on this Project. Contractor shall bear all cost for fees for all agencies except for the City's permit fees.

The Contractor and all Subcontractors shall each obtain a City Business License and shall be licensed in accordance with the California Business and Professions Code. The Contractor and all Subcontractors shall bear all costs for their City Business Licenses.

7-6 THE CONTRACTOR'S REPRESENTATIVE [see Greenbook].

7-7 COOPERATION AND COLLATERAL WORK.

The Contractor shall be responsible for coordinating all Work with the City's street sweeping, solid waste collection, street maintenance contractors, Police and Fire Departments, utility companies' crews, and others when necessary. Payment for conforming to these requirements shall be included in other items of Work, and no additional payment shall be made for this purpose.

7-8 WORKSITE MAINTENANCE.

Thorough clean-up shall be done as Work progresses at the end of each Working Day. The Contractor shall not allow the Work site to become littered with trash and waste material, but shall maintain the same in a neat and orderly condition throughout the construction operation. Materials which need to be disposed shall not be stored at the Project site and cannot be "stockpiled," but shall be removed by the end of each Working Day. If the job site is not cleaned to the satisfaction of the Project Manager, the cleaning will be done or contracted by the City. The City shall then deduct the cost of its cleaning from the next or any upcoming payments due to Contractor or from Contractor's retention.

The Contractor shall make arrangements for storing its equipment and materials. The Contractor shall make arrangements for any off-site storage or shop areas necessary for the proper execution of the Work. Approved areas within Work site may be used for temporary storage; however, the Contractor shall be responsible for obtaining any necessary permit from the City. In any case, the Contractor's equipment and personal vehicles of the Contractor's employees shall not be parked on the traveled way or on any section where traffic is restricted at any time.

The Contractor shall deliver, handle, and store products in accordance with the manufacturer's written recommendations and by methods and means that will prevent damage, deterioration, and loss including theft. Delivery schedules shall be controlled to minimize long-term storage of products at the Project site and overcrowding of construction spaces. In particular, the Contractor shall provide delivery and installation coordination to ensure minimum holding or storage times for products recognized to be flammable, hazardous, easily damaged, or sensitive to deterioration, theft, and other sources of loss.

Storage shall be arranged to provide access for inspection. The Contractor shall periodically inspect to assure products are undamaged and are maintained under required conditions.

The Contractor shall promptly remove from the vicinity of the completed Work, all rubbish, debris, unused materials, concrete forms, construction equipment, and temporary structures and facilities used during construction. Final acceptance of the Work by the City will be withheld until the Contractor has satisfactorily complied with the foregoing requirements for final clean-up of the Project site.

All costs associated with the clean-up and storage required to complete the Project shall be the sole responsibility of the Contractor.

7-8.1 General [see Greenbook].

7-8.2 Air Pollution Control [see Greenbook].

7-8.3 Noise Control [see Greenbook].

To minimize the noise impact of construction, Contractor must properly muffle all construction related vehicles and equipment in accordance with the City's ordinances. The Contractor shall inform the public of proposed construction time frames to minimize potential annoyance related to the construction noise.

7-8.4 Storage of Equipment and Materials [see Greenbook].

7-8.4.1 General [see Greenbook].

7-8.4.2 Storage in Public Streets [see Greenbook].

7-8.5 Sanitary Sewers [see Greenbook].

7-8.5.1 General [see Greenbook].

7-8.5.2 Sewage Bypass and Pumping Plan [see Greenbook].

7-8.5.3 Spill Prevention and Emergency Response Plan [see Greenbook].

7-8.6 Water Pollution Control.

7-8.6.1 General [see Greenbook].

7-8.6.2 Best Management Practices (BMPs).

The Contractor will be required to meet the minimum BMPs of providing a Stormwater Management Plan if the Project does not require a SWPPP according to the Ventura County Watershed Protection District. The Contractor shall submit a Best Management Practice (BMP) Plan for containing any wastewater or storm water runoff from the Project site including, but not limited to the following:

1. No placement of construction materials where they could enter Storm Drain system, which includes gutters that lead to catch basins.
2. Checking construction vehicles for leaking fluids.
3. Providing a controlled area for cleaning or rinse-down activities.
4. Monitoring construction activities.

5. Minimizing usage of water.
6. Providing measures to capture or vacuum-up water contaminated with construction debris.
7. Removing any construction-related debris on a daily basis.
8. Protecting Work areas from erosion.
9. Street sweeping at regular intervals required to control dust, debris, sediment and erosion.

The BMP Plan must be approved by the Project Manager before any Work begins. The City will monitor the adjacent Storm Drains and Streets for compliance. Failure of the Contractor to follow the approved BMP Plan will result in immediate clean-up by City and back-charging the Contractor for all costs plus fifteen percent (15%).

7-8.6.3 Storm Water Pollution Prevention Plan (SWPPP).

Greenbook Section 7-8.6.3 is not incorporated and is replaced as follows:

"If the nature of the Project requires the Contractor to file a Notice of Intent and SWPPP with the State regulatory agency, the Contractor shall do so. If this is not required, the Contractor shall submit a local SWPPP and a wet weather erosion control plan during the rainy season October 1st to April 15th to comply with City policy regarding storm water management. The Contractor shall take all necessary precautions to minimize storm water pollution and control the pollutants from entering the drainage system as directed by the City's representative. At any point, a local SWPPP is subject to change if the City determines the inadequacy of the approved SWPPP to address the pollutants of concern. Upon written notification by the City, the Contractor shall submit a revised SWPPP, subject to City approval, within five (5) Working Days following notification. Failure to do so could result in a stoppage of all Work without an extension in the time for completion of the Work."

7-8.6.4 Dewatering.

Failure to dewater per Contractor's approved dewatering plans shall lead to the immediate issuance of a stop notice. Any fees associated with the failure to perform dewatering will be passed onto the Contractor.

7-8.6.5 Payment [see Greenbook].

7-9 PROTECTION AND RESTORATION OF EXISTING IMPROVEMENTS.

The Contractor shall mark and protect all survey monuments, manholes, valves, substructures, or other items which are visible on the surface and will be covered by its operations. This shall be completed and approved by the City Inspector before start of that operation.

Where Contractor damages, wholly or partially removes, or reduces the reflectivity of existing traffic striping, pavement markings, and curb markings, such striping or markings shall also be considered as existing improvements, and the Contractor shall repaint or replace such improvements. Relocations, repairs, replacements, or reestablishments shall be at least equal to the state of the striping, pavement markings and curb markings before Contractor began the Project or to the nearby improvements, whichever is higher quality, and shall match this standard in finish and dimensions unless otherwise specified.

All costs to the Contractor for marking, protecting, removing, restoring, relocating, repairing, replacing, or reestablishing existing improvements shall be included in the Bid.

7-10 SAFETY.

7-10.1 Access *[additional to the Greenbook]*.

All construction Work and traffic control shall be scheduled and constructed to provide for a minimum of inconvenience and a maximum of safety to the public vehicular and pedestrian traffic. The Contractor shall be responsible for the protection of vehicular and pedestrian traffic until the Work called for in the Plans, Greenbook, General Provisions and Special Provisions and as directed by the Project Manager is complete.

Access to Street intersections, public and private parking lots, commercial businesses, residences and other public and private properties must be maintained at all times. The Contractor shall notify occupants of all affected properties with written notice at least seventy-two (72) hours before any temporary obstruction of access. Vehicular access to property line shall be maintained at all times, except as required for construction that cannot otherwise be accomplished and for a reasonable period of time. No overnight closure of any driveway will be allowed, except as permitted by the Project Manager.

The Contractor's construction schedule shall allow affected people ample on-street parking within a reasonable distance from their homes and businesses. Requests for changes in the schedule shall be submitted by the Contractor to the Project Manager for approval at least forty-eight (48) hours before the scheduled operations on the Streets affected.

"TEMPORARY NO PARKING" signs shall be posted at least forty-eight (48) hours, but not more than seventy-two (72) hours, in advance of commencing the Work. When determined necessary by the Project Manager, the signs shall be placed no more than one hundred fifty (150) feet apart and at shorter intervals if conditions warrant. Contractor shall furnish and place barricades, if necessary, for posting of signs. The Contractor shall provide the signs and will be responsible for adding the dates and hours of closure to the signs. The Contractor shall report the time of posting to the Oxnard Police Department for the purpose of towing. The Contractor shall remove all signs within forty-eight (48) hours after the portion of the Work affecting parking is accepted by the City. Should the Contractor fail to pick up signs within this time frame, the Contractor shall be charged a penalty of twenty-five dollars (\$25) per sign per Calendar Day left in the public right-of-way. Said monies will be deducted from any monies due or to become due to the Contractor.

7-10.2 Traffic *[additional to the Greenbook]*.

7-10.2.1 Traffic Control Plan (TCP) *[additional to the Greenbook]*

All Work shall require maintenance and control of traffic during the construction period. The Contractor shall provide a detailed Traffic Control Plan (TCP) for all phases of construction for review and shall conform to the Greenbook, General Provisions, Special Provisions, the MUTCD, the latest edition of Caltrans Standard Specifications and the SSP and must be approved by the Project Manager before construction. The TCP shall be prepared under the supervision of and signed and stamped by a registered professional civil engineer or a traffic engineer licensed to practice in the State of California. The TCP shall cover signing, flagging, detour geometric, delineation and channelization, barriers and barricades, separation of

opposing traffic streams, and hours of flash operation at signalized intersection(s). The Contractor shall not commence Work before receiving an approved TCP. Any delay in acquiring TCP approval will be at the Contractor's expense and no additional Working Days will be granted.

Traffic control shall be provided by a qualified traffic control company specializing with a C-31 license during the construction of the Project. Traffic control shall address parking changes as well. Before the beginning of any Work or if there are changes to the proposed TCP and after approval by the City, the qualified traffic control company staff shall complete field checks of the installed traffic control by driving through the Work area to ensure the adequacy of traffic control. During any period when two-way traffic is not provided, the Contractor shall employ properly trained flaggers to control traffic through the construction zone.

For construction in the vicinity of a school, the Contractor shall contact that school's district, obtain a school schedule and school circulation plan, and incorporate information into the Project's schedule and traffic control, such that within one thousand (1,000) feet of the school on routes serving the school for student arrivals and departures are not impacted between one (1) hour before and one half (1/2) hour after the schoolday start time and one (1) hour before or one half (1/2) hour after schoolday end time. Contractor shall notify School District of any impacts.

The Contractor shall provide and maintain steel traffic plates recessed into the pavement securely over the trench whenever required or at the end of the Working Day.

7-10.2.2 *Street Closures, Detours, Barricades [additional to the Greenbook]*

Street closures will not be allowed, except as specifically permitted by the City's Traffic Engineer.

Traffic signals shall not be placed in flash operation during the hours that traffic lanes must be kept open as defined in this Section. Under no circumstances shall traffic signals be placed under flash operation without prior approval of the City. The Contractor shall contact the City Inspector at least five (5) Working Days in advance to coordinate signal service, unless a different time frame is required in the Special Provisions.

All traffic control barricades, signs and devices used by the Contractor shall, as a minimum, conform to the MUTCD. Should the Contractor fail to provide adequate traffic control or safety barricades, and in the event a responsible individual cannot be located or refuses to perform, the City will, at its option, place needed devices or engage a private firm to place and maintain said traffic control devices. The cost incurred by the City in connection therewith will be deducted from the Contractor's next payment.

Advance warning signs must be provided with orange warning flags in advance of temporary stop signs. Temporary stop signs are required any time a traffic signal is dark. Temporary stop signs shall be mounted at seven (7) feet height. The Contractor shall post standard "NO STOPPING – CONSTRUCTION ZONE" signs forty-eight (48) hours before construction, not more than fifty (50) feet apart within the Work area, showing the date and time of construction.

The Contractor shall provide advance construction notification sign(s) at each end of the Project limits seven (7) Calendar Days before the start of construction at each site. Notification signs shall include the construction start and completion dates.

7-10.3 Haul Routes.

Greenbook Section 7-10.3, which is not be incorporated, is replaced as follows: "The Contractor must provide the Project Manager with a haul route plan, which must be approved by the Project Manager before anyone uses any haul routes on the Project. Further detail requirements for haul traffic may be delineated in the Special Provisions."

7-10.4 Safety [see Greenbook].

7-10.4.1 Work Site Safety [see Greenbook].

7-10.4.1.1 General [see Greenbook].

7-10.4.1.2 Work Site Safety Official [see Greenbook].

7-10.4.2 Safety Orders [see Greenbook].

7-10.4.2.1 General [see Greenbook].

7-10.4.2.2 Shoring Plan [see Greenbook].

7-10.4.2.3 Payment [see Greenbook].

7-10.4.3 Use of Explosives [see Greenbook].

7-10.4.4 Hazardous Substances [see Greenbook].

7-10.4.5 Confined Spaces [see Greenbook].

7-10.4.5.1 Confined Space Entry Program (CSEP) [see Greenbook].

7-10.4.5.2 Permit-Required Confined Spaces [see Greenbook].

7-10.4.5.3 Payment [see Greenbook].

7-10.4.6 "Tailgate" or Safety Meetings [additional to the Greenbook].

The Contractor must submit to the Project Manager a written report by the end of every week of the "tailgate" or safety meeting(s) held by the Contractor and every Subcontractor working on the Project that week. The Contractor may require that every Subcontractor prepare its own weekly "tailgate" or safety meeting reports; however, every week the Contractor is still responsible for getting a copy of each Subcontractor's report to the Project Manager. Each written report shall include an agenda of the meeting topics, the date, time and location of the meeting, and a list of attendees.

7-10.5 Security and Protective Devices.

7-10.5.1 General [see Greenbook].

7-10.5.2 Security Fencing [see Greenbook].

7-10.5.3 *Steel Plate Covers [see Greenbook].*

7-10.5.4 *Protection of the Public [additional to the Greenbook].*

It is part of the service required of the Contractor to make whatever provisions are necessary to protect the public. The Contractor shall use foresight and shall take such steps and precautions as the Contractor's operations warrant to protect the public from danger in the form of loss of life, injury or loss of property, which would result from interruption or contamination of public water supply, interruption of other public service, or from the failure of partly completed Work or partially removed facilities. Unusual conditions may arise on the Work that will require that immediate and unusual provisions be made to protect the public from danger or loss, or damage to life and property, due directly or indirectly to prosecution of Work under this Contract.

The requirements of the State Division of Industrial Safety for trenches, excavations and shoring shall apply to all aspects of this Project. Safety is stressed. Trenches, excavations and other openings, if any, shall be covered at the end of each Working Day. Any operations or situation that threatens the safety of workers or the public, including traffic control not in compliance with the approved traffic control plan and the MUTDC, shall cause the suspension of Work until corrections are made.

The Contractor shall take all actions necessary to protect persons and property at the job site from any injury or damages associated with the Work. Unless otherwise specified, the Contractor shall supervise and direct the Work, and shall be solely responsible for all construction methods and sequences.

Should the Contractor not comply with CalOSHA or federal OSHA safety requirements and the Project Manager find out, he or she may issue a Notice of Noncompliance. If the Project Manager does so, the Contractor will furnish and install additional or different measures at the Contractor's own expense. Should the Contractor refuse or fail to act in a timely manner to correct a hazardous condition, the Project Manager may direct City forces or another contractor to provide the necessary protective and warning devices as deemed appropriate by the Project Manager. The costs incurred by the City will be deducted from the Contractor's next payment and further payments as needed. Any action or inaction on the part of the City in directing attention to the inadequacy of warning and protective measures or providing additional protective and warning devices shall not relieve the Contractor from responsibility for public safety or change the Contractor's obligation to furnish and pay for these devices.

7-10.5.4.1

Emergencies [additional to the Greenbook].

Five (5) Calendar Days before the start of construction operations, the Contractor shall notify the Police and Fire Departments wherein the Project lies, giving the expected starting date, completion date and the name and telephone number of a responsible person who may be contacted at any hour in the event of a condition requiring immediate correction.

Whenever an emergency exists and the Contractor has not taken sufficient precaution for the public safety, protection of utilities and protection of adjacent structures or property, which may be damaged by the Contractor's operations, and when immediate action is necessary to protect the public or property, the Project Manager will order the Contractor to provide a remedy for the unsafe condition. If the Contractor fails to act on the situation within a reasonable time period,

the Project Manager may provide suitable protection by causing such Work to be done and material to be furnished.

All expenses incurred by the City for emergency repairs will be deducted from the progress payments and the final payment due to the Contractor. However, if the City does not take such remedial measures, the Contractor is not relieved of the full responsibility for public safety. The Contractor shall not be entitled to any delay claims for Work stopped by the City to correct an unsafe condition.

7-10.6 *Public Notices [additional to the Greenbook].*

7-10.6.1 *Notification to Property Owners and Businesses [additional to the Greenbook].*

In addition to notices required elsewhere in the Contract Documents, the Contractor shall notify adjacent businesses and residents at least four (4) Working Days and again two (2) Working Days in advance of beginning Work. Public notices shall be provided in the form of door hangers, flyers or both, which will include the Contractor's name, the Contractor's phone number, a general description of the Work, and the Calendar Days and times when traffic will be restricted and parking will not be allowed along the Street scheduled for the Work. Contractor must get notice approved by the Project Manager before distribution. The Contractor must hand-deliver all notices to adjacent residents, business, and other areas directed by the Project Manager.

7-10.6.2 *Residents' Complaints [additional to the Greenbook].*

It is critical that residents' complaints be resolved expeditiously. To achieve this, the Project Manager will inform the Contractor of the complaint verbally or in writing. The Contractor, in turn, shall contact the resident, inform the Project Manager within twenty-four (24) hours of the action to be taken, or both, at the Project Manager's discretion.

7-10.6.3 *Project Identification Sign [additional to the Greenbook].*

The Contractor must furnish portable changeable message signs if required by the City's Traffic Engineer. The Contractor shall program messages and place in location as directed, including periodic relocations as required. The Contractor must keep such signs clean and in good repair.

