



# **CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY MEETING AGENDA**

**June 20, 2024  
6:00 PM**

***The Mission of the City of Coalinga is to provide for the preservation of the community character by delivering quality, responsive City services, in an efficient and cost-effective manner, and to develop, encourage, and promote a diversified economic base in order to ensure the future financial stability of the City for its citizens.***

**Notice is hereby given that the City Council will hold a Meeting, on June 20, 2024 in the City Council Chambers located at 155 West Durian, Coalinga, CA. Persons with disabilities who may need assistance should contact the City Clerk at least 24 hours prior to this meeting at 935-1533 x113. Anyone interested in translation services should contact the City Clerk at least 24 hours prior to the meeting at 935-1533 x113. The Meeting will begin at 6:00 p.m. and the agenda will be as follows:**

## **ALTERNATE MEETING LOCATION**

**Councilman Hedgecock will be attending the City Council Meeting at an alternate location at 3825 East Main, Weatherford, OK 73096.**

### **1. CALL TO ORDER**

1. Pledge of Allegiance
2. Changes to the Agenda
3. Council's Approval of Agenda

### **2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS (NONE)**

### **3. CITIZEN COMMENTS**

*This section of the agenda allows members of the public to address the City Council on any item within the jurisdiction of the Council. Members of the public, when recognized by the Mayor, should come forward to the lectern, identify themselves and use the microphone. Comments are normally limited to three (3) minutes. In accordance with State Open Meeting Laws, no action will be taken by the City Council this evening and*

*all items will be referred to staff for follow up and a report.*

*Citizen Comments submitted in writing to the City Clerk by 5:00pm on the day of the City Council meeting shall be distributed to the City Council and included in the record, however they will not be read.*

#### **4. PUBLIC HEARINGS**

1. City Council Consideration and Authorization for the City Manager to Execute an Energy Services Contract with Johnson Controls, Inc. (JCI) to install photovoltaic solar panels at the Water and Wastewater Treatment Plants based on specified contingencies being satisfied.

**Sean Brewer, Assistant City Manager**

#### **5. CONSENT CALENDAR**

1. Adopt Resolution No. 4213 Authorizing City Manager to Execute Agreements with Members of Pleasant Valley Water Conveyance Partners, LLC for Sale of Excess Untreated USBR Contract Water for Water Year 2024/2025
2. Declare Chevrolet Impala and Chevrolet Colorado as Surplus and Dispose of Vehicles
3. Adopt Resolution No. 4214 Amending the Fire Mid-Management Pay Scale
4. Adopt Resolution No. 4215 Amending the General Pay Scale
5. City Council Consideration of Resolution No. 4216, Approving of A New Gas Supplier and Further Authorizing the City Manager to Execute a Contract with NRG
6. City Council Consideration and Approval of a Ground Lease Agreement with Wood Land Company, LLC.

#### **6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS (NONE)**

#### **7. ANNOUNCEMENTS**

1. City Manager's Announcements
2. Councilmembers' Announcements/Reports
3. Mayor's Announcements

#### **8. FUTURE AGENDA ITEMS**

#### **9. CLOSED SESSION**

1. REAL PROPERTY NEGOTIATIONS - Government Code Section 54956.8. CONFERENCE WITH REAL PROPERTY NEGOTIATORS. PROPERTY: APN: 073-020-58S located in Fresno County off of Palmer Avenue. CITY NEGOTIATORS: City Manager, Marissa Trejo; Assistant City Manager, Sean Brewer; and City Attorney, Mario Zamora. NEGOTIATING PARTIES: David Wood. UNDER NEGOTIATION: Price and Terms of Payment

#### **10. CLOSED SESSION REPORT**

**Closed Session:** A "Closed" or "Executive" Session of the City Council, Successor Agency, or Public Finance Authority may be held as required for items as follows: personnel matters;

labor negotiations; security matters; providing instructions to real property negotiators; legal counsel regarding pending litigation; and protection of records exempt from public disclosure. Closed session will be held in the Administration Building at 155 W. Durian Avenue and any announcements or discussion will be held at the same location following Closed Session.

## **11. ADJOURNMENT**

# STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

**Subject:** City Council Consideration and Authorization for the City Manager to Execute an Energy Services Contract with Johnson Controls, Inc. (JCI) to install photovoltaic solar panels at the Water and Wastewater Treatment Plants based on specified contingencies being satisfied.

**Meeting Date:** Thursday, June 20, 2024

**From:** Marissa Trejo, City Manager

**Prepared by:** Sean Brewer, Assistant City Manager

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## I. RECOMMENDATION:

City Council is recommended to approve proceeding with Johnson Controls, Inc. (“JCI”) to install photovoltaic solar panels (Solar) at the Water and Wastewater Treatment Plants (the “Project”) which includes the following actions:

- City Council provides authorization for the City Manager to Sign the agreement with JCI;
- Authorize the contribution of \$500,000 from the water enterprise bond fund to the project to be reimbursed by ITC rebates;
- Authorize a contribution of \$500,000 from the wastewater enterprise fund (cash reserve).
- Sign the initial notice to proceed and provide a payment of \$125,000;
- City Council considers moving forward with the finance team to use bond finance to pay for the project; and
- With City Council’s approval, the finance documents will be brought back to City Council for the August 1, 2024 City Council meeting.

## II. BACKGROUND:

Through an RFQ/RFP process for the Solar work the City choose JCI, following evaluations back to 2017. Project development has been ongoing since JCI was selected, slowed by the Covid Pandemic. Extensive work has been done to carefully evaluate the economic benefit of the project, combined with construction considerations to build the project.

## III. DISCUSSION:

**Project Defined.** The water plant Solar project will consist of 999 kW of generating capacity located immediately adjacent to the water plant on seven acres of land to be leased from Dave Wood. The wastewater plant Solar will consist of 375 kW of generating capacity on the city’s existing property within the wastewater plant. The installations have been grandfathered under “PG&E’s Net Energy Metering 2” (NEM2) program, which is no longer offered. NEM2 is advantageous because it allows net energy metering across yearly time increments. To meet the PG&E NEM2 deadline, the project must be completed by April 2026, which does provide ample time for construction. The Solar project includes a guarantee from JCI that the panels will perform for the first five years (staff recommendation), and manufacturer’s guarantee over the life of the panels.

**Project Cost.** The project cost is as follows and includes a total contingency amount of \$400,000 for unforeseen expenses outside of JCI's contract which will be included in the financing.

| Location   | JCI Cost*    | Contingency | Total        |
|------------|--------------|-------------|--------------|
| Water      | \$7,807,525  | \$200,000   | \$8,007,525  |
| Wastewater | \$2,967,147  | \$200,000   | \$3,167,147  |
| Total Cost | \$10,774,672 | \$400,000   | \$11,174,672 |

\* To help the overall project be economically viable, JCI reduced its initial total cost by \$600,000 without reducing the size and capacity of the project, all of which is contributed to the water plant project as needed for the City's cost allocation.

**Project Funding.** The project is being funded by the proceeds of new water and wastewater revenue bonds, plus a \$1 million contribution by the City to be reimbursed by a portion of an anticipated Investment Tax Credit (ITC) payment from the federal government. Funds will be allocated as below, excluding the ITC benefit to be received at a later date.

| Location   | Bond Contribution | City Contribution | Total        |
|------------|-------------------|-------------------|--------------|
| Water      | \$7,507,525       | \$500,000         | \$8,007,525  |
| Wastewater | \$2,667,147       | \$500,000         | \$3,167,147  |
| Total Cost | \$10,174,672      | \$1,000,000       | \$11,174,672 |

**Investment Tax Credit (ITC).** The ITC is available to the City from the Federal Government under the Inflation Reduction Act of 2022. This will be a one-time direct pay subsidy that the City is eligible to receive after the project has been completed. The dollar amount of the ITC will be based on 1) approximately 25 percent of eligible project costs financed with the tax-exempt bonds, 2) approximately 30 percent of eligible project costs funded via the City's contribution, and 3) an additional 10 percent of eligible project costs, provided the City qualifies on time as a Low-Income Community. Altogether, the expected payment used for modeling is approximately \$2.9 million.

Note that the economic viability of the project is not contingent on the ITC payment; however, the ITC payment is needed to replace the City's initial contribution on timely basis. When the ITC payment is received, after the \$1 million reimbursement to the City, the city may use the remaining funds as needed, likely fully for the water enterprise.

**Bond Finance Structure.** The bond finance structure will be covered in detail by the City's Municipal Financial Advisors, Bud Levine and Rob Pankratz of Wulff, Hansen & Co. In summary, the bonds will be tax-exempt and have a 25-year term. Separate bonds will be issued for water and wastewater which will provide an interest rate benefit to the wastewater fund as it currently has a more favorable credit rating. Accordingly, each enterprise will be responsible for making the payments on its individual bonds. To provide cash-flow savings in the early years, two financing tools are used. First, principal payments are deferred. Second, some interest is capitalized, the cost of which is included in the overall bond issuance and project economics.

**Notices to Proceed.** The agreement contains two notices to proceed. The initial notice is to be signed at the same time as the agreement to enable JCI to finalize design, engineering, and order some components with long delivery times. The payment required with the first notice is \$125,000. The second notice authorized JCI to move to full construction. The reason for the two notices is to allow JCI to get started without putting the City at full risk before: 1) The land lease at the water plant is fully executed, and, 2) bond financing

is completed and bond proceeds are available. The second notice will require a payment of \$2,500,000. Subsequent payments will be made as work progresses.

**Project Risks.** The project has two primary risks. The first risk is that the ITC money cannot be received until project is completed, and the ITC program is new with its administration still being finalized. Staff is confident that the ITC reimbursement will come to fruition. Even so, as mentioned above, the project is still viable without the ITC payment. The second risk is that over the 25-year planning period, PG&E's energy rates do not increase by an average of five percent per year. However, a stress test of the model shows that the project is economically viable with the average PG&E escalation at four percent, even factoring in panel failure in the later years. Finally, in the event the ITC payment is not received, PG&E escalation is less than or equal to four percent per year, and the project experiences panel failure in later years that are not covered under warranty, the project would not be viable over its life.

#### IV. ALTERNATIVES:

- Not to proceed with the Solar Project and continue receiving full service from PG&E.

#### V. FISCAL IMPACT:

**Benefits to the Rate Payers:** After many iterations of planning, the final Solar Project brings savings to ratepayers every year over its 25-year planning life, detailed as follows:

- The average savings over the first five years are \$240,000 per year.
- The average over the 25-year life is \$415,000 per year.
- The total savings over the 25 years are \$13.2 million.
- The value of the 25-year cash flow if were all received at the beginning is about \$6 million (Net Present Value).

Importantly, the added debt service coverage burden of the Solar bond finance does not cause rates to increase sooner than they would otherwise need to be increased, as was a problem in earlier evaluations of the structure of the project.

The economics outlined above were accomplished by the following factors:

- PG&E escalation at five percent per year
- Principal payments are deferred and some interest is capitalized in the early years
- JCI lowered its contract price by \$600,000
- JCI agreed to defer certain O&M expenses to benefit the City's cash in the first several years
- The City is proposed to contribute \$1 million at the outset of the project, to be reimbursed by the ITC payment
- The ITC payment will be \$2.9 million

See attached supporting data with charts and graphs.

#### ATTACHMENTS:

| File Name                                  | Description                               |
|--------------------------------------------|-------------------------------------------|
| ❏ Coalinga_Performance_Contract_FINAL.docx | JCI Performance Contract                  |
| ❏ Charts_and_data_for_June_20.pdf          | Charts and Data for Council Consideration |
| ❏ JCI_Presentation_6.20.24.pdf             | JCI Council Presentation 6-20-2024        |

# CONTRACT

This Contract (this "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between:

## PARTIES

Johnson Controls, Inc. ("JCI")  
103 Woodmere Road, Suite 110  
Folsom, CA 95630

and

CITY OF COALINGA ("Customer")  
155 West Durian Ave.  
Coalinga, CA 93210

## RECITALS

**WHEREAS**, Customer desires to retain JCI to perform the work specified in Schedule 1 (Scope of Work) hereto the "Work") relating to the installation of the improvement measures (the "Improvement Measures") described therein; and

**WHEREAS**, Customer is a public agency under the provisions of California Government Code section 4217.10 et seq. pertaining to energy conservation contracts and Customer is authorized and empowered to enter into this Agreement under the authorizations, exemptions, and terms as provided by statute, including but not limited to section 4217.12 of the California Government Code.

**WHEREAS**, Customer has made the necessary determination and taken such necessary actions under applicable Law to enter into this Agreement, including public bidding and procurement rules, and this Agreement is a valid and binding obligation.

**WHEREAS**, Customer has selected JCI to perform the Work after it determined JCI's proposal was the most advantageous to Customer in accordance with all applicable procurement and other Laws.

**NOW, THEREFORE**, in consideration of the mutual promises set forth herein, the parties agree as follows:

## AGREEMENT

- 1. SCOPE OF THE AGREEMENT.** The recitals of this Agreement are incorporate herein and made part of this Agreement. JCI shall perform the Work set forth in Schedule 1. After the Work is Substantially Complete (as defined below) and the Certificate of Substantial Completion is executed by Customer and JCI. Customer shall make payments to JCI for the Work with Schedule 4 (Price and Payment Terms).
- 2. AGREEMENT DOCUMENTS:** In addition to the terms and conditions of this Agreement, the following Schedules are incorporated into and shall be deemed an integral part of this Agreement:

Schedule 1 – Scope of Work  
Schedule 2 – Energy Savings Forecast  
Schedule 3 – Customer Responsibilities  
Schedule 4 – Price and Payment Terms  
Attachment 1 – Notice to Proceed #1, #2  
Attachment 2- Certificate of Substantial Completion  
Attachment 3- Certificate of Final Completion  
Attachment 4- Change Order Document  
Planned Service Agreement  
Appendix 1- Geotechnical Engineering Investigation Reports

3. **NOTICE TO PROCEED; SUBSTANTIAL COMPLETION.** This Agreement shall become effective on the date of the last signature on the signature page below. JCI shall commence performance of the Work within ten (10) business days of receipt of Customer's Notice to Proceed, a form of which is attached hereto as Attachment 1, and shall achieve Substantial Completion of the Work by the Substantial Completion date, which shall be the date on which Customer executes a Certificate of Substantial Completion substantially in the form attached hereto as Attachment 3.

For purposes of this Agreement, "Substantial Completion" means that JCI has provided sufficient materials and services to permit Customer to operate the Improvement Measures.

4. **DELAYS AND IMPACTS.** If JCI is delayed or impacted in the commencement, performance, or completion of the Work by causes beyond its control and without its fault, including but not limited to inability to access property; concealed or unknown conditions encountered at the project, differing from the conditions represented by Customer in the bid documents or otherwise disclosed by Customer to JCI prior to the commencement of the Work; a Force Majeure Event (as defined below) condition; failure by Customer to perform its obligations under this Agreement; or failure by Customer to cooperate with JCI in the timely completion of the Work, JCI shall provide written notice to Customer of the existence, extent of, and reason for such delays and impacts. Under such circumstances, an equitable adjustment in the time for performance, price, scope and payment terms shall be made.
5. **ACCESS.** Customer shall provide JCI, its subcontractors, and its agents reasonable and safe access to all facilities and properties in Customer's control that are subject to the Work. Customer further agrees to assist JCI, its subcontractors, and its agents to gain access to facilities and properties that are not controlled by Customer but are necessary for JCI to complete the Work. An equitable adjustment in the time for performance, price and payment terms, shall be made as a result of any failure to grant such access.
6. **PERMITS, TAXES, AND FEES.** Unless otherwise specified in Schedule 3 (Customer Responsibilities), JCI shall be responsible for submitting for all building permits required for it to perform the Work. Customer shall be responsible for all associated fees Unless otherwise specified in Schedule 1 (Scope of Work), Customer shall be responsible for obtaining all other permits, licenses, approvals, permissions and certifications, including but not limited to, all zoning and land use changes or exceptions required for the provision of the Work or the ownership and use of the Improvement Measures. JCI shall not be obligated to provide any changes to or improvement of the facilities or any portion thereof required under any applicable building, fire, safety, sprinkler or other applicable code, standard, law, regulation, ordinance or other requirement unless the same expressly regulates the installation of the Improvement Measures. Without limiting the foregoing, JCI's obligations with respect to the Work is not intended to encompass any changes or improvements that relate to any compliance matters (whether known or unknown) that are not directly related to the installation of the Improvement Measures or which have been imposed or enforced because of the occasion or opportunity of review by any governmental authority. Customer shall be responsible for and shall pay when due all assessments, charges and sales, use, property, excise, or other taxes now or hereafter imposed by any governmental body or agency upon the provision of the Work, implementation or presence of the Improvement Measures, the use of the Improvement Measures or payments due to JCI under this Agreement, other than taxes upon the net income of JCI. Customer shall also be responsible for real or personal property taxes relating to equipment or material included in the Improvement Measures. Any fees, taxes, or other lawful charges paid by JCI on account of Customer shall become immediately due from Customer to JCI.
7. **WARRANTY.** JCI will perform the Work in a professional, workman-like manner. JCI will promptly re-perform any non-conforming Work for no charge, as long as Customer provides written notice to JCI within one (1) year following Substantial Completion or such other period identified in Schedule 1. If JCI installs or furnishes goods or equipment under this Agreement, and such goods or equipment are covered by an end-user warranty from their manufacturer, JCI will transfer the benefits of such warranty to Customer. The foregoing remedy with respect to the Work, together with any remedy provided by goods or equipment manufacturers, shall be Customer's sole and exclusive remedies for warranty claims. Customer agrees that the one (1) year period following Substantial Completion, or such other period identified in Schedule 1, shall be a reasonable time for

purposes of submitting valid warranty claims with respect to the Work. These exclusive remedies shall not have failed of their essential purpose so long as JCI transfers the benefits of any goods or equipment end-user warranty to Customer and remains willing to re-perform any non-conforming Work for no charge within the one (1) year period described above or such other period identified in Schedule 1. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE PROVIDED BY JCI. JCI does not guaranty that any Improvement Measures will perform in accordance with the manufacturer's specifications over the term of this Agreement, other than with respect to the limited warranty applicable to equipment actually manufactured by JCI, or if the performance failure is related to JCI's workmanship, each as described above. Customer's sole remedy for failed or non-performing Improvement Measures not related to JCI's workmanship is to pursue claims under any manufacturer's warranty claims then in effect. This warranty does not extend to any Work that has been abused, altered, or misused, or repaired by Customer or third parties without the supervision or prior written approval of JCI. Except with respect to goods or equipment manufactured by JCI and furnished to Customer hereunder, for which JCI shall provide its express written manufacturer's warranty, JCI shall not be considered a merchant or vendor of goods or equipment.

8. **CLEANUP.** JCI shall keep the premises and the surrounding area free from accumulation of waste materials or rubbish caused by the Work and, upon completion of the Work, JCI shall remove all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials.
9. **SAFETY; COMPLIANCE WITH LAWS.** JCI shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Work. Each of JCI and Customer shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of public authorities (collectively, "Laws") in connection with its performance hereunder.

**10. HAZARDOUS MATERIALS.**

- A. JCI shall be responsible for removing or disposing of any JCI Hazardous Materials and for the remediation of any areas to the extent impacted by the release of JCI Hazardous Materials. For any Non-JCI Hazardous Materials, Customer shall supply JCI with any information in its possession relating to the presence of such materials if their presence may affect JCI's performance of the Work. It is JCI's policy to seek certification for facilities constructed prior to 1982 that no asbestos containing materials are present, and Customer shall at its own cost and expense provide such certification for buildings it owns or aid JCI in obtaining such certification from facility owners in the case of buildings that Customer does not own, if JCI will undertake Work in the facility that could disturb such asbestos containing materials. If Customer becomes aware of or suspects the presence of Non-JCI Hazardous Materials that may interfere with Work, it will immediately provide notice to JCI. Upon such notice, or if JCI becomes aware of or suspects the presence of Non-JCI Hazardous Materials that may interfere with Work, JCI shall promptly stop the Work in the affected area. As between Customer and JCI, Customer shall be responsible at its sole expense for removing and disposing of Non-JCI Hazardous Materials from its facilities and the remediation of any areas impacted by the release of Non-JCI Hazardous Materials in conformance with all applicable laws and addressing the impact of its disturbance before JCI continues with its Work.
- B. To the fullest extent permitted by law, Customer shall indemnify and hold harmless JCI and its directors, officers, employees, agents, representatives, shareholders, affiliates, and successors and assigns, from and against any and all losses, costs, damages, expenses (including reasonable legal fees and defense costs), claims, causes of action or liability, directly or indirectly, relating to or arising from Customer's negligent use, storage, release, discharge, handling or presence of Non-JCI Hazardous Materials (actual or alleged and regardless of the cause of such condition) on, under or about the facilities, or Customer's failure to comply with this Article 10.

C. Definitions Applicable to this Article 10:

1. “Hazardous Materials” – Hazardous Materials are any material or substance that, whether by its nature or use, is now or hereafter defined or regulated as a hazardous waste, hazardous substance, pollutant or contaminant under applicable laws relating to or addressing public or employee health and safety and protection of the environment, or which is toxic, explosive, corrosive, flammable, radioactive, carcinogenic, mutagenic or otherwise hazardous or which is or contains petroleum, gasoline, diesel, fuel, another petroleum hydrocarbon product, or polychlorinated biphenyls. Hazardous Materials specifically includes without limitation mold, lead-based paint and asbestos containing materials.
2. “JCI Hazardous Materials” – JCI Hazardous Materials are any Hazardous Materials brought onto Customer’s premises by JCI in providing the Work.
3. “Non-JCI Hazardous Materials” – Non-JCI Hazardous Materials are any Hazardous Materials located on, about or under Customer’s premises, other than JCI Hazardous Materials.

**11. CHANGE ORDERS.** The parties, without invalidating this Agreement, may request changes in the Work to be performed under this Agreement, consisting of additions, deletions, or other revisions to the Work (“Change Orders”). The price and payment terms, time for and performance shall be equitably adjusted in accordance with the Change Order. Such adjustments shall be determined by mutual agreement of the parties. JCI may delay performance until adjustments arising out of the Change Order are clarified and agreed upon. Any Change Order must be signed by an authorized representative of each party. If concealed or unknown conditions are encountered at the project, differing from the conditions represented by Customer in the bid documents or otherwise disclosed by Customer to JCI prior to the commencement of the Work, price and payment terms, and time for performance shall be equitably adjusted. Claims for equitable adjustment may be asserted in writing within a reasonable time from the date a party becomes aware of a change to the Work by written notification. Failure to promptly assert a request for equitable adjustment, however, shall not constitute a waiver of any rights to seek any equitable adjustment with respect to such change.

**12. CUSTOMER FINANCING; TREATMENT; TAXES.** The parties acknowledge and agree that JCI is not making any representation or warranty to Customer with respect to matters not expressly addressed in this Agreement, including, but not limited to:

- a. Customer’s ability to obtain or make payments on any financing associated with paying for the Improvement Measures, related services, or otherwise;
- b. Customer’s proper legal, tax, accounting, or credit rating agency treatment relating to this Agreement; and
- c. the necessity of Customer to raise taxes or seek additional funding for any purpose.
- d. The availability or applicability of any tax deductions, benefits or credits, as well as, any, grants rebates or incentives, including, but not limited to, the solar Investment Tax Credit (“ITC”) and IRC 179D. Whether and to what extent the foregoing tax deductions, benefits, credits, grants, rebates, and incentives are realized or obtained by Customer or others is a risk assumed by Customer.

Customer is solely responsible for its obligations and determinations with respect to the foregoing matters. In addition, the parties acknowledge and agree that Customer shall be responsible to comply, at its cost and expense, with all Laws that may be applicable to it relating to performance contracting, including, without limitation, any requirements relating to the procurement of goods and/or services and any legal, accounting, or engineering opinions or reviews required or obtained in connection with this Agreement.

13. **INSURANCE.** JCI shall maintain insurance in the amounts set forth below in full force and effect at all times until the Work has been completed, and shall provide a certificate evidencing such coverage promptly following Customer's request therefor.

| COVERAGES                                                                                                            | LIMITS OF LIABILITY                                 |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Workmen's Compensation Insurance or self-insurance, including Employer's Liability                                   | Statutory                                           |
| Commercial General Liability Insurance                                                                               | \$5,000,000 Per Occurrence<br>\$5,000,000 Aggregate |
| Comprehensive Automobile Liability Insurance                                                                         | \$5,000,000 Combined Single Limit                   |
| The above limits may be obtained through primary and excess policies, and may be subject to self-insured retentions. |                                                     |

Customer shall be responsible for obtaining builder's risk insurance coverage for the Improvement Measures and shall at all times be responsible for any loss or casualty to the Improvement Measures. Customer shall also maintain insurance coverage, of the types and in the amounts customary for the conduct of its business, throughout the term of this Agreement.

14. **INDEMNIFICATION.** To the fullest extent permitted by applicable Law, JCI and Customer shall indemnify (each an "Indemnifying Party") each other ("Indemnified Party") for all damages, losses and expenses with respect to any third-party claims against the Indemnified Party for personal injury (including death) or tangible property damage, but only to the extent such damages, losses and expenses are caused by the negligence or willful misconduct of the Indemnifying Party in fulfilling its obligations under this Agreement.