7-11 *PATENT FEES OR ROYALTIES [see Greenbook].*

7-12 *ADVERTISING [see Greenbook].*

Contractor shall not advertise or allow advertising at the Project site other than what is printed on trucks and equipment before the Work begins.

7-13 *LAWS TO BE OBSERVED [see Greenbook].*

7-14 *ANTITRUST CLAIMS [see Greenbook].*

7-15 *RECYCLING OF MATERIALS [additional to the Greenbook].*

Contractor must adhere to the City's recycling plans, which are incorporated by this reference

and available through the Project Manager.

7-16 CONFIDENTIALITY [additional to the Greenbook].

7-16.1 Confidential Information [additional to the Greenbook].

For the purposes of this Agreement, "Confidential Information" means all information, in whatever form transmitted, relating to the past, present or future business affairs of the City, including without limitation, (i) technical information, including patent, copyright, trade secret, and other proprietary information, techniques, sketches, drawings, plans, specifications, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, change orders and formulas; or (ii) non-technical information, including without limitation pricing, margins, marketing plans and strategies, finances, financial and accounting data and information, suppliers, customers, customer lists, purchasing data, sales and marketing plans, future business plans and any other information belonging to the City or to a third party whose information is in the City's possession or control under obligations of confidentiality, and which (i) is disclosed to the Contractor or (ii) developed by Contractor at the City's expense.

7-16.2 Information Provided by Contractor [additional to the Greenbook].

All information provided by the Contractor or developed by the Contractor at the expense of the City shall be considered Confidential Information and shall not be reproduced, transmitted, disclosed or used by the Contractor without the written consent of the City, except as may be necessary for Contractor to fulfill its obligations to the City.

7-16.3 Exemptions [additional to the Greenbook].

Notwithstanding the above, these limitations shall not apply to information: (i) that is already known to Contractor at the time of its disclosure or becomes publicly known through no wrongful act or omission of Contractor; (ii) when such information is communicated to a third party with the express written consent of the City and is not subject to restrictions on further use or disclosure; or (iii) that is required by law to be disclosed to any governmental agency, or required by court order, a court-issued subpoena or other legal process to be disclosed. Before making any such disclosure listed in this paragraph, Contractor shall immediately provide the City with written notice and a reasonable opportunity for the City to object to the disclosure or to take action to maintain the confidentiality of the information, unless such prior disclosure is impermissible by law or court order.

7-16.4 Enforcement [additional to the Greenbook].

Contractor shall use reasonable care to protect the Confidential Information. In the event of a breach or threatened breach of this Agreement, the City shall be entitled to obtain an injunction prohibiting any such breach, the costs of which shall be paid by Contractor. Any relief granted shall be in addition to and not in lieu of any other legal or equitable relief, including money damages. The City and Contractor acknowledge that Confidential Information is valuable and unique and that disclosure of the Confidential Information in breach of Section 7-16 may result in irreparable injury to the City.

7-16.5 No Warranties by City [additional to the Greenbook].

Other than an obligation upon the City to deal in good faith, the City makes no warranties and shall bear no liability or responsibility for errors or omissions in any Confidential Information disclosed under this Section 7-16 or for any business decisions made by Contractor in reliance on any Confidential Information disclosed under this Section 7-16.

7-16.6 Survival [additional to the Greenbook].

All duties of the Contractor under this Section 7-16 shall survive expiration or termination of the Contract.

SECTION 8. FACILITIES FOR AGENCY PERSONNEL

Greenbook Part 1, Section 8 is incorporated herein by this reference, except as modified herein. No field offices for City personnel shall be required; however, City personnel shall have the right to enter upon the Project at all times and shall be admitted to the offices of the Contractor to use the telephone, desk and sanitary facilities provided by the Contractor for its own personnel.

8-1 GENERAL [see Greenbook].

8-2 FIELD OFFICE FACILITIES [see Greenbook].

8-2.1 Class "A" Field Office [see Greenbook].

8-2.2 Class "B" Field Office [see Greenbook].

8-2.3 Class "C" Field Office [see Greenbook].

8-3 FIELD LABORATORIES [see Greenbook].

8-3.1 Offsite at Manufacturing Plant [see Greenbook].

8-3.2 At the Work Site [see Greenbook].

8-4 BATHHOUSE FACILITIES [see Greenbook].

8-5 REMOVAL OF FACILITIES [see Greenbook].

8-6 BASIS OF PAYMENT [see Greenbook].

SECTION 9 MEASUREMENT AND PAYMENT

9-1 MEASUREMENT OF QUANTITIES FOR UNIT PRICE WORK.

9-1.1 General [see Greenbook].

9-1.2 Methods of Measurement.

The Contract Price shall constitute full compensation for all labor, equipment, materials, tools and incidentals required to complete the Project as outlined in these Contract Documents and as directed by the Project Manager.

9-1.3 Certified Weights [see Greenbook].

9-2 LUMP SUM WORK [see Greenbook].

9-3 PAYMENT.

9-3.1 General [see Greenbook].

9-3.2 Partial and Final Payment [see Greenbook].

9-3.2.1 Monthly Closure Date and Invoice Date [additional to the Greenbook].

In accordance with Greenbook Section 9-3.2, the monthly closure date shall be the last Working Day of each month. The Contractor will measure WIP performed during the month and will submit a Quantify WIP, with the Project Inspector for payment backup. Each invoice must be signed and submitted to the Project Manager before the tenth (10th) Calendar Day of the following month for verification and payment consideration.

9-3.2.2 Payments [additional to the Greenbook].

The City shall make payments within thirty (30) Calendar Days after receipt of the Contractor's undisputed and properly submitted payment request, including an updated construction schedule pursuant to Section 6-1.1 of both the Greenbook and the General Provisions. The City shall return to the Contractor any payment request determined not to be a proper payment request as soon as practicable, but not later than seven (7) Calendar Days after receipt, and shall explain in writing the reasons why the payment request is not proper.

9-3.2.3 Retention [additional to the Greenbook].

The City shall withhold five percent (5%) of the Contract Price until final completion and acceptance of the Project. However, at any time after fifty percent (50%) of the Work has been completed, if the City Council finds that satisfactory progress is being made, it may, at its discretion, make any of the remaining progress payments in full for actual Work completed. If no claims have been filed or are pending by the end of the Contract Term, the City shall pay Contractor the amount retained except such amounts as are required by law to be withheld by properly executed and filed notices to stop payment or as may be withheld for any other lawful purposes.

9-3.2.4 Final Invoice and Payment [additional to the Greenbook].

Whenever the Project is accepted, the Project Manager shall notify the City Clerk that the Contract has been completed in its entirety. The Contractor shall then submit to the Project Manager a written statement of the final quantities of Contract items for inclusion in the final invoice. Upon receipt of such an invoice, the Project Manager shall check the quantities included therein and shall authorize a payment amount, covering the value of the total amount of Work done by the Contractor, less all previous payments and all amounts to be retained under the provisions of the Contract Documents ("Final Payment Amount"). The Project Manager shall then file, on behalf of the City in the office of the County Recorder, a Notice of Completion of the Work herein agreed to be done by the Contractor. In addition, the final payment will not be released until the Contractor returns the control set of Plans and Specifications showing the redlined as-built conditions.

9-3.2.5 Substitute Security [additional to the Greenbook].

In accordance with Public Contract Code Section 22300, the Contractor may request that it be permitted to substitute securities in lieu of having retention withheld by the City from progress payments when such payments become due or, in the alternative, the Contractor may request that the City make payments of earned retentions directly to an agreed upon designated escrow agent at the Contractor's expense. If the Contractor selects either one of these alternatives, the following shall control:

9-3.2.5.1 Substitution of Securities for Performance Retention [additional to the Greenbook].

At some reasonable time before any progress payment would otherwise be due and payable to the Contractor in the performance of Work under these Contract Documents, the Contractor may submit a request to the City in writing to permit the substitution of retentions with securities equivalent to the amount estimated by the City ("estimated amount of retention") to be withheld. The Contractor shall deposit such securities with the City or may, in the alternative, deposit such securities in escrow with a State or federally chartered bank in California, as the escrow agent, at the Contractor's expense. Such securities will be the equivalent or greater in value of the estimated amount of retention. If the Contract is modified by written Modifications or Change Orders or the Contractor otherwise becomes entitled to receive an amount more than the Contract Price at the time the securities are deposited, the Contractor shall, at the request of the City, deposit with the City or escrow agent, whichever is applicable, additional securities within a reasonable time so that the amount of securities on deposit with the City or escrow agent is equivalent to or greater in value than the total amount of retention the City would otherwise be entitled to withhold from progress payments due or to become due to the Contractor under this Contract. The City shall withhold any retention amount that exceeds the security amount until the additional securities are deposited and, if the deposit is with an escrow agent, the City has confirmation from that escrow agent of the new total value of securities. Upon satisfactory completion of the Contract, which shall mean, among other things, that the City is not otherwise entitled to retain proceeds from progress payments as elsewhere provided in the Contract or under applicable law, the securities shall be returned to the Contractor. The City shall, within its sole discretion, determine whether the amount of the securities on deposit with the City or escrow agent is equal to or greater than the amount of estimated retention of progress payments that could otherwise be held by the City if the Contractor had not elected to substitute same with securities.

9-3.2.5.2 Deposit of Retention Proceeds with an Escrow Agent [additional to the Greenbook].

As an alternative to the substitution of securities as provided above or the City otherwise retaining and holding retention proceeds from progress payments, the Contractor may request the City to make payments of retentions earned directly to an escrow agent with the same qualifications as required in Section 9-3.2.5.1 above; this shall be at the expense of the Contractor. At its sole expense, the Contractor may direct the investment of such retention payments into only such securities as mentioned in Section 9-3.2.5.3 below and shall be entitled to interest earned on such investments on the same terms provided for securities deposited by the Contractor. Upon satisfactory completion of the Contract, which shall mean when the City would not otherwise be entitled to withhold retention proceeds from progress payments had the Contractor not elected to have such proceeds deposited into escrow, the Contractor shall be allowed to receive from the escrow agent all securities, interest and payments deposited into escrow pursuant to the terms of this Section.

9-3.2.5.3 Subcontractor Entitlement to Interest [additional to the Greenbook].

If the Contractor elects to receive interest on any moneys withheld in retention by the City, then the Subcontractor shall receive the identical rate of interest received by the Contractor on any retention moneys withheld from the Subcontractor by the Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the Subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the Subcontractor. If the Contractor elects to substitute securities in lieu of retention, then, by mutual consent of the Contractor and the Subcontractor, the Subcontractor may substitute securities in exchange for the release of moneys held in retention by the Contractor. The Contractor shall pay each Subcontractor, not later than ten (10) Calendar Days after receipt of escrow moneys, the amount owed to each Subcontractor from the moneys plus the respective amount of interest earned, net of costs attributed to the retention held from each Subcontractor, on the amount of retention withheld to insure performance of the Subcontractor.

9-3.2.5.4 Securities Eligible for Investment [additional to the Greenbook].

Securities eligible for investment shall include those listed in Public Contract Code Section 22300(c). The Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon.

9-3.2.5.5 Escrow Agreement for Security Deposits in Lieu of Retention [additional to the Greenbook].

The escrow agreement that shall be used for the deposit of securities in lieu of retention shall substantially conform to the form prescribed in Public Contract Code Section 22300(f).

9-3.2.5.6 Inconsistencies with Prevailing Statutory Requirements [additional to the Greenbook].

If there is any inconsistency between or differences in Public Contract Code Section 22300 and the terms of this provision, or any future amendments thereto, Section 22300 shall control.

9-3.3 Delivered Materials [see Greenbook].

9-3.4 Mobilization.

Greenbook Section 9-3.4 is not incorporated and is replaced as follows: "Mobilization and demobilization costs are not allowed."

9-4 AUDIT [additional to the Greenbook].

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by the Contractor in preparing its billings to the City as a condition precedent to any payment to the Contractor or in response to a construction claim or a Public Records Act (Government Code Section 6250 *et seq.*) request. The Contractor will promptly furnish documents requested by the City at no cost. Additionally, the Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under the Contract. The Contractor shall include a copy of this Section 9-4 in all contracts with its Subcontractors, and the Contractor

shall be responsible for immediately obtaining those records or other written material from its Subcontractors upon a request by the State Auditor or the City. If the Project includes other auditing requirements, those additional requirements will be listed in the Special Provisions.

SECTION 10. ADDITIONAL TERMS *[additional to the Greenbook]*

10-1 LICENSES *[additional to the Greenbook]*.

The Contractor shall possess a valid Class C-13 Contractor's license issued by California State Contractors License Board. The Contractor will also be required to possess a City of Oxnard business license at the time of Performance and Payment Bonds and insurance submission. In accordance with Section 7028.15 of the Business and Professions Code, all Contractors shall be licensed in accordance with the laws of the State of California and any Contractor or Subcontractor not so licensed is subject to the penalties imposed by such laws.

If traffic control in a construction zone is required, it must be performed by a State of California Construction Zone Traffic Control Contractor, Specialty Classification C-31.

10-2 NONDISCRIMINATORY EMPLOYMENT *[additional to the Greenbook]*.

The Contractor shall not unlawfully discriminate against any individual based on race, religion or religious creed, color, national origin, ancestry, ethnic group identification, primary language, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, immigration status, citizenship or military and veteran status. The Contractor shall comply with the nondiscrimination mandates of all statutes, ordinances and regulations.

For every Subcontractor who will perform Work on the Project, the Contractor shall be responsible for such Subcontractor's compliance with this Section 10-2. The Contractor shall include in the written contract between itself and each Subcontractor a copy of the provisions in this Section 10-2 and a requirement that each Subcontractor shall comply with those provisions. The Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure Subcontractor's compliance. The Contractor shall diligently take corrective action to halt or rectify any failure to comply.

10-3 NOTICE TO PROCEED *[additional to the Greenbook]*.

After award of this Contract, signing the Contract Documents and submission of insurance, Payment and Performance Bonds, and a copy of a City business license, the City shall issue the Contractor a Notice to Proceed. The City will not authorize any Work to be done under these Contract Documents before all of the above have been fully executed. Any Work that is done by the Contractor in advance of such time shall be considered as being done at the Contractor's own risk and responsibility, and as a consequence will be subject to rejection.

10-4 CONTRACTOR'S RESPONSIBILITY FOR WORK *[additional to the Greenbook]*.

Until the final acceptance of the Project by the City as defined in Section 6-8.2 of the General Provisions, by written action of the Project Manager, the Contractor shall have the charge and care thereof and shall bear the risk of injury or damage to any part of the Work by the action of the elements or any other cause. In the case of suspension of Work from any cause whatever, the Contractor shall be responsible for all materials and the protection of Work already

completed, shall properly store and protect them if necessary, and shall provide suitable drainage and erect temporary structures where necessary.

10-5 DAMAGE TO PUBLIC PROPERTY [additional to the Greenbook].

Any portions of curb, gutter, sidewalk or any other City improvement damaged by the Contractor during the course of construction shall be replaced by the Contractor at its own cost.

10-6 REMOVAL OF INTERFERING OBSTRUCTIONS [additional to the Greenbook].

The Contractor shall remove and dispose of all debris, abandoned structures, tree roots and obstructions of any character met during the process of excavation. The cost of any such removals are made a part of the Contract Unit Prices bid by the Contractor under the item for excavation or removal of existing Work.

10-7 SOILS ENGINEERING AND TESTING [additional to the Greenbook].

The City may retain a certified materials testing firm to perform materials tests during the Contractor's entire operation to ascertain compliance with the Contract requirements. The City shall be responsible for the first series of tests. If the initial tests do not meet the Contract requirements, the Contractor shall bear the cost of all subsequent tests.

If the City requires other tests or more specific requirements for testing regarding this Project, those details will be included in the Special Provisions.

10-8 ACCESS TO PRIVATE PROPERTY [additional to the Greenbook].

Unless otherwise stated in the Special Provisions, the Contractor shall be responsible for all fees and costs associated with securing permission to access private property for any portion, and the Contractor shall obtain the required easement or license for the Project.

10-9 WORKING DAYS AND HOURS [additional to the Greenbook].

Except as otherwise specified in the Special Provisions or a City-issued permit, no Work shall be performed by the Contractor on Saturdays, Sundays, or on any weekday before 7:00 a.m. or after 6:00 p.m. Additionally, no Work will be allowed on scheduled holidays observed by the City, any day the Contractor is prevented from working at the beginning of the Working Day for cause as specified in Section 6-6.1, and any day the Contractor is prevented from working during the first five (5) hours with at least sixty percent (60%) of the normal Work force for cause as specified in Section 6-6.1.

Whenever the Project Manager gives written permission or direction to the Contractor to perform night Work or to vary the period during which Work is performed during the Working Day, the Contractor shall give twelve (12) hours' notice to the Project Manager so that inspection may be provided. Also, a charge may be made to the Contractor for approved overtime or weekend inspections requested by the Contractor.

10-10 CLAIM DISPUTE RESOLUTION [additional to the Greenbook].

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the

performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The disputed Work will be categorized as an "unresolved dispute" and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract Documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 *et seq.*) with regard to filing claims and to Public Contract Code Section 20104 *et seq.* ("Article 1.5") regarding the resolution of public works claims of three hundred seventy-five thousand dollars (\$375,000) or less. This Contract hereby incorporates those provisions as through fully set forth herein.

Additionally, if this Project is for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind, Public Contract Code Section 9204 shall apply to all claims, which are separate Contractor demands sent by registered mail or certified mail with return receipt requested, for one or more of the following: a time extension, including, without limitation, for relief from damages or penalties for delay assessed by the City; the City's payment of money or damages arising from work done by, or on behalf of, the Contractor pursuant to the Contract and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled; and payment of an amount that is disputed by the City. The Contractor must furnish reasonable documentation to support the claim. The City must respond within forty-five (45) days, and if the Contractor disputes the City's response, or if the City fails to respond within the time prescribed in Public Contract Code Section 9204, the Contractor may demand an informal conference to meet and confer for settlement of the issues in dispute; that demand must be in writing sent by registered mail or certified mail, return receipt requested. After that conference, any remaining disputed portion of the claim, as identified by the Contractor in writing, must be submitted to nonbinding mediation, with the City and the Contractor sharing the associated costs equally. Unless otherwise agreed to by the City and the Contractor in writing, this mediation shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced. If a Subcontractor lacks legal standing to assert a claim against the City because privity of contract does not exist, the Contractor may present to the City a claim on behalf of that Subcontractor in accordance with Public Contract Code Section 9204.

10-11 THIRD PARTY CLAIMS [additional to the Greenbook].

The City shall have full authority to compromise or otherwise settle any claim relating to the Project at any time. The City shall timely notify the Contractor of the receipt of any third-party claim relating to the Project. The City shall be entitled to recover its reasonable costs incurred in providing this notice.

The Contractor shall not have any authority to compromise or otherwise settle any claim relating to the Project; any effort by the Contractor to do so shall be deemed a breach of the Contract, and the City will not participate in any such compromise or settlement. Within five (5) Calendar Days of the date that the Contractor receives any third-party claim relating to this Project, the Contractor shall provide written notice thereof and a copy of the claim to the City Attorney.

10-12 COMPLIANCE WITH ALL LAWS [additional to the Greenbook].

The Contractor shall comply with all applicable federal, State and local laws, ordinances, codes

and regulations in force at the time the Contractor performs pursuant to the Contract Documents.

10-13 ADDITIONAL REPRESENTATIONS [additional to the Greenbook].

By signing the Contract, the Contractor represents, covenants and agrees that: (a) the Contractor is licensed, qualified, and capable of furnishing the labor, materials, and expertise necessary to perform the services in accordance with the terms and conditions set forth in the Contract Documents; (b) there are no obligations, commitments, or impediments of any kind that will limit or prevent its full performance under the Contract Documents; and (c) there is no litigation pending against the Contractor, and the Contractor is not the subject of any criminal investigation or proceeding.

10-14 CONFLICTS OF INTEREST [additional to the Greenbook].

The Contractor shall not accept any employment or representation during the Contract Term or within twelve (12) months thereafter that is or may likely make the Contractor "financially interested," as provided in Government Code Sections 1090 and 87100, in any decisions made by the City on any matter in connection with which the Contractor has been retained pursuant to the Contract Documents.

10-15 APPLICABLE LAW [additional to the Greenbook].

The validity, interpretation, and performance of these Contract Documents shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to the Contract shall be in the Ventura County Superior Court.

10-16 TIME [additional to the Greenbook].

Time is of the essence in these Contract Documents.

10-17 INDEPENDENT CONTRACTOR [additional to the Greenbook].

The Contractor, Subcontractors and their officers, employees and agents shall at all times remain, as to the City, wholly independent contractors rather than employees of the City. The Contractor and Subcontractors have and shall retain the right to exercise full control over the employment, direction, means of performance, location, compensation and discharge of all persons assisting the Contractor and/or Subcontractors. Neither the City nor any of its officials, officers, employees or agents shall have control over the conduct of the Contractor, Subcontractors, or any of their officers, employees, or agents, except as set forth in the Contract Documents, and the Contractor and Subcontractors are free to dispose of all portions of their time and activities that they are not obligated to devote to the City in such a manner and to such persons that the Contractor or Subcontractors wish except as expressly provided in these Contract Documents.

Except as the Project Manager may specify in writing, the Contractor, Subcontractors and their officers, employees and agents shall have no power or authority, express or implied to act on behalf of City in any capacity, to bind City to any obligation, to incur any debt, obligation, or liability on behalf of the City or otherwise to act on behalf of the City as an agent. The Contractor, Subcontractors and their officers, employees and agents shall not, at any time or in

any manner, represent that they or any of their officers, employees or agents are in any manner officers, employees or agents of the City.

The Contractor and Subcontractors shall pay all required taxes on amounts paid to them under the Contract, and shall indemnify, defend, and hold the City harmless from any and all taxes, assessments, penalties, and interest asserted against the City by reason of the independent contractor relationship created by the Contract Documents. The Contractor shall include this provision in all contracts with all Subcontractors.

The Contractor, Subcontractors and their officers, employees and agents shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of the Contractor and Subcontractors' officers, employees and agents, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

The Contractor, Subcontractors and their officers, employees and agents are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, or health, life, dental, long-term disability and workers' compensation insurance benefits.

10-18 CONSTRUCTION [additional to the Greenbook].

In the event of any asserted ambiguity in, or dispute regarding the interpretation of any matter in this Contract Documents, the interpretation of these Contract Documents shall not be resolved by any rules of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted all or a portion of that document.

10-19 THIRD PARTY BENEFICIARIES [additional to the Greenbook].

Nothing in the Contract Documents is intended to make the public or any member of the public a third party beneficiary of the Contract; nor is any term and condition or other provision of the Contract Documents intended to establish a standard of care owed to the public or any member of the public.

10-20 WAIVER [additional to the Greenbook].

No failure or delay on the part of any party in exercising any right or remedy provided in these Contract Documents shall operate as a waiver or preclude any exercise of that right or remedy or any other right or remedy provided under these Contract Documents, or any other right or remedy otherwise available at law or in equity. In no event shall the making by the City of any payment to the Contractor constitute or be construed as a waiver by the City of any breach of covenant or any default that may then exist on the part of the Contractor, and the making of any such payment by the City shall in no way impair or prejudice any right or remedy available to the City with regard to such breach or default.

10-21 CUMULATIVE REMEDIES [additional to the Greenbook].

Except if expressly provided herein, no remedy specified in these Contract Documents is intended to be exclusive of any other remedy, and each remedy shall be cumulative, in addition

to every other right or remedy provided in these Contract Documents or otherwise available at law or in equity.

10-22 TERM [additional to the Greenbook].

The Contract is effective as of the Effective Date listed, and shall remain in full force and effect until the Contractor has completed all Tasks, the City has accepted all Tasks, and the Contract Term has ended, unless the Contract has been otherwise terminated by the City. However, some provisions may survive the term listed within this Section, as stated in those provisions.

10-23 NOTICE [additional to the Greenbook].

Except as otherwise required by law, any notice or other communication authorized or required by these Contract Documents shall be in writing and shall be deemed received on (a) the day of delivery if delivered by hand or overnight courier service on a Business Day during the City's regular business hours or (b) on the third Working Day following deposit in the United States mail, postage prepaid, to the addresses listed on the Contractor's Bid and City Hall, or at such other address as one party may notify the other in writing.

10-24 SEVERABILITY [additional to the Greenbook].

To the extent that any term, provision or part of these Contract Documents is held invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of these Contract Documents shall not be impaired or affected, shall continue in full force and effect, and shall be valid and enforceable to the fullest extent permitted by law.

SECTION 206 – MISCELLANEOUS METAL ITEMS.

206-1 STRUCTURAL STEEL, RIVETS, BOLTS, PINS, AND ANCHOR BOLTS.

206-1.1 Requirements [see Greenbook].

206-1.1.1 General [see Greenbook].

206-1.1.2 Certification [see Greenbook].

Greenbook Section 206-1.1.3 is not incorporated.

206-1.1.4 Stock Material [see Greenbook].

206-1.1.5 Mill Tolerance [see Greenbook].

206-1.2 Structural Steel.

206-1.2.1 Stock Materials [see Greenbook].

206-1.2.2 High-Strength Low-Alloy Structural Steel [see Greenbook].

206-1.2.3 Copper Bearing Structural Steel [see Greenbook].

206-1.3 Rivets

206-1.3.1 Stock Material [see Greenbook].

206-1.3.2 High-Strength Structural Steel Rivets [see Greenbook]

206-1.3.3 Structural Steel Rivets [see Greenbook]

206-1.4 Bolts

206-1.4.1 Unfinished Bolts [see Greenbook]

206-1.4.2 High-Strength Bolts [see Greenbook].

206-1.4.3 Anchor Bolts [see Greenbook].

206-1.5 Mild Steel Forgings for Structural Purposes [see Greenbook]].

206-2 STEEL CASTINGS.

206-2.1 General [see Greenbook].

206-2.2 Test Specimens [see Greenbook].

206-2.3 High-Strength Steel Casting for Structural Purposes [see Greenbook].

206-2.4 Mild-to-Medium Carbon Steel Castings for General Application [see Greenbook].

206-3 GRAY IRON AND DUCTILE IRON CASTING.

Greenbook Section 206-3 is not incorporated.

206-4 BRONZE CASTINGS.

Greenbook Section 206-4 is not incorporated.

206-5 METAL RAILINGS.

Greenbook Section 206-5 is not incorporated.

206-6 CHAIN LINK FENCE.

206-6.1 General [see Greenbook].

206-6.2 Material for Posts, Rails and Braces [see Greenbook].

206-6.3.1 Galvanized Fabric. [see Greenbook].

206-6.3.2 Polyvinyl Chloride (PVC) Coated Fabric [see Greenbook].

206-6.4 Tension Wires and Fabric Ties [see Greenbook].

206-6.3 Chain Link Fabric [see Greenbook] 206-6.5 Truss or Tension Rods [see Greenbook].

206-6.6 Fittings [see Greenbook].

206-6.7 Barbed Wire

Greenbook Section 206-6.7 is not incorporated

206-6.8 Repair of Damaged Coatings [see Greenbook].

206-6.9 Security Fencing [see Greenbook].

SECTION 304 – METAL FABRICATION AND CONSTRUCTION

304-1 STRUCTURAL STEEL.

304-1.1 General.

304-1.1.1 Shop Drawings [see Greenbook].

304-1.1.2 Falsework Plans [see Greenbook].

304-1.2 Methods and Equipment [see Greenbook].

304-1.3 Inspection [see Greenbook].

304-1.4 Steel Structures [see Greenbook].

304-1.5 Workmanship [see Greenbook]

304-1.5.1 General [see Greenbook].

304-1.5.2 Holes for Bolts and Rivets [see Greenbook].

304-1.5.3 Reamed Work [see Greenbook].

304-1.5.4 Drilled Holes [see Greenbook].

304-1.5.5 Assembling Steel [see Greenbook].

304-1.5.6 Riveting [see Greenbook].

304-1.5.7 Bolted Connections [see Greenbook].

304-1.6 Joint and Connections.

304-1.6.1 Edge Planing [see Greenbook].

304-1.6.2 Facing of Bearing Surfaces [see Greenbook].

304-1.6.3 Abutting Joints [see Greenbook].

304-1.6.4 End Connection Angles [see Greenbook].

304-1.6.5 Web Plates [see Greenbook].

304-1.6.6 Fit of Stiffeners [see Greenbook].

304-1.6.7 Pin and Bolted Connections [see Greenbook].

304-1.6.8 Pins and Rollers [see Greenbook].

304-1.6.9 Screw Threads [see Greenbook].

304-1.7 Bearings and Anchorage [see Greenbook].

304-1.8 Expansion and Rotation Assemblies [see Greenbook].

304-1.9 Welding [see Greenbook].

304-1.10 Torch Cutting [see Greenbook].

304-1.11 Bent Plates [see Greenbook].

304-1.12 Measurement and Payment

304-1.12.1 General [see Greenbook].

304-1.12.2 Scale Weights [see Greenbook].

304-1.12.3 Computed Weights [see Greenbook].

304-1.12.4 Payment [see Greenbook].

304-2 METAL HAND RAILINGS

304-2.1 General [see Greenbook].

304-2.2 Fabrication [see Greenbook].

304-2.3 Installation [see Greenbook].

304-2.4 Measurement and Payment [see Greenbook].

304-3 CHAIN LINK FENCE.

304-3.1 General [see Greenbook].

304-3.2 Fence Construction [see Greenbook].

304-3.3 Installation of Gates [see Greenbook].

304-3.4 Measurement and Payment [see Greenbook].

304-4 STRUCTURAL STEEL PLATE PIPE AND ARCH CONSTRUCTION.

304-4.1 General [see Greenbook].

304-4.2 Structures and Footings [see Greenbook].

304-4.3 Plate Assembly [see Greenbook].

304-5 SECURITY FENCING

304-5.1 General [see Greenbook].

304-5.2 Payment [see Greenbook]

SPECIAL PROVISIONS

SECTION 1000. WORK TO BE ACCOMPLISHED

1000-1 DESCRIPTION

Remove and dispose of existing fencing, furnish and install wrought iron fences and gates at locations shown on the maps. The workmanship will be prescribed by this special specification, in conformity with details shown on the maps and/or as directed/approved by the Project Manager or his or her representative.

1000-2 SITE INSPECTION

All Bidders should satisfy themselves as to the construction conditions by personal examination of the site described in this document. Bidders are encouraged to make any investigation necessary to assess the nature of the construction and the difficulties to be encountered.

1000-3 MATERIALS

Furnish materials in accordance with the details shown on the bid sheet. The materials for the fence include posts, pickets, rails, post caps and all necessary fittings and appurtenances required for proper installation. The Contractor will provide the Project Manager or his or her representative with the specifications of all items for the fence and gates for approval before installation. Use only new materials.

1000-4 CONSTRUCTION

Before work commences in the area, the Contractor will inform and inspect the site with the Project Manager or his or her representative. After the construction is complete, the Contractor will again inspect the site with the Project Manager or his or her representative for approval. The Project Manager or his or her representative will periodically monitor the construction of work to determine if the work is being performed in accordance with the contract requirements.

All the material for the new fence panels will be first approved by the Project Manager or his or her representative. The new fence will including but not limited to posts, pickets, rails, post caps will be installed at locations shown on the plans and/or as directed by the Project Manager or his or her representative. The concrete footing for the new posts will be as detailed in the specifications and/or as directed by the Project Manager or his or her representative.

Painting will be by hand or spray. Two coats will be required on all parts. The final surface will be of even color without streaks, drips, bubbles, incomplete coverage or any other surface imperfection. Paint finish will be powder coated for ease of long-term maintenance. If necessary, the fence will be reinforced at the joints with either welding or welded on metal that will not detract from the decorative appeal of the fence. All welding will be performed in a workman-like manner with solid joints of minimum protrusion.

The completed fence will be solid and have minimal flexure. Any excessive splatter of the weld will be ground off. The Contractor will install new manual gate and all necessary fittings and appurtenances as provided in the specifications and/or as directed by the Project Manager or

his or her representative.

Concrete for fence posts shall be class 520-C-2500 as per Section 201 of the Greenbook, with a minimum compressive strength of 2500 psi. Posts shall be embedded at least 30" into 36" deep, 8" min diameter concrete footing.

1000-5 DEMOLITION AND REMOVAL OF EXISTING FENCE AND GATES

Contractor shall remove existing fence and gates in the areas shown on the plans including posts (minimum 3" below grade), top of footings to 3" below grade and any attachments. Hauling and disposal of demolished material off-site shall be the contractor's responsibility and shall not constitute a pay item but shall be considered incidental to fence and gate construction. Whenever a telephone or telegraph pole, pipeline, conduit, sewer, roadway, or other utility is encountered that must be removed or relocated, the Contractor shall advise the Project Manager or his or her representative who will notify the proper local authority or owner and attempt to secure prompt action. The holes or openings shall be backfilled with acceptable material and properly compacted.

1000-6 MEASUREMENTS

The installation of new fence panels will be measured by the foot of fence installed. Posts will be measured by the each. The gates installed will be measured as each gate installed.

1000-7 SPECIFICATIONS

LMD 31 - Rancho De La Rosa

Exterior fence and gate along Rose Avenue and Camino Del Sol. 2,116 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 2,116 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar fencing or equal. One (1) 6' x 12' Double Drive Gate.

LMD 34 – Sunrise Pt/Sunset Cove

724 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 724 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron fencing or equal. Two (2) 6' x 12' Double Gates. One (1) 6' x 4' Pass Gates.

LMD 36 – Villa Santa Cruz/Villa Carmel

1,376 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 1,376 LFT: Install 48" 2-Rail Black Majestic Montage Plus Ameristar Iron or equal. One (1) 6' x 12' Double Drive Gate.

LMD 38 – Aldea Del Mar

1,256 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 1,256 LFT: Install 24" 2-Rail Majestic Montage Plus Ameristar Iron or equal.

LMD 39 – DR Horton 850 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 850 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron or equal. One (1) 6' x 12' Double Gate.

LMD 42 – Cantabria/Coronado

2,151 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 2,151 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron or equal. Five (5) 6' x 12' Double Gate.

LMD 46 – Daily Ranch 1,920 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 1,920 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron or equal. One (1) 6' x 12' Double Gate.

LMD 47 – Sycamore Place 1,400 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts. 1,400 LFT: Install 48" 2-Rail Black Majestic Montage Plus Ameristar Iron or equal.

CFD Riverpark - Approximately 270 linear feet of 6' Ameristar Perma Coat Chain Link vinyl fencing or equal, one (1) 4 ft wide ADA man gate, and one (1) 25-30 ft. cantilever gate

CFD Seabridge - Remove existing mechanical gate component. Convert existing gate to manual gate replacing casters for ease of closure. Install locking mechanism to the gate.