15. **LIMITATION OF LIABILITY.** NEITHER JCI NOR CUSTOMER WILL BE RESPONSIBLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, REMOTE, PUNITIVE, EXEMPLARY, LOSS OF PROFITS OR REVENUE, LOSS OF USE, OR SIMILAR DAMAGES, REGARDLESS OF HOW CHARACTERIZED AND REGARDLESS OF A PARTY HAVING BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSSES OR RELIEF, ARISING IN ANY MANNER FROM THIS AGREEMENT, THE WORK, THE IMPROVEMENT MEASURES, THE PREMISES, OR OTHERWISE. JCI'S LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL IN NO EVENT EXCEED THE AMOUNT OF THE PAYMENTS ACTUALLY RECEIVED BY JCI UNDER SCHEDULE 4, PROVIDED FOR LOSSES AND DAMAGES COVERED AND PAID BY INSURANCE REQUIRED UNDER THIS AGREEMENT, JCI'S LIABILITY FOR SUCH LOSSES AND DAMAGES SHALL NOT EXCEED THE AMOUNT OF INSURANCE REQUIRED UNDER THIS AGREEMENT. The foregoing waivers and limitations are fundamental elements of the basis for this Agreement between JCI and Customer, and each party acknowledges that JCI would not be able to provide the work and services contemplated by this Agreement on an economic basis in the absence of such waivers and limitations, and would not have entered into this Agreement without such waivers and limitations.

16. **FORCE MAJEURE EVENTS.** Neither party will be responsible to the other for damages, loss, injury, or delay caused by Force Majeure Events. As used herein, "Force Majeure Events" are conditions that are beyond the reasonable control and without the intentional misconduct or negligence of a party, either foreseeable or unforeseeable, including, without limitation, severe weather, flooding, seismic disturbances, acts of God, acts or omissions of government agencies, condemnation, strikes, labor disputes, epidemics, pandemics, disease, quarantines or other public health risks and/or responses, fires, explosions or other casualties, thefts, vandalism, riots or war, acts of terrorism, electrical power outages, interruptions or degradations in telecommunications, computer, or electronic communications systems, changes in Laws, data breach, cyber-attacks, ransomware, or unavailability, delayed delivery or an increase of 5% or more in cost of any parts, materials or supplies to be used in the project between date of contract and date of installation. If a party is delayed in achieving one or more of its schedule milestones set forth in the Agreement due to a Force Majeure Event, the affected party will be entitled to extend the relevant completion date by the magnitude of the Force Majeure Event plus additional time to overcome the effect of the delay. If the Force Majeure Event directly or indirectly increases JCI's cost to perform, Customer is obligated to reimburse JCI for such increased costs.

17. **JCI'S PROPERTY.** All materials furnished or used by JCI personnel and/or JCI subcontractors or agents at the installation site, including documentation, schematics, test equipment, software and associated media remain the exclusive property of JCI or such other third-party. Customer agrees not to use such materials for any purpose at any time without the express authorization of JCI. Customer agrees to allow JCI personnel and/or JCI subcontractors or agents to retrieve and to remove all such materials remaining after installation or maintenance operations have been completed. Customer acknowledges that any software furnished in connection with the Work is proprietary and subject to the provisions of any software license agreement associated with such software.
18. **DISPUTES.** JCI and Customer will attempt to settle any controversy, dispute, difference, or claim between them concerning the performance, enforcement, or interpretation of this Agreement (collectively, "Dispute") through direct discussion in good faith, but if unsuccessful, will submit any Dispute to non-binding mediation in the nearest major metropolitan area of the state where the project is performed. If the parties are unable to agree on a mediator or a date for mediation, either party may request JAMS, Inc. to appoint a mediator and designate the time and procedure for mediation. Such mediator shall be knowledgeable, to each party's reasonable satisfaction, with respect to matters concerning construction law. Neither JCI nor Customer will file a lawsuit against the other until not less than sixty (60) days after the mediation referred to herein has occurred, unless one or both parties is genuinely and reasonably concerned that any applicable statute of limitations is on the verge of expiring. JCI AND CUSTOMER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL AS TO ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR DIRECTLY OR INDIRECTLY RELATED TO THIS AGREEMENT, INCLUDING CONTRACT, TORT AND STATUTORY CLAIMS, AND EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS UNDER THIS AGREEMENT.
19. **GOVERNING LAW.** This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the state where the Work is conducted.
20. **INVESTMENT TAX CREDIT.** Both JCI and Customer acknowledge that solar PV improvement measures may be eligible for the Investment Tax Credit ("ITC") under the Inflation Reduction Act ("IRA"). The IRA allows for non-taxable entities to receive a direct payment from the federal government to monetize tax credits, reduce renewable energy costs, and accelerate the transition to a clean energy economy. JCI shall assist Customer, as reasonably requested, in providing information and preparing the direct pay election form. The submittal and contents of the application for the ITC direct payment are the responsibility of the Customer. JCI is not responsible for delays in direct payment, ITC recapture, availability of federal funds, or changes in the ITC program or other laws, regulations, or interpretations. The parties acknowledge that Customer's receipt of the ITC direct pay funds from the IRS is not guaranteed by JCI, and may exceed or otherwise vary from estimated amounts based on factors including Customer's eligibility for bonus credits and environmental justice adders, use of tax-exempt financing, and forthcoming federal guidance. All funds received from the ITC direct pay program as a result of the Project, including amounts in excess of these estimates, accrue to Customer's benefit.
21. **CONSENTS; APPROVALS; COOPERATION.** Whenever Customer's consent, approval, satisfaction or determination shall be required or permitted under this Agreement, and this Agreement does not expressly state that Customer may act in its sole discretion, such consent, approval, satisfaction or determination shall not be unreasonably withheld, qualified, conditioned or delayed, whether or not such a "reasonableness" standard is expressly stated in this Agreement. Whenever Customer's cooperation is required by JCI in order to carry out JCI's obligations hereunder, Customer agrees that it shall act in good faith and reasonably in so cooperating with JCI and/or JCI's designated representatives or assignees or subcontractors. Customer shall furnish decisions, information, and approvals required by this Agreement in a timely manner so as not to delay the performance of the Work.
22. **FURTHER ASSURANCES.** The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

- 23. INDEPENDENT CONTRACTOR.** The relationship of the parties hereunder shall be that of independent contractors. Nothing in this Agreement shall be deemed to create a partnership, joint venture, fiduciary, or similar relationship between the parties.
- 24. POWER AND AUTHORITY.** Each party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been or will be obtained, and (iii) this Agreement constitutes its legal, valid, and binding obligation.
- 25. SEVERABILITY.** In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either party under this Agreement.
- 26. COMPLETE AGREEMENT.** It is understood and agreed that this Agreement contains the entire agreement between the parties relating to all issues involving the subject matter of this Agreement. No binding understandings, statements, promises or inducements contrary to this Agreement exist. This Agreement supersedes and cancels all previous agreements, negotiations, communications, commitments and understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the parties to this Agreement expressly warrants and represents to the other that no promise or agreement which is not herein expressed has been made to the other, and that neither party is relying upon any statement or representation of the other that is not expressly set forth in this Agreement. Each party hereto is relying exclusively on the terms of this Agreement, its own judgment, and the advice of its own legal counsel and/or other advisors in entering into this Agreement. Customer acknowledges and agrees that any purchase order issued by Customer associated with this Agreement is intended only to establish payment authority for Customer's internal accounting purposes. No purchase order shall be considered a counteroffer, amendment, modification, or other revision to the terms of this Agreement.
- 27. HEADINGS.** The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.
- 28. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the parties.
- 29. NOTICES.** All notices or communications related to this Agreement shall be in writing and shall be deemed served if and when sent by facsimile or mailed by certified or registered mail: to Johnson Controls, Inc. at the address listed on the first page of this Agreement, ATTN: Regional Solutions Manager, with a copy to Johnson Controls, Inc., ATTN: General Counsel – Building Efficiency Americas, 507 East Michigan Street, Milwaukee, Wisconsin, 53202: and to Customer at the address listed on the first page of this Agreement.
- 30. SOFTWARE AND DIGITAL SERVICES.** Use, implementation, and deployment of software and hosted software products proprietary to JCI ("Software") offered under this Agreement shall be subject to, and governed by, JCI's standard terms for such Software and Software related professional services in effect from time to time at <https://www.johnsoncontrols.com/techterms> (collectively, the "Software Terms"). Applicable Software Terms are incorporated herein by this reference. Other than the right to use the Software as set forth in the Software Terms, JCI and its licensors reserve all right, title, and interest (including all intellectual property rights) in and to the Software and improvements to the Software. The Software that is licensed hereunder is licensed subject to the Software Terms and not sold. If there is a conflict between the other terms herein and the Software Terms, the Software Terms shall take precedence and govern with respect to rights and responsibilities relating to the Software, its implementation and deployment and any improvements thereto. Use, implementation, and deployment of software and hosted software products proprietary to third-party vendors and providers ("Third-Party Software") offered under this Agreement shall be subject to, and governed by, the Third-Party Software terms for such Third-Party Software. Applicable Third-Party Software terms are incorporated herein by this reference.

**CITY OF COALINGA**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

**JOHNSON CONTROLS, INC.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

## SCOPE OF WORK

### Scope of Work General

JCI shall furnish the scope of work as herein defined including the design, engineering, permit submission, procurement, implementation, startup, and training as necessary for the Facility Improvement Measures (FIMs). The pricing associated with this Agreement and the completion of the project as described herein is based upon JCI receiving a Notice To Proceed for the project no later than **September 1, 2024** and Customer securing any and all necessary site leases for the Project. In the event a Notice To Proceed or the site lease is not received by the foregoing date, JCI shall be entitled to an equitable adjustment in Project schedule and price to account for the delay pursuant to a change order issued by the Customer.

### FIM-1 WTP Solar Photovoltaic System

This measure is for the installation of a solar photovoltaic (PV) system which is connected to the existing site's electrical system and will generate electricity through the conversion of solar energy. The site is leased land adjacent to the WTP. The Customer is responsible for obtaining the lease and maintaining the terms of the lease throughout the entirety of this contract.

JCI shall provide the necessary engineering plans, calculations, and documents for the WTP building permit issuance from the City of Coalinga Building Department based on the scope of the work described in this schedule.

JCI will include the following permits, as required: Building permit, site grading permit, a dust control plan, and storm water program permit. The Customer is responsible for building permit fees, other permits, Inspector of Record fees and any testing and special inspection fees required by Fresno County.

| Site Name                         | Site Address                           | PV Size (kWdc) | PV Size (kWac) |
|-----------------------------------|----------------------------------------|----------------|----------------|
| CA Coalinga Water Treatment Plant | 25034 Palmer Ave,<br>Coalinga CA 93210 | 1,359.36       | 999.90         |

The PV system will be constructed in a ground mounted array in the configuration shown in Diagram 1 at the end of this section. The location of Electrical Point of Connection (POC) shall be in the main electrical service located **the** in the electrical building on the west side of the water treatment plant.

The scope of pre-construction work for this measure includes the following:

1. Perform a topographic and boundary survey for the defined area of the proposed solar array area at the WTP. Survey will include locating existing monuments, section corners, property corners, locating underground utilities, buildings, edge of roads and fences.
2. An American land title Association / National Society of Professional Surveyors (ALTA/NSPS) survey will be completed using the data collected in item 1 above based on the "Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys as adopted by the American Land Title Association and the National Society of Professional Surveyors" effective February 23, 2021. Deliverable to be a final signed and stamped ALTA/NSPS survey in pdf format.
3. Prepare a signed and stamped legal description and plat map for use in the Williamson Act cancellation. Note: Filing of the Williamson Act Cancellation and any associated fees is Customer's Responsibility.

The scope of work for this measure includes the following:

1. Design, engineering, procurement and installation of PV system, including commissioning of the system.
2. Applications for utility interconnection from the electrical utility Pacific Gas and Electric (PG&E) Co including the following change of electric rate schedule:

Water Treatment Plant: From the existing B19S Bus Med-High Use to rate schedule B19S Option R Bus Med-High Use with Net Energy Metering (NEM).

3. Installation of ground mounted PV arrays on single axis tracking manufactured by Array Technologies Inc. or equivalent as approved by JCI.
4. The photovoltaic modules shall be Hanwha Q Cells Bifacial 590 watts DC or JCI-approved equal.

5. Provide inverters by SMA or SE or equivalent as approved by JCI.
6. Installation of photovoltaic modules, inverters, transformers, electrical connections, and interconnection to the existing electrical service for the site. Including where necessary, cutting, trenching, backfilling, and patching to match existing surfaces.
7. Installation of RST Cleantech, or JCI approved equal, automatic panel washing system including the necessary piping, sprinkler nozzles, valves, water filter and programable control system. Communication to the control system for monitoring is via a cellular connection which includes 3 years of initial cellular service. After the initial three-year subscription, Customer must contract to maintain the monitoring service and cellular fees.
8. Any shutdown required by the Utility will be conducted during the Utility's normal hours and will be planned with the Customer.
9. Unless otherwise specified in this agreement, standard wage rates apply.
10. There will be no restrictions on time of material deliverables, provided that the Provider shall issue work and delivery construction schedules to the Customer.
11. The System will interconnect with the facility at Customer's existing panels with the current capacity to accept the System in compliance with applicable electrical codes.
12. Lightning protection work is not included and is not required by code.
13. Onsite water will be available for construction with no restrictions and at no charge.
14. Data Acquisition System (DAS)
  - a. Provide revenue-grade metering and web-based DAS including a monitoring system manufactured by Also Energy or equal as approved by JCI.
  - b. DAS shall transmit data via cellular modem.
  - c. Monitoring system includes one meteorological station to monitor global horizontal irradiance, cell temperature, and ambient temperature per site.
  - d. Monitoring system includes a five-year subscription for monitoring service subject to the terms of use of the DAS provider. After the initial five-year subscription, Customer must contract to maintain the monitoring service and cellular fees. The DAS is necessary for JCI to perform the M&V activities and for the JCI Performance Guarantee to be valid.
15. Aluminum conductors will be used where permitted by equipment listing provisions and applicable codes.
16. A 6' high chain link fence around the PV array field including open access area between equipment and fence. Also including vehicle gate (12 ft wide) and (1) man gate (3 ft wide).
17. JCI will prepare the site in the area within the fenced area of the PV array, inverters, transformers, etc. by scraping clean and removing vegetation, grading to a straight plane, and compacting sufficiently to remove ruts or uneven areas. Area below concrete equipment pads will be excavated, backfilled and compacted as recommended in the geotechnical report (Appendix 1).
18. Provide startup of new equipment in accordance with the manufacturer's written instructions.
19. Includes one initial module washing at the time of startup.
20. Provide O&M training for Customer staff. Training shall be limited to 4 hours total. Training shall include the provision of O&M manuals and warranty documentation. Additional training hours can be provided at the request of the customer, billed at current JCI rates.

## 21. OpenBlue Enterprise Manager Scope of Work

This project will implement a single instance of OpenBlue Enterprise Manager (OBEM) for both WTP and WWTP sites which will include the following modules:

|                  |                |                      |
|------------------|----------------|----------------------|
| Energy Manager   | Asset Manager  | Utility Bill Manager |
| Net Zero Advisor | Report Builder |                      |

### Energy Manager Module

Energy Manager automatically collects, analyses, and displays information for the selected configured physical meters, virtual meters, and PV systems located in a facility's operation.

### Asset Manager Module

The Asset Manager component of OBEM provides the connectivity to monitor and troubleshoot configured PV systems (inverters) located in the City of Coalinga. Rule driven fault detection, notification, and diagnostics display in a time series format with total duration of existence.

The Asset Manager module includes the following features. Data is displayed in dashboards and provide for developing custom equipment KPIs specific to the PV systems only:

- ▶ Equipment Fault Detection and Diagnostics (FDD)
- ▶ Equipment Analysis and Dashboards
- ▶ Efficiency KPIs
- ▶ Custom Equipment Rule Editor
- ▶ Fault Notification
- ▶ Fault Dashboards
- ▶ FDD Driven Work Orders
- ▶ Standard Global Rule Library / Rule Driven Diagnostics
- ▶ Custom Rules Fault Monetization

### Net Zero Advisor Module

Net Zero Advisor simplifies tracking and reporting for overall compliance, greenhouse gas emissions, and energy monitoring. Net Zero Advisor provides emissions summaries, emission trends and goals as well as portfolio performance.

Emission numbers are provided at a glance displaying total greenhouse gas emissions, total emission reduction for a calendar year based on energy credits and carbon offsets.

### Utility Bill Manager (UBM)

UBM receives utility bill data from the utility company, analyzes the utility bills for anomalies, and creates reports on utility consumption and cost of consumption, for the billing period. Users can enter the utility bills manually, import several at a time from a spreadsheet, or have an automatic feed from the utility company.

### Report Builder

Report Builder application uses the Power BI software to provide a powerful report creation capability for the world of smart buildings. Reports will have view and edit modes which are configurable in OBEM roles and rights section. Users have the liberty to define visuals, filters, shapes, text boxes, drill-through, and visualizations. Reports for the use of JCI M&V engineers and specific to the PV M&V activities will be created as necessary.

### Training

JCI Digital Customer Success shall provide end-user training on OBEM software for six, 4-hour training sessions to be delivered via Microsoft Teams. JCI shall provide City of Coalinga with the OBEM User Guide and the Customer Adoption Handbook.

## OBEM Equipment and Meter Scope

The following tables indicate the meter, equipment, Net Zero Advisor utility accounts, and points to be configured into the Enterprise Manager software.

| Other Categories   | # |  | Net Zero Advisor |   |
|--------------------|---|--|------------------|---|
| Solar PV Inverters | 8 |  | Utility Accounts | 1 |

Use, implementation, and deployment of software and hosted software products proprietary to JCI ("Software") offered under this Agreement shall be subject to, and governed by, JCI's standard terms for such Software and Software related professional services in effect from time to time at <https://www.johnsoncontrols.com/techterms> (collectively, the "Software Terms"). Applicable Software Terms are incorporated herein by this reference. Other than the right to use the Software as set forth in the Software Terms, JCI and its licensors reserve all right, title, and interest (including all intellectual property rights) in and to the Software and improvements to the Software. The Software that is licensed hereunder is licensed subject to the Software Terms and not sold. If there is a conflict between the other terms herein and the Software Terms, the Software Terms shall take precedence and govern with respect to rights and responsibilities relating to the Software, its implementation and deployment and any improvements thereto.

22. **Warranty** – Refer to section 7 of this contract for JCI warranty terms. For warranties provided by the manufacturer and not by JCI, JCI has no warranty obligations, responsibilities, or liabilities other than to pass through the warranties to Customer and Customer's sole recourse shall be against the third party providing the warranty.
- Hanwha PV modules are provided with a 12-year product warranty and a 25-year limited performance warranty from the equipment manufacturer.
  - SMA inverters are provided with a 10-year manufacturer warranty.

## FIM-2 WWTP Solar Photovoltaic System

This measure is for the installation of a solar photovoltaic (PV) system which is connected to the existing site's electrical system and will generate electricity through the conversion of solar energy.

JCI shall provide the necessary engineering plans, calculations, and documents for the WWTP building permit issuance from City of Coalinga based on the scope of the work described in this schedule.

JCI will include the following permits, as required: Building permit, site grading permit, a dust control plan, and storm water program permit. The Customer is responsible for other permit fees, Inspector of Record fees and any testing and special inspection fees which may be required.

| Site Name                              | Site Address                                                | PV Size (kWdc) | PV Size (kWac) |
|----------------------------------------|-------------------------------------------------------------|----------------|----------------|
| CA Coalinga Wastewater Treatment Plant | North of CA Hwy 33 and corner of S. Merced Ave, Coalinga CA | 407.1          | 375.0          |

The PV system will be constructed in a ground mounted array in the configuration shown in Diagram 2 at the end of this section. The location of Electrical Point of Connection (POC) shall be in the main electrical service located the in the WWTP Control building on the west side of the WWTP.

The scope of work for this measure includes the following:

- Design, engineering, procurement and installation of PV system, including commissioning of the system.
- Applications for utility interconnection from the electrical utility Pacific Gas and Electric (PG&E) Co including the following change of electric rate schedule:  
  
Wastewater Treatment Plant: From the existing B19S Bus Med-High Use to rate schedule B19S Option R Bus Med-High Use with Net Energy Metering (NEM).
- Installation of ground mounted PV arrays on single axis tracking manufactured by Array Technologies Inc. or equivalent as approved by JCI.

4. The photovoltaic modules shall be Hanwha Q Cells Bifacial 590 watts DC or JCI-approved equal.
5. Provide inverters by SMA or SE or equivalent as approved by JCI.
6. Installation of photovoltaic modules, inverters, transformers, electrical connections, and interconnection to the existing electrical service for the site. Including where necessary, cutting, trenching, backfilling, and patching to match existing surfaces.
7. Installation of RST Cleantech, or JCI approved equal, automatic panel washing system including the necessary piping, sprinkler nozzles, valves, water filter and programable control system. Communication to the control system for monitoring is via a cellular connection which includes 3 years of initial cellular service. After the initial three-year subscription, Customer must contract to maintain the monitoring service and cellular fees.
8. The System will interconnect with the facility at the existing main electrical service panel located at the WWTP control building, which is rated for 400A 460V, 277/480V, 3PH,4W. This shall be upgraded to a 600A-rated service to accommodate the new solar PV connection. Refer to exclusions section below for related PG&E utility costs.
9. Any shutdown required by the Utility will be conducted during the Utility's normal hours and will be planned with the Customer.
10. Unless otherwise specified in this agreement, standard wage rates apply.
11. There will be no restrictions on time of material deliverables, provided that the Provider shall issue work and delivery construction schedules to the Customer.
12. The lightning protection work is not included and is not required by code.
13. Onsite water will be available for construction with no restrictions and at no charge.
14. Data Acquisition System (DAS)
  - a. Provide revenue-grade metering and web-based DAS including a monitoring system manufactured by Also Energy or equal as approved by JCI.
  - b. DAS shall transmit data via cellular modem.
  - c. Monitoring system includes one meteorological station to monitor global horizontal irradiance, cell temperature, and ambient temperature per site.
  - d. Monitoring system includes a five-year subscription for monitoring service subject to the terms of use of the DAS provider. After the initial five-year subscription, Customer must contract to maintain the monitoring service and cellular fees. The DAS is necessary for JCI to perform the M&V activities and for the JCI Performance Guarantee to be valid.
15. Aluminum conductors will be used where permitted by equipment listing provisions and applicable codes.
16. A 6' high chain link fence around the PV array field and inverters including open access area between equipment and fence. Also including (2) vehicle gates (12 ft wide) and (1) man gate (3 ft wide).
17. JCI will prepare the site in the area within the fenced area of the PV array, inverters, etc. by scraping clean and removing vegetation, grading to a straight plane, and compacting sufficiently to remove ruts or uneven areas. The existing basin shall be prepared and backfilled to a level grade with clean fill as approved by BSK Associates. Area below concrete equipment pads will be excavated, backfilled and compacted as recommended in the geotechnical report (Appendix 1).
18. Provide startup of new equipment in accordance with the manufacturer's written instructions.
19. Includes one initial module washing at the time of startup.
20. Provide O&M training for Customer staff. Training shall be limited to 4 hours total. Training shall include the provision of O&M manuals and warranty documentation.

## 21. OpenBlue Enterprise Manager Scope of Work

This project will implement a single instance of OpenBlue Enterprise Manager (OBEM) for both WTP and WWTP sites which will include the following modules:

|                  |                |                      |
|------------------|----------------|----------------------|
| Energy Manager   | Asset Manager  | Utility Bill Manager |
| Net Zero Advisor | Report Builder |                      |

### Energy Manager Module

Energy Manager automatically collects, analyses, and displays information for the selected configured physical meters, virtual meters, and PV systems located in a facility's operation.

### Asset Manager Module

The Asset Manager component of OBEM provides the connectivity to monitor and troubleshoot configured PV systems (inverters) located in the City of Coalinga. Rule driven fault detection, notification, and diagnostics display in a time series format with total duration of existence.

The Asset Manager module includes the following features. Data is displayed in dashboards and provide for developing custom equipment KPIs specific to the PV and systems only:

- ▶ Equipment Fault Detection and Diagnostics (FDD)
- ▶ Equipment Analysis and Dashboards
- ▶ Efficiency KPIs
- ▶ Custom Equipment Rule Editor
- ▶ Fault Notification
- ▶ Fault Dashboards
- ▶ FDD Driven Work Orders
- ▶ Standard Global Rule Library / Rule Driven Diagnostics
- ▶ Custom Rules Fault Monetization

### Net Zero Advisor Module

Net Zero Advisor simplifies tracking and reporting for overall compliance, greenhouse gas emissions, and energy monitoring. Net Zero Advisor provides emissions summaries, emission trends and goals as well as portfolio performance.

Emission numbers are provided at a glance displaying total greenhouse gas emissions, total emission reduction for a calendar year based on energy credits and carbon offsets.

### Utility Bill Manager (UBM)

UBM receives utility bill data from the utility company, analyzes the utility bills for anomalies, and creates reports on utility consumption and cost of consumption, for the billing period. Users can enter the utility bills manually, import several at a time from a spreadsheet, or have an automatic feed from the utility company.

### Report Builder

Report Builder application uses the Power BI software to provide a powerful report creation capability for the world of smart buildings. Reports will have view and edit modes which are configurable in OBEM roles and rights section. Users have the liberty to define visuals, filters, shapes, text boxes, drill-through, and visualizations. Reports for the use of JCI M&V engineers and specific to the PV M&V activities will be created as necessary.

### Training

JCI Digital Customer Success shall provide end-user training on OBEM software for six, 4-hour training sessions to be delivered via Microsoft Teams. JCI shall provide City of Coalinga with the OBEM User Guide and the Customer Adoption Handbook.