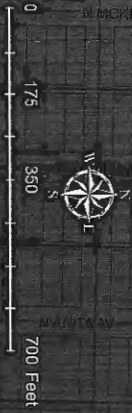
CITY OF OXNARD

Map of Authorized Improvements

LMD No. 31 (Rancho De La Rosa)



- DETENTION BASIN
- HARDSCAPE
- LANDSCAPE
- MEDIAN
- PARK
- TRAFFIC CIRCLE
- DISTRICT BOUNDARY
- CITY BOUNDARY

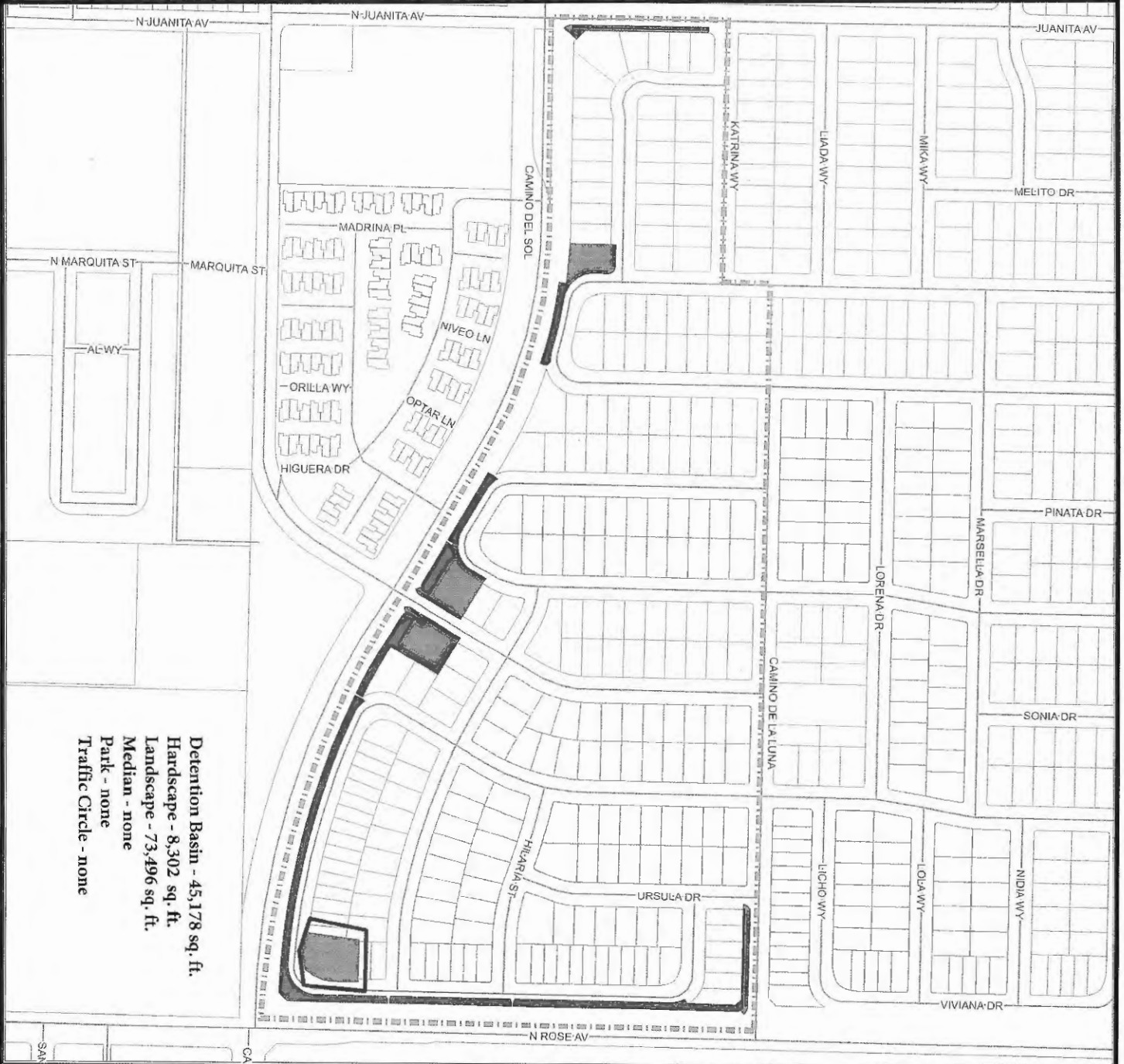


Coordinate System: NAD 1983 StatePlane California
FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017

Page 1 of 2



Detention Basin - 45,178 sq. ft.
Hardscape - 8,302 sq. ft.
Landscape - 73,496 sq. ft.
Median - none
Park - none
Traffic Circle - none

CITY OF OXNARD

Map of Authorized Improvements

IMD No. 34
(Sunrise Pointe & Sunset Cove)



- DETECTION BASIN
- HARDSCAPE
- LANDSCAPE
- MEDIAN
- PARK
- TRAFFIC CIRCLE
- DISTRICT BOUNDARY
- CITY BOUNDARY



0 150 300 600 Feet

Coordinate System: NAD 1983 StatePlane California
FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017

Page 1 of 2

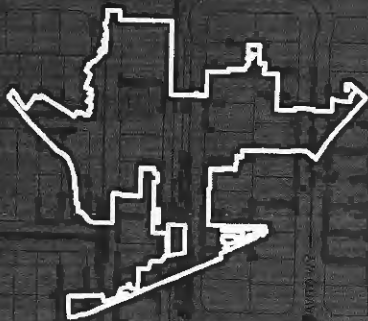


Note: IMD No. 33 responsible for a portion of Kohala Street Basin

CITY OF OXNARD

Map of Authorized Improvements

LMD No. 36 (Villa Santa Cruz & Villa Carmel)



- DETECTION BASIN
- HARDSCAPE
- LANDSCAPE
- MEDIAN
- PARK
- TRAFFIC CIRCLE
- DISTRICT BOUNDARY
- CITY BOUNDARY



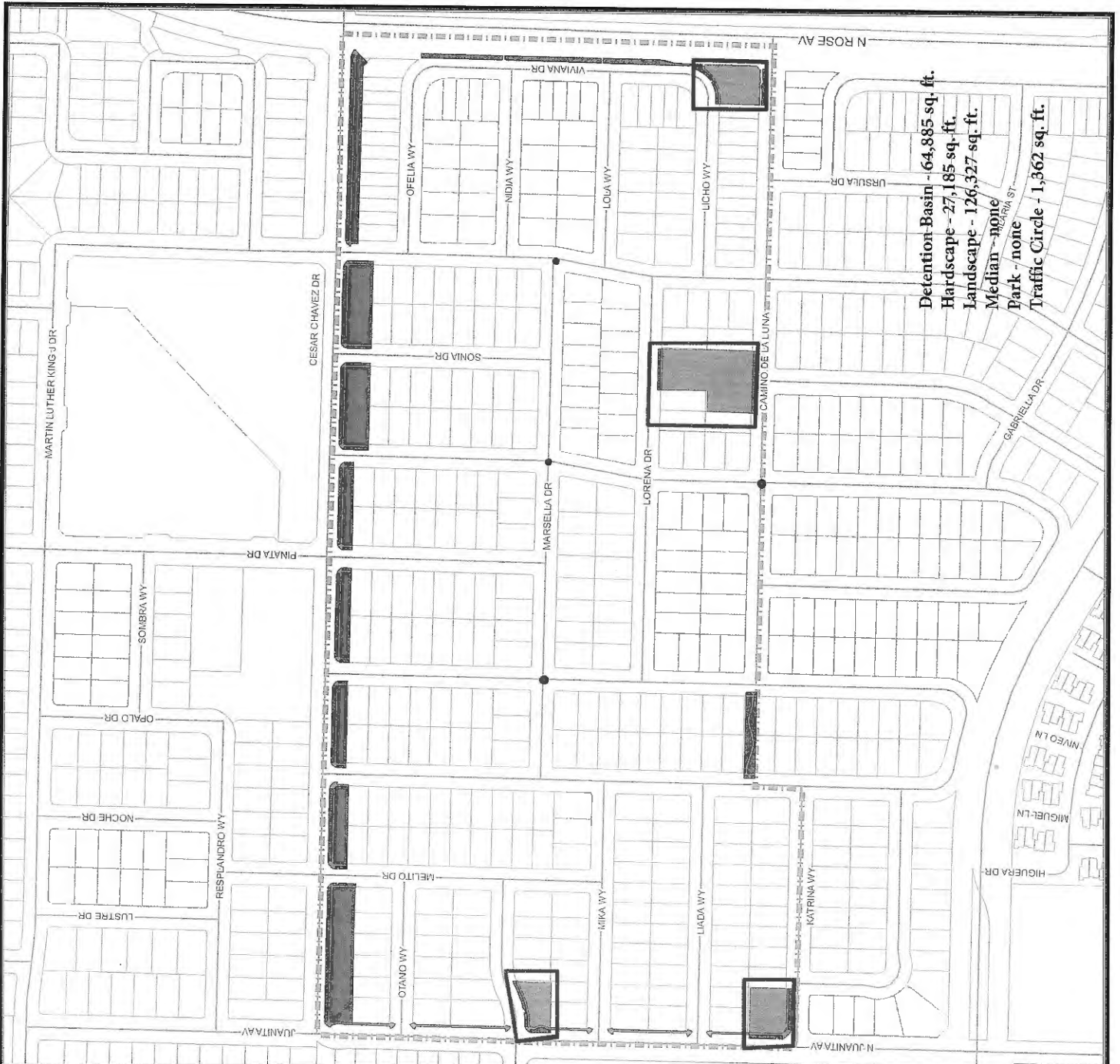
0 175 350 700 Feet

Coordinate System: NAD 1983 StatePlane California FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017

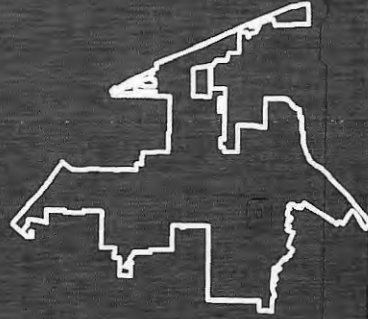
Page 1 of 2



CITY OF OXNARD

Map of Authorized Improvements

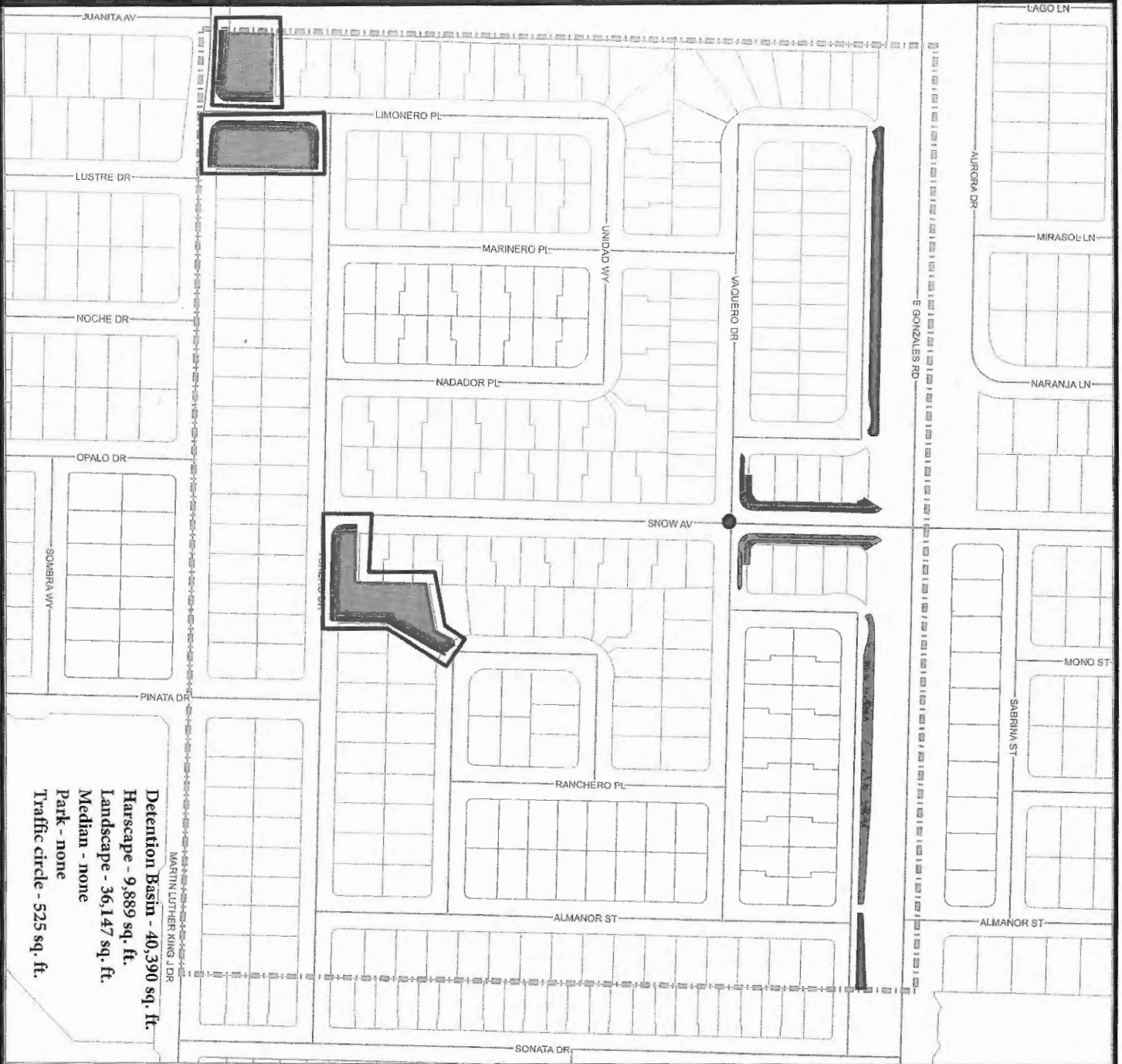
LMD No. 38 (Aldea Del Mar)



- DETENTION BASIN
- HARDSCAPE
- LANDSCAPE
- MEDIAN
- PARK
- TRAFFIC CIRCLE
- DISTRICT BOUNDARY
- CITY BOUNDARY



Coordinate System: NAD 1983 StatePlane California
FIPS 0-403 Feet
Source: City of Oxnard & Ventura County
Prepared by NBS - January 2017
Page 1 of 2



Detention Basin - 40,390 sq. ft.
Hardscape - 9,889 sq. ft.
Landscape - 36,147 sq. ft.
Median - none
Park - none
Traffic circle - 525 sq. ft.

CITY OF OXNARD

Map of Authorized Improvements

LMD No. 39 (Promesa/Sueno and DR Horton/Seawinds)



- DETENTION BASIN
- HARDSCAPE
- LANDSCAPE
- MEDIAN
- PARK
- TRAFFIC CIRCLE
- DISTRICT BOUNDARY
- CITY BOUNDARY



0 355 710 Feet

Coordinate System: NAD 1983 StatePlane California
FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017

Page 1 of 2



CITY OF OXNARD

Map of Authorized Improvements

LMD No. 40 (Cantada)



- DETENTION BASIN
- HARDSCAPE
- LANDSCAPE
- MEDIAN
- PARK
- TRAFFIC CIRCLE
- DISTRICT BOUNDARY
- CITY BOUNDARY



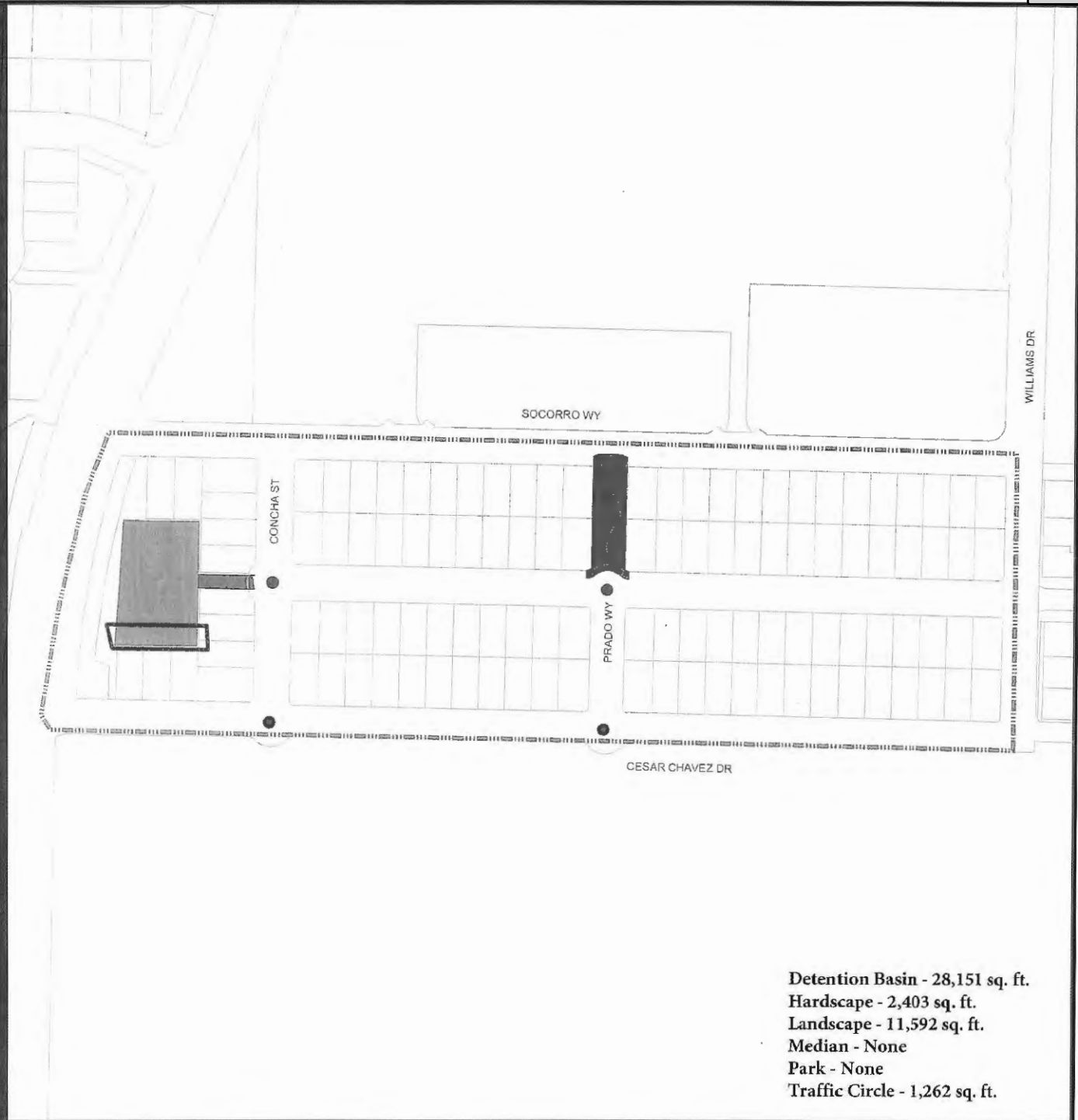
0 240 480 Feet

Coordinate System: NAD 1983 StatePlane California
FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017

Page 1 of 2



Detention Basin - 28,151 sq. ft.
Hardscape - 2,403 sq. ft.
Landscape - 11,592 sq. ft.
Median - None
Park - None
Traffic Circle - 1,262 sq. ft.