## OBEM Equipment and Meter Scope

The following tables indicate the meter, equipment, Net Zero Advisor utility accounts, and points to be configured into the Enterprise Manager software.

| Other Categories   | # |  | Net Zero Advisor |   |
|--------------------|---|--|------------------|---|
| Solar PV Inverters | 3 |  | Utility Accounts | 2 |

Use, implementation, and deployment of software and hosted software products proprietary to JCI ("Software") offered under this Agreement shall be subject to, and governed by, JCI's standard terms for such Software and Software related professional services in effect from time to time at <https://www.johnsoncontrols.com/techterms> (collectively, the "Software Terms"). Applicable Software Terms are incorporated herein by this reference. Other than the right to use the Software as set forth in the Software Terms, JCI and its licensors reserve all right, title, and interest (including all intellectual property rights) in and to the Software and improvements to the Software. The Software that is licensed hereunder is licensed subject to the Software Terms and not sold. If there is a conflict between the other terms herein and the Software Terms, the Software Terms shall take precedence and govern with respect to rights and responsibilities relating to the Software, its implementation and deployment and any improvements thereto.

22. **Warranty** – Refer to section 7 of this contract for JCI warranty terms. For warranties provided by the manufacturer and not by JCI, JCI has no warranty obligations, responsibilities, or liabilities other than to pass through the warranties to Customer and Customer's sole recourse shall be against the third party providing the warranty.
- Hanwha PV modules are provided with a 12-year product warranty and a 25-year limited performance warranty from the equipment manufacturer.
  - SMA inverters are provided with a 10-year manufacturer warranty.

## General Clarifications and Exclusions (All FIMs)

This project scope describes the work and services that JCI will provide to the Customer. There are certain items that are excluded from the scope of work and are listed below. The following are general clarifications and exclusions which apply to all measures. If conditions require the inclusion of these items in the scope of work, JCI and the Customer agree to negotiate a fair and equitable solution in good faith.

The completion of the project as described herein is based upon JCI receiving a Notice To Proceed for the project not later than September 1, **2024**. In the event a Notice To Proceed is not received by the foregoing date, JCI shall be entitled to an equitable adjustment in Project schedule and price to account for the delay

During the construction phase of the project, there may be periods when it is not possible to maintain conditions in accordance with standard levels. Included are such issues as, but not limited to: dust control, sound level, electrical service, etc. JCI and the Customer will coordinate activities to minimize the inconvenience to occupants.

Items indicated within Schedule 1 are subject to change during final engineering and design. Any revision to the scope of the project may require an adjustment of the project cost, schedule or the forecasted energy savings and the guarantee.

This scope of work will be performed within a period of 16 months after receipt of a notice to proceed, barring any delays such as the Interconnection notice to construct from the Utility provider or delayed equipment delivery dates out of JCI's control. The work will be performed during regular business hours. Monday through Friday between the hours of 6:30 a.m. and 5:00 p.m. Overtime, premium time, or shift labor is not included in this scope of work.

## Clarifications

- JCI has excluded rock or hard digging from the scope of work (i.e., no blasting or rock removal.) It is also assumed that no caving, water intrusion, or refusal will be encountered while excavating foundations or preparing the site for the PV arrays and that All trenching to be performed by normal means (Case 580 backhoe). Soil conditions are based on the Geotechnical Engineering Investigation Report prepared by BSK Associates July 06, 2023 (Appendix 1). If JCI encounters any of the above situations or conditions not identified in the Appendix 1 geotechnical report JCI will promptly notify the Customer and help develop a plan to mitigate or minimize the additional cost associated.

## Schedule 1

2. PG&E will provide estimated costing for various work or equipment items required by PG&E for installation of the photovoltaic projects. Those costs will be billed directly from PG&E to the Customer and the Customer is responsible for prompt compliance with payment terms, data requests and site access requests by PG&E to not impact the project schedule. JCI shall not be responsible for delay on the part of Customer or PG&E.
3. JCI will assist the Customer during the pre-construction and construction phases of the project with PG&E coordination activities.
4. Unless specifically noted in this scope of work, JCI has not included repair, replacement, or upgrade of the Customer's or Utility Company's existing electrical equipment and the electrical distribution system. Existing electrical equipment is assumed to be rated for PV connection. In the event the electrical equipment is found to be deficient for the purpose of this project, the Customer and JCI agree to negotiate in good faith to identify and implement a remedy for the issue.
5. JCI does not anticipate or include Americans with Disability Act (ADA) accessible parking or path of travel upgrades.
6. It is assumed that the existing electrical feeds and grounding systems are fully functional and meet current codes.
7. Unless specifically noted in this scope of work, no modifications or redesign of the existing electrical system is included.
8. JCI's Contract Price is dependent upon procuring and installing the water treatment plant and the wastewater treatment plant sites concurrently. If the sites are not contracted concurrently, JCI reserves the right to re-evaluate the project costing.

### Exclusions

1. Any work not specifically delineated within this scope of work.
2. Any work not specifically delineated within this scope of work which may be required by the Authority having jurisdiction (AHJ), Utility company, local Fire Marshall, or other third-party agency. This is including, but not limited to, Fresno County Conditional Use Permit or any related approvals, Land leases, Land surveying, Williamson Act issues and California Environmental Quality Act (CEQA) compliance or related studies. Customer is responsible for compliance with the foregoing, associated costs related thereto, and delays that may arise therefrom.
3. Warranty, repair, or replacement of existing systems in disrepair or not compliant to current codes (including, but not limited to, requirements of ADA or Fire & Life Safety system requirements).
4. Remedies for encounters with unforeseen/undocumented site conditions. Including, but not limited to below-grade geotechnical soil issues.
5. Any PG&E equipment upgrades, engineering, or analysis costs.
6. Tree or vegetation trimming. Nearby trees or vegetation may shade the solar PV arrays. Any trimming required to maintain the generation output of the PV system is the responsibility of the Customer and is not provided by JCI. Shading losses are assumed to be 1.4%.
7. PV system maintenance and module washing. The maintenance and module washing are the responsibility of the Customer upon issuance of the Notice of Substantial Completion. Soiling losses are assumed to be an average of 3.0% annually of system production and is based upon maintaining the RST automated panel washing system and one additional manual washing per year.
8. JCI excludes any guarantee regarding the availability or continued existence of electric utility rates, net energy metering rates or the Customer's ability to change rates into the future.
9. Additional costs associated with moving PV systems to a different location at each site other than those depicted herein.
10. Arc flash studies or UL recertification of existing equipment.

## Schedule 1

11. Inspection fees, laboratory, building permit fees or testing fees.
12. Overtime and shift labor if requested by the Customer is excluded. (JCI will coordinate access and system shutdowns with Customer prior to and concurrent with construction activities)
13. Resolution of existing design, service, and or distribution conditions known or unknown.
14. Correction of any existing applicable building code violations and Federal ADA violations identified by JCI during the execution of the Work. Such violations will be brought to the attention of the Customer for remedy.
15. Temporary power during tie-in.

Diagram 1 – Aerial View of PV for Water Treatment Plant

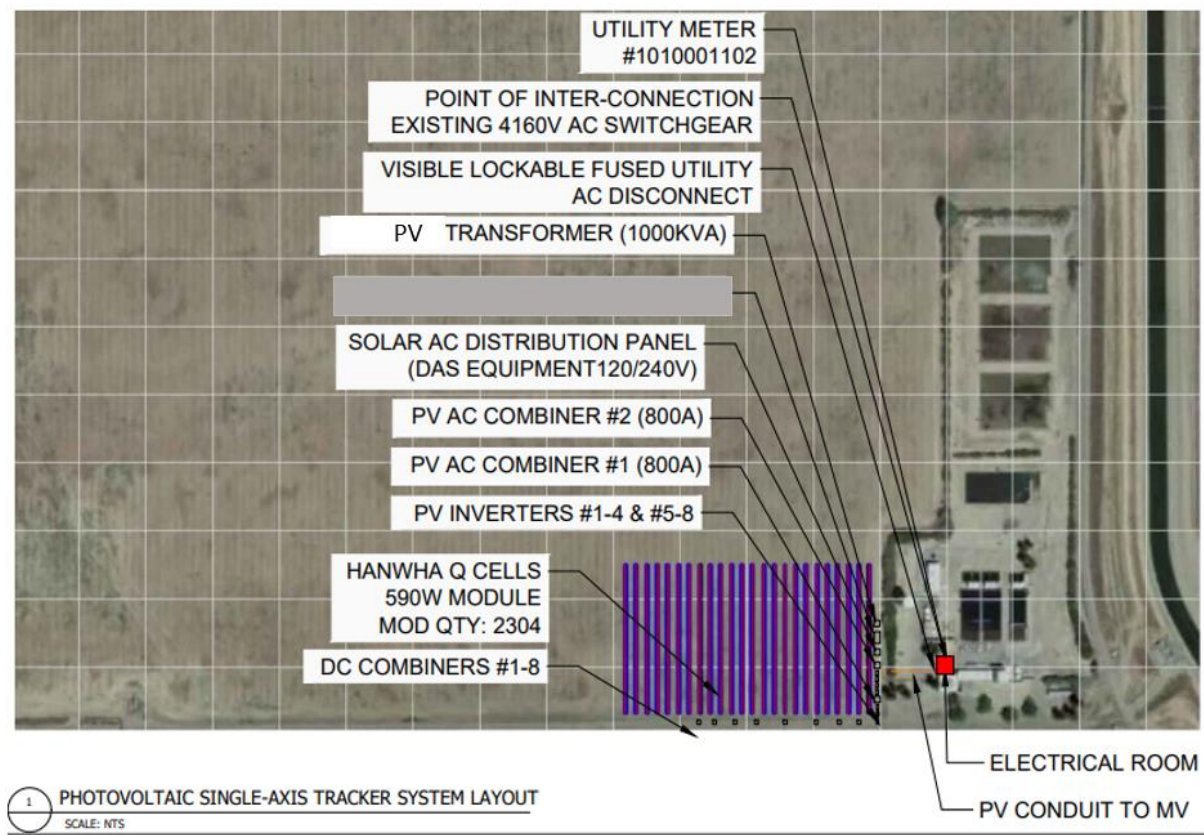
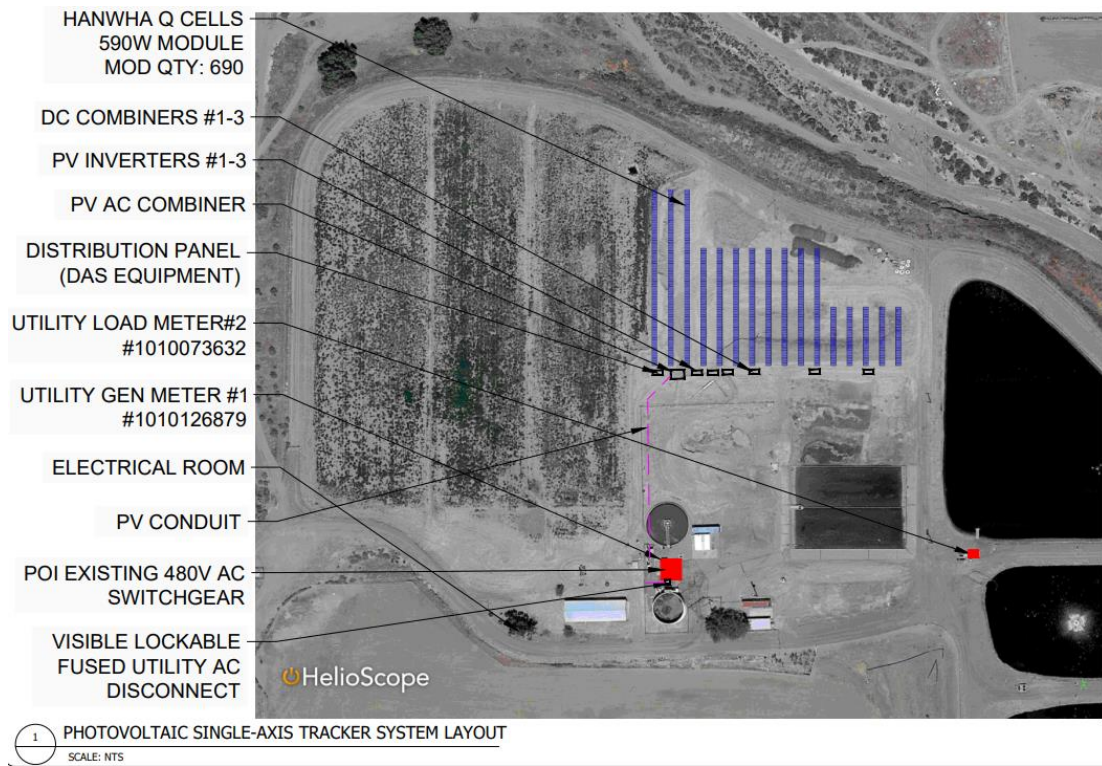


Diagram 2 – Aerial View of PV for Wastewater Treatment Plant



## ASSURED PERFORMANCE GUARANTEE

### Schedule 2 Contents

|     |                                                  |
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| I   | Project Benefits                                 |
| II  | Non-Measured Benefits                            |
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| IV  | Baseline Calculations and Utility Rates          |
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### I. PROJECT BENEFITS

**A. Certain Definitions.** For purposes of this Agreement, the following terms have the meanings set forth below:

**Annual Project Benefits** are the portion of the projected Total Project Benefits to be achieved in any one year of the Guarantee Term.

**Annual Project Benefits Realized** are the Project Benefits actually realized for any one year of the Guarantee Term.

**Annual Project Benefits Shortfall** is the amount by which the Annual Project Benefits exceed the Annual Project Benefits Realized in any one year of the Guarantee Term.

**Annual Project Benefits Surplus** is the amount by which the Annual Project Benefits Realized exceed the Annual Project Benefits in any one year of the Guarantee Term.

Baseline is the mutually agreed upon data and/or usage amounts that reflect conditions prior to the installation of the Improvement Measures as set forth in Section IV below.

**Guarantee Term** will commence on the first day of the month next following the Substantial Completion date and will continue for the period of 5 years through the duration of the M&V Services, subject to earlier termination as provided in this Agreement.

**Installation Period** is the period beginning on JCI's receipt of Customer's Notice to Proceed and ending on the commencement of the Guarantee Term.

**Measured Project Benefits** are the utility savings and cost avoidance calculated in accordance with the methodologies set forth in Section III below.

**Non-Measured Project Benefits** are identified in Section II below. The Non-Measured Project Benefits have been agreed to by Customer and will be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below. Customer and JCI agree that: (i) the Non-Measured Project Benefits may include, but are not limited to, future capital and operational costs avoided as a result of the Work and implementation of the Improvement Measures, (ii) achievement of the Non-Measured Project Benefits is outside of JCI's control, and (iii) Customer has evaluated sufficient information to conclude that the Non-Measured Project Benefits will occur and bears sole responsibility for ensuring that the Non-Measured Project Benefits will be realized. Accordingly, the Non-Measured Project Benefits shall not be measured or monitored by JCI at any time during the Guarantee Term, but rather shall be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below.

**Project Benefits** are the Measured Project Benefits plus the Non-Measured Project Benefits to be achieved for a particular period during the term of this Agreement.

**Total Project Benefits** are the projected Project Benefits to be achieved during the entire term of this Agreement.

**B. Project Benefits Summary.** Subject to the terms and conditions of this Agreement, JCI and Customer agree that Customer will be deemed to achieve a total of **\$1,291,187** in Non-Measured Project Benefits and JCI guarantees that Customer will achieve a total of **\$3,438,054** in Measured Project Benefits during the term of this Agreement, for Total Project Benefits of **\$4,729,241**, as set forth in the Total Project Benefits table below.

Table 1 Total Project Benefits

| Year                | WTP                           |                           | WWTP                          |                           | Annual Project Benefits |
|---------------------|-------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------|
|                     | Energy Savings (Electric)     |                           |                               |                           |                         |
|                     | Non-Measured Project Benefits | Measured Project Benefits | Non-Measured Project Benefits | Measured Project Benefits |                         |
| Construction Period | \$ -                          | \$ -                      | \$ -                          | \$ -                      | \$ -                    |
| 1                   | \$197,883                     | \$481,068                 | \$38,266                      | \$147,727                 | \$864,944               |
| 2                   | \$206,739                     | \$502,596                 | \$39,978                      | \$154,338                 | \$903,651               |
| 3                   | \$215,985                     | \$525,074                 | \$41,766                      | \$161,241                 | \$944,066               |
| 4                   | \$225,639                     | \$548,543                 | \$43,633                      | \$168,448                 | \$986,262               |
| 5                   | \$235,718                     | \$573,047                 | \$45,582                      | \$175,972                 | \$1,030,318             |
| Totals              | \$1,081,963                   | \$2,630,328               | \$209,224                     | \$807,726                 | \$4,729,241             |

Within sixty (60) days of the commencement of the Guarantee Term, JCI will calculate the Measured Project Benefits achieved during the Installation Period plus any Non-Measured Project Benefits applicable to such period and advise Customer of same. Any Project Benefits achieved during the Installation Period may, at JCI's discretion, be allocated to the Annual Project Benefits for the first year of the Guarantee Term. Within sixty (60) days of each anniversary of the commencement of the Guarantee Term, JCI will calculate the Measured Project Benefits achieved for the applicable year plus any Non-Measured Project Benefits applicable to such period and advise Customer of same.

**Customer acknowledges and agrees that if, for any reason, it (i) cancels or terminates receipt of M&V Services, (ii) fails to pay for M&V Services in accordance with Schedule 4, (iii) fails to fulfill any of its responsibilities necessary to enable JCI to complete the Work and provide the M&V Services, or (iv) otherwise cancels, terminates or materially breaches this Agreement, the Assured Performance Guarantee shall automatically terminate and JCI shall have no liability hereunder.**

#### **C. Project Benefits Shortfalls or Surpluses.**

- (i) *Project Benefits Shortfalls.* If an Annual Project Benefits Shortfall occurs for any one year of the Guarantee Term, JCI shall, at its discretion and in any combination, (a) offset the amount of such shortfall against any unpaid balance Customer then owes to JCI, (b) pay to Customer the amount of such shortfall, or (c) subject to Customer's agreement, provide to Customer additional products or services, in the value of such shortfall, at no additional cost to Customer.
- (ii) *Project Benefits Surpluses.* If an Annual Project Benefits Surplus occurs for any one year of the Guarantee Term, JCI may, at its discretion and in any combination, (a) apply the amount of such surplus to offset any subsequent Annual Project Benefit Shortfall during the Guarantee Term, or (b) bill Customer for the amount of payments made pursuant to Section C(i)(c) above and/or the value of the products or services provided pursuant to clause C(i)(d) above, in an amount not to exceed the amount of such surplus.
- (iii) *Additional Improvements.* Where an Annual Project Benefits Shortfall has occurred, JCI may, subject to Customer's approval (which approval shall not be unreasonably withheld, conditioned, or delayed), implement additional Improvement Measures, at no cost to Customer, which may generate additional Project Benefits in future years of the Guarantee Term. The additional Improvement Measures can include, but are not limited to, a Demand Response Program (aka DRAM program) which may generate funds for the Customer.

## II. NON-MEASURED PROJECT BENEFITS

Non-Measured Project Benefits are energy savings that are not intended to be measured within the scope of the project. The Non-Measured Project Benefits amounts will be reported in the first year of the performance period. These savings are as agreed and shall remain fixed with only escalation applied as contracted during each guarantee year.

Facility improvement measures that are not measured or based on Operational Verification (OV) include:

**FIM-1 WTP Solar Photovoltaic - Utility Rate Change Portion- \$ Total Non-Measured Year 1 Savings: \$197,883**

**FIM-2 WWTP Solar Photovoltaic - Utility Rate Change Portion- \$ Total Non-Measured Year 1 Savings: \$38,266**

The table below shows the anticipated rate change savings using the existing baseline electric consumption for each facility.

**Table 2 Difference in Utility Bill expenses by Utility Rate Change and Site Post Solar Installation**

| Site         | Case                                 | Utility Bill | Savings (Yr 0) | Savings (Yr 1)    |
|--------------|--------------------------------------|--------------|----------------|-------------------|
| WTP          | After PV without Rate Switch         | \$ 659,066   |                |                   |
|              | After PV with Rate Switch            | \$ 479,580   |                |                   |
|              |                                      |              | \$ 179,486     | \$ 197,883        |
| WWTP         | Meter 1 After PV without Rate Switch | \$ 98,172    |                |                   |
|              | Meter 1 After PV with Rate Switch    | \$ 68,330    |                |                   |
|              |                                      |              | \$ 29,842      | \$ 32,901         |
|              | Meter 2 After PV without Rate Switch | \$ 18,918    |                |                   |
|              | Meter 2 After PV with Rate Switch    | \$ 14,052    |                |                   |
|              |                                      |              | \$ 4,866       | \$ 5,365          |
| <b>Total</b> |                                      |              |                | <b>\$ 236,149</b> |

The portion of the savings for this FIM will be verified by the OV Method. The savings for this portion of FIM-1 are generated through a reduction in utility costs by switching to a utility rate which provides a higher value for the PV system; therefore the measurement boundary is the utility rate itself.

- Water Treatment Plant and Wastewater Treatment Plant: Change from the existing PG&E B19S Bus Med-High Use to PG&E rate schedule B19S Option R Bus Med-High Use with Net Energy Metering.

### Option OV – Operational Verification

Under OV, final field inspection verification that FIMs are installed and performing properly and have the potential to generate savings is conducted. No field measurements are required. The associated annual FIM-specific project benefit amounts will be agreed to for the entire duration of the Performance Contract and restated with rate escalation in future reports. Ongoing M&V activities will not be performed.

The total non-measured energy savings of **\$236,149** will be reported in the first year of the performance period and will be both degraded by 0.5% per year relative to the PV module degradation and escalated annually by the actual utility cost escalation but such escalation shall be no less than the mutually agreed “floor” escalation rate of 5.0% during the performance period.

### III. MEASUREMENT AND VERIFICATION METHODOLOGIES

The following is an overview of the measurement and verification methodologies applicable to the Improvement Measures set forth below. JCI shall apply these methodologies, as more fully detailed in the guidelines and standards of the International Measurement and Verification Protocol (IPMVP), in connection with the provision of M&V Services hereunder.

#### Option D Calibrated Simulation

Option D involves the use of computer simulation software to derive energy use. Such simulation model must be “calibrated” so that it calculates an energy use and demand pattern that reasonably matches actual utility consumption and demand data from either the base-year or a post-retrofit year.

Measured Project Benefits from the following Improvement Measures will be calculated using Option D:

- **FIM-1,2 Solar Photovoltaic**

#### Changes In Use Or Condition; Adjustment To Baseline and/or Annual Project Benefits

Customer agrees to notify JCI, within fourteen (14) days, of (i) any actual or intended change, whether before or during the Guarantee Term, in the use of any facility, equipment, or Improvement Measure to which this Schedule applies; (ii) any proposed or actual expansions or additions to the premises or any building or facility at the premises; (iii) a change to utility services to all or any portion of the premises; or (iv) any other change or condition arising before or during the Guarantee Term that reasonably could be expected to change the amount of Project Benefits realized under this Agreement.

Such a change, expansion, addition, or condition would include, but is not limited to: (a) changes in the primary use of any facility, Improvement Measure, or portion of the premises; (b) changes to the hours of operation of any facility, Improvement Measure, or portion of the premises; (c) changes or modifications to the Improvement Measures or any related equipment; (d) changes to the M&V Services provided under this Agreement; (e) failure of any portion of the premises to meet building codes; (f) changes in utility suppliers, utility rates, plans, programs, prices, utility rate time-of-use periods, utility rate proportion of overall charges applicable to different time-of-use periods, method of utility billing, or method of utility purchasing; (g) insufficient or improper maintenance or unsound usage of the Improvement Measures or any related equipment at any facility or portion of the premises (other than by JCI); (h) changes to the Improvement Measures or any related equipment or to any facility or portion of the premises required by building codes or any governmental or quasi-governmental entity; or (i) additions or deletions of Improvement Measures or any related equipment at any facility or portion of the premises.

JCI does not assume the risk of or guarantee the Customer will receive net energy metering (NEM) 2.0, including any export rates associated therewith, which is beyond the control of JCI. Any change in NEM, including any export rates associated therewith, shall serve as a basis to adjust the guarantee to account for the impact.

Such a change or condition need not be identified in the Baseline in order to permit JCI to make an adjustment to the Baseline and/or the Annual Project Benefits. If JCI does not receive the notice within the time period specified above or travels to either Customer's location or the project site to determine the nature and scope of such changes, Customer agrees to pay JCI, in addition to any other amounts due under this Agreement, the applicable hourly consulting rate for the time it took to determine the changes and to make any adjustments and/or corrections to the project as a result of the changes, plus all reasonable and documented out-of pocket expenses, including travel costs. Upon receipt of such notice, or if JCI independently learns of any such change or condition, JCI shall calculate and send to Customer a notice of adjustment to the Baseline and/or Annual Project Benefits to reflect the impact of such change or condition, and the adjustment shall become effective as of the date the change or condition first arose. Should Customer fail to promptly provide JCI with notice of any such change or condition, JCI may make reasonable estimates as to the impact of such change or condition and as to the date on which such change or condition first arose in calculating the impact of such change or condition, and such estimates shall be conclusive.