CITY OF OXNARD

Maintenance Cost Responsibility

LMD No. 42 (Cantabria & Coronado)



Coordinate System: NAD 1983 StatePlane California
FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017

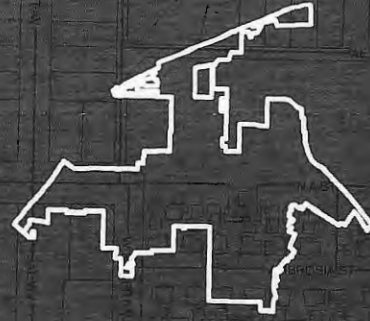
Page 1 of 2



CITY OF OXNARD

Map of Authorized Improvements

LMD No. 46 (Daily Ranch)



- DETENTION BASIN
- HARDSCAPE
- LANDSCAPE
- MEDIAN
- PARK
- TRAFFIC CIRCLE
- DISTRICT BOUNDARY
- CITY BOUNDARY



Coordinate System: NAD 1983 StatePlane California
FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017 Page 1 of 2



CITY OF OXNARD

Map of Authorized Improvements

LMD No. 47 (Sycamore Place)



-  DETENTION BASIN
-  HARDSCAPE
-  LANDSCAPE
-  MEDIAN
-  PARK
-  TRAFFIC CIRCLE
-  DISTRICT BOUNDARY
-  CITY BOUNDARY



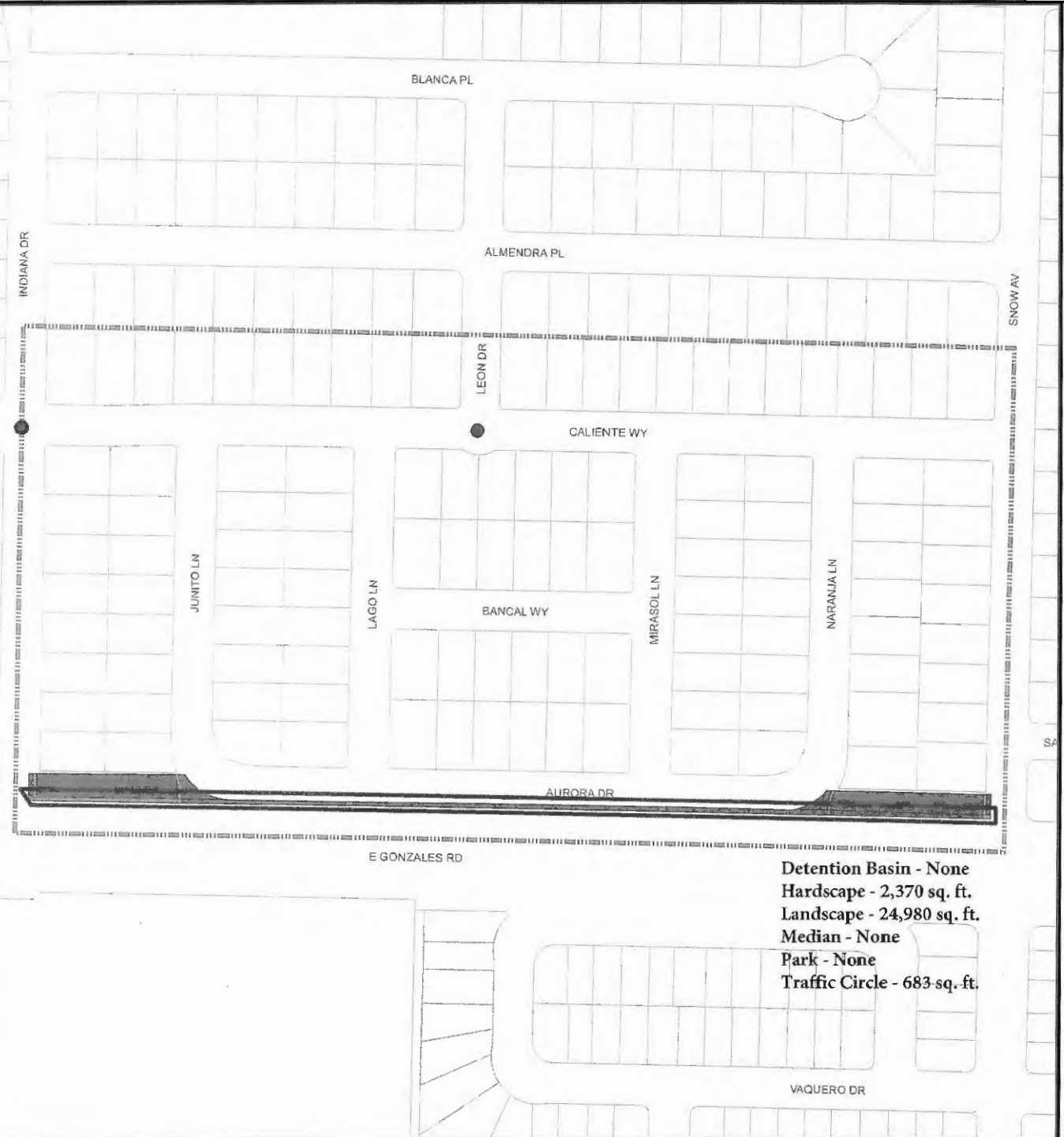
0 220 440 Feet

Coordinate System: NAD 1983 StatePlane California
FIPS 0405 Feet

Source: City of Oxnard & Ventura County

Prepared by NBS - January 2017

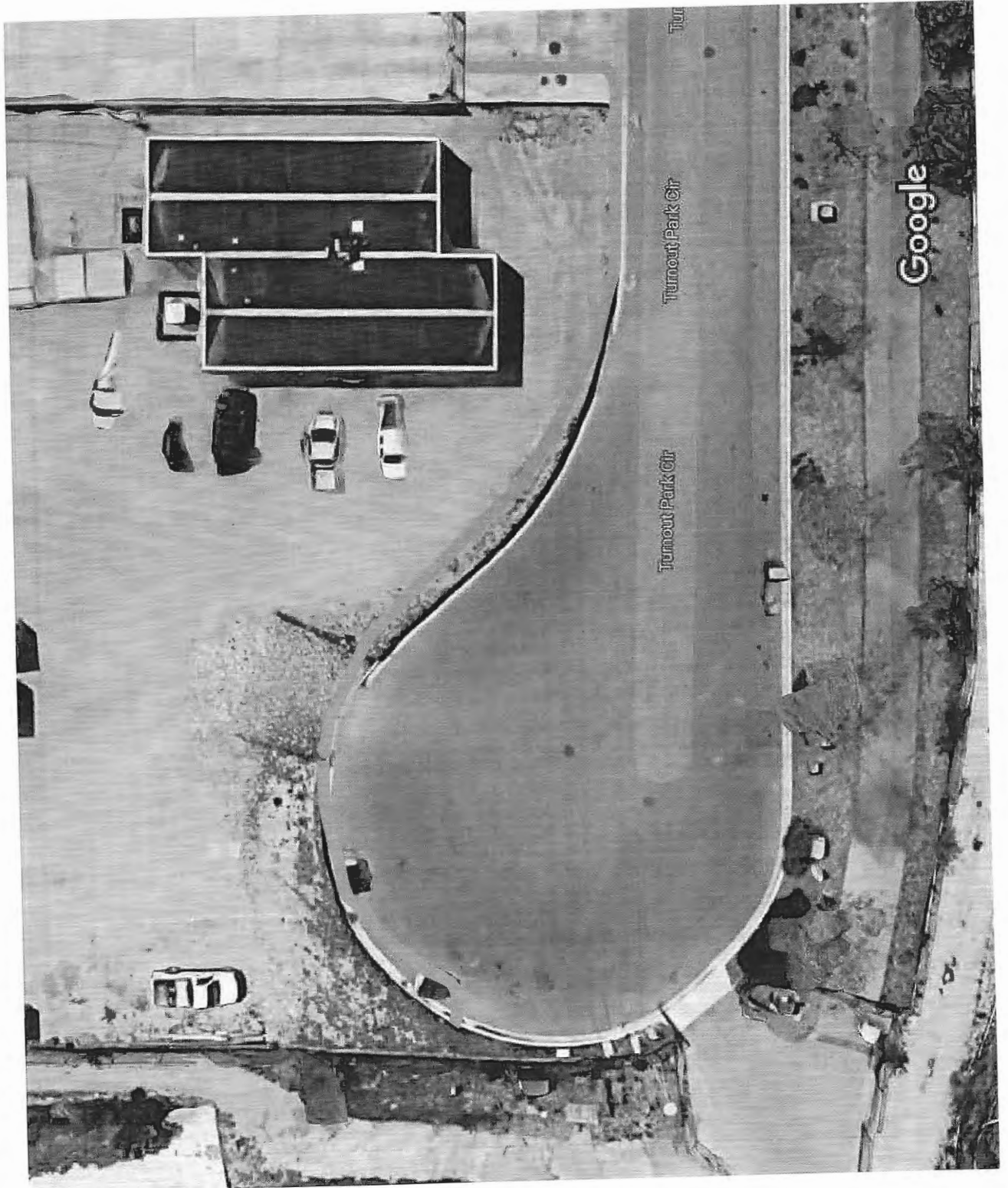
Page 1 of 2



Seabridge Yard Gate
Napoli Drive and Harbor Island Lane



Riverpark Fence & Gate



BID PACKET



FOR FENCING PROJECT

SD 18-23

Submitted by:

Contractor's Name: FENCEWORKS INC
Address: 870 N. MAIN ST.
City: RIVERSIDE State: CA Zip Code: 92501
Contact Person: Alan Kay Phone: 951-788-8620
Email: akay@fenceworks.us Date: 12/5/17

Public Works Department
 305 West Third Street, East Wing, Third Floor
 Oxnard, California 93030
 Tel 805.385.8280



November 29, 2017

ADDENDUM NO. 1
Fencing Project
SD 18-23

SCHEDULED BID DUE DATE: 4:00 p.m. December 7, 2017

TO ALL BIDDERS:

Acknowledge receipt of this addendum by enclosing one signed copy with your bid documents. Failure to do so may subject bidder to disqualification.

This addendum forms a part of the bid documents and provides clarification as follows:

Question: Do contractors have to remove and haul away only the existing iron and fencing materials and the gates or do they have to remove existing iron fence, gates and also all footings and the corner posts.

Answer: Contractors need to remove everything, including the footings and corner posts, etc. These are full fence replacements. All haul away and disposal should be included within the bid.

Addendum No. 1 Received: Date: 12-2-17

FENCEWORKS INC
 Contractor's Name

[Signature]
 Authorized Signature

ALAN KAY
 Name and Title

870 N. Main St.
 Address

RIVERSIDE, CA 92501
 City State Zip Code

951-788-5620
 Telephone Number, Including Area Code

Public Works Department

305 West Third Street, East Wing, Third Floor
 Oxnard, California 93030
 Tel 805.385.8280

CITY OF

OXNARD

CALIFORNIA

December 6, 2017

ADDENDUM NO. 2**Fencing Project****SD 18-23**

SCHEDULED BID DUE DATE: 4:00 p.m. on December 11, 2017

TO ALL BIDDERS:

Acknowledge receipt of this addendum by enclosing one signed copy with your bid documents. Failure to do so may subject bidder to disqualification. This addendum forms a part of the bid documents as follows:

1. BID DUE DATE:

The city will receive such Bids at Oxnard city Hall, 300 West Third Street, Fourth Floor, Oxnard, California 93030, attention: City Clerk, until 4:00 p.m. on **December 11, 2017**. There will be a public bid opening immediately afterwards at 305 West Third Street, First floor Oxnard, California 93030 at the City Council Chambers.

Addendum No.2 Received: Date: 12-7-17

FENCEWORKS INC

Contractor's Name

[Signature]

Authorized Signature

ALAN KAY EVF

Name and Title

870 N. MAIN ST.

Address

RIVERSIDE, CA 92501

City

State Zip Code

951-788-5620

Telephone Number, Including Area Code

BID FOR FENCING PROJECT SD 18-23

The undersigned, as Bidder, declares that:

1. The Bidder has carefully examined the Contract Documents, all Addenda, and the Fencing Project ("Project") site and is satisfied as to the conditions, character, quality and quantities of Work to be performed, and the materials to be furnished.
2. The Bid includes all taxes, fees and costs, and as such is the total amount required for the Bidder to complete this Project in accordance with the Contract Documents.
3. The Bidder is properly licensed by the State as a contractor to perform this type of Work.

The undersigned, as Bidder, agrees to the following:

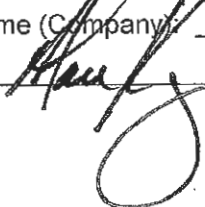
1. The submission of this Bid shall be conclusive evidence that the Bidder has examined and investigated the surface, subsurface and other conditions affecting the Work, including also the groundwater conditions, transportation, the disposal, handling and storage of materials, and the availability of labor, water, electric power, roads and the equipment and facilities needed for the Work. No information derived from an inspection of records or investigation will relieve the Bidder from its obligations under the Contract Documents nor entitle the Bidder to any additional compensation. The Bidder shall not make any claim, including for additional compensation, against the City based upon ignorance or misunderstanding of any condition of the Project site or of the Contract Documents' or any Addendum's requirements.
2. Accompanying this Bid is a permissible form of Bid security in an amount equal to at least ten percent (10%) of the total Bid price submitted. The Bid security is given as a guarantee that, if selected, the Bidder will execute the Contract in conformity with the Contract Documents, provide evidence of all required insurance, provide a copy of its City business license and furnish the Performance and Payment Bonds (as well as a photocopy of each Bond)—each in the amount of one hundred percent (100%) of the Contract Price—within fourteen (14) Calendar Days of the date of delivery of the Contract to the Bidder. If the Bidder refuses or fails to do so, the City may award the Contract to the next lowest responsible Bidder, and this Bid security may be forfeited to the City as permitted by law.
3. In the event the Contract is awarded to the Bidder, the Bidder shall execute the Contract to perform the Project in accordance with the Contract Documents. Should the undersigned be awarded the Contract and thereafter fail or refuse to execute the Contract and provide the required evidence of its City business license, insurance and Bonds (plus photocopies) within fourteen (14) Calendar Days after the Contract award, then the Bid Bond, cash, cashier's check or certified check shall be forfeited to the City to the extent permitted by law.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 12/5/17 [date], at RIVERSIDE [city], CA [state].

Bidder's Name (Company):

FENCEWORKS INC.

Signature:



Title:

EVP

Print:

Alan Kay EJA

Date:

12/5/17

CITY OF OXNARD

BID SHEETS FOR FENCING PROJECT SD 18-23

Bidder's Name:

FENCEWORKS INC

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the Project Manager at the following prices:

ITEM NO.	FENCE LOCATION	PAYMENT REFERENCE	TOTAL COST (FOR EACH ROW)
1.	LMD 31 - Rancho De La Rosa	2,116 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts 2,116 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar fencing or equal One (1) 6' x 12' Double Drive Gate	\$ 124,267 ⁰⁰
2.	LMD 34 - Sunrise Pt/Sunset Cove	724 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts 724 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron fencing or equal Two (2) 6' x 12' Double Gates One (1) 6' x 4' Pass Gates	\$ 48,801 ⁴⁰
3.	LMD 36 - Villa Santa Cruz/Villa Carmel	1,376 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts 1,376 LFT: Install 48" 2-Rail Black Majestic Montage Plus Ameristar Iron or equal One (1) 6' x 12' Double Drive Gate	\$ 79,283 ⁰⁰
4.	LMD 38 - Aldea Del Mar	1,256 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts 1,256 LFT: Install 24" 2-Rail Majestic Montage Plus Ameristar Iron or equal	\$ 71,906 ⁰⁰

ITEM NO.	FENCE LOCATION	PAYMENT REFERENCE	TOTAL COST (FOR EACH ROW)
5.	LMD 39 – DR Horton	850 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts 850 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron or equal One (1) 6' x 12' Double Gate	\$ 51,662 ⁵⁰
6.	LMD 42 – Cantabria/Coronado	2,151 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts 2,151 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron or equal Five (5) 6' x 12' Double Gate	\$ 137,934 ⁸⁵
7.	LMD 46 – Daily Ranch	1,920 LFT: Remove and haul away existing iron and fencing materials including but not limited to all exposed footings, gates and corner posts 1,920 LFT: Install 6' 2-Rail Black Majestic Montage Plus Ameristar Iron or equal One (1) 6' x 12' Double Gate	\$ 113,027 ⁰⁰
8.	CFD – Riverpark	Approximately 270 linear feet of 6' Ameristar Perma Coat Chain Link vinyl fencing or equal, one (1) 4 ft wide ADA man gate, and one (1) 25-30 ft. cantilever gate	\$ 21,856 ⁰⁰
9.	CFD - Seabridge	Remove existing mechanical gate component. Convert existing gate to manual gate replacing casters for ease of closure. Install locking mechanism to the gate.	\$ 10,670 ⁰⁰

Note: The cost of all labor, materials, export of material shall be included in the above costs; no additional compensation will be granted for such expenses. All bids must include industrial hardware, structural posts and CMU core drilling on block walls.