#### IV. BASELINE CALCULATIONS AND UTILITY RATES

The Base Utility Usage and Base Utility Cost for the baseline period are set forth below and shall be used for all calculations made under this Exhibit. The Base Utility Cost shall be escalated annually by the actual utility cost escalation, but such escalation shall be no less than the mutually agreed “floor” escalation rate of 5.0%.

The first full year of savings is scheduled to occur at the end of 2025 and therefore for Year 1 savings, the calculated savings for all measures are escalated for two years (2024 and 2025) at the rate of 5.0% per year.

**Table 3 Baseline Utility Information**

| Baseline Item                     | Baseline Information                                                                                                                                                                                                             |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Electric Utility                  | Base Utility Usage – PG&E electricity bills July 1, 2021 to June 30, 2022                                                                                                                                                        |
|                                   | Base Utility Cost –PG&E electric rate schedule B19S Bus Med-High Use and PG&E rate schedule B19S Option R Bus Med-High Use with Net Energy Metering in effect as of April 1, 2024.                                               |
| Weather and Solar Insolation Data | Meteorological data – National Renewable Energy Laboratory National Solar Radiation Database (NREL NSRDB) Typ. Met. Year PSMv3 1998 to 2020 Typical Meteorological Year (TMY) is used for the various weather related variables. |

#### Historical Baseline Utility Usage

The following table summarize the utility bill data obtained from PG&E for the period for the account noted above, from July 1, 2021, to June 30, 2022.

##### WTP

|                                  |                                                             |
|----------------------------------|-------------------------------------------------------------|
| Utility: PG&E                    | Service ID: 7053841526                                      |
| Billing Account: 7053841533-5    | Utility Service Address: 25034 Palmer Ave.                  |
| Utility Meter Number: 1010001102 | Tariff Name: B19S Medium General Demand-Metered TOU Service |

##### WWTP Meter 1

|                                  |                                                             |
|----------------------------------|-------------------------------------------------------------|
| Utility: PG&E                    | Service ID: 7052100780                                      |
| Billing Account: 7053841533-5    | Utility Service Address: NE SE 33 20 15                     |
| Utility Meter Number: 1010126879 | Tariff Name: B19S Medium General Demand-Metered TOU Service |

##### WWTP Meter 2

|                                  |                                                             |
|----------------------------------|-------------------------------------------------------------|
| Utility: PG&E                    | Service ID: 7056603692                                      |
| Billing Account: 7053841533-5    | Utility Service Address: SE 33 20 15                        |
| Utility Meter Number: 1010073632 | Tariff Name: B19S Medium General Demand-Metered TOU Service |

## Schedule 2

**Table 4 Water Treatment Plant Electric Meter Utility Data Summary**

| Bill Start Date | Bill End Date | Bill Days | Bill Total kWh | Winter Usage Off Peak kWh | Winter Usage On Peak kWh | Summer Usage Off Peak kWh | Summer Usage Part Peak kWh | Winter Demand Max kW | Winter Demand On Peak kW | Summer Usage On Peak kWh | Summer Demand On Peak kW | Summer Demand Max kW | Summer Demand Part Peak kW | Summer Usage Super Off Peak kWh | Winter Usage Super Off Peak kWh |
|-----------------|---------------|-----------|----------------|---------------------------|--------------------------|---------------------------|----------------------------|----------------------|--------------------------|--------------------------|--------------------------|----------------------|----------------------------|---------------------------------|---------------------------------|
| 6/1/2022        | 6/30/2022     | 29        | 316,021.7      |                           |                          | 194,291.3                 | 54,795.8                   |                      |                          | 66,934.6                 | 938.9                    | 938.9                | 938.9                      |                                 |                                 |
| 5/2/2022        | 6/1/2022      | 30        | 280,519.4      |                           |                          | 162,694.6                 |                            |                      |                          | 58,447.7                 | 595.2                    | 602.9                |                            | 59,377.2                        |                                 |
| 3/31/2022       | 5/2/2022      | 32        | 261,444.2      |                           |                          | 151,892.9                 |                            |                      |                          | 55,913.0                 | 930.2                    | 930.2                |                            | 53,638.3                        |                                 |
| 3/2/2022        | 3/31/2022     | 29        | 226,770.7      | 133,622.2                 | 46,963.7                 |                           |                            | 439.68               | 416.64                   |                          |                          |                      |                            |                                 | 46,184.9                        |
| 1/31/2022       | 3/2/2022      | 30        | 198,284.4      | 157,874.6                 | 38,785.7                 |                           |                            | 469.44               | 438.72                   |                          |                          |                      |                            |                                 | 1,624.1                         |
| 12/30/2021      | 1/31/2022     | 32        | 181,232.2      | 145,858.6                 | 35,373.6                 |                           |                            | 447.36               | 415.68                   |                          |                          |                      |                            |                                 |                                 |
| 12/2/2021       | 12/30/2021    | 28        | 164,372.4      | 132,701.8                 | 31,670.6                 |                           |                            | 462.72               | 429.12                   |                          |                          |                      |                            |                                 |                                 |
| 11/1/2021       | 12/2/2021     | 31        | 225,131.5      | 180,077.5                 | 45,054.0                 |                           |                            | 479.04               | 437.76                   |                          |                          |                      |                            |                                 |                                 |
| 10/1/2021       | 11/1/2021     | 31        | 270,473.8      |                           |                          | 214,272.2                 |                            |                      |                          | 56,201.5                 | 472.3                    | 601.9                |                            |                                 |                                 |
| 9/1/2021        | 10/1/2021     | 30        | 369,103.7      |                           |                          | 230,758.8                 | 61,401.1                   |                      |                          | 76,943.8                 | 602.9                    | 623.0                | 623.0                      |                                 |                                 |
| 8/2/2021        | 9/1/2021      | 30        | 395,661.8      |                           |                          | 246,524.2                 | 66,274.1                   |                      |                          | 82,863.6                 | 619.2                    | 634.6                | 628.8                      |                                 |                                 |
| 7/1/2021        | 8/2/2021      | 32        | 424,639.2      |                           |                          | 263,762.9                 | 71,353.0                   |                      |                          | 89,523.4                 | 972.5                    | 996.5                | 996.5                      |                                 |                                 |

## Schedule 2

**Table 5 Wastewater Treatment Plant Electric Meter #1 Utility Data Summary**

| Bill Start Date | Bill End Date | Bill Days | Bill Total kWh | Winter Usage Off Peak kWh | Winter Usage On Peak kWh | Winter Demand On Peak kW | Winter Demand Max kw | Summer Usage On Peak kWh | Summer Usage Off Peak kWh | Summer Usage Part Peak kWh | Summer Demand Part Peak kW | Summer Demand On Peak kW | Summer Demand Max kW | Summer Usage Super Off Peak kWh | Winter Usage Super Off Peak kWh |
|-----------------|---------------|-----------|----------------|---------------------------|--------------------------|--------------------------|----------------------|--------------------------|---------------------------|----------------------------|----------------------------|--------------------------|----------------------|---------------------------------|---------------------------------|
| 12/1/2022       | 12/30/2022    | 29        | 57,083         | 45,170.42                 | 11,912.36                | 89.12                    | 92.16                |                          |                           |                            |                            |                          |                      |                                 |                                 |
| 10/31/2022      | 12/1/2022     | 31        | 61,681         | 48,806.20                 | 12,875.16                | 97.12                    | 97.12                |                          |                           |                            |                            |                          |                      |                                 |                                 |
| 9/30/2022       | 10/31/2022    | 31        | 69,035         |                           |                          |                          |                      | 14,338.04                | 54,295.32                 | 401.80                     | 101.60                     | 101.60                   | 102.08               |                                 |                                 |
| 8/31/2022       | 9/30/2022     | 30        | 69,899         |                           |                          |                          |                      | 14,569.36                | 43,690.44                 | 11,639.44                  | 101.76                     | 101.76                   | 101.92               |                                 |                                 |
| 8/1/2022        | 8/31/2022     | 30        | 70,342         |                           |                          |                          |                      | 14,667.16                | 43,944.88                 | 11,730.04                  | 99.68                      | 99.36                    | 100.00               |                                 |                                 |
| 6/30/2022       | 8/1/2022      | 32        | 74,150         |                           |                          |                          |                      | 15,448.56                | 46,338.00                 | 12,363.72                  | 98.72                      | 98.24                    | 98.88                |                                 |                                 |
| 6/1/2022        | 6/30/2022     | 29        | 69,588         |                           |                          |                          |                      | 14,475.64                | 43,522.32                 | 11,590.08                  | 108.32                     | 107.68                   | 109.44               |                                 |                                 |
| 5/2/2022        | 6/1/2022      | 30        | 69,777         |                           |                          |                          |                      | 14,501.28                | 40,745.04                 |                            |                            | 101.92                   | 103.04               | 14,530.24                       |                                 |
| 3/31/2022       | 5/2/2022      | 32        | 75,193         |                           |                          |                          |                      | 15,621.16                | 43,928.68                 |                            |                            | 100.64                   | 101.76               | 15,642.78                       |                                 |
| 3/2/2022        | 3/31/2022     | 29        | 61,872         | 36,086.92                 | 12,899.76                | 97.12                    | 107.20               |                          |                           |                            |                            |                          |                      |                                 | 12,884.96                       |
| 1/31/2022       | 3/2/2022      | 30        | 71,038         | 55,847.84                 | 14,765.72                | 104.64                   | 105.12               |                          |                           |                            |                            |                          |                      |                                 | 424.88                          |
| 12/30/2021      | 1/31/2022     | 32        | 78,512         | 62,169.12                 | 16,343.24                | 106.72                   | 106.88               |                          |                           |                            |                            |                          |                      |                                 |                                 |

## Schedule 2

**Table 6 Wastewater Treatment Plant Electric Meter #2 Utility Data Summary**

| Bill Start Date | Bill End Date | Bill Days | Bill Total kWh | Winter Usage Off Peak kWh | Winter Usage On Peak kWh | Winter Demand On Peak kW | Winter Demand Max kw | Summer Usage On Peak kWh | Summer Usage Off Peak kWh | Summer Usage Part Peak kWh | Summer Demand Part Peak kW | Summer Demand On Peak kW | Summer Demand Max kW | Summer Usage Super Off Peak kWh | Winter Usage Super Off Peak kWh |
|-----------------|---------------|-----------|----------------|---------------------------|--------------------------|--------------------------|----------------------|--------------------------|---------------------------|----------------------------|----------------------------|--------------------------|----------------------|---------------------------------|---------------------------------|
| 12/1/2022       | 12/30/2022    | 29        | 6,702.40       | 5,291.78                  | 1,410.62                 | 28.78                    | 29.01                |                          |                           |                            |                            |                          |                      |                                 |                                 |
| 10/31/2022      | 12/1/2022     | 31        | 7,581.82       | 5,971.25                  | 1,610.57                 | 14.17                    | 14.17                |                          |                           |                            |                            |                          |                      |                                 |                                 |
| 9/30/2022       | 10/31/2022    | 31        | 5,909.45       |                           |                          |                          |                      | 4,581.95                 | 59.29                     | 1,268.22                   | 29.43                      | 29.42                    | 29.43                |                                 |                                 |
| 8/31/2022       | 9/30/2022     | 30        | 7,273.14       |                           |                          |                          |                      | 4,503.27                 | 1,226.09                  | 1,543.77                   | 14.78                      | 14.76                    | 14.78                |                                 |                                 |
| 8/1/2022        | 8/31/2022     | 30        | 6,459.76       |                           |                          |                          |                      | 4,059.71                 | 1,069.37                  | 1,330.68                   | 14.76                      | 14.75                    | 14.76                |                                 |                                 |
| 6/30/2022       | 8/1/2022      | 32        | 6,912.13       |                           |                          |                          |                      | 4,348.44                 | 1,134.34                  | 1,429.35                   | 14.98                      | 14.90                    | 14.98                |                                 |                                 |
| 6/1/2022        | 6/30/2022     | 29        | 5,999.07       |                           |                          |                          |                      | 3,730.70                 | 1,005.27                  | 1,263.10                   | 12.79                      | 12.79                    | 12.77                |                                 |                                 |
| 5/2/2022        | 6/1/2022      | 30        | 7,784.66       |                           |                          |                          |                      | 4,589.99                 |                           | 1,623.10                   | 12.72                      |                          | 12.72                | 1,571.56                        |                                 |
| 3/31/2022       | 5/2/2022      | 32        | 8,895.30       |                           |                          |                          |                      | 5,223.73                 |                           | 1,867.53                   | 14.24                      |                          | 14.21                | 1,804.04                        |                                 |
| 3/2/2022        | 3/31/2022     | 29        | 7,328.89       | 4,280.18                  | 1,542.54                 | 14.03                    | 14.03                |                          |                           |                            |                            |                          |                      |                                 | 1,506.16                        |
| 1/31/2022       | 3/2/2022      | 30        | 8,979.48       | 7,043.33                  | 1,873.61                 | 12.59                    | 12.59                |                          |                           |                            |                            |                          |                      |                                 | 62.54                           |
| 12/30/2021      | 1/31/2022     | 32        | 9,334.75       | 7,392.27                  | 1,942.48                 | 13.61                    | 13.61                |                          |                           |                            |                            |                          |                      |                                 |                                 |

## Effective Utility Baseline Rates

The following tables show the Utility rate tariffs utilized in calculating the savings using Energy Toolbase®.

Table 7 Baseline Utility Rates (PG&E rates effective April 1, 2024)

| PG&E Rate Schedule             | B19S             |           |
|--------------------------------|------------------|-----------|
|                                | Bus Med-High Use |           |
| Applicability                  | 499 kW or more   |           |
| Basic Service Fee \$/meter/day | \$57.48          |           |
| Demand Charges \$/kW           | Summer           | Winter    |
| Maximum                        | \$37.85          |           |
| Max Peak                       | \$51.60          | \$3.02    |
| Max. Park-Peak                 | \$11.24          | -         |
| Off Peak                       | -                | -         |
| Energy Charge \$/kWh           | Summer           | Winter    |
| Max Peak                       | \$0.24331        | \$0.21119 |
| Part Peak                      | \$0.19274        |           |
| Off Peak                       | \$0.15697        | \$0.15683 |
| Super Off Peak                 |                  | \$0.08390 |

| PG&E Rate Schedule             | B19S Option R    |           |
|--------------------------------|------------------|-----------|
|                                | Bus Med-High Use |           |
| Applicability                  | 499 kW or more   |           |
| Basic Service Fee \$/meter/day | \$60.49          |           |
| Demand Charges \$/kW           | Summer           | Winter    |
| Maximum                        | \$38.75          |           |
| Max Peak                       | \$6.80           | -         |
| Max. Park-Peak                 | \$1.96           | -         |
| Off Peak                       | -                | -         |
| Energy Charge \$/kWh           | Summer           | Winter    |
| Max Peak                       | \$0.48130        | \$0.25579 |
| Part Peak                      | \$0.29746        |           |
| Off Peak                       | \$0.23699        | \$0.18347 |
| Super Off Peak                 |                  | \$0.14765 |

| PG&E B-19 Time Periods  |                |                                            |                                                                         |
|-------------------------|----------------|--------------------------------------------|-------------------------------------------------------------------------|
| B-19                    |                |                                            |                                                                         |
| Summer (June-September) |                |                                            |                                                                         |
|                         | Peak:          | 4:00 pm to 9:00 pm                         | Every day, including weekends and holidays                              |
|                         | Partial-Peak:  | 2:00 pm to 4:00 pm AND 9:00 pm to 11:00 pm | Every day, including weekends and holidays                              |
|                         | Off Peak:      | All other hours                            |                                                                         |
| Winter (October-May)    |                |                                            |                                                                         |
|                         | Peak:          | 4:00 pm to 9:00 pm                         | Every day, including weekends and holidays                              |
|                         | Super Off Peak | 9:00 am to 2:00 pm                         | Every day in March, April and May only, including weekends and holidays |
|                         | Off Peak:      | All other hours                            |                                                                         |

## V. MEASUREMENT & VERIFICATION ACTIVITIES

### FIM-1,2 Solar Photovoltaic

The Year 0 savings for this measure were calculated using the Energy Toolbase software, which is an industry-standard tool used for the purposes of modeling utility bill savings for solar PV systems. The inputs to this model were:

- FIM-1 WTP Facility Site Load electrical usage in the form of utility meter 15-minute interval data for the period July 1, 2021 - June 30, 2022.
- FIM-2 WWTP Facility Site Load electrical usage in the form of utility meter 15-minute interval data for the period January 1, 2022 – December 31, 2022.
- Modeled PV system output in the form of estimated PV power output in kW for a full year, at hourly intervals (known as an “8760” model, named for the number of hours in 365 days).
- Detailed utility rate models for the PG&E B-19 and B-19R rates, effective April 1, 2024, incorporating all time of use periods, seasons, kWh usage charges, kW demand charges, fixed charges and fees, and the NEM2 Net Metering billing scenario.

The PV system output modeling for this project was performed using the PVsyst software, which is the solar industry’s preferred software simulation tool for investment-grade analysis and acceptance testing. The weather data used for the modeling was the default weather data used in PVsyst for the project location, which was generated by NREL NSRDB. The PV modules, inverters, racking configuration, and other parameters used in PVsyst were as per the actual project design.

The proposed M&V Methodology for this project will include collecting field measurements for the following parameters:

- Solar PV system power in kW, collected at 5-minute intervals (PV Meter).
- Facility shadow meter power in kW, collected at 5-minute intervals (the facility shadow meter is a revenue-grade AC meter to be installed in a location such that it reads the same as the actual PG&E Utility Meter).
- Solar Irradiance in the form of Global Horizontal Irradiance (GHI) in units of watts/m<sup>2</sup>, collected at 5-minute intervals.

**Table 8 Solar Irradiance and Temperature Values**

|             | WTP                |                    |              |                    | WWTP               |                    |              |                    |
|-------------|--------------------|--------------------|--------------|--------------------|--------------------|--------------------|--------------|--------------------|
|             | GlobHor            | DiffHor            | T Amb        | GlobInc            | GlobHor            | DiffHor            | T Amb        | GlobInc            |
|             | kWh/m <sup>2</sup> | kWh/m <sup>2</sup> | deg C        | kWh/m <sup>2</sup> | kWh/m <sup>2</sup> | kWh/m <sup>2</sup> | deg C        | kWh/m <sup>2</sup> |
| January     | 70.2               | 27.11              | 8.35         | 97.1               | 79.5               | 27.09              | 9.01         | 109.7              |
| February    | 103.1              | 34.15              | 9.66         | 141.5              | 99.7               | 32.00              | 11.67        | 137.1              |
| March       | 160.5              | 45.79              | 13.69        | 218.7              | 163.7              | 44.61              | 11.41        | 224.0              |
| April       | 199.0              | 50.44              | 16.47        | 269.5              | 196.6              | 50.99              | 16.48        | 263.4              |
| May         | 233.9              | 55.03              | 20.12        | 313.6              | 243.8              | 53.93              | 22.11        | 327.6              |
| June        | 251.5              | 45.97              | 25.66        | 340.7              | 257.9              | 41.89              | 23.48        | 350.4              |
| July        | 255.1              | 43.23              | 27.59        | 348.2              | 253.4              | 42.73              | 27.45        | 344.3              |
| August      | 233.9              | 39.01              | 26.88        | 323.6              | 233.9              | 38.12              | 26.83        | 321.1              |
| September   | 184.6              | 35.76              | 24.77        | 258.6              | 187.0              | 37.10              | 26.15        | 262.0              |
| October     | 145.7              | 30.61              | 19.72        | 208.2              | 139.8              | 29.93              | 19.02        | 198.4              |
| November    | 95.8               | 26.73              | 12.78        | 136.5              | 98.1               | 26.63              | 13.01        | 138.6              |
| December    | 73.4               | 24.25              | 7.84         | 103.5              | 75.6               | 25.01              | 7.86         | 108.5              |
| <b>Year</b> | <b>2006.7</b>      | <b>458.08</b>      | <b>17.84</b> | <b>2759.7</b>      | <b>2029</b>        | <b>450.03</b>      | <b>17.90</b> | <b>2785.1</b>      |

Based on the field-measured values listed above, the Facility Site Load (Site Load) will be derived using the formula:

$$\text{Site Load} = \text{Facility Shadow Meter} + \text{PV Meter}.$$

Note that Facility Shadow Meter may be a negative number if the PV system is producing more power than the facility is consuming and energy is flowing back to the Utility.

To perform the M&V in future performance period years, the PVsyst and Energy Toolbase software will be rerun using the measured Site Load, measured Irradiance, and other parameters to represent the expected system performance in future performance period years. The table below lists the original PVsyst and Energy Toolbase modeling already done for Year 0 as Case 0, and the PVsyst and Energy Toolbase modeling that will be done for each Performance Year “n” as Cases 2n, 3n, etc.

**Table 9 PVsyst and Energy Toolbase (ETB) Simulations to be run for Performance Year “n”**

| Case | Utility Rate           | Site Load                                                   | PV                                                                                                                                                        | GHI Irradiance                      | Results / Purpose                                                                 |
|------|------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|
| 0    | B-19R effective 4/1/24 | Actual baseline site interval data                          | Year 0 8760-hour PV model from PVsyst                                                                                                                     | NREL NSRDB data intrinsic to PVsyst | Original Year 0 savings modeling for project                                      |
| 2n   | B-19R effective 4/1/24 | Measured Site Load for Performance Year n <sup>[1]</sup>    | None                                                                                                                                                      | N/A                                 | ETB Modeled Baseline Utility Bill for Year n, before PV                           |
| 3n   | B-19R effective 4/1/24 | Measured Site Load for Performance Year n                   | Year 0 PVsyst PV model re-run using measured GHI Irradiance and Ambient Temp for Performance Year n <sup>[2]</sup> and degraded <sup>[3]</sup> for Year n | Measured GHI for Performance Year n | ETB Modeled Expected Utility Bill after PV, Year n                                |
| 4n   | B-19R effective 4/1/24 | Measured Facility Shadow Meter Power for Performance Year n | None                                                                                                                                                      | N/A                                 | ETB Modeled Actual Utility Bill for Performance Year n, using 4/1/24 utility rate |

Notes:

[1] Derived from facility shadow meter and PV meter as explained above.

[2] The measured GHI irradiance and ambient temperature are input to PVsyst as weather data, to calibrate the PVsyst model based on the actual weather in the Performance Year, versus the weather originally modeled.

[3] PV system output degrades over time. For this project an expected degradation rate of 0.5% per year will be used, starting in Year 2 of operation.

To prepare the measured GHI irradiance and ambient temperature data in preparation for running the PVsyst model, the one-minute interval data will be converted to one-hour averaged values for the Performance Year. These one-hour averaged values will be input to PVsyst as the weather data to be used in the PVsyst model run for that Performance Year. The expected output of the PV system for the Performance Year, based on the actual measured weather data, will be the output of the PVsyst model, in the form of an expected kW PV power for each of the 8760 hours of the year. These 8760 data points will then be degraded to account for the expected PV system degradation in Performance Year n using the formula

$$\text{PV Hourly Power}_{\text{degraded } n} = \text{PV Hourly Power}_n * (1 - (\text{DR}_{\text{PV}} * n)), \text{ where}$$

$\text{DR}_{\text{PV}}$  = the expected PV Degradation Rate of 0.5%/year.

To prepare the measured Site Load and Facility Shadow Meter data in preparation for running the Energy Toolbase model, the one-minute interval data will be converted to 15-minute averaged values for the Performance Year. These 15-minute averaged values will be input to the Energy Toolbase model. The one-hour interval PV model from PVsyst (degraded for Performance Year n and based on the actual weather from the Performance Year as described above) will also be used as an input to the Energy Toolbase model.

## Expected Savings and Actual Savings, Performance Year n

Referring to the Energy Toolbase Cases in the table above, with the total annual Utility Bill which is the output of the Case “2n” Energy Toolbase model denoted as “Utility Bill 2n”, etc.:

Expected Savings from PV, Performance Year n (“Savings<sub>expected PV n</sub>”) = Utility Bill 2n – Utility Bill 3n

Actual Savings from PV, Performance Year n (“Savings<sub>actual PV n</sub>”) = Utility Bill 2n – Utility Bill 4n

The Expected Savings from PV need to be adjusted for any equipment or software downtime or partial system damage related to acts of God, vandalism, utility outages, etc. They can then be converted into Guaranteed Savings from PV by multiplying them by the Guarantee Factor for PV Savings, which is:

Guarantee Factor for PV Savings (“GF<sub>PV</sub>”) = 100%

Thus

Guaranteed Savings from PV, Performance Year n (“Savings<sub>guar PV n</sub>”)  
= (Savings<sub>expected PV n</sub> +/- Savings Adjustments<sub>outages acts of God etc.</sub>) \* GF<sub>PV</sub>

It is now possible to determine whether there is a Savings Surplus or a Savings Shortfall for Performance Year n, as follows:

Savings Surplus (Shortfall if negative), Performance Year n (“Savings<sub>surplus/shortfall n</sub>”)  
= (“Savings<sub>actual PV n</sub>”) – (“Savings<sub>guar PV n</sub>”)

As a final step in the analysis, Savings<sub>surplus/shortfall n</sub> must be escalated to reflect the fact that the analysis up to this point has been performed using the historical utility rate effective 4/1/24. The savings are to be escalated annually by the actual utility cost escalation, but such escalation shall be no less than the mutually agreed “floor” escalation rate of 5% during the performance period.