Please refer to the Assessment Districts' Site Maps, available at the end of the Special Provisions, for individual property locations.

Please note if there is a price break for servicing all locations. Bidders will be selected based on the lowest bid per district. Bidder may not be awarded all districts.

TOTAL BID PRICE IN DIGITS: \$

659 408³⁵

TOTAL BID PRICE IN WORDS:

SIX HUNDRED FIFTY NINE THOUSAND, FOUR HUNDRED EIGHT AND THIRTY FIVE CENTS.

*** The lowest Bid will be determined on the
basis of the lowest total cost for each fence. ***

Contractor must complete all Work within six (6) months of the City's Notice to Proceed.

Bidder acknowledges receipt of all addenda

Addendum: Date Received:

#01	<u>12-2-17</u>
#02	<u>12-7-17</u>
#03	<u>NA</u>
#04	<u>✓</u>

Addendum: Date Received:

#05	<u>NA</u>
#06	<u>↓</u>
#07	<u>↓</u>
#08	<u>↓</u>

Bidder's Name (Company):

FENCEWORKS INC.

Signature:

[Signature]

Title:

EUP

Print:

ALAN RAY

Date:

12/5/17

QUESTIONNAIRE FORM

Fill out all of the following information. Attach additional sheets if necessary. Do not leave any question blank. If the question does not apply, write "N/A."

(1) Bidder's Name: FENCEWORKS INC

(2) If the Bidder's name is a fictitious name, what is the full name of the registered owner?

MELVIN LEE KAY

* If you are doing business under a fictitious name, provide a copy of the filed valid Fictitious Business Name Statement with your submitted Bid.

(3) Business Address: 870 N. MAIN ST., RIVERSIDE CA 92501

Phone 1: 951-788-5620 Phone 2: 805-933-4522

Email: jkay@fenceworks.us

(4) Type of Firm (Partnership, LLC, Corporation, S-Corp, etc.): S-Corp

Organized under the laws of the State of: CALIFORNIA

(5) California State Contractor's License Number and Class: 299964 B,C-13

Original Date Issued: 11/12/74 Expiration Date: 7/31/19

(6) DIR Contractor Registration Number: 1000008935

(7) Does the Bidder have a minimum of three (3) consecutive years of current experience in the type of Work related to the Project, and is this experience in actual operation of the Bidder with permanent employees performing a part of the Work as distinct from a firm operating entirely by subcontracting all phases of the Work? Circle one: YES NO

(8) List the names, titles, addresses and phone numbers of all individuals, members, partners, joint venturers and company officers having a principal interest in this Bid:

JASON OSTEANDER - PRES 951-788-5620 SAME AS ABOVE

ALAN KAY - Sr. EVA 951-788-5620 SAME AS ABOVE

JERRY KAY - EVA 805-933-4522 891 CORP ST, SANTA ANA, CA 92706

(9) List all current and prior aliases, and provide all filed fictitious business names ("doing business as"), for any principal having interest in this Bid:

GOLDEN STATE FENCE CO.

- (10) List the dates of any voluntary and involuntary bankruptcy judgments against any principal having an interest in this Bid:

NA

- (11) For all arbitrations, lawsuits, settlements and the like (in/out of court) that the Bidder or any principal with an interest in this Bid has been involved with in the past five (5) years:

- a. List the names, addresses and phone numbers of the parties' contact persons:

NA

- b. Briefly summarize the parties' claims and defenses:

NA

- c. State the tribunal (e.g., Superior Court, American Arbitration Association, etc.), the matter number, and the outcome:

NA

- (12) If the Bidder or any principal having an interest in this Bid has ever had a contract terminated by the owner or agency, explain below:

NA

- (13) If the Bidder or any principal having an interest in this Bid ever failed to complete a project, explain below:

NA

- (14) If the Bidder or any principal having an interest in this Bid has ever been terminated for cause, even if it was converted to a "termination of convenience," explain below:

NA

For the final questions, the word "you" and "your" shall refer to the Bidder and all individuals, members, partners, joint venturers and company officers having a principal interest in this Bid.

- (15) For projects that the Bidder or any principal having an interest in this Bid has been involved with in the last five (5) years, did you have any claims or actions:

- a. By you against the owner? Circle one: Yes ☐ No ☒
- b. By the owner against you? Circle one: Yes ☐ No ☒
- c. By any agency or individual for labor compliance? Circle one: Yes ☐ No ☒
- d. By Subcontractors? Circle one: Yes ☐ No ☒
- e. Are any such claims/actions unresolved/outstanding? Circle one: Yes ☐ No ☒

If your answer is "yes" to any part or parts of this question, explain.

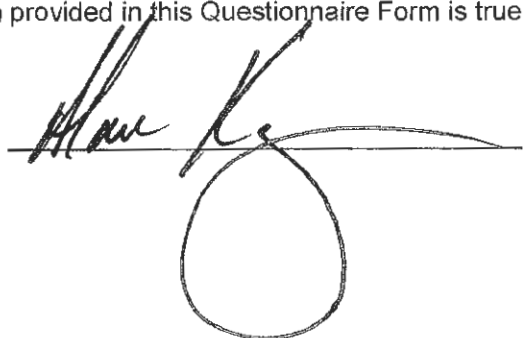
NA

- (16) List the last three (3) projects, if any, you have worked on or are currently working on for the City of Oxnard:

1. DISTRICT 40 CANTADA
2. DISTRICT 38 ALDEA DEL MAR
3. DISTRICT 33 EL PASO

Upon request of the City, the Bidder shall furnish evidence showing a notarized financial statement, financial data, construction experience or other additional information.

The Bidder certifies under penalty of perjury under the laws of the State of California that the information provided in this Questionnaire Form is true and correct.

Signature: 

Title: S. E. R.

Date: 12/5/17

This Questionnaire Form must be notarized below.

State of California)

County of RIVERSIDE) ss

City of RIVERSIDE)

On 12/5/17 before me, Shannon Cardillo, Notary Public

(insert name and title of the officer) personally appeared ALAN KAY Sr. EIT

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)

is/are subscribed to the within instrument and acknowledged to me that he/she/they executed

the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the

instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the

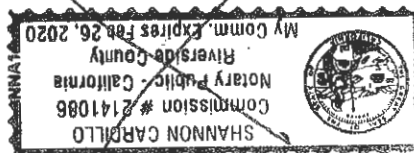
instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that

the foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature

Shannon Cardillo

(Seal)



REFERENCES FORM

For all like work that the Bidder is currently working on or has worked on for public agencies in the past two (2) years, provide the information requested below. If this information does not fit on this page, attach another page listing all information for all other such work. You may, but are not obligated to, attach a separate page to explain why a final contract amount differed from an original contract amount (e.g., change orders, extra work, or other circumstances) or if you or the agency filed any claims against each other and the substance and outcome of those claims.

Project 1 Description: AMERISTAR FENCE & SOUNDWALL

Construction Dates From: 7/25/16 To: 12/15/16

Agency Name: CASPER Economic Development Corp "CEDC"

Project Manager: JUAN AYON Telephone: 805-797-2436

Original Contract Amount: \$59,782.- Final Contract Amount: \$108,185.-

Did you file any claims against the Agency? Circle one: Yes ☐ No ☒

Did the Agency file any claims against you? Circle one: Yes ☐ No ☐

Project 2 Description: AMERISTAR FENCE & BLACK VINYL CHAIR/MILK

Construction Dates From: 8-1-16 To: 3-10-17

Agency Name: SHEA HOMES Co. Calif.

Project Manager: TONY MACROD Telephone: 805-823-3278

Original Contract Amount: \$250,957.- Final Contract Amount: \$320,896.-

Did you file any claims against the Agency? Circle one: Yes ☐ No ☒

Did the Agency file any claims against you? Circle one: Yes ☐ No ☒

Project 3 Description: LODGE POLE PINK RAIL FENCE

Construction Dates From: 2-27-17 To: 5-5-17

Agency Name: TAET Electric for City of Buena Vista

Project Manager: Chris Targett Telephone: 805-642-0121

Original Contract Amount: \$30,420. Final Contract Amount: \$30,420.

Did you file any claims against the Agency? Circle one: Yes ☒ No

Did the Agency file any claims against you? Circle one: Yes ☒ No

I hereby give my permission to the City of Oxnard and its officers, employees and agents to contact references of the Bidder and its officers, managers, members, general partners, limited partners and other owners (collectively, the "Owners") and to request information from other agencies in which the Bidder and/or its Owners have worked. This permission includes the City reviewing any criminal records of the Owners and obtaining public records regarding the Owners, such as records of arrests, indictments, convictions, civil judicial actions, tax liens, or outstanding judgments. I have authority to waive, and I do waive, any and all rights and claims the Bidder and its Owners, employees and agents may have against the City, its officers, employees and agents, as well as any agency providing feedback or the mentioned records, and those agencies' officers, employees and agents, regarding any actions taken pursuant to, related to or incidental to, the authorization given in this paragraph.

Bidder's Name: Alan Kay

Signature: [Signature]

Title: PEVP

Date: 12/5/17

DESIGNATION OF SUBCONTRACTORS

List all Subcontractors who will perform Work or labor or render service to the Contractor in or about the construction of the Work or improvement, or a Subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of one-half percent (0.5%) of the Contractor's total Bid or, in the case of Bids or offers for the construction of Streets, highways, or bridges, in excess of one-half percent (0.5%) of the Contractor's total Bid or \$10,000, whichever is greater. If all Subcontractors do not fit on this page, photocopy this page onto blue paper and attach that additional page or those pages listing all other Subcontractors. If there is any change in this list of Subcontractors, Contractor must provide a new list to Project Manager before any unlisted Subcontractor can perform any Work. If Contractor intends to use no Subcontractors, please write "N/A" in the first open box.

Name under which Subcontractor is Licensed and Registered	CSLB License Number(s) and Class(es)	DIR Contractor Registration Number	Address and Phone Number	Type of Work (e.g., Electrical)	Percentage of Total Bid (e.g., 10%)*
NA					
↓					

Bidder's Name:

Alan Kay - Fence Works

Signature:

[Signature]

Title:

SEVP

Date:

12/5/07

* The percentage of the total Bid shall represent the "portion of the work" for the purposes of Public Contract Code Section 4104(b).

INDUSTRIAL SAFETY RECORD FORM

This Industrial Safety Record Form must include all construction work undertaken in California by the undersigned and any partnership, joint venture corporation or s-corporation that any principal of the undersigned participated in as a principal or owner for the listed years. Separate information must be submitted for each such partnership, joint venture, or corporate or individual. The undersigned may attach any additional information or explanation of data that it would like to be taken into consideration in evaluating the Industrial Safety Record Form. An explanation of the circumstances surrounding any and all fatalities must be attached.

	2017 (so far)	2016	2015	2014	2013	2012	Total
Number of contracts							
Total dollar amount of contracts (in thousands)	0	0	0	0	0	0	0
Number of fatalities	0	0	0	0	0	0	0
Number of lost workday cases	5	1	7	7	11	5	36
Number of lost workday cases involving permanent transfer to another job or termination of employment	9	13	8	7	10	10	57

The above information was compiled from the records that are available to me at this time, and I declare under penalty of perjury that the information is true and accurate within the limitations of those records.

Bidder's Name: Alan Kay - FENCEWORKS

Signature: [Signature] Title: Sr. EVA Date: 12/5/17

(Continuation of Noncollusion Declaration)

State of California)

County of RIVERSIDE) ssCity of RIVERSIDE)On 12/5/17 before me,Shannon Cardillo, Notary Public (insert name and title of the officer)personally appeared Alan Ray, who proved to me on the basis

of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within

instrument and acknowledged to me that he/she/they executed the same in his/her/their

authorized capacity(ies), and that by his/her/their signature(s) on the instrument the

person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I

certify under PENALTY OF PERJURY under the laws of the State of California that the

foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature Shannon Cardillo

(Seal)



CITY OF OXNARD
Fencing Project
SD 18-23

ESCROW BID DOCUMENTS COVER PAGE

ESCROW BID DOCUMENT CERTIFICATION

The undersigned hereby certifies under penalty of perjury that the bid documentation contained herein constitutes the complete, only and all documentary information used in preparation of the bid for the Fencing Project, and that I have personally examined these contents and have found that this bid documentation is complete.

By: Alan Kay
Title: Sr. Est.
Firm: FENCEWORKS INC
Date: 12/5/17

*IF PROJECT BID IS IN EXCESS OF \$500,000, IT REQUIRES SUBMITTAL OF ESCROW BID DOCUMENTS BY THE THREE LOWEST BIDDERS AND THIS DOCUMENT WILL BE INCLUDED WITH THOSE ESCROW BID DOCUMENTS. THIS DOCUMENT PACKAGE IS DUE WITHIN THREE (3) BUSINESS DAYS FOLLOWING BID OPENING:

THIS DOCUMENT PACKAGE IS TO BE SUBMITTED TO:

Public Works
305 W. 3rd Street, East Wing, 3rd floor
Oxnard, CA 93030
Attn: Renee Hatcher

SMALL LOCAL BUSINESS PURCHASING PREFERENCE REQUEST

The City offers a bidding preference for small local businesses. A small local business is defined as a business entity that meets all of the following criteria:

1. Has for at least 36 months immediately preceding submittal of its Bid held a current City business license;
2. Has maintained within the City of Oxnard's boundaries its principal business office, which is defined as the place where the principal officers or owners generally transact business, to which reports are made and from which orders and payments are made, and the place which the business represents to government authorities as its principal office or principal place of business;
3. Has average annual gross receipts of \$20 million or less over the 36 months immediately preceding submittal of its Bid; and
4. Employs fewer than 100 employees.

Additionally, a small local business must certify one of the following:

5. At least 50 percent of its employees are Oxnard residents and have been Oxnard residents for at least 90 days prior to submission of the bid; or
6. For a Bidder who intends to hire employees and/or obtain Subcontractors for the Project, the Bidder submits with its Bid a certification confirming it has verified its own proposed employee base for performance of the Contract and confirmed with all Subcontractors providing bids used to formulate the Contractor's Bid that at least 50 percent of the labor hours devoted to performance of the Contract will be provided by residents of the City of Oxnard.

Please note that under City Code Section 4-2, you may be subject to audit and may be required to provide proof of compliance with the requirements of the Section. You will be subject to penalties for falsely claiming to be a Small Local Business under the Section. More information is available at City Code Section 4-2.

If you wish to certify as a small local business, please submit the certification on the next page with the rest of your Bid.

FENCING PROJECT NO. SD 18-23

**SMALL LOCAL BUSINESS PURCHASING PREFERENCE:
BIDDER'S CERTIFICATION**

Please refer to Oxnard City Code Section 4-2 to verify that your company is eligible for this Small Local Business Purchasing Preference Program.

The undersigned hereby certifies under penalty of perjury that:

- ☐ At least 50 percent of the Bidder's employees are Oxnard residents and have been Oxnard residents for at least 90 days prior to submission of the bid; or
- ☐ For a Bidder who intends to hire employees and/or obtain Subcontractors for the Project, the Bidder has verified its own proposed employee base for performance of the Contract and confirmed with all Subcontractors providing bids used to formulate the Bid that at least 50 percent of the labor hours devoted to performance of the Contract will be provided by residents of the City of Oxnard.

Any person(s) executing this certification on behalf of the Bidder hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____ [date], at _____ [city], _____ [state].

By: _____

Title: _____

Bidder: _____

Date: _____

By: _____

Title: _____

Bidder: _____

Date: _____



*If the Bidder is not requesting a Small Local Business Purchasing Preference, this form is not required to be completed and submitted with Bid.

NA

**NONCOLLUSION DECLARATION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID**

The undersigned declare(s):

I/we am/are the Sr. EVA of FENCEWORKS INC.
the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, LLC, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham Bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the Bid price, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted its, his or her Bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, LLC, partnership, company, association, organization, Bid depository, or to any member or agent thereof, or to any individual, to effectuate a collusive or sham Bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person(s) executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 12/5/17 [date], at RIVERSIDE [city], CA [state].

Bidder's Name: Alan Kay

Signature: Alan Kay Title: Sr. EVA Date: 12/5/17

This Noncollusion Declaration must be notarized on the following page.

BIDDER INFORMATION SUMMARY

SD 18-23

Fencing Project

Bid Opening 12/11/17

Review completed by Renee Hatcher 12/12/17

	City Business License	California Contractor's License	DIR Registration	DOL / OSHA Reports	DIR Disbarment	Secty of State
Contractor						
Fenceworks, Inc.	19-021539	Current	Current	Yes, see report	No	C20141165
Subcontractors						
None						



Changes will not be saved unless you first sign in.

heckbook Explorer - Develop...
BY THE NUMBERS

Unsaved

View

Save As...
Revert
Based on
Business Data
Businesses with
a current
Business Tax
Certificate

	Classification	Units	BusinessName	Ad
1	CONTRACTOR LOC OUTSIDE CITY		GOLDEN STATE FENCE CO	OUT:

Classification	CONTRACTOR LOC OUTSIDE CITY	TaxCertNum	19-021539
Units		Expires	10/31/2018
BusinessName	GOLDEN STATE FENCE CO	Owner	FENCEWORKS,INC
Address	OUTSIDE OF OXNARD	MailingAddress1	870 N MAIN ST

Viewing row 1 of 1



CONTRACTORS STATE LICENSE BOARD



Contractor's License Detail for License # 299964

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.

Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.

Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.

Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 12/12/2017 8:52:02 AM

Business Information

FENCEWORKS INC
dba GOLDEN STATE FENCE COMPANY

870 N MAIN ST
RIVERSIDE, CA 92501
Business Phone Number:(951) 788-5620

Entity Corporation
Issue Date 11/12/1974
Reissue Date 07/09/1999
Expire Date **07/31/2019**

License Status

This license is current and active.

All information below should be reviewed.

Classifications

C29 - MASONRY
B - GENERAL BUILDING CONTRACTOR
C13 - FENCING

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with SURETEC INDEMNITY COMPANY.

Bond Number: 244219

Bond Amount: \$15,000

Effective Date: 03/19/2017

Contractor's Bond History

Bond of Qualifying Individual

The qualifying individual MELVIN LEE KAY certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.

Effective Date: 09/25/2000

BQI's Bond History

Workers' Compensation

State of California

Department of Industrial Relations

[Public Law](#)[California County & Health](#)[Employment](#)[Labor Relations](#)[Occupational Safety & Health](#)[Public Works Contractors](#)[Home](#)[Public Works](#) [Public Works Contractor \(PWC\) Registration Search](#)

Public Works Contractor (PWC) Registration Search

This is a listing of current and active PWC registrations pursuant to Division 2, Part 7, Chapter 1 (commencing with section 1720 of the California Labor Code)

Enter at least one search criteria to display active registered public works contractor(s) matching your selections.

Registration Year:

PWC Registration Number:

Contractor Legal Name:

License Number: [Contractor License Lookup](#)

County:

[Export as:](#) [Excel](#) | [PDF](#)

Search Results

One registered contractor found. 1

Details	Legal Name	Registration Number	County	City	Registration Date	Expiration Date
View	FENCEWORKS, INC	1000008935	RIVERSIDE	RIVERSIDE	05/16/2017	06/30/2018

v2.20160101

About DIR

[About DIR](#)[Public Information](#)[Public Information](#)[Contact Us](#)

Work with Us

[Jobs at DIR](#)[How to Apply](#)[How to Apply](#)[How to Apply](#)[How to Apply](#)

Learn More

[Public Information](#)[Public Information](#)[Public Information](#)[Public Information](#)[About DIR](#)[Public Information](#)[Public Information](#)[Contact Us](#)[Jobs at DIR](#)[How to Apply](#)[How to Apply](#)

UNITED STATES
DEPARTMENT OF LABOR

OSHA English | Spanish

Find it in OSHA



A TO Z INDEX

ABOUT OSHA ▾ WORKERS ▾ EMPLOYERS ▾ REGULATIONS ▾ ENFORCEMENT ▾ TOPICS ▾ NEWS & PUBLICATIONS ▾ DATA ▾ TRAINING ▾

Establishment Search Results

Establishment	Date Range	Office	State
Fenceworks	12/12/2012 to 12/12/2017	all	all

Please note that inspections which are known to be incomplete will have the identifying Activity Nr shown in italic. Information for these open cases is especially dynamic, e.g., violations may be added or deleted.

Sort By: **Date** | Name | Office | State

Return to Search

Results 1 - 1 of 1

By Date

Get Detail Select All Reset

#	Activity	Opened	RID	St	Type	Sc	SIC	NAICS	Vio	Establishment Name
1	<i>1249138.015</i>	07/24/2017	0950621	CA	Accident	Partial		238990		Fenceworks, Inc.

Occupational Safety and Health Administration
200 Constitution Ave., NW,
Washington, DC 20210
☎ 800-321-6742 (OSHA)
TTY
www.OSHA.gov

FEDERAL GOVERNMENT

White House
Affordable Care Act
Disaster Recovery Assistance
USA.gov
Disability.gov
Plain Writing Act
Recovery Act
No Fear Act
U.S. Office of Special Counsel

OCCUPATIONAL SAFETY AND HEALTH

Frequently Asked Questions
A - Z Index
Freedom of Information Act
Read the OSHA Newsletter
Subscribe to the OSHA Newsletter
OSHA Publications
Office of Inspector General

ABOUT THE SITE

Freedom of Information Act
Privacy & Security Statement
Disclaimers
Important Web Site Notices
Plug-ins Used by DOL
RSS Feeds from DOL
Accessibility Statement

Alex Padilla
California Secretary of State

Business Search - Entity Detail

The California Business Search is updated daily and reflects work processed through Monday, December 11, 2017. Please refer to document [Processing Times](#) for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity. Not all images are available online.

C2041165 FENCEWORKS, INC.

Registration Date:	12/02/1998
Jurisdiction:	CALIFORNIA
Entity Type:	DOMESTIC STOCK
Status:	ACTIVE
Agent for Service of Process:	GARY HANSEN 870 MAIN ST RIVERSIDE CA 92501
Entity Address:	870 MAIN ST RIVERSIDE CA 92501
Entity Mailing Address:	870 MAIN ST RIVERSIDE CA 92501

A Statement of information is due EVERY year beginning five months before and through the end of December.

Document Type	 File Date	 PDF
SI-NO CHANGE	10/17/2017	
SI-COMplete	06/09/2015	
AMENDMENT	02/25/2005	
REGISTRATION	12/02/1998	Image unavailable. Please request paper copy.

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code [section 2114](#) for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to [Name Availability](#).
- If the image is not available online, for information on ordering a copy refer to [Information Requests](#).
- For information on ordering certificates, status reports, certified copies of documents and copies of documents not currently available in the Business Search or to request a more extensive search for records, refer to [Information Requests](#).
- For help with searching an entity name, refer to [Search Tips](#).
- For descriptions of the various fields and status types, refer to [Frequently Asked Questions](#).

[Modify Search](#) [New Search](#) [Back to Search Results](#)

CITY OF OXNARD - LICENSE SERVICES
214 South C Street, Oxnard, California 93030
(805) 385-7817 • Fax (805) 385-7836

BUSINESS TAX CERT **N.2.a**

NON TRANSFERRABLE OR ASSIGNABLE

Certificate No: **19-00021539**

Control No: **29636**

Date Issued: **11/08/17**

Expiration Date: **10/31/18**

Classification Code No: **8201-29**

Classification Code Description: **CONTRACTOR LOC OUTSIDE CITY**

Owner's Name: **FENCEWORKS, INC**

Business Address: **OUTSIDE OF OXNARD**

OXT1108A *** 7000000614 00.0004.0157 598/1
AUTO MIXED AADC 926



GOLDEN STATE FENCE CO
870 N MAIN ST
RIVERSIDE CA 92501-1016

POST IN A CONSPICUOUS PLAC

This Business Tax Certificate is issued as an
acknowledgment for the payment of a business

REQUEST FOR BUDGET APPROPRIATION

Department: Finance
Project/Program
Manager: Sandra Burkhart

Date: February 6, 2018
Phone: 805-385-7496

Reason for Appropriation:

Appropriate funds from surplus fund balance of LMD 46 Daily Ranch for removal and replacement of fencing within the District, associated with Fencing Project SD 18-23.

Accounts and Descriptions

AMOUNT

Fund: 170-8003 - Daily Ranch LMD 46

Expenditures/Transfers Out

170-8003-899-8229	Contracts and Services/Prof Srvc-Special Proj	20,000
	Sub-total Expenditures	20,000

Net Change to Fund Balance	(20,000)
-----------------------------------	-----------------

Net Appropriation Change	20,000
---------------------------------	---------------

Approvals

Department Director _____

Chief Financial Officer _____

City Manager _____

(This page is intentionally blank.)



**CITY COUNCIL
AGENDA REPORT**

TYPE OF ITEM: Report
AGENDA ITEM NO.: 3

DATE: February 6, 2018

TO: City Council

THROUGH: Scott Whitney
Interim City Manager

FROM: Rosemarie Gaglione
Public Works Director

Rosemarie Gaglione

SUBJECT: Award Contract for Wastewater Treatment Plant Cogeneration Engine
Refurbishment Project PW 18-03 (5/5/5)

CONTACT: Rosemarie Gaglione, Public Works Director
rosemarie.gaglione@oxnard.org, 385-8055

RECOMMENDATION:

That City Council:

1. Award and authorize the Mayor to execute Agreement A-8043 in the amount of \$637,394 for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project PW 18-03 with GI Endurant, LLC dba GI Energy;
2. Approve and authorize the City Manager to amend the agreement in an amount not to exceed \$80,000 for one or more of the possible additive items described in this report;
3. Approve \$54,202 for Project contingency for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project;
4. Approve \$108,404 for consultant and staff engineering, inspection, survey and Project management for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project; and
5. Approve an appropriation of \$484,000 for the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project No. 186610.

BACKGROUND

The Project

Award Contract for Wastewater Treatment Plant Cogeneration Engine Refurb Proj PW 18-03
 (5/5/5)
 February 6, 2018
 Page 2

The Oxnard Wastewater Treatment Plant (OWTP) Cogeneration Engine Refurbishment project is part of the Wastewater Division five year capital improvements program. Power supply to the OWTP comes from two sources - Southern California Edison (SCE) and an on-site cogeneration power facility. The existing cogeneration facility produces up to 35% of the energy necessary to operate the OWTP. The energy budget for the plant is approximately \$1 million per year.

Power is produced at the OWTP facility through three generator (cogen) units installed in 1975. The units produce power from a combination of digester gas (produced on-site) and natural gas purchased off the grid. In addition to providing plant power, heat generated by the cogen units is recovered and used to maintain the operating temperature of the anaerobic digesters.

Because of their age, the units require increased maintenance and have become unreliable. On two occasions over the past year, the OWTP lost SCE power while the cogen facility was off-line due to failures. The SCE power outage and cogen failure caused plant flow to bypass the secondary treatment process resulting in regulatory permit violations.

The OWTP Cogeneration Engine Refurbishment project (Project) includes:

- In-frame overhaul of two of the existing three cogen engines; and
- On-site inspection of two of the existing three cogen engines and generators.

The third cogen will be overhauled within the next two years.

Lowest Responsive Bid

The notice inviting formal bids (NIFB) on the Project was published on November 16, 2017, and all bids were due on December 13, 2017. The City received the bids listed below:

Valley Power Systems, Inc.:	\$544,500.66
GI Endurant LLC:	\$637,394.00

The lowest bidder was Valley Power Systems; however, the bidder was unable to comply with the terms of the bid and was declared non-responsive. The second lowest bidder is GI Endurant LLC dba GI Energy, and its bid is responsive to the City's NIFB. Following this determination, procurement staff reviewed all documentation received from GI Endurant and its subcontractor. Staff verified possession of required currently valid licenses, reviewed the federal Occupational Safety and Health Administration (OSHA) website for safety violations, and verified registration with the California Department of Industrial Relations (DIR). Staff has no reason at this time to believe that either the contractor or its subcontractor is not legally responsible, which means trustworthy and fit and capable to satisfactorily complete the Project. Thus, staff recommends that the City Council award the contract for this Project to GI Endurant, LLC dba GI Energy.

Award Contract for Wastewater Treatment Plant Cogeneration Engine Refurb Proj PW 18-03
 (5/5/5)
 February 6, 2018
 Page 3

Because a thorough assessment of required parts and labor cannot be done until the equipment is disassembled, the Project may require one or more of the following additive items for a later-negotiated amount, which in any case shall not exceed \$20,000 each:

- Cogeneration 1st Engine post inspection recommended additional repairs and replacements;
- Cogeneration 2nd Engine post inspection recommended additional repairs and replacements;
- Cogeneration 1st Generator post inspection recommended repairs and replacements; and/or
- Cogeneration 2nd Generator post inspection recommended repairs and replacements.

Additionally, funds estimated in the amount of \$233,394 are needed for construction contract and additive items of the Project. \$54,202 is needed for Project contingency and \$117,404 for the cost for consultant engineering services and City staff to perform the following activities during construction: engineering, inspection, survey and Project management. The indirect cost and expense for Project procurement are also included in this estimate. The total estimated cost of the Project is \$889,000, as detailed below.

Agreement A-8043	\$637,394
Additive Items	80,000
Project Management	117,404
Project Contingency	<u>54,202</u>
Total	<u>\$889,000</u>

The sources of funds for the project are:

Original Estimate / Appropriation Budgeted for Oxnard WWTP Cogeneration Project No. 186610	\$405,000
Net Appropriation from WW Fund	<u>484,000</u>
Total	<u>\$889,000</u>

STRATEGIC PRIORITIES

This item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve the City's infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 4. Ensure proper construction and maintenance of infrastructure to provide

Award Contract for Wastewater Treatment Plant Cogeneration Engine Refurb Proj PW 18-03
(5/5/5)
February 6, 2018
Page 4

maximum benefit with lowest life cycle cost following CIP plans.

FINANCIAL IMPACT

Originally budgeted at \$405,000, the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project No. 186610 has a balance of approximately \$396,000. Approval of this action would require an additional appropriation of \$484,000 from Wastewater Treatment Operating fund 621 to the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project No. 186610. The unaudited FY 2017/18 estimated undesignated fund balance for the Wastewater Treatment Operating Fund is \$9.5 Million.

ATTACHMENTS:

Attachment A - Bid Tabulation

Attachment B - GI Endurant Bid Package

Attachment C - Budget Appropriation

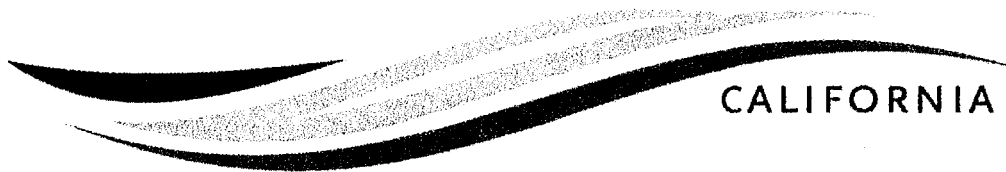
This is a tabulation of bid results not an offer of award or contract. The City reserves the right to reject all bids.

PW 18-03 Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project				
Owner: City of Oxnard				
Bid Opening: 12/13/17			Valley Power Systems, Inc.	GI Endurant LLC dba GI Energy
			425 S. Hacienda Blvd City of Industry, CA 91745	715 E. Debra Lane Anaheim, CA 92805
			#1	#2
<i>Item #</i>	<i>Description</i>	<i>Unit of Measure</i>	<i>Total Cost</i>	<i>Total Cost</i>
1	Mobilization and demobilization (5% maximum of Total Bid Amount)	Lump Sum	\$12,500.00	\$31,000.00
2	Inspection of 1st Cogeneration Engine and Generator	Lump Sum	\$68,149.12	\$45,000.00
3	Refurbishment of 1st Cogeneration Engine including reassemble with generator, testing, start-up and recommissioning	Lump Sum	\$197,851.21	\$258,197.00
4	Inspection of 2nd Cogeneration Engine and Generator	Lump Sum	\$68,149.12	\$45,000.00
5	Refurbishment of 2nd Cogeneration Engine including reassemble with generator, testing, start-up and recommissioning	Lump Sum	\$197,851.21	\$258,197.00
Bid List Total -SUBMITTED			\$544,500.66	\$637,394.00
Total Bid Amount -VERIFIED			\$544,500.66	\$637,394.00
			Valley Power Systems, Inc.	GI Endurant LLC dba GI Energy
Listed Subs			Sloan Electric 3520 Main Street San Diego, .CA	Geveden Industrial 5 Chestnut Avenue Redbluff, CA 96080

BID PACKET

CITY OF

OXNARD



CALIFORNIA

FOR

OXNARD WASTEWATER TREATMENT PLANT COGENERATION ENGINE REFURBISHMENT PROJECT

SPECIFICATION PW 18-03

Submitted by:

GI Endurant LLC

Contractor's Name:

DBA. GI ENERGY

Address:

715 E. DEBRA LANE

City:

ANAHEIM

State:

CA

Zip Code:

92805

Contact Person:

NORTH WHEFLEY

Phone:

714-715-3185

Email:

NWHEFLEY@GIENERGYUS.COM

Date:

12/13/2017

**BID FOR OXNARD WASTEWATER TREATMENT PLANT COGENERATION ENGINE
REFURBISHMENT PROJECT SPECIFICATION PW 18-03**

The undersigned, as Bidder, declares that:

1. The Bidder has carefully examined the Contract Documents, all Addenda, and the Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project ("Project") site and is satisfied as to the conditions, character, quality and quantities of Work to be performed, and the materials to be furnished.
2. The Bid includes all taxes, fees and costs, and as such is the total amount required for the Bidder to complete this Project in accordance with the Contract Documents.
3. The Bidder is properly licensed by the State as a contractor to perform this type of Work.

The undersigned, as Bidder, agrees to the following:

1. The submission of this Bid shall be conclusive evidence that the Bidder has examined and investigated the surface, subsurface and other conditions affecting the Work, including also the groundwater conditions, transportation, the disposal, handling and storage of materials, and the availability of labor, water, electric power, roads and the equipment and facilities needed for the Work. No information derived from an inspection of records or investigation will relieve the Bidder from its obligations under the Contract Documents nor entitle the Bidder to any additional compensation. The Bidder shall not make any claim, including for additional compensation, against the City based upon ignorance or misunderstanding of any condition of the Project site or of the Contract Documents' or any Addendum's requirements.
2. Accompanying this Bid is a permissible form of Bid security in an amount equal to at least ten percent (10%) of the total Bid amount submitted. The Bid security is given as a guarantee that, if selected, the Bidder will execute the Contract in conformity with the Contract Documents, provide evidence of all required insurance, provide a copy of its City business license and furnish the Performance and Payment Bonds (as well as a photocopy of each Bond)—each in the amount of one hundred percent (100%) of the Contract Price—within fourteen (14) Calendar Days of the date of delivery of the Contract to the Bidder. If the Bidder refuses or fails to do so, the City may award the Contract to the next lowest responsible Bidder, and this Bid security may be forfeited to the City as permitted by law.
3. In the event the Contract is awarded to the Bidder, the Bidder shall execute the Contract to perform the Project in accordance with the Contract Documents. Should the undersigned be awarded the Contract and thereafter fail or refuse to execute the Contract and provide the required evidence of its City business license, insurance and Bonds (plus photocopies) within fourteen (14) Calendar Days after the Contract award, then the Bid Bond, cash, cashier's check or certified check shall be forfeited to the City to the extent permitted by law.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 12.12.17 [date], at Chicago [city], IL [state].