The annual utility escalation rate (“Util Esc Rate”) stipulated for the project savings analysis is 5%/year, thus

Savings<sub>surplus/shortfall n escalated</sub> = Savings<sub>surplus/shortfall n</sub> \* (1 + Util Esc Rate)<sup>(n+1)</sup> [4]

[4] Since the Year 0 savings and the M&V Performance Year savings are both calculated using the utility rate effective 4/1/24, and Performance Year 1 is expected to be 2025, two years of escalation are required for Performance Year 1, thus the exponent (n+1) in the formula above.

## VI. MEASUREMENT & VERIFICATION SERVICES

JCI will provide the M&V Services set forth below in connection with the Assured Performance Guarantee.

1. During the Installation Period, a JCI Performance Assurance Specialist will track Measured Project Benefits. JCI will report the Measured Project Benefits achieved during the Installation Period, as well as any Non-Measured Project Benefits applicable to the Installation Period, to Customer within 60 days of the commencement of the Guarantee Term.
2. Within 60 days of each anniversary of the commencement of the Guarantee Term, JCI will provide Customer with an annual report containing:
  - a. an executive overview of the project’s performance and Project Benefits achieved to date;
  - b. a summary analysis of the Measured Project Benefits accounting; and
  - c. depending on the M&V Option, a detailed analysis of the Measured Project Benefits calculations.

3. During the Guarantee Term, a JCI Performance Assurance Specialist will monitor the ongoing performance of the Improvement Measures, as specified in this Agreement, to determine whether anticipated Measured Project Benefits are being achieved. In this regard, the Performance Assurance Specialist will periodically assist Customer, onsite or remotely, with respect to the following activities:
  - a. review of information furnished by Customer from the facility management system to confirm that control strategies are in place and functioning;
  - b. advise Customer's designated personnel of any performance deficiencies based on such information;
  - c. coordinate with Customer's designated personnel to address any performance deficiencies that affect the realization of Measured Project Benefits including issues related to customer responsibilities; and
  - d. inform Customer of opportunities to further enhance project performance and of opportunities for the implementation of additional Improvement Measures.
4. For specified Improvement Measures Utilizing an "Option D" M&V protocol, JCI will:
  - a. Confirm that the appropriate metering and data points are established.
  - b. Collect Facility shadow meter data (kW), at 5-minute intervals.
  - c. Collect Solar Irradiance in the plane of the tracking array (watts/m<sup>2</sup>), at 5-minute intervals.
  - d. Collected data will be normalized to solar irradiance and will be processed to be ready for Energy Toolbase.
  - e. To perform the M&V in performance period years, the Energy Toolbase software will be rerun using the above processed data.
  - f. Trend data records maintained in the ordinary course of system operation may be used and relied upon by JCI in connection with Project Benefits calculations, as well as in other commercial uses relating to building system performance. JCI will use commercially reasonable efforts to ensure the integrity of the data collected to calculate the required metrics. In the event data is lost due to equipment failure, power failure or other interruption in data collection, transmission or storage, JCI will use reasonable engineering methods to estimate the impact of or replace the lost data.

## CUSTOMER RESPONSIBILITIES

In order for JCI to perform its obligations under this Agreement with respect to the Work, Customer shall be responsible for:

1. Providing JCI, its subcontractors, and its agents reasonable and safe access to all facilities and properties that are subject to the Work;
2. Providing for shut down and scheduling of affected locations during installation as needed to accomplish the Work;
3. Providing timely reviews and approvals of design submissions, proposed change orders, and other project documents;
4. Providing the following information, as applicable and if available, with respect to the project and project site as soon as practicable following JCI's request:
  - a. surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;
  - b. geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the project site;
  - c. temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the project and enable JCI to perform the Work;
  - d. a legal description of the project site;
  - e. as-built and record drawings of any existing structures at the project site; and
  - f. environmental studies, reports and impact statement describing the environmental conditions, including hazardous conditions or materials, in existence at the project site.
5. Securing and executing all necessary agreements and permits with adjacent land or property owners or Fresno County that are necessary to enable JCI to perform the Work;
6. Providing assistance to JCI in obtaining any permits, approvals, and licenses that are JCI's responsibility to obtain as set forth in Schedule 1;
7. Payment of costs for PG&E upgrades related to the new PV system.
8. Obtaining any permits, approvals, and licenses that are necessary for the performance of the Work and are not JCI's responsibility to obtain as set forth in Schedule 1. Including applying for and obtaining PG&E electric rates relating to the new PV system.
9. Payment of Building permit fees.
10. Removal of the dried sludge stockpiles located in the area of the new PV array at the WWTP.
11. Properly repairing and performing appropriate preventative maintenance on, all equipment and building systems affecting the Work in accordance with manufacturers' standards and specifications; including, but not limited to, the following: PV system repairs and maintenance, PV panel washing system, manual PV panel washing as recommended by JCI should the production values show significant reduction, and PV system monitoring using DAS.
12. Periodic trimming of the trees or weed control which may shade the PV arrays and reduce the performance or maintenance and repair to fencing that due to damage cause significant shading to the panels.
13. Maintaining the annual subscription for the DAS and the cellular communication service for the DAS.
14. Maintaining the annual subscription for the module washing system and the cellular communication service for the module washing system.
15. Customer will provide one annual module washing to remove soiling that may impact energy production at the suggestion of JCI when energy production is deemed below anticipated production based on

### **Schedule 3**

irradiance. Agitate using a soft-bristled brush and de-ionized water rinse. Customer is responsible to provide a de-ionized water source onsite. JCI will remotely monitor the RST Cleantech panel washing system and alternately evaluate production by other monitoring equipment at each site and recommend adjustments and cleaning to the system as needed.

## PRICE AND PAYMENT TERMS

Customer shall make payments to JCI pursuant to this Schedule 4.

1. Compensation. The price to be paid by Customer for the Work shall be **\$10,774,672**.
2. Payments (including payment for materials delivered to JCI and work performed on and off-site) shall be made to JCI as follows:

A payment of **\$2,500,000** for mobilization will be due upon execution of the full Notice to Proceed for immediate procurement of long lead equipment to lock-in cost to prevent cost escalation. Any partial Notice to Proceed shall have scope and cost negotiated and agreed upon by JCI and the Customer.

Monthly progress payment based upon percent of work completed as defined by the project schedule of values for work. Included in the work completed calculation, will be all costs for stored materials. JCI may provide invoices for the remaining payments on a monthly basis and shall be based upon the percentage of work completed to date. Such invoices will be paid once the work is inspected to ensure the work is in compliance with and in furtherance of the Agreement. Such inspection, approval and payment by the Customer with respect to each invoice shall be done within thirty (30) days of Customer's receipt of such invoice. In the event that Customer raises an issue regarding the compliance of the Work, Customer shall pay all amounts that are not in dispute within such thirty (30) day period. The payments will continue up to ninety five percent (95%) percent of the total price. The final 5% shall be billed once the Final Notice of Completion is approved by the Customer.

NOTICE TO PROCEED #1

Johnson Controls, Inc.  
103 Woodmere Road, Suite 110  
Folsom, CA 95630  
ATTN: Mike Kozlowski

Re: Notice to Proceed for: City of Coalinga Project

Dear Mr. Kozlowski:

This Notice to Proceed is being issued by the City of Coalinga ("Customer") to Johnson Controls, Inc. ("JCI") pursuant to that certain Contract entered into between Customer and JCI for the purpose of notifying JCI to commence work under such contract.

In the event that this Notice to Proceed is delivered by Customer prior to the execution of the Contract by Customer and JCI, Customer understands and expects JCI will incur significant costs and expenses in complying with this Notice to Proceed. In the event the Contract is not executed by the parties, for any reason, Customer agrees to pay JCI for its costs and fees incurred in complying with this Notice to Proceed on a time and material basis. Customer also agrees JCI shall be entitled to a reasonable markup thereon for profit and overhead. Customer agrees to pay amounts billed by JCI no later than five (5) days after Customer receives JCI's payment application. JCI will continue to submit payment applications to Customer until the Contract is executed. Once the Contract is executed, JCI will begin submitting its payment applications to Customer in accordance with the terms and conditions set forth therein. Any amounts already paid by Customer will be credited towards the Contract price.

This Notice to proceed (NTP) authorizes the work described below:

Final design for Solar PV, Civil Engineering, and ordering of C&S Switch.

The cost associated with the work described in this NTP is \$125,000 (\$76,000 for Water and \$49,000 for Wastewater) and will be billed in accordance with the terms and conditions set forth therein.

A Subsequent Notice to Proceed must be issued by the City in order for JCI to proceed with other scope described in the contract and a change order will be required for any work not described by the contract or this NTP.

By signing and dating this Notice to Proceed, the parties hereto agree to these terms and represent and warrant they have the authority to execute this Notice to Proceed on behalf of their respective organizations.

CITY OF COALINGA

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

ACKNOWLEDGED & AGREED TO:  
JOHNSON CONTROLS, INC.

Signature: \_\_\_\_\_

Printed Name: Mike Kozlowski

Title: Area Sales Manager

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

NOTICE TO PROCEED #2

Johnson Controls, Inc.  
103 Woodmere Road, Suite 110  
Folsom, CA 95630  
ATTN: Mike Kozlowski

Re: Notice to Proceed for: City of Coalinga Project

Dear Mr. Kozlowski:

This Notice to Proceed is being issued by the City of Coalinga ("Customer") to Johnson Controls, Inc. ("JCI") pursuant to that certain Contract entered into between Customer and JCI for the purpose of notifying JCI to commence work under such contract.

In the event that this Notice to Proceed is delivered by Customer prior to the execution of the Contract by Customer and JCI, Customer understands and expects JCI will incur significant costs and expenses in complying with this Notice to Proceed. In the event the Contract is not executed by the parties, for any reason, Customer agrees to pay JCI for its costs and fees incurred in complying with this Notice to Proceed on a time and material basis. Customer also agrees JCI shall be entitled to a reasonable markup thereon for profit and overhead. Customer agrees to pay amounts billed by JCI no later than five (5) days after Customer receives JCI's payment application. JCI will continue to submit payment applications to Customer until the Contract is executed. Once the Contract is executed, JCI will begin submitting its payment applications to Customer in accordance with the terms and conditions set forth therein. Any amounts already paid by Customer will be credited towards the Contract price.

This Notice to Proceed authorizes the work described by Schedule 1 of the Agreement.

By signing and dating this Notice to Proceed, the parties hereto agree to these terms and represent and warrant they have the authority to execute this Notice to Proceed on behalf of their respective organizations.

CITY OF COALINGA

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

ACKNOWLEDGED & AGREED TO:  
JOHNSON CONTROLS, INC.

Signature: \_\_\_\_\_

Printed Name: Mike Kozlowski

Title: Area Sales Manager

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

**CHANGE ORDER**

|                                                                                                                                                                                                         |                  |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Contract dated____, 2024 between Johnson Controls, Inc. and Customer                                                                                                                                    | Change Order No. | Date (mo/day/yr) |
| Customer<br>City of Coalinga                                                                                                                                                                            |                  |                  |
| The above referenced Contract is hereby modified to the extent described below in accordance with the Terms and Conditions of the CHANGE ORDERS section thereof.                                        |                  |                  |
| Scope of Work changed as follows:                                                                                                                                                                       |                  |                  |
|                                                                                                                                                                                                         |                  |                  |
| Total amount of this Change Order                                                                                                                                                                       | \$               |                  |
|                                                                                                                                                                                                         |                  |                  |
| Total Contract amount as revised by this Change Order                                                                                                                                                   | \$               |                  |
|                                                                                                                                                                                                         |                  |                  |
| The time for completion is: <input type="checkbox"/> increased, <input type="checkbox"/> decreased, <input type="checkbox"/> unchanged.<br>The new completion date resulting from this Change Order is: | (mo, day, yr)    |                  |
|                                                                                                                                                                                                         |                  |                  |
|                                                                                                                                                                                                         |                  |                  |
| Unless specifically changed by this Change Order, all terms, conditions and provisions of the above referenced Contract remain unchanged and in full effect.                                            |                  |                  |
| <b>JOHNSON CONTROLS, INC.</b>                                                                                                                                                                           | <b>CUSTOMER</b>  |                  |
| Signature:                                                                                                                                                                                              | Signature:       |                  |
| Printed Name:                                                                                                                                                                                           | Printed Name:    |                  |
| Title:                                                                                                                                                                                                  | Title:           |                  |

**CERTIFICATE OF SUBSTANTIAL COMPLETION**

**PARTIES:** JOHNSON CONTROLS, INC. ("JCI")  
 103 Woodmere Road, Suite 110  
 Folsom, CA 95630  
 ATTN: Mike Kozlowski

CITY OF COALINGA ("Customer")  
 155 West Durian Ave.  
 Coalinga, CA 93210

**PROJECT:** City of Coalinga Contract dated \_\_\_\_\_, 20\_\_ between JCI and Customer

By executing this Certificate of Substantial Completion, Customer acknowledges the following:

- a. The work set forth in the Contract is substantially complete.
- b. Customer has received the manuals, warranty information, and training required under the Contract.
- c. The following punch list items must be completed by JCI (check as applicable):
  - ☐ punch list attached
  - ☐ punch list complete
- d. Upon completion of the punch list items, or if such punch list items are complete, JCI and Customer shall sign the Certificate of Final Completion attached hereto.

Dated \_\_\_\_\_, 20\_\_.

**CITY OF COALINGA**

**JOHNSON CONTROLS, INC.**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: Mike Kozlowski

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

Title: Area Sales Manager

CERTIFICATE OF FINAL COMPLETION

**PARTIES:**       JOHNSON CONTROLS, INC. ("JCI")  
                  103 Woodmere Road, Suite 110  
                  Folsom, CA 95630  
                  ATTN: Mike Kozlowski

CITY OF COALINGA ("Customer")  
155 West Durian Ave.  
Coalinga, CA 93210

**PROJECT:**       City of Coalinga Contract dated \_\_\_\_\_, 20\_\_ between JCI and Customer

By executing this Certificate of Final Completion, Customer acknowledges the following:

- a.   The work set forth in the Contract has been reviewed and determined by Customer to be fully complete.
- b.   Customer accepts the work as complete and hereby releases JCI's obligations under any performance and payment bonds posted for the project as of the date set forth below.

Dated \_\_\_\_\_, 20\_\_ .

**CITY OF COALINGA**

**JOHNSON CONTROLS, INC.**

Signature:\_\_\_\_\_

Signature:\_\_\_\_\_

Printed Name:\_\_\_\_\_

Printed Name: Mike Kozlowski

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

Title: Area Sales Manager

## PLANNED SERVICES AGREEMENT

**PARTIES:** JOHNSON CONTROLS, INC. ("JCI")  
103 Woodmere Road, Suite 110  
Folsom, CA 95630  
ATTN: Mike Kozlowski

CITY OF COALINGA ("Customer")  
155 West Durian Ave.  
Coalinga, CA 93210

### Scope of Services

Johnson Controls, Inc. ("JCI") and the Customer (collectively the "Parties") agree Services, as defined in scope of work (below), will be provided by JCI at the Customer's facilities. Terms and Conditions of this Agreement are as set forth herein in the section entitled Terms and Conditions. This Service Agreement and the Price and Payment Terms are set forth fully herein (collectively the "Agreement").

### Term / Renewal

This Agreement takes effect on the first day of the month preceding the month that the Certificate of Final Completion for the Performance Contract is approved by the Customer and JCI and will continue for sixty (60) consecutive months ("Original Term").

Any portion of the scope of this agreement may be renewed with the mutual agreement of terms and payment of JCI and the Customer. The Customer must deliver a written renewal notice at least forty-five (45) days prior to the end of the Original Term or of any renewal period. JCI and the Customer agree to negotiate in good faith any renewal terms or price adjustments.

### Price and Payment Terms

The total Contract Price for JCI's Services during the Original Term is **\$466,204**. This amount will be paid to JCI in installments of (see following table). This payment will be due and payable within thirty (30) days of the invoice date and such timely payment by Customer shall be a condition precedent to JCI's obligation to perform its Services. A penalty of one and a half percent (1.5%) of the amount due per month shall accrue for payments received after the payment due date. If the Customer elects to cancel M&V Services, the Customer must do so in writing at least 45 days prior to the end of the annual date, otherwise full service will continue for the remainder of the year and the Customer will be responsible for payment of the full year.

Customer may elect to defer the payment of the M&V Services, Solar PM and Subscriptions for both sites. If Customer elects to defer payment, customer is to pay lump sum for services completed to date and for services remaining in the 5-year term in Year 3. Customer may elect to defer payment to year 4 or year 5 with an additional \$25,000 deferral cost per year.

## Planned Services Agreement

Table 1 Annual PSA Price

| Year         | Water Treatment Plant |                   |                    |                   | Wastewater Treatment Plant |                  |                   | Total<br>Planned<br>Service |
|--------------|-----------------------|-------------------|--------------------|-------------------|----------------------------|------------------|-------------------|-----------------------------|
|              | M&V<br>Services       | Solar PM          | Subscrip-<br>tions | Subtotal<br>WTP   | M&V<br>Services            | Solar PM         | Subtotal<br>WTP   |                             |
| 1            | \$ 32,233             | \$ 20,003         | \$ 1,871           | \$ 54,107         | \$ 23,433                  | \$ 7,600         | \$ 31,033         | \$ 85,140                   |
| 2            | \$ 33,200             | \$ 21,003         | \$ 1,871           | \$ 56,074         | \$ 24,136                  | \$ 7,980         | \$ 32,116         | \$ 88,190                   |
| 3            | \$ 34,196             | \$ 22,053         | \$ 1,871           | \$ 58,120         | \$ 24,860                  | \$ 8,379         | \$ 33,239         | \$ 91,360                   |
| 4            | \$ 35,222             | \$ 25,299         | \$ 1,871           | \$ 62,392         | \$ 25,606                  | \$ 10,941        | \$ 36,547         | \$ 98,939                   |
| 5            | \$ 36,279             | \$ 26,564         | \$ 1,871           | \$ 64,713         | \$ 26,374                  | \$ 11,488        | \$ 37,862         | \$ 102,575                  |
| <b>Total</b> | <b>\$ 171,131</b>     | <b>\$ 114,921</b> | <b>\$ 9,353</b>    | <b>\$ 295,406</b> | <b>\$ 124,411</b>          | <b>\$ 46,388</b> | <b>\$ 170,798</b> | <b>\$ 466,204</b>           |

## Summary Scope of Work

The following table identifies the Scope of Work included for each site:

| Item                                  | Water Treatment Plant<br>25034 W. Palmer Ave<br>Coalinga, CA | Wastewater Treatment Plant<br>North of CA Hwy 33 and corner<br>of S. Merced Ave, Coalinga CA |
|---------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Solar System Preventative Maintenance | X                                                            | X                                                                                            |
| Solar System Module Washing           |                                                              |                                                                                              |
| Measurement and Verification          | X                                                            | X                                                                                            |
| Monitoring Subscriptions              | X                                                            | X                                                                                            |

## Detailed Scope of Work

### General Clarification for Repair Management of Solar Systems

A JCI Performance Engineer will evaluate warranty coverage and coordinate any necessary repair with the customer and the repair provider.

When repairs are needed The JCI Performance Engineer coordinates, schedules and concludes the repair was completed.

**Note:** Customer is responsible for the cost of any labor or material repairs not under warranty.

JCI will coordinate with Customer for Customer's on-site staff to provide assistance to JCI when remotely triaging incoming alarms. This is typically in the form of providing visual observations or pressing a reset button when needed. The Customer's staff time will be kept to a minimum for this.

### Solar System Preventative Maintenance Services

JCI will administer the annual preventative maintenance services which include the following items, once per year unless otherwise specified:

#### Technical Operations Management

1. System Onboarding and Configuration. Verify system metadata, project and equipment information, and yield model. Configure alarms, thresholds, triggers, and notification groups.
2. Monitoring. Monitor for alerts and production issues 5 days per week, track service tickets, and contact client for dispatch approval as needed.
3. Monthly Production Reporting. Report actual production, expected production, budget production, actual insolation, and budget insolation in standard template.

### *PV Modules and DC Electrical System*

#### **Onsite IR Inspections – DC**

1. DC Combiners and Disconnects. Open combiners, inspect for discoloration, signs of arcing or faults, defects, missing or blown fuses. Capture IR images of combiners and DC disconnects. Re-torque any connections displaying high resistance heat (if possible). Capture before and after IR images of any corrective actions.

#### **Visual Inspections and Maintenance – DC**

1. Arrays. Inspect arrays for soiling, evidence of pest infestation, water pooling, vegetation growth, shading or damage. Photo-document general condition of each array, noting location of any issues requiring remediation beyond PM visit time allocation.
2. Racking Structures, Ballast Blocks. Inspect for mechanical integrity, corrosion, settling, damage, pest infestation, and any condition impacting safety, performance or serviceability. Photo-document general conditions and any abnormalities.
3. DC Combiners, Disconnects and Raceways. Inspect enclosures and raceways for mechanical integrity, corrosion, damage, and evidence of overheating, moisture intrusion, or pest infestation. Verify proper operation of DC disconnects.
4. Modules. Inspect for integrity of electrical and ground connections, wire management, visible defects or damage, and proper and secure attachment to racking structures or trackers. Photo-document any damaged modules, noting locations and serial numbers.
5. Grounding System. Inspect grounding system connections for mechanical and electrical integrity, corrosion, and damage. Spot check torques.

#### **Testing – DC**

1. Grounding System. Perform electrical resistance testing to verify continuity of grounding systems. Measure current on ground cables and test for ground faults.
2. DC-Side Surge Protection Devices. Determine status of SPDs through visual inspection or electrical testing as required by device manufacturer. Note deficiencies in service report.

### *Inverters and AC Electrical System*

#### **Onsite IR Inspections - AC**

1. Inverters - IR Inspection. Open inverter termination cabinets, inspect for discoloration, signs of arcing or faults, and defects. Capture IR images of inverter terminations. Re-torque any connections displaying high resistance heat (if possible). Capture before and after IR images of any corrective actions.
2. AC Panels and Disconnects. Capture IR images of AC Panels and Disconnects. Note any connections displaying high resistance heat. Capture before and after IR images of any corrective actions.

#### **Visual Inspections and Maintenance - AC**

1. Inverters - Visual Inspection. Inspect enclosures for corrosion, damage, mechanical integrity, and evidence of overheating, moisture intrusion, or pest infestation. Inspect inverter display screens for cracking or evidence of thermal fatigue. Verify proper operation of inverter circuit breakers. Verify fan operation, filter condition, and proper cooling airflow. Clean fans, heat sinks, and clean or

## Planned Services Agreement

replace filters as necessary to ensure optimal cooling. Photo-document each inverter during inspection, and before and after any corrective actions.

2. Inverters - Warranty Preservation. Perform all inspections and preventative maintenance procedures required by the manufacturer. Adequately document required inspections & service procedures to preserve inverter warranties.
3. AC Panels, AC Disconnects and Raceways. Inspect enclosures and raceways for mechanical integrity, corrosion, damage, and evidence of overheating, moisture intrusion, or pest infestation. Verify proper operation of AC disconnects and breakers.

### Testing - AC

1. Surge Protection Devices - AC. Determine status of SPDs through visual inspection or electrical testing as required by device manufacturer and replace any that are faulted.

### Data Acquisition System and Instrumentation

1. DAS Equipment. Inspect enclosures and raceways for mechanical integrity, corrosion, damage, and evidence of overheating, moisture intrusion, or animal nesting.
2. Meteorological Stations, Reference Cells and Soiling Stations. If present, visually inspect sensor clusters and/or reference cells to verify secure mounting and free of debris and obstructions. Clean the dome or window of irradiance sensors per the manufacturer's recommended procedure even if there is no apparent soiling. If a soiling station is installed, wash the "clean" module and photo-document the station.
3. Module Temperature Sensor. Inspect back of module temperature sensor to ensure proper and secure attachment. Re-attach sensor if improperly secured.

### Site Maintenance

1. Site Condition Monitoring. Inspect and photo-document general condition of site for vegetation growth or accumulation which could shade arrays and impact PV production.
2. Pest Infestations. Inspect and photo-document evidence of any wildlife or pest infestations on the project site noting locations.
3. Safety Equipment and Placards. Confirm location and charge of fire extinguishers. Verify applicable signage and placards are present and legible. Photo-document any deficiencies noting locations.
4. Erosion and Drainage. Inspect project site for evidence of erosion greater than 3" wide and 3" deep, or which could reasonably be expected to hamper safety or project serviceability. Photo-document areas impacted by erosion noting locations.
5. General Site - Roads, Fences, Gates, Lighting, Security. Inspect and photo-document condition of any roads to access or traverse the project site. Inspect perimeter fences and gates for integrity and security. Inspect any lighting fixtures on project site. Inspect any security cameras or devices on project site for integrity and evidence of vandalism.
6. Housekeeping. Inspect project site for excessive rubbish or debris buildup. Remove reasonable amounts of rubbish and debris. Photo-document excessive amounts noting locations.

## Planned Services Agreement

**Solar System Preventative Maintenance Responsibility Matrix**

| # | Tasks                                                         | JCI<br>Year 1                                  | JCI<br>Years 2-5 | Customer<br>Years 2-5 | Equipment<br>Manufacturer                |
|---|---------------------------------------------------------------|------------------------------------------------|------------------|-----------------------|------------------------------------------|
| 1 | Remote Triage of Alarms (via Data Acquisition System or OBEM) | X                                              | X                | -                     |                                          |
| 2 | On-site Assistance with Triage of Alarms                      | X                                              | -                | X                     |                                          |
| 3 | Annual Maintenance per Planned Service Agreement              | X                                              | X                | -                     |                                          |
| 4 | Warranty Servicing/Covered Repair and Replacement             | Per base project Contract Section 7 "Warranty" | -                | X                     | Per terms of the manufacturer's warranty |
| 5 | Annual Solar Panel Washing                                    | *                                              | -                | X                     |                                          |

\* Since JCI will manually clean the PV panels as described in Schedule 1 at the end of the installation prior to the performance phase and manual panel washing is a customer responsibility, JCI will monitor such need and should additional manual washing need to occur will notify the customer.

### Measurement & Verification Services

The M&V scope of work is described in detail in Schedule 2 of the Performance Contract agreement under the heading "VII Measurement & Verification Services". Please refer to that section for the specific work to be completed under this service agreement.

### Monitoring Subscriptions

JCI will provide annual subscriptions for the following applications which were initially installed during the base project **phase**. The subscription renewals will provide a continuity of service in these applications for the term when M&V is in force.

- OpenBlue Enterprise Manager
- Also Energy Data Acquisition System (DAS)

# Planned Services Agreement

## Terms and Conditions

### DEFINITIONS

**COVERED EQUIPMENT** is the equipment for which Services are to be provided under this Agreement as set forth in the attached Equipment List.

**EQUIPMENT FAILURE** means the sudden and accidental failure of moving parts or electric or electronic components that are part of the Covered Equipment and are necessary for its operation.

**SCHEDULED SERVICE VISITS** are the on-site labor visits required to perform JCI recommended inspections and preventative maintenance on Covered Equipment.

**SCHEDULED SERVICE MATERIALS** are the materials required to perform Scheduled Service Visits on Covered Equipment, such as grease, lubricants and sprays, depending on the Covered Equipment.

**REPAIR LABOR** is the labor necessary to restore Covered Equipment to working condition following an Equipment Failure, but does not include services relating to total equipment replacement due to obsolescence or unavailability of parts.

**REPAIR MATERIALS** are the parts necessary to restore Covered Equipment to working condition following an Equipment Failure, but excludes total equipment replacement due to obsolescence or unavailability of parts. At JCI's option, Repair Materials may be new, used, or reconditioned.

### SERVICE COVERAGE OPTIONS

**BASIC COVERAGE** means Scheduled Service Visits, plus Scheduled Service Materials if elsewhere noted in this Agreement, for Covered Equipment. No parts or equipment are provided for under BASIC COVERAGE.

**PREMIUM COVERAGE** means BASIC COVERAGE as well as Repair Labor, plus Repair Material if elsewhere noted in this Agreement for Covered Equipment.

**EXTENDED SERVICE** means service for repairs performed outside JCI's normal business hours (available either 24/5 or 24/7) and is available only if Customer has PREMIUM COVERAGE, as more fully described in Schedule A. The price for Extended Service, if chosen by Customer, is part of the total Contract Price.

If Services are performed, or materials, parts or equipment provided, beyond the scope or time period of those covered by the Service Coverage option selected by Customer, Customer agrees to pay JCI's standard fee for all additional Services, materials, parts and equipment.

#### A. INITIAL EQUIPMENT INSPECTION NECESSARY FOR PREMIUM COVERAGE

If Customer has ordered PREMIUM COVERAGE, JCI will inspect the Covered Equipment within 45 days of the date of this Agreement or as seasonal or operational conditions permit. JCI will advise Customer if JCI finds any Covered Equipment not in working order or in need of repair. With the Customer's approval, JCI will perform the work necessary to put the Covered Equipment in proper working condition. This work will be done at JCI's standard fee for parts and labor in effect at that time. If the Customer does not want JCI to do the work identified by JCI, or if Customer does not have the work done, the equipment will be removed from the list of Covered Equipment and the price of this Agreement will be adjusted accordingly. This inspection does not affect Customer's warranty. Should Customer not make recommended repairs, JCI reserves the right to invoice Customer for the cost of the inspection.

#### B. STANDARD OF CARE AND WARRANTIES

Customer understands JCI is a provider of services under this Agreement and shall not be considered a merchant or a vendor of goods. JCI warrants its Services will be provided in a good and workmanlike manner. Any Services not performed in a good and workmanlike manner will be re-performed by JCI provided Customer notifies JCI as soon as possible, which shall be no later than one calendar year from the date the Services were performed. Customer acknowledges that re-performance, as provided herein, shall be its exclusive and only remedy with regards to any Services provided by JCI.

If a part is installed as part of JCI's Services, JCI warrants the installed part will be free from defects in workmanship and material until the end of the Term or for one (1) year from the date on which JCI installs the part, whichever is earlier. If the part is covered under a manufacturer's warranty for a term less than one (1) year, JCI's warranty to the Customer as to such part shall be limited to the term of the manufacturer's warranty. In order to assert a warranty claim, Customer must provide prompt written notice to JCI of its claim during the applicable warranty period. Any claim based upon this warranty must be brought within one (1) year of the expiration of the applicable warranty period. This limitation is in lieu of any other applicable statute of limitation. JCI's sole obligation under this warranty shall be to repair or replace the defective part without charge to Customer during such warranty period. **If JCI installs or furnishes equipment under this Agreement, and the equipment is covered by a warranty from the manufacturer, JCI will, to the extent transferable, transfer the benefits of such manufacturer's warranty to Customer. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, ALL OTHER EQUIPMENT, MATERIALS, PARTS AND OTHER ITEMS PROVIDED BY JCI ARE PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTIES OF ANY KIND.**

**CUSTOMER HEREBY ACKNOWLEDGES AND AGREES THAT THESE WARRANTIES ARE THE SOLE WARRANTIES AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THOSE OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER FURTHER ACKNOWLEDGES THAT NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY JCI, ITS AGENTS OR EMPLOYEES, SHALL CREATE A WARRANTY IN ANY WAY WHATSOEVER.**

# Planned Services Agreement

## C. EXCLUSIONS

JCI's Services and Warranty obligations do not include:

- 1) supplies, accessories, or any items normally consumed during the use of Covered Equipment, such as refrigerant, ribbons, bulbs, and paper;
- 2) failures beyond JCI's reasonable control, including (i) acts of God, (ii) abuse or misuse of equipment, (iii) alterations, adjustments, attachments, combinations, modifications, or repairs to equipment not performed or provided by JCI, (iv) items caused by or related to equipment not covered by this Agreement, (v) operator error, (vi) failure to comply with Customer's obligations contained in this Agreement, (vii) use of the Covered Equipment in a manner or environment, or for any purpose, for which it was not designed by the manufacturer (including improper water treatment), and (viii) site-related problems, including power failures and fluctuations and failure to keep the site clean and free of dust, sand and other particles or debris;
- 3) service calls due to warranty claims on the Covered Equipment;
- 4) repainting or refinishing Covered Equipment;
- 5) electrical work to the Customer's facility;
- 6) stockpiling of parts or supplies;
- 7) the repair or replacement of ductwork, casings, cabinets, structural supports, tower fill/slats/basin, hydronic and pneumatic piping, and vessels, gaskets, and piping not normally replaced or maintained on a scheduled basis, and removal of oil from pneumatic piping;
- 8) service calls resulting from the effects of erosion, corrosion, acid cleaning, or damage from unexpected or especially severe freezing weather;
- 9) service calls required because JCI had previously been denied access to the equipment;
- 10) disposal of hazardous wastes. Hazardous wastes remain the property and the responsibility of the Customer even when removed from equipment or replaced by JCI as provided by the terms of this Agreement. The Customer shall be responsible for the proper storage and disposal of hazardous wastes. This includes, but is not limited to, used oil, contaminated or uncontaminated refrigerant, and PCBs; and
- 11) normal wear and tear.

## D. CUSTOMER OBLIGATIONS AND COMMITMENTS TO JCI

- 1) The Customer warrants that all Covered Equipment is in good working condition and that the Customer has given JCI all information concerning the condition of the Covered Equipment.
- 2) The Customer agrees that, during the Term of this Agreement, the Customer will:
  - (a) operate the Covered Equipment according to the manufacturer's and JCI's recommendations;
  - (b) keep accurate and current work logs and information on the Covered Equipment as recommended by the manufacturer and JCI;
  - (c) provide an adequate environment for Covered Equipment as recommended by the manufacturer and JCI, including, but not limited to, adequate space, electrical power, air-conditioning, and humidity control;
  - (d) notify JCI immediately of any equipment malfunction, breakdown, or other condition affecting the operation of the Covered Equipment;
  - (e) allow JCI to start and stop, periodically turn off, or otherwise change or temporarily suspend equipment operations so that JCI can perform the Services required under this Agreement;
  - (f) provide proper condenser and boiler water treatment, as necessary, for the proper functioning of Covered Equipment, if such services are not JCI's responsibility under this Agreement; and
  - (g) cooperate with JCI and provide any and all necessary information to facilitate the delivery of the Services by JCI as described herein in a timely manner; and
- 3) The Customer acknowledges that its failure to meet its obligations will relieve JCI of any responsibility, to the extent provided in this Agreement, for any equipment breakdown, or any necessary repair or replacement of any equipment and to provide any Services.

## E. CHANGES TO CUSTOMER EQUIPMENT

The Customer retains the right to make changes or alterations to the Covered Equipment. If, in JCI's sole opinion, such changes or alterations affect JCI's Services or obligations, JCI shall have the right to make appropriate changes to the scope of this Agreement or the Contract Price.

## F. ACCESS

The Customer will give JCI full access to all equipment that is either Covered Equipment or associated with Covered Equipment when JCI requests such access. If access cannot be provided, JCI's obligations under this Agreement will be suspended until such access is provided. Matters affecting JCI's access to the Covered Equipment may include, but are not limited to, the removal, replacement, repair, refinishing, restoration, reconstruction, or other remedial actions taken by the Customer with respect to equipment or to the Customer's facility. Suspension of JCI's duties for this reason will not cancel or suspend any of the Customer's obligations under this Agreement.

## G. INDEMNITY

JCI and the Customer agree to indemnify the other Party and their officers, agents, directors, and employees, from third-party claims, demands, or suits for bodily injury, including death, or tangible property damage resulting from the intentional misconduct or any negligent acts by their employees or agents. Customer expressly agrees JCI shall be responsible only for such injury or damage caused by the intentional misconduct or the negligent act of JCI's employees and agents and JCI shall not be responsible for any injury or damage caused, or contributed to, in any manner by Customer or any third-party. The obligations of JCI and of the Customer under this paragraph are further subject to paragraphs H and O below.

# Planned Services Agreement

## H. LIMITATION OF LIABILITY

JCI SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING DAMAGES FOR LOSS OF BUSINESS, LOSS OF PROFITS OR THE LIKE) CAUSED BY THE MATERIALS, EQUIPMENT, PARTS OR SERVICES PROVIDED HEREUNDER OR THE FAILURE OF THE MATERIAL, EQUIPMENT, PART OR SERVICE TO PERFORM, ACCURATELY PERFORM, TIMELY PERFORM, OR OTHERWISE MEET THE NEEDS, SPECIFICATIONS OR EXPECTATIONS OF CUSTOMER, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, EVEN IF JCI OR ITS REPRESENTATIVES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF A REMEDY SET FORTH HEREIN IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE. JCI'S TOTAL LIABILITY TO CUSTOMER FOR DAMAGES FOR ANY CAUSE WHATSOEVER SHALL BE LIMITED TO THE GREATER OF (i) \$25,000, OR (ii) THE AGGREGATE FEES PAID BY CUSTOMER TO JCI FOR THE SERVICES PROVIDED FOR LOSSES AND DAMAGES COVERED AND PAID BY INSURANCE REQUIRED UNDER THIS AGREEMENT, JCI'S LIABILITY FOR SUCH LOSSES AND DAMAGES SHALL NOT EXCEED THE AMOUNT OF INSURANCE REQUIRED UNDER THIS AGREEMENT.

The waiver of warranty, exclusive remedies, waiver of consequential damages and limitation of liability set forth in this Agreement are fundamental elements of the basis for this Agreement. JCI would not be able to provide the products, parts or Services on an economic basis, and would not have entered into this Agreement, without such limitations.

## I. FORCE MAJEURE

- 1) JCI shall not be responsible to the Customer for damage, loss, injury, or delay caused by conditions beyond JCI's reasonable control, and without the intentional misconduct or negligence of JCI. Such conditions include, but are not limited to: (a) acts of God; (b) acts of Government agencies; (c) strikes; (d) labor disputes; (e) fire; (f) explosions or other casualties; (g) thefts; (h) vandalism; (i) terrorism, riots or war; or (j) unavailability of parts, materials or supplies.
- 2) If this Agreement covers fire safety or security equipment, the Customer understands that JCI is not an insurer regarding those services. JCI shall not be responsible for any damage or loss whatsoever that may result from fire safety or security equipment that fails to perform properly or fails to prevent loss or damage.
- 3) JCI is not responsible for any injury, loss, or damage caused by equipment that is not Covered Equipment.

## J. RENEWAL PRICE ADJUSTMENT

JCI will provide Customer with notice of any adjustments to the Price and Payment Terms provision of this Agreement applicable to a renewal period no later than forty-five (45) days prior to the commencement of such renewal period. Unless the Customer terminates the Agreement as provided in the Term/Automatic Renewal provision of this Agreement, the adjusted price shall be the price for the renewal period.

## K. JCI's EQUIPMENT

JCI may provide tools, documentation, panels, or other control equipment in the Customer's building for JCI's convenience in performing JCI's Services. Such equipment shall remain JCI's property and JCI retains the right to remove the same during the Term or upon the termination of this Agreement.

## M. RESOLUTION OF DISPUTES

Customer shall make all payments to JCI when due in accordance with the Price and Payment Terms provision of this Agreement or any renewal adjustments thereto, and such timely payment by Customer shall be a condition precedent to JCI's obligation to perform its Services hereunder. If a dispute, claim, or other matter in question ("Dispute") related in any manner to this Agreement arises, the Parties shall promptly attempt in good faith to resolve such Dispute by negotiation. The Parties further agree as follows:

- 1) Each Party waives any right to trial in a court of law and to trial by jury.
- 2) Notice of Dispute: In order to be able to mediate or arbitrate any Dispute between JCI and Customer, written notice thereof must be given by the Party requesting mediation within five (5) days after the Dispute arises. The purpose of such notification is to place the notified Party on notice so proper measures can be taken to defend against such Dispute, and the failure to give such notice shall preclude the Party desiring arbitration from subsequently mediating or arbitrating the particular Dispute.
- 3) Mediation: As a condition precedent to arbitration, the Parties must submit the Dispute to mediation within five (5) days of the notice of dispute. Mediation shall be conducted in accordance with the then current mediation rules of the American Arbitration Association or other mediation service mutually agreed to by the Parties.
- 4) Arbitration: In the event mediation of the Dispute is unsuccessful, no later than five (5) days following such mediation the Dispute must be submitted to arbitration. Arbitration shall be conducted in accordance with the then current arbitration rules of the American Arbitration Association or other arbitration service mutually agreed to by the Parties. Arbitration must be completed within sixty (60) days after the Dispute is submitted to arbitration unless the Parties mutually agree otherwise. The award rendered by the arbitrator shall be final, and judgment may be entered there upon in accordance with applicable law in any court having competent jurisdiction thereof. The Party prevailing in the arbitration shall be entitled to an award of its reasonable costs, including reasonable attorney's fees, incurred as a result of the Dispute.

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- 5) Services Obligation Suspended: The Parties agree while arbitration of the Dispute is pending, JCI's obligation to provide continued Services as set forth in this Agreement shall be temporarily suspended until the arbitration award is issued. In the event JCI elects to suspend its Services Customer will remain obligated to pay any outstanding amounts owed JCI but will not be obligated to pay for the Services suspended. The right of JCI to suspend its Services hereunder is in addition to all other rights JCI may have at law or in equity and does not impair the rights of JCI with regard to a Dispute hereunder. The Customer expressly agrees JCI may not be held liable for damages of any nature which Customer may suffer as a result of JCI's temporary suspension of its Services in accordance with this provision.
- 6) The rights and obligations of JCI herein are in addition to, and do not alter, impair, limit, or otherwise waive any other rights granted JCI in equity or by statute.

### N. TERMINATION

In addition to the Term/Automatic Renewal provision of this Agreement, JCI and the Customer agree in the event either Party refuses or fails to perform its obligations under this Agreement in the manner specified herein, the affected Party must provide the other with written notice containing a detailed description of the alleged deficiency or breach, including specific reference to the applicable provision(s) of this Agreement within five (5) days of the alleged deficiency or breach. Should the Party alleged to be in breach of this Agreement fail to respond in writing to, or take action to cure the alleged deficiency or breach within ten (10) days of the written notice of same, the affected Party may terminate this Agreement for cause. In the event the Agreement is terminated for cause, Customer shall make payment to JCI for all undisputed amounts owed within ten (10) days of the termination effective date. A Party's termination of this Agreement for cause shall be without prejudice to any other right or remedy.

### O. ASBESTOS, MOLD AND HAZARDOUS MATERIALS

1) Asbestos-Containing Materials: Neither Party desires to or is licensed to undertake direct obligations relating to the identification, abatement, cleanup, control, removal or disposal of asbestos-containing materials ("ACM"). Consistent with applicable laws, Customer shall supply JCI with any information in its possession relating to the presence of ACM in areas where JCI undertakes any Services that may result in the disturbance of ACM. It is JCI's policy to seek certification for facilities constructed prior to 1982 that no ACM is present, and Customer shall provide such certification for buildings it owns, or aid JCI in receiving such certification from facility owners in the case of buildings that it does not own, if JCI will undertake Services in the facility that could disturb ACM. If either Customer or JCI becomes aware of or suspects the presence of ACM that may be disturbed by JCI's Services, it shall immediately stop the Services in the affected area and notify the other's contacts. As between Customer and JCI, Customer shall be responsible at its sole expense for addressing the potential for or the presence of ACM in conformance with all applicable laws and addressing the impact of its disturbance before JCI continues with its Services, unless JCI had actual knowledge that ACM was present and acted in disregard of that knowledge, in which case (a) JCI shall be responsible at its sole expense for remediating areas impacted by the disturbance of the ACM, and (b) Customer shall resume its responsibilities for the ACM after JCI's remediation has been completed.

2) Other Hazardous Materials: JCI shall have no obligations relating to the identification, abatement, cleanup, control, removal or disposal of mold, regardless of the cause of the mold. JCI shall be responsible for removing or disposing of any Hazardous Materials that it uses in providing Services ("JCI Hazardous Materials") and, other than mold, for the remediation of any areas impacted by the release of JCI Hazardous Materials. For other Hazardous Materials that may be otherwise present at its facilities ("Non-JCI Hazardous Materials"), Customer shall supply JCI with any information in its possession relating to the presence of such materials if their presence may affect JCI's performance of the Services. If either Customer or JCI becomes aware of or suspects the presence of Non-JCI Hazardous Materials that may interfere with JCI's Services, it shall immediately stop the Services in the affected area and notify the other's contacts. As between Customer and JCI, Customer shall be responsible at its sole expense for removing and disposing of mold and Non-JCI Hazardous Materials from its facilities and the remediation of any areas impacted by mold or the release of the Non-JCI Hazardous Materials. Notwithstanding the foregoing, if JCI had actual knowledge that Non-JCI Hazardous Materials other than mold were present and acted in disregard of that knowledge, then in such case (a) JCI shall be responsible at its sole expense for the remediation of any areas impacted by JCI's release of such Hazardous Materials, and (b) Customer shall remain responsible at its sole expense for the removal of Hazardous Materials that have not been released and for releases not resulting from JCI's performance of the Services.

3) Environmental Indemnity. To the fullest extent permitted by law, Customer shall indemnify and hold harmless JCI and JCI's Subcontractors, and their respective directors, officers, employees, agents, representatives, shareholders, affiliates, and successors and assigns, from and against any and all losses, costs, damages, expenses (including reasonable legal fees and defense costs), claims, causes of action or liability, directly or indirectly, relating to or arising from Customer's or the owner's use, storage, release, discharge, handling or presence of ACM or Non-JCI Hazardous Materials on, under or about the facility(ies), or the noncompliance with this Section O. To the fullest extent permitted by law, JCI shall indemnify and hold harmless Customer, its officers, directors, employees, agents, representatives, shareholders, affiliates, successors and assigns, from and against any and all losses, claims, damages, expenses (including reasonable legal fees and defense costs), claim, causes of action or liability, directly or indirectly, relating to or arising from JCI's use, storage, release, discharge, handling or presence of JCI Hazardous Materials on, under or about the facility(ies), or the noncompliance with this Section O.

### P. ASSESSMENT

It is the Customer's responsibility to pay all taxes or other government charges relating to the Services, transfer, use, ownership, servicing, or possession of any equipment relating to this Agreement.

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## Q. MISCELLANEOUS PROVISIONS

- 1) Any notice that is required to be given under this Agreement must be in writing and sent to the Party at the address noted on the first page of this Agreement.
- 2) This Agreement cannot be transferred or assigned by Customer without the prior written consent of JCI.
- 3) This Agreement is the entire Agreement between JCI and the Customer and supersedes any prior oral understandings, written agreements, proposals, or other communications between JCI and the Customer.
- 4) Any change or modification to this Agreement will not be effective unless made in writing. Such written modification must specifically indicate that it is an amendment, change, or modifications to this Agreement.
- 5) The Customer acknowledges and agrees that any purchase order issued by Customer, in accordance with this Agreement, is intended only to establish payment authority for the Customer's internal accounting purposes. No purchase order shall be considered to be a counteroffer, amendment, modification, or other revision to the terms of this Agreement. No term or condition included in the Customer's purchase order will have any force or effect.
- 6) Should any changes to relevant regulations, laws, or codes substantially affect JCI's Services or obligations, the Customer agrees to negotiate in good faith with JCI for appropriate and equitable changes to the scope or price of the Agreement or both.
- 7) The Parties agree and acknowledge that this is a negotiated agreement and that the rule of construction that any ambiguities are to be construed against the drafting Party shall not apply.
- 8) Nothing contained in this Agreement shall create a contractual relationship with or cause of action in favor of a third-party against JCI. The Services under this Agreement are being performed solely for the Customer's benefit, and no other party or entity shall have any claim against JCI because of this Agreement or the performance or non-performance of the Services hereunder.
- 9) The failure of JCI or the Customer to insist upon, or to delay enforcing the strict performance of the terms and conditions hereof, or any right or remedy, as provided herein, shall not constitute or be construed as a waiver or relinquishment of either Party's right to thereafter enforce the same in accordance with this Agreement in the event of a continuing or subsequent default on the part of JCI or the Customer.

## R. CHOICE OF LAW

This Agreement shall be subject to and governed by the laws of the State where the project is located.

## S. SEVERANCE

Should any term, part, portion, or provision of this Agreement be decided or declared by the courts to be, or otherwise found to be, illegal or in conflict with any law of the state governing this Agreement or the United States, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions, and provisions shall be deemed severable and shall not be affected thereby, provided such remaining parts, terms, portions, or provisions can be construed in the substance to constitute the Agreement that the Parties intended to enter into in the first instance.

## T. JCI'S INTELLECTUAL PROPERTY

JCI shall retain all right, title and interest in and to any (a) Deliverables provided to Customer hereunder, including without limitation, all software source and object code, documentation, technical information or data, specifications and designs and any changes, improvements or modifications thereto or derivatives thereof ("Deliverables") and (b) Know-How (defined below) employed by JCI in the creation of the Deliverables or performance of the Services, whether known to JCI prior to, or developed or discovered or acquired in connection with, the performance of its obligations hereunder. Ownership of all Deliverables and Know-How shall vest solely in JCI and no Deliverables shall be deemed "works made for hire." Without limiting the generality of the foregoing, ownership of all source files used in the course of performing the Services shall remain the exclusive property of JCI. For purposes of this Agreement, "Know-How" means any know-how, processes, techniques, concepts, methodologies, tools, analytical approaches, database models and designs, discoveries, and ideas furnished, produced by, developed, employed or used by JCI in the creation or provision of the Deliverables or in the performance of the Services, and any changes, improvements or modifications thereto or derivatives thereof.