Bidder's Name (Company): DBN GI ENERGY

Signature: [Signature]

Title: CFO

Print: Greg Grosvenor

Date: 12.12.17

CITY OF OXNARD

**BID SHEETS FOR OXNARD WASTEWATER TREATMENT PLANT COGENERATION
ENGINE REFURBISHMENT PROJECT SPECIFICATION PW 18-03**

 Bidder's Name: GI Endurant LLC D.B.A. GIEnergy

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the Project Manager at the following prices:

ITEM NO.	DESCRIPTION	UNIT OF MEASURE	EXTENDED AMOUNT
1.	Mobilization and demobilization (5% maximum of Total Bid Amount)	Lump Sum	\$ 31,000.00
2.	Inspection of 1 st Cogeneration Engine and Generator,	Lump Sum	\$ 45,000.00
3.	Refurbishment of 1 st Cogeneration Engine including reassemble with generator, testing, start-up, and recommissioning	Lump Sum	\$ 258,197.00
4.	Inspection of 2 nd Cogeneration Engine and Generator,	Lump Sum	\$ 45,000.00
5.	Refurbishment of 2 nd Cogeneration Engine including reassemble with generator, testing, start-up, and recommissioning	Lump Sum	\$ 258,197.00
TOTAL BID AMOUNT:			\$ 637,394.00

*** The City may opt to add one or more of the following additive items for a later-negotiated amount, which in any case shall not exceed \$20,000 each:

- Cogeneration 1st Engine post inspection recommended additional repairs and replacements
- Cogeneration 2nd Engine post inspection recommended additional repairs and replacements
- Cogeneration 1st Generator post inspection recommended repairs and replacements

- Cogeneration 2nd Generator post inspection recommended repairs and replacements
- If and when the City determines that it wants to pursue one or more of the additive items, the Contract shall be amended accordingly.**

Note: Several items may be adjusted or deleted. Any changes to the quantities for these items shall not classify as a substantial change as stipulated in Greenbook Section 3-2.2.1. Regardless of total actual volume compared to estimated quantities, the unit prices provided above shall be applied to the final quantity when payment is calculated for these items. No adjustment in the unit prices will be allowed. The City reserves the right to not use any of the estimated quantities, and if this right is exercised, the Contractor will not be entitled to any additional compensation. The cost of all labor, materials, export of material shall be included in the above unit costs; no additional compensation will be granted for such expenses.

TOTAL BID AMOUNT IN DIGITS: \$ 637,394.00

TOTAL BID AMOUNT IN WORDS: SIX HUNDRED THIRTY SEVEN THOUSAND
THREE HUNDRED NINETY FOUR DOLLARS

Contractor must complete all Work within one hundred fifty (150) Calendar Days of the City's Notice to Proceed.

Bidder acknowledges receipt of all addenda

Addendum:	Date Received:	Addendum:	Date Received:
#01	<u>12/05/2017</u>	#05	_____
#02	_____	#06	_____
#03	_____	#07	_____
#04	_____	#08	_____

GI Endurance LLC.

Bidder's Name (Company): dba GI ENERGY

Signature: [Signature] Title: CFO

Print: Greg Grosvenor Date: 12-12-17

QUESTIONNAIRE FORM

Fill out all of the following information. Attach additional sheets if necessary. Do not leave any question blank. If the question does not apply, write "N/A."

- (1) Bidder's Name: GI Endurant LLC
DBA GI ENERGY
- (2) If the Bidder's name is a fictitious name, what is the full name of the registered owner?

GI ENDURANT LLC

* If you are doing business under a fictitious name, provide a copy of the filed valid Fictitious Business Name Statement with your submitted Bid.

- (3) Business Address: 715 E. DEBRA LANE
ANAHEIM, CA 92805

Phone 1: 714-715-3185 Phone 2: 714-493-8743

Email: NHEFLEY@GIENERGYUS.COM

- (4) Type of Firm (Partnership, LLC, Corporation, S-Corp, etc.): LLC

Organized under the laws of the State of: DELAWARE

- (5) California State Contractor's License Number and Class: 1015648 A CLASS

Original Date Issued: 06-30-2016 Expiration Date: 06-30-2018

- (6) DIR Contractor Registration Number: 1000011629

- (7) Does the Bidder have a minimum of three (3) consecutive years of current experience in the type of Work related to the Project, and is this experience in actual operation of the Bidder with permanent employees performing a part of the Work as distinct from a firm operating entirely by subcontracting all phases of the Work? Circle one: (YES) NO

- (8) List the names, titles, addresses and phone numbers of all individuals, members, partners, joint venturers and company officers having a principal interest in this Bid:

THOMAS CHADWICK CEO 312-894-4646 EXT 2004

GREG GROSSENER CFO 312-894-4646 EXT 2000

150 N. MICHIGAN AVE. STE. 1250, CHICAGO IL 60601

- (9) List all current and prior aliases, and provide all filed fictitious business names ("doing business as"), for any principal having interest in this Bid:

GI ENERGY

GI ENDURANT LLC

- (10) List the dates of any voluntary and involuntary bankruptcy judgments against any principal having an interest in this Bid:

NONE

- (11) For all arbitrations, lawsuits, settlements and the like (in/out of court) that the Bidder or any principal with an interest in this Bid has been involved with in the past five (5) years:

- a. List the names, addresses and phone numbers of the parties' contact persons:

NONE

- b. Briefly summarize the parties' claims and defenses:

N/A

- c. State the tribunal (e.g., Superior Court, American Arbitration Association, etc.), the matter number, and the outcome:

N/A

- (12) If the Bidder or any principal having an interest in this Bid has ever had a contract terminated by the owner or agency, explain below:

NONE

- (13) If the Bidder or any principal having an interest in this Bid ever failed to complete a project, explain below:

NONE

- (14) If the Bidder or any principal having an interest in this Bid has ever been terminated for cause, even if it was converted to a "termination of convenience," explain below:

NONE

For the final questions, the word "you" and "your" shall refer to the Bidder and all individuals, members, partners, joint venturers and company officers having a principal interest in this Bid.

- (15) For projects that the Bidder or any principal having an interest in this Bid has been involved with in the last five (5) years, did you have any claims or actions:

- | | |
|--|---|
| a. By you against the owner? | Circle one: Yes ☐ No ☒ |
| b. By the owner against you? | Circle one: Yes ☐ No ☒ |
| c. By any agency or individual for labor compliance? | Circle one: Yes ☐ No ☒ |
| d. By Subcontractors? | Circle one: Yes ☐ No ☒ |
| e. Are any such claims/actions unresolved/outstanding? | Circle one: Yes ☐ No ☒ |

If your answer is "yes" to any part or parts of this question, explain.

N/A

- (16) List the last three (3) projects, if any, you have worked on or are currently working on for the City of Oxnard:

1. NONE
2. _____
3. _____

Upon request of the City, the Bidder shall furnish evidence showing a notarized financial statement, financial data, construction experience or other additional information.

The Bidder certifies under penalty of perjury under the laws of the State of California that the information provided in this Questionnaire Form is true and correct.

Signature: [Signature]

Title: CFO Date: 12.12.17

This Questionnaire Form must be notarized below.

State of California)

County of Cook) ssCity of Chicago)On 12/12/17 before me, Greg Grosvenor, CFO(insert name and title of the officer) personally appeared at 150 N Michigan Ave. STE. 1250
Chicago, IL 60601
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)

is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature



(Seal)


Exp. 3/10/18

REFERENCES FORM

For all like work that the Bidder is currently working on or has worked on for public agencies in the past two (2) years, provide the information requested below. If this information does not fit on this page, attach another page listing all information for all other such work. You may, but are not obligated to, attach a separate page to explain why a final contract amount differed from an original contract amount (e.g., Change Orders, extra work, or other circumstances) or if you or the agency filed any claims against each other and the substance and outcome of those claims.

Project 1 Description: <u>MEDICAL CENTER COGENERATION FACILITY</u> REHABILITATION	
Construction Dates	From: <u>11/06/2017</u> To: <u>04/30/2018</u>
Agency Name: <u>RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY</u>	
Project Manager: <u>NANCY CANO</u>	Telephone: <u>951-955-0392</u>
Original Contract Amount: \$ <u>1,433,839.00</u> Final Contract Amount: \$ <u>1,433,839.00</u>	
Did you file any claims against the Agency? Circle one: Yes ☒ No	
Did the Agency file any claims against you? Circle one: Yes ☒ No	

Project 2 Description: <u>FLOOD STATION AND ENGINE CONTROLLERS UPGRADE</u>	
Construction Dates	From: <u>10/23/2017</u> To: <u>10/31/2018</u>
Agency Name: <u>ORANGE COUNTY PUBLIC WORKS</u>	
Project Manager: <u>GUY BATTERTON</u>	Telephone: <u>714-955-0343</u>
Original Contract Amount: \$ <u>827,803.00</u> Final Contract Amount: \$ <u>827,113.00</u>	
Did you file any claims against the Agency? Circle one: Yes ☒ No	
Did the Agency file any claims against you? Circle one: Yes ☒ No	

Project 3 Description: CYPRESS COLLEGE ENGINE OVERHAULS

Construction Dates From: 01/24/2016 To: 03/31/2016

Agency Name: NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

Project Manager: ALBERT MIRANDA Telephone: 714-484-7390

Original Contract Amount: \$144,978.00 Final Contract Amount: \$144,978.00

Did you file any claims against the Agency? Circle one: Yes ☐ No ☒

Did the Agency file any claims against you? Circle one: Yes ☐ No ☒

I hereby give my permission to the City of Oxnard and its officers, employees and agents to contact references of the Bidder and its officers, managers, members, general partners, limited partners and other owners (collectively, the "Owners") and to request information from other agencies in which the Bidder and/or its Owners have worked. This permission includes the City reviewing any criminal records of the Owners and obtaining public records regarding the Owners, such as records of arrests, indictments, convictions, civil judicial actions, tax liens, or outstanding judgments. I have authority to waive, and I do waive, any and all rights and claims the Bidder and its Owners, employees and agents may have against the City, its officers, employees and agents, as well as any agency providing feedback or the mentioned records, and those agencies' officers, employees and agents, regarding any actions taken pursuant to, related to or incidental to, the authorization given in this paragraph.

Bidder's Name: GI Endurance d.b.a. GI Energy

Signature: [Signature] Title: CFO Date: 12.12.17

DESIGNATION OF SUBCONTRACTORS

List all Subcontractors who will perform Work or labor or render service to the Contractor in or about the construction of the Work or improvement, or a Subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of one-half percent (0.5%) of the Contractor's total Bid or, in the case of Bids or offers for the construction of Streets, highways, or bridges, in excess of one-half percent (0.5%) of the Contractor's total Bid or \$10,000, whichever is greater. If all Subcontractors do not fit on this page, photocopy this page onto blue paper and attach that additional page or those pages listing all other Subcontractors. If there is any change in this list of Subcontractors, Contractor must provide a new list to Project Manager before any unlisted Subcontractor can perform any Work. If Contractor intends to use no Subcontractors, please write "N/A" in the first open box.

Name under which Subcontractor is Licensed and Registered	CSLB License Number(s) and Class(es)	DIR Contractor Registration Number	Address and Phone Number	Type of Work (e.g., Electrical)	Percentage of Total Bid (e.g., 10%)
GREEN INDUSTRIAL	937203	1000045404	5 CHESTNUT AVE RED BLUFF, CA 96080 530-527-7390	ELECTRICAL	8%

Bidder's Name: GI Energy Signature: [Signature] Title: CEO Date: 12.12.07

* The percentage of the total Bid shall represent the "portion of the work" for the purposes of Public Contract Code Section 4104(b).

INDUSTRIAL SAFETY RECORD FORM

This Industrial Safety Record Form must include all construction work undertaken in California by the undersigned and any partnership, joint venture corporation or s-corporation that any principal of the undersigned participated in as a principal or owner for the listed years. Separate information must be submitted for each such partnership, joint venture, or corporate or individual. The undersigned may attach any additional information or explanation of data that it would like to be taken into consideration in evaluating the Industrial Safety Record Form. An explanation of the circumstances surrounding any and all fatalities must be attached.

	2017 (so far)	2016	2015	2014	2013	2012	Total
Number of contracts	1	0	0	0	0	0	1
Total dollar amount of contracts (in thousands)	1,434	0	0	0	0	0	1,434
Number of fatalities	0	0	0	0	0	0	0
Number of lost workday cases	0	0	0	0	0	0	0
Number of lost workday cases involving permanent transfer to another job or termination of employment	0	0	0	0	0	0	0

The above information was compiled from the records that are available to me at this time, and I declare under penalty of perjury that the information is true and accurate within the limitations of those records.

Bidder's Name: CI Environmental LLC dba CI Energy

Signature: 

Title: CEO Date: 12.13.17

**NONCOLLUSION DECLARATION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID**

The undersigned declare(s):

I/we am/are the Chief Financial Officer of GI Endurant dba GI Energy
the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, LLC, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham Bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the total Bid amount of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the total Bid amount, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted its, his or her total Bid amount or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, LLC, partnership, company, association, organization, Bid depository, or to any member or agent thereof, or to any individual, to effectuate a collusive or sham Bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person(s) executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 12.13.17 [date], at Chicago [city], IL [state].

Bidder's Name: GI Endurant d.b.a. GI Energy

Signature: [Signature]

Title: CFO

Date: 12.13.17

This Noncollusion Declaration must be notarized on the following page.

(Continuation of Noncollusion Declaration)

State of ~~California~~ Illinois)County of Cook) ssCity of Chicago)On 12/13/17 before me,Greg Grosvenor (insert name and title of the officer)personally appeared 150 N Michigan Ave, STE 1250, who proved to me on the basis
Chicago, IL 60601
of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within

instrument and acknowledged to me that he/she/they executed the same in his/her/their

authorized capacity(ies), and that by his/her/their signature(s) on the instrument the

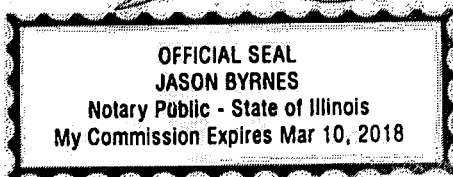
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I

certify under PENALTY OF PERJURY under the laws of the State of California that the

foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature [Signature]

(Seal)



Public Works Department

305 West Third Street, East Wing, Third Floor
 Oxnard, California 93030
 Tel 805.385.8280

CITY OF

OXNARD

CALIFORNIA

December 4, 2017**ADDENDUM NO. 1**

Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment Project
Specification No. PW 18-03

SCHEDULED BID DUE DATE: 2:00 p.m. on December 13, 2017**TO ALL BIDDERS:**

Acknowledge receipt of this addendum by enclosing one signed copy with your bid documents. Failure to do so may subject bidder to disqualification. This addendum forms a part of the bid documents as follows:

1. Bid Due Date:

The City will receive such Bids at Oxnard City Hall, 300 West Third Street, Fourth Floor, Oxnard, California 93030, attention: City Clerk, until 2:00 p.m. on **December 13, 2017**. There will be a public bid opening immediately afterwards at 305 West Third Street, First Floor, Oxnard, California 93030 at the City Council Chambers.

2. License Requirements:

Each Bidder shall possess a valid **Class A and C-10** Contractor's license issued by the California Contractors State License Board at the time of Bid submission.

3. Revised Attachment A: Parts List for One Engine In-Frame Overhaul

Attached is Attachment A: Parts List for One Engine In-Frame Overhaul (Revised). This Exhibit A (Revised) replaces the Exhibit A included with the bid contract documents. Please use this replacement when preparing the bid for the Project.

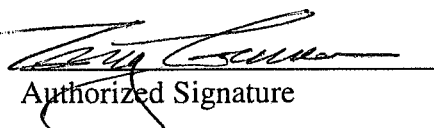
Addendum No. 1 Received: Date: 12/05/2017

GI ENERGY

Contractor's Name

715 E. DEBRA LANE

Address


 Authorized Signature

GREG GOEBNER CFO
 Name and Title

ANAHEIM CA 92805
 City State Zip Code

312 894-4646 X2000
 Telephone Number, Including Area Code

REQUEST FOR BUDGET APPROPRIATION

Department: Public Works
Project/Program
Manager: Thien Ng

Date: February 6, 2018
Phone: 805-432-3575

Reason for Appropriation:

Appropriates funds to project 186610 Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment to execute A-8043 with GI Endurant, LLC dba GI Energy, cover both internal staff design and consultants project management, as well as contingency funds.

Accounts and Descriptions

AMOUNT

Fund: Wastewater Treatment Operating Fund (621)

Expenditures/Transfers Out

Oxnard Wastewater Treatment Plant Cogeneration Engine Refurbishment (Project#186610)

621-6631-841.80-01	PERSONNEL SERVICES / DIRECT LABOR-REGULAR (DESIG	45,135
621-6631-821.82-09	CONTRACTS AND SERVICES / SVCS- OTHER PROFESSIONA	72,269
621-6631-821.88-02	RESERVES / FOR CONTINGENCIES	54,202
621-6631-821.86-10	CONSTRUCTION/OTHER	312,394

Sub-total Expenditures 484,000

Net Change to Fund Balance (484,000)

Net Appropriation Change 484,000

Approvals

Department Director _____

Chief Financial Officer _____

City Manager _____