**CITY OF COALINGA**

**JOHNSON CONTROLS, INC.**

Signature:\_\_\_\_\_

Signature:\_\_\_\_\_

Printed Name:\_\_\_\_\_

Printed Name: Mike Kozlowski

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

Title: Area Sales Manager

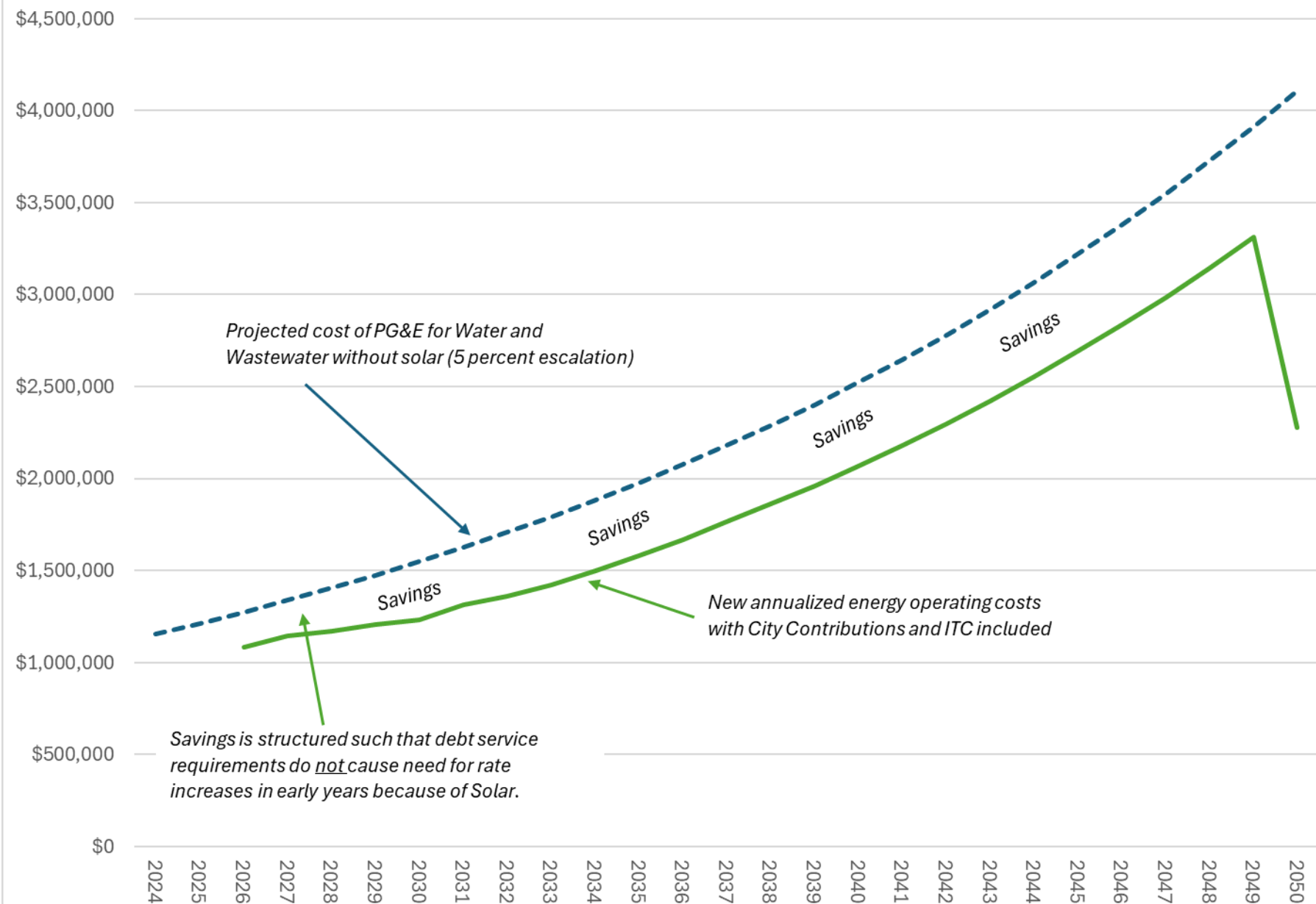
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# Coalinga Photovoltaic Project

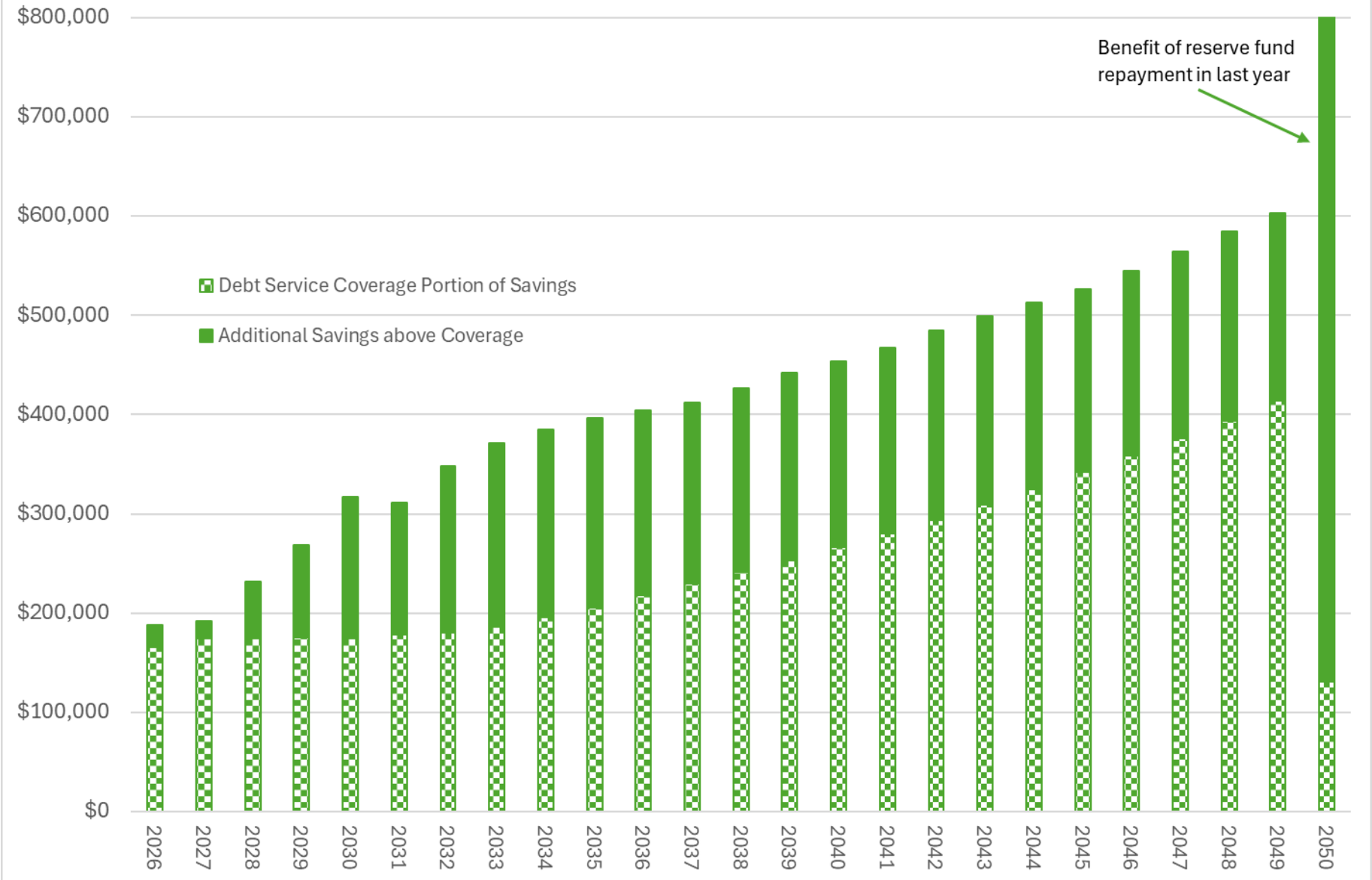
Water and Wastewater Plant Installations

City Council June 20, 2024

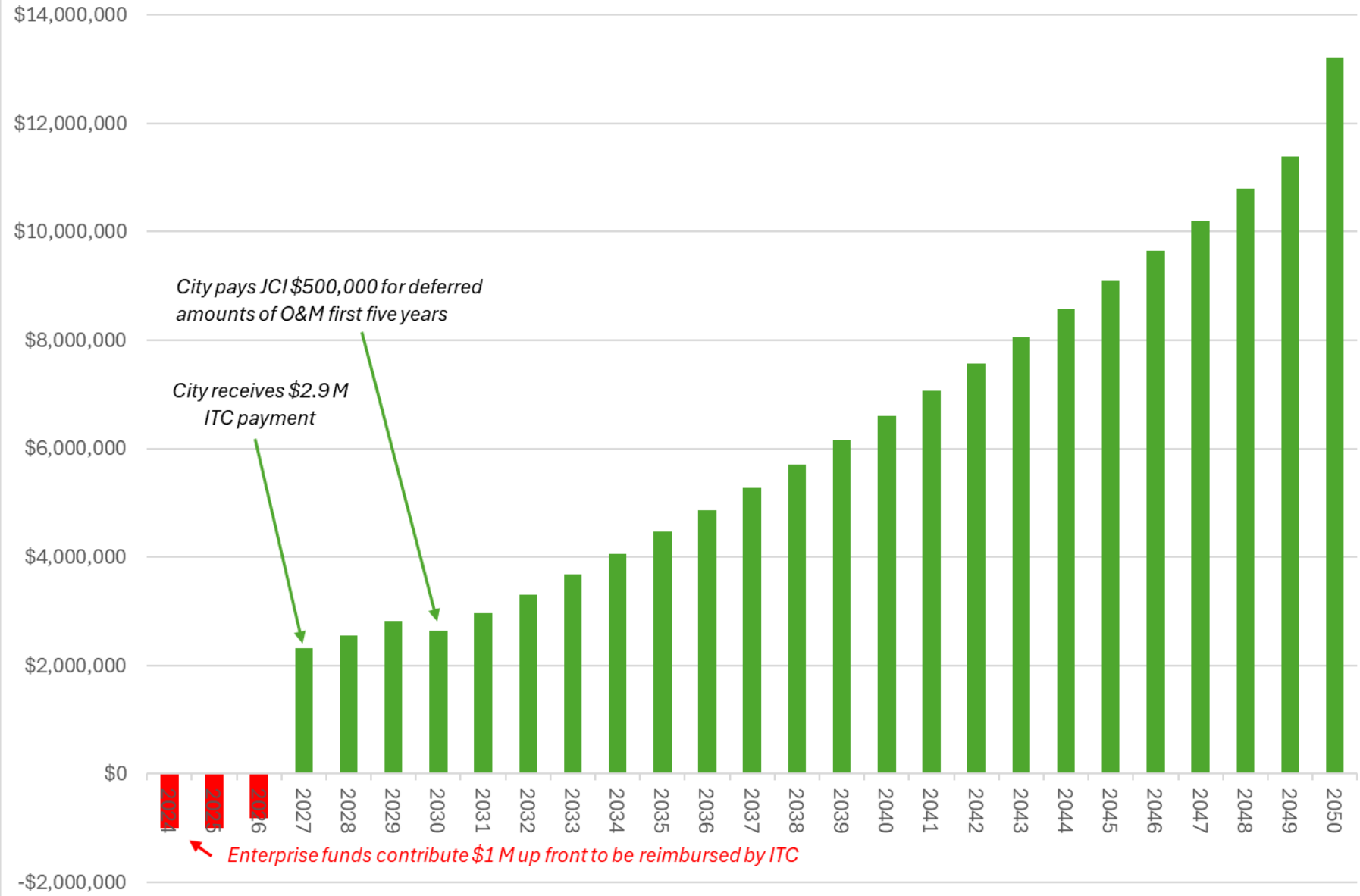
Combined Water and Wastewater Projected PG&E Costs vs. Costs with Solar



Combined Annual Projected Savings

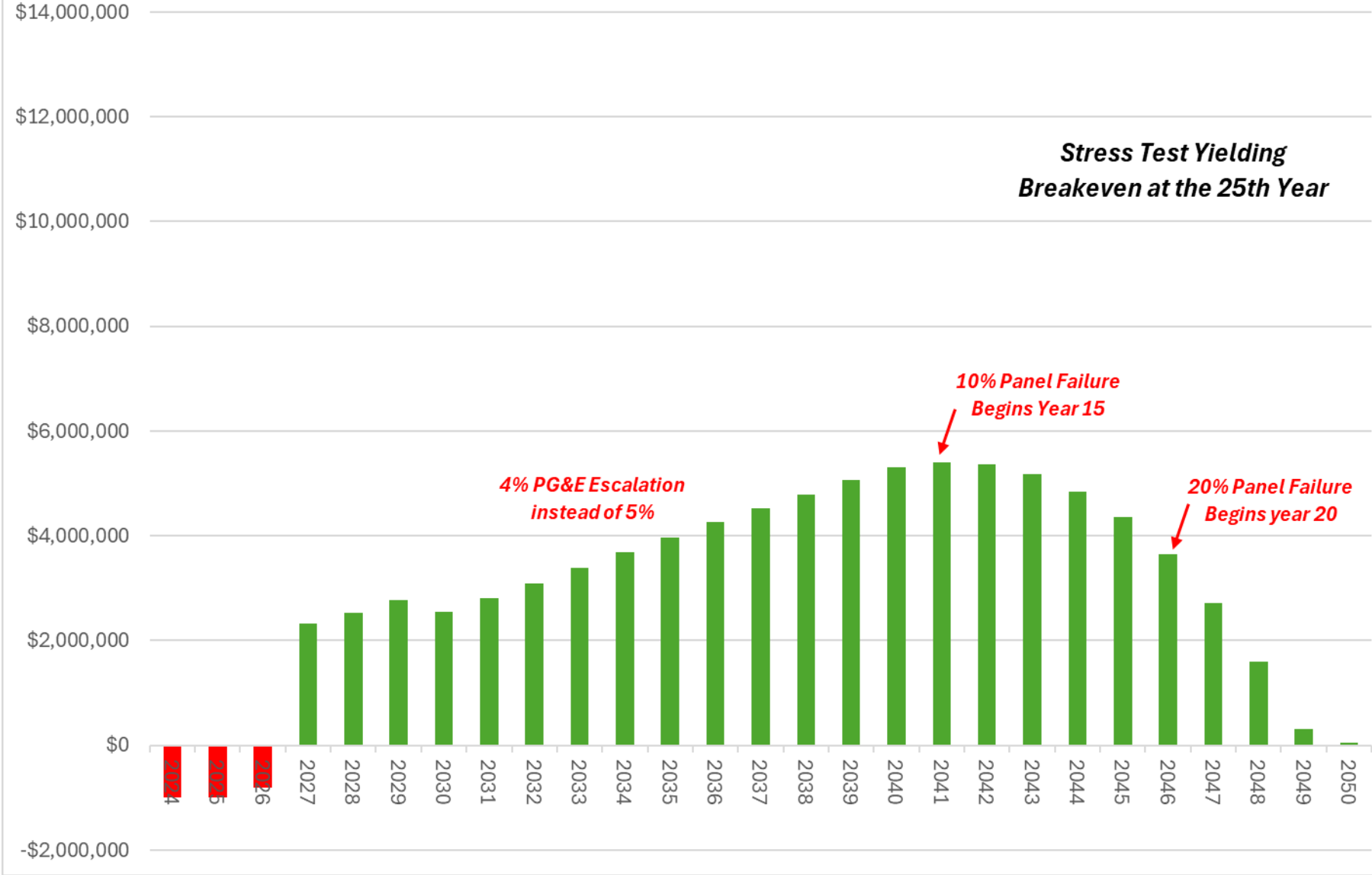


Cumulative Savings for Combined Water and Wastewater Solar  
(Including City Contributions and ITC benefit)



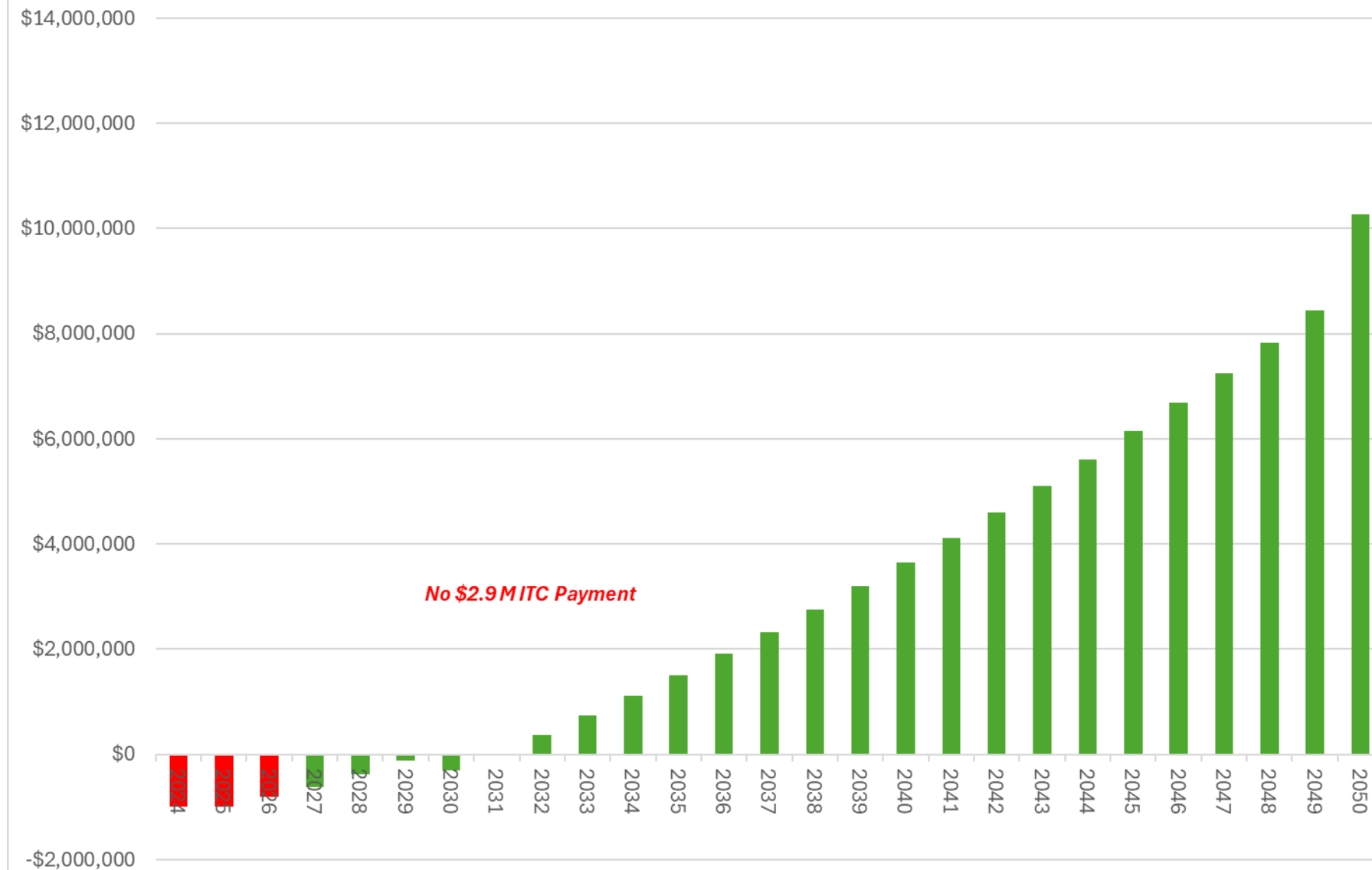
**Solar Stress Test: PG&E Escalation lowered to 4% and panel failure begins year 15**

Cumulative Savings for Combined Water and Wastewater Solar  
(Including City Contributions and ITC benefit)

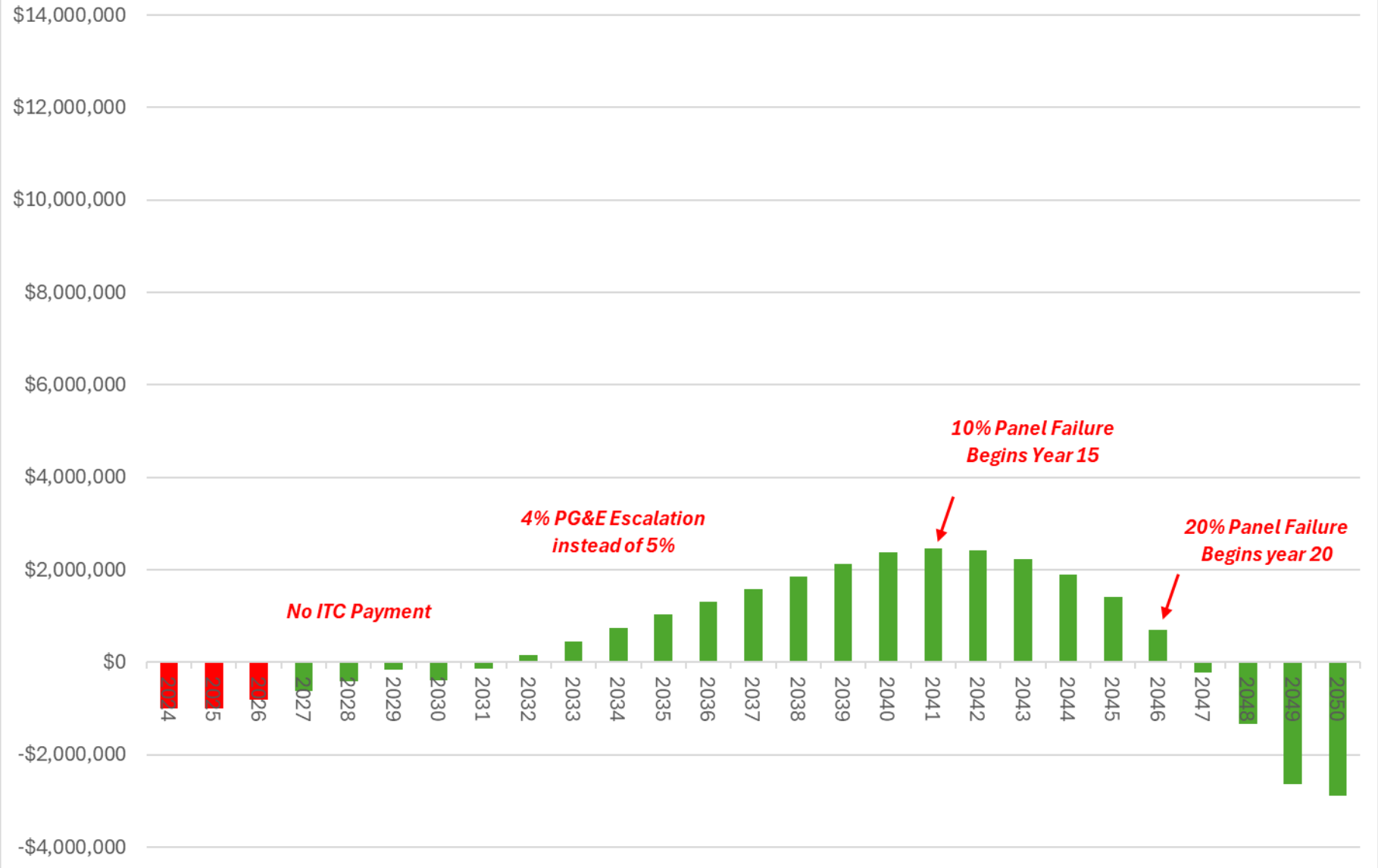


# Solar Stress Test: No ITC Payment

Cumulative Savings for Combined Water and Wastewater Solar  
(Including City Contributions)



**Solar Stress Test: No ITC Payment, PG&E Escalation at 4%, Panel Failure**  
Cumulative Savings for Combined Water and Wastewater Solar  
(Including City Contributions)



| Solar Project Worksheet Data Supporting Charts and Graphs for City Council Packet (Page 1) |      |             |           |                 |                    |                                                      |           |                                                      |                    |           |            |                    |           |           |           |            |
|--------------------------------------------------------------------------------------------|------|-------------|-----------|-----------------|--------------------|------------------------------------------------------|-----------|------------------------------------------------------|--------------------|-----------|------------|--------------------|-----------|-----------|-----------|------------|
|                                                                                            |      | Escalation: | 5%        | JCI Escalation: |                    |                                                      | 4.45%     |                                                      |                    |           |            |                    |           |           |           |            |
|                                                                                            |      | PG&E        |           |                 | Solar Avoided PG&E |                                                      |           |                                                      | Water Project Cost |           |            | Sewer Project Cost |           |           | Combined  |            |
|                                                                                            |      | Water       | Sewer     | Total           | Water              |                                                      | Sewer     |                                                      | Total              | Operating | Bonds      | Total              | Operating | Bonds     | Total     | Total Cost |
| -3                                                                                         | 2022 | \$723,038   | \$189,661 | \$912,699       |                    |                                                      |           |                                                      |                    |           |            |                    |           |           |           |            |
| -2                                                                                         | 2023 | 712,000     | 205,576   | 917,576         |                    |                                                      |           |                                                      |                    |           |            |                    |           |           |           |            |
| -1                                                                                         | 2024 | 924,000     | 231,600   | 1,155,600       |                    |                                                      |           |                                                      |                    |           |            |                    |           |           |           |            |
| 0                                                                                          | 2025 | 970,200     | 243,180   | 1,213,380       |                    |                                                      |           |                                                      |                    |           |            |                    |           |           |           |            |
| 1                                                                                          | 2026 | 1,018,710   | 255,339   | \$1,274,049     | \$678,951          |                                                      | \$185,993 |                                                      | \$864,944          | \$14,000  | \$515,565  | \$529,565          | -         | 146,870   | \$146,870 | \$676,435  |
| 2                                                                                          | 2027 | 1,069,646   | 268,106   | 1,337,751       | 709,165            |                                                      | 194,270   |                                                      | 903,434            | 14,280    | 542,700    | 556,980            | -         | 154,600   | 154,600   | 711,580    |
| 3                                                                                          | 2028 | 1,123,128   | 281,511   | 1,404,639       | 740,723            | Stress<br>Case<br>with<br>Panel<br>Failure<br>Factor | 202,915   | Stress<br>Case<br>with<br>Panel<br>Failure<br>Factor | 943,637            | 14,566    | 542,700    | 557,266            | -         | 154,600   | 154,600   | 711,866    |
| 4                                                                                          | 2029 | 1,179,284   | 295,587   | 1,474,871       | 773,685            |                                                      | 211,944   |                                                      | 985,629            | 14,857    | 542,700    | 557,557            | -         | 159,600   | 159,600   | 717,157    |
| 5                                                                                          | 2030 | 1,238,248   | 310,366   | 1,548,615       | 808,114            |                                                      | 221,376   |                                                      | 1,029,490          | 15,154    | 542,700    | 557,854            | -         | 154,400   | 154,400   | 712,254    |
| 6                                                                                          | 2031 | 1,300,161   | 325,884   | 1,626,045       | 844,075            |                                                      | 231,227   |                                                      | 1,075,302          | 42,689    | 542,700    | 585,389            | 9,607     | 169,400   | 179,007   | 764,396    |
| 7                                                                                          | 2032 | 1,365,169   | 342,179   | 1,707,348       | 881,636            |                                                      | 241,517   |                                                      | 1,123,153          | 44,088    | 542,700    | 586,788            | 9,992     | 178,800   | 188,792   | 775,579    |
| 8                                                                                          | 2033 | 1,433,427   | 359,288   | 1,792,715       | 920,869            |                                                      | 252,264   |                                                      | 1,173,133          | 45,536    | 562,700    | 608,236            | 10,391    | 182,800   | 193,191   | 801,427    |
| 9                                                                                          | 2034 | 1,505,099   | 377,252   | 1,882,351       | 961,848            |                                                      | 263,490   |                                                      | 1,225,337          | 47,036    | 591,500    | 638,536            | 10,807    | 191,600   | 202,407   | 840,942    |
| 10                                                                                         | 2035 | 1,580,354   | 396,115   | 1,976,468       | 1,004,650          |                                                      | 275,215   |                                                      | 1,279,865          | 48,589    | 623,500    | 672,089            | 11,239    | 200,000   | 211,239   | 883,328    |
| 11                                                                                         | 2036 | 1,659,371   | 415,920   | 2,075,292       | 1,049,357          |                                                      | 287,462   |                                                      | 1,336,819          | 50,198    | 658,400    | 708,598            | 11,689    | 212,500   | 224,189   | 932,787    |
| 12                                                                                         | 2037 | 1,742,340   | 436,716   | 2,179,056       | 1,096,053          |                                                      | 300,254   |                                                      | 1,396,307          | 51,864    | 695,900    | 747,764            | 12,156    | 224,250   | 236,406   | 984,171    |
| 13                                                                                         | 2038 | 1,829,457   | 458,552   | 2,288,009       | 1,144,828          |                                                      | 313,616   |                                                      | 1,458,443          | 53,591    | 735,700    | 789,291            | 12,643    | 230,250   | 242,893   | 1,032,183  |
| 14                                                                                         | 2039 | 1,920,930   | 481,480   | 2,402,409       | 1,195,772          |                                                      | 327,571   |                                                      | 1,523,344          | 55,379    | 772,500    | 827,879            | 13,148    | 240,750   | 253,898   | 1,081,778  |
| 15                                                                                         | 2040 | 2,016,976   | 505,554   | 2,522,530       | 1,248,984          |                                                      | 342,148   |                                                      | 1,591,133          | 57,232    | 811,300    | 868,532            | 13,674    | 255,500   | 269,174   | 1,137,707  |
| 16                                                                                         | 2041 | 2,117,825   | 530,831   | 2,648,656       | 1,304,564          | 0%                                                   | 357,374   | 0%                                                   | 1,661,938          | 59,152    | 856,800    | 915,952            | 14,221    | 264,250   | 278,471   | 1,194,423  |
| 17                                                                                         | 2042 | 2,223,716   | 557,373   | 2,781,089       | 1,362,617          | 0%                                                   | 373,277   | 0%                                                   | 1,735,894          | 61,141    | 898,400    | 959,541            | 14,790    | 277,250   | 292,040   | 1,251,581  |
| 18                                                                                         | 2043 | 2,334,902   | 585,242   | 2,920,144       | 1,423,254          | 0%                                                   | 389,888   | 0%                                                   | 1,813,142          | 63,203    | 946,100    | 1,009,303          | 15,382    | 289,250   | 304,632   | 1,313,934  |
| 19                                                                                         | 2044 | 2,451,647   | 614,504   | 3,066,151       | 1,486,588          | 0%                                                   | 407,238   | 0%                                                   | 1,893,826          | 65,339    | 994,300    | 1,059,639          | 15,997    | 305,250   | 321,247   | 1,380,886  |
| 20                                                                                         | 2045 | 2,574,229   | 645,229   | 3,219,458       | 1,552,742          | 0%                                                   | 425,360   | 0%                                                   | 1,978,102          | 67,552    | 1,047,700  | 1,115,252          | 16,637    | 320,000   | 336,637   | 1,451,889  |
| 21                                                                                         | 2046 | 2,702,941   | 677,490   | 3,380,431       | 1,621,839          | 0%                                                   | 444,289   | 0%                                                   | 2,066,127          | 69,847    | 1,100,700  | 1,170,547          | 17,302    | 333,500   | 350,802   | 1,521,349  |
| 22                                                                                         | 2047 | 2,838,088   | 711,365   | 3,549,453       | 1,694,010          | 0%                                                   | 464,059   | 0%                                                   | 2,158,070          | 72,224    | 1,158,000  | 1,230,224          | 17,994    | 345,750   | 363,744   | 1,593,969  |
| 23                                                                                         | 2048 | 2,979,992   | 746,933   | 3,726,925       | 1,769,394          | 0%                                                   | 484,710   | 0%                                                   | 2,254,104          | 74,689    | 1,214,000  | 1,288,689          | 18,714    | 361,750   | 380,464   | 1,669,153  |
| 24                                                                                         | 2049 | 3,128,992   | 784,280   | 3,913,272       | 1,848,132          | 0%                                                   | 506,280   | 0%                                                   | 2,354,412          | 77,244    | 1,273,400  | 1,350,644          | 19,463    | 381,250   | 400,713   | 1,751,356  |
| 25                                                                                         | 2050 | 3,285,442   | 823,494   | 4,108,935       | 1,930,374          | 0%                                                   | 528,809   | 0%                                                   | 2,459,183          | 79,892    | 431,100    | 510,992            | 20,241    | 94,186    | 114,428   | 625,419    |
|                                                                                            |      |             |           |                 | 30,052,222         |                                                      | 8,232,545 |                                                      | 38,284,767         | 1,259,340 | 19,143,765 | 20,403,105         | 286,089   | 5,828,356 | 6,114,445 | 26,517,550 |

Solar Project Worksheet Data Supporting Charts and Graphs for City Council Packet (Page 2)

| Year |      | Benefit   |           |            | Water                                  |                                        |            | Sewer                                  |          |                                        | Combined<br>Operating<br>Costs | Combined<br>Cumulative | Combined<br>Annual Benefit<br>w/City and ITC | Coverage               | Savings -<br>Coverage                        |          |                       |
|------|------|-----------|-----------|------------|----------------------------------------|----------------------------------------|------------|----------------------------------------|----------|----------------------------------------|--------------------------------|------------------------|----------------------------------------------|------------------------|----------------------------------------------|----------|-----------------------|
|      |      | Water     | Sewer     | Total      | Cost below<br>no Solar<br>for Plotting | Offsets                                | Cumulative | Cost below<br>no Solar for<br>Plotting | Offsets  | Cumulative                             |                                |                        |                                              |                        |                                              |          |                       |
| -3   | 2022 |           |           |            |                                        | Cost below<br>no Solar<br>for Plotting |            |                                        |          | Cost below<br>no Solar for<br>Plotting |                                |                        | Combined<br>Operating<br>Costs               | Combined<br>Cumulative | Combined<br>Annual Benefit<br>w/City and ITC | Coverage | Savings -<br>Coverage |
| -2   | 2023 |           |           |            |                                        |                                        |            |                                        |          |                                        |                                |                        |                                              |                        |                                              |          |                       |
| -1   | 2024 |           |           |            | -500,000                               |                                        | -500,000   |                                        | -500,000 |                                        | -500,000                       | -1,000,000             |                                              |                        |                                              |          |                       |
| 0    | 2025 |           |           |            |                                        | -500,000                               |            |                                        | -500,000 |                                        | -1,000,000                     |                        |                                              |                        |                                              |          |                       |
| 1    | 2026 | \$149,386 | \$39,123  | \$188,509  | 869,324                                |                                        | -350,614   | 216,216                                |          | -460,877                               | 1,085,540                      | -811,491               | \$188,509                                    | 165,609                | \$22,901                                     |          |                       |
| 2    | 2027 | 152,185   | 39,670    | 191,854    | 917,461                                | 2,168,439                              | 1,970,010  | 228,436                                | 774,122  | 352,914                                | 1,145,897                      | 2,322,925              | \$3,134,415                                  | 174,325                | \$17,529                                     |          |                       |
| 3    | 2028 | 183,457   | 48,315    | 231,772    | 939,671                                |                                        | 2,153,467  | 233,197                                |          | 401,229                                | 1,172,867                      | 2,554,696              | \$231,772                                    | 174,325                | \$57,447                                     |          |                       |
| 4    | 2029 | 216,128   | 52,344    | 268,472    | 963,156                                |                                        | 2,369,595  | 243,243                                |          | 453,573                                | 1,206,399                      | 2,823,168              | \$268,472                                    | 175,575                | \$92,897                                     |          |                       |
| 5    | 2030 | 250,260   | 66,976    | 317,236    | 987,989                                | -331,660                               | 2,288,195  | 243,390                                | -166,406 | 354,143                                | 1,231,379                      | 2,642,338              | -\$180,830                                   | 174,275                | \$142,961                                    |          |                       |
| 6    | 2031 | 258,686   | 52,220    | 310,905    | 1,041,475                              |                                        | 2,546,881  | 273,665                                |          | 406,362                                | 1,315,140                      | 2,953,243              | \$310,905                                    | 178,025                | \$132,880                                    |          |                       |
| 7    | 2032 | 294,849   | 52,725    | 347,574    | 1,070,320                              |                                        | 2,841,729  | 289,454                                |          | 459,087                                | 1,359,774                      | 3,300,817              | \$347,574                                    | 180,375                | \$167,199                                    |          |                       |
| 8    | 2033 | 312,633   | 59,073    | 371,706    | 1,120,794                              |                                        | 3,154,363  | 300,215                                |          | 518,160                                | 1,421,009                      | 3,672,523              | \$371,706                                    | 186,375                | \$185,331                                    |          |                       |
| 9    | 2034 | 323,312   | 61,083    | 384,395    | 1,181,786                              |                                        | 3,477,675  | 316,169                                |          | 579,243                                | 1,497,956                      | 4,056,918              | \$384,395                                    | 195,775                | \$188,620                                    |          |                       |
| 10   | 2035 | 332,561   | 63,976    | 396,537    | 1,247,793                              |                                        | 3,810,236  | 332,139                                |          | 643,219                                | 1,579,931                      | 4,453,455              | \$396,537                                    | 205,875                | \$190,662                                    |          |                       |
| 11   | 2036 | 340,759   | 63,273    | 404,032    | 1,318,612                              |                                        | 4,150,995  | 352,647                                |          | 706,492                                | 1,671,259                      | 4,857,487              | \$404,032                                    | 217,725                | \$186,307                                    |          |                       |
| 12   | 2037 | 348,289   | 63,848    | 412,137    | 1,394,051                              |                                        | 4,499,284  | 372,868                                |          | 770,340                                | 1,766,920                      | 5,269,624              | \$412,137                                    | 230,038                | \$182,099                                    |          |                       |
| 13   | 2038 | 355,537   | 70,723    | 426,260    | 1,473,920                              |                                        | 4,854,820  | 387,829                                |          | 841,063                                | 1,861,749                      | 5,695,883              | \$426,260                                    | 241,488                | \$184,772                                    |          |                       |
| 14   | 2039 | 367,893   | 73,673    | 441,566    | 1,553,037                              |                                        | 5,222,713  | 407,807                                |          | 914,736                                | 1,960,843                      | 6,137,449              | \$441,566                                    | 253,313                | \$188,254                                    |          |                       |
| 15   | 2040 | 380,452   | 72,974    | 453,426    | 1,636,524                              |                                        | 5,603,165  | 432,580                                |          | 987,710                                | 2,069,104                      | 6,590,875              | \$453,426                                    | 266,700                | \$186,726                                    |          |                       |
| 16   | 2041 | 388,612   | 78,903    | 467,515    | 1,729,213                              |                                        | 5,991,777  | 451,929                                |          | 1,066,613                              | 2,181,142                      | 7,058,390              | \$467,515                                    | 280,263                | \$187,252                                    |          |                       |
| 17   | 2042 | 403,076   | 81,237    | 484,313    | 1,820,640                              |                                        | 6,394,853  | 476,136                                |          | 1,147,850                              | 2,296,776                      | 7,542,703              | \$484,313                                    | 293,913                | \$190,400                                    |          |                       |
| 18   | 2043 | 413,951   | 85,256    | 499,207    | 1,920,951                              |                                        | 6,808,804  | 499,985                                |          | 1,233,106                              | 2,420,936                      | 8,041,910              | \$499,207                                    | 308,838                | \$190,370                                    |          |                       |
| 19   | 2044 | 426,950   | 85,991    | 512,941    | 2,024,697                              |                                        | 7,235,753  | 528,513                                |          | 1,319,097                              | 2,553,210                      | 8,554,851              | \$512,941                                    | 324,888                | \$188,053                                    |          |                       |
| 20   | 2045 | 437,489   | 88,723    | 526,212    | 2,136,740                              |                                        | 7,673,243  | 556,506                                |          | 1,407,820                              | 2,693,246                      | 9,081,063              | \$526,212                                    | 341,925                | \$184,287                                    |          |                       |
| 21   | 2046 | 451,292   | 93,486    | 544,778    | 2,251,649                              |                                        | 8,124,535  | 584,004                                |          | 1,501,307                              | 2,835,653                      | 9,625,841              | \$544,778                                    | 358,550                | \$186,228                                    |          |                       |
| 22   | 2047 | 463,786   | 100,315   | 564,101    | 2,374,302                              |                                        | 8,588,321  | 611,050                                |          | 1,601,622                              | 2,985,352                      | 10,189,942             | \$564,101                                    | 375,938                | \$188,164                                    |          |                       |
| 23   | 2048 | 480,705   | 104,246   | 584,951    | 2,499,287                              |                                        | 9,069,026  | 642,687                                |          | 1,705,867                              | 3,141,975                      | 10,774,893             | \$584,951                                    | 393,938                | \$191,013                                    |          |                       |
| 24   | 2049 | 497,488   | 105,567   | 603,055    | 2,631,504                              |                                        | 9,566,514  | 678,713                                |          | 1,811,434                              | 3,310,217                      | 11,377,948             | \$603,055                                    | 413,663                | \$189,393                                    |          |                       |
| 25   | 2050 | 1,419,382 | 414,382   | 1,833,763  | 1,866,060                              |                                        | 10,985,896 | 409,112                                |          | 2,225,816                              | 2,275,172                      | 13,211,712             | \$1,833,763                                  | 131,322                | \$1,702,442                                  |          |                       |
|      |      | 9,649,117 | 2,118,100 | 11,767,217 |                                        |                                        |            |                                        |          |                                        |                                |                        | 13,211,712                                   |                        |                                              |          |                       |
|      |      |           |           |            |                                        |                                        |            |                                        |          |                                        | NPV                            |                        | 6,302,239                                    |                        |                                              |          |                       |

Johnson  
Controls



# City of Coalinga

Solar PV Project – City Council Workshop



CITY OF COALINGA

June 20th, 2024

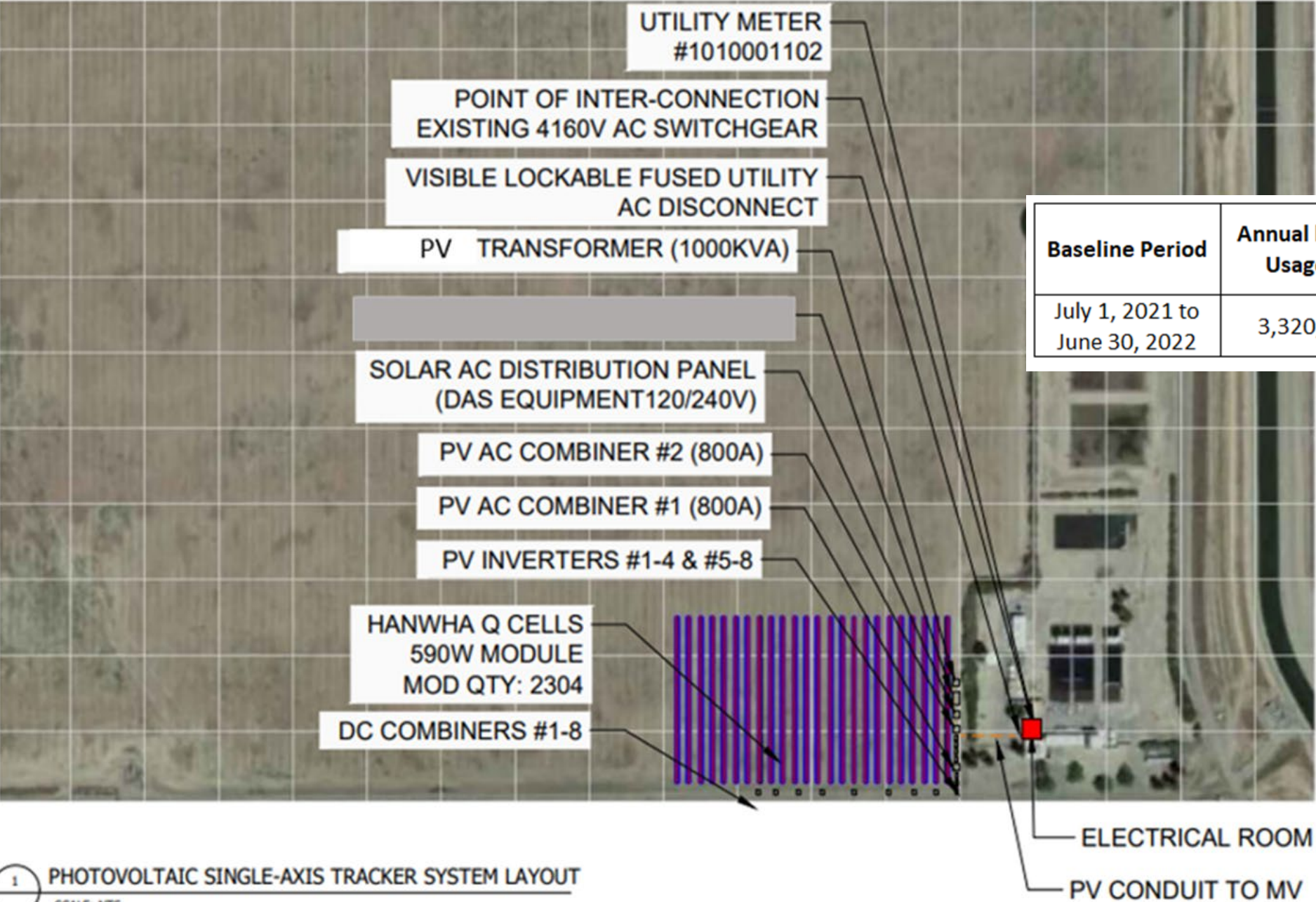
# Agenda



- Project Layouts
- System Components
- Performance Guarantee and Measurement & Verification
- Financial Summary
- Project Benefits Summary

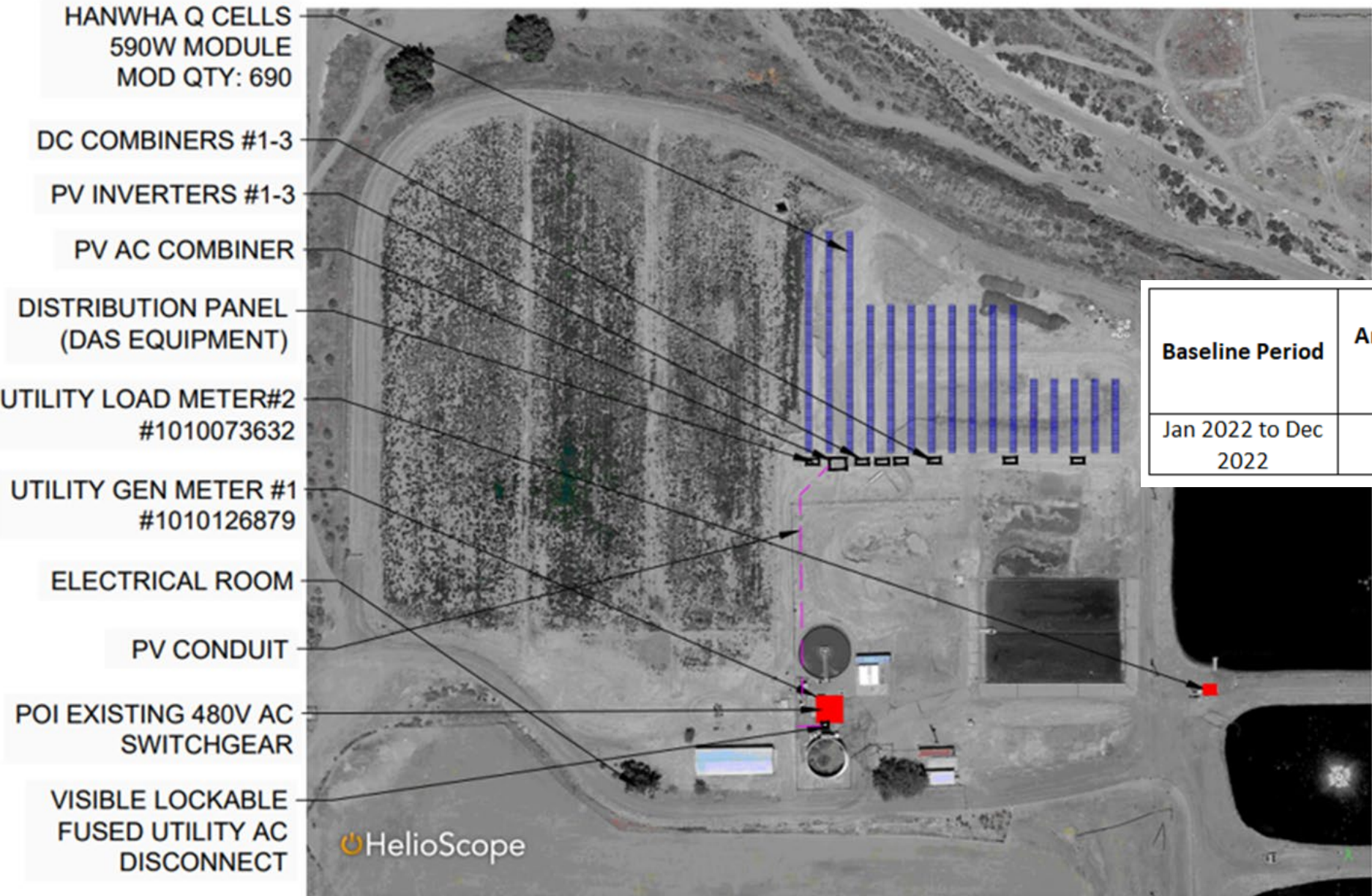


Diagram 1 – Aerial View of PV for Water Treatment Plant



| Baseline Period               | Annual kWh Usage | Estimated Annual PV Production kWh | PV Penetration % |
|-------------------------------|------------------|------------------------------------|------------------|
| July 1, 2021 to June 30, 2022 | 3,320,680        | 2,809,701                          | 84.6%            |

Diagram 2 – Aerial View of PV for Wastewater Treatment Plant



| Baseline Period      | Annual kWh Usage | Estimated Annual PV Production kWh | PV Penetration % |
|----------------------|------------------|------------------------------------|------------------|
| Jan 2022 to Dec 2022 | 917,331          | 889,475                            | 97.0%            |

1 PHOTOVOLTAIC SINGLE-AXIS TRACKER SYSTEM LAYOUT  
SCALE: NTS

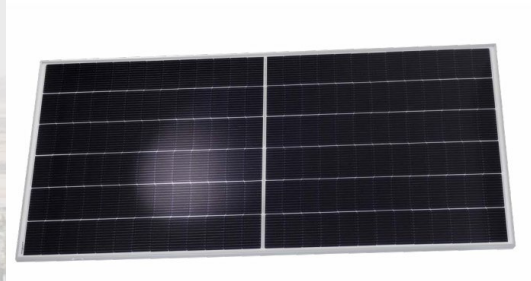
# Major System Components



## Major System Components

- A. Solar Modules
- B. Inverters
- C. Single Axis Tracking Racking
- D. Automatic Module Washing System
- E. Interconnection
- F. Monitoring Systems
- G. Site Work

### Solar Modules



### Inverters



### Automatic Module Washing System



### Single Axis Tracking Racks



# Site Work



## Water Treatment Plant

- Soils Testing
- Mowing and Grubbing
- Fencing
- Striping of organic material
- Grading



## Wastewater Treatment Plant

- Grading
- Soils Testing
- Fencing
- Fill basin
- Relocate sludge stockpiles
- Cut bottom of basin



# Johnson Controls Performance Guarantee



**Nationally, Johnson Controls has nearly \$1.3 B in guarantees and pays out less than 0.3% in shortfall checks – we *will* write checks if the guarantee is not met**

**If a shortfall occurs, JCI will take the following actions to remedy the situation:**

- a) JCI will attempt to remedy the root cause of the shortfall***
- b) Offset the amount of shortfall against any unpaid balance customer then owes to JCI.***
- c) Subject to Customer's agreement, provide to customer additional product or services, in the value of such shortfall.***
- d) Pay to customer the amount of such shortfall.***

# Performance Period Activities and Responsibilities



- **Service Agreement for Preventative Maintenance**
- **M&V (Measurement and Verification) term of 5 years**
  - **Term is determined by customer and can be cancelled or extended**
  - **Guarantee is contingent upon M&V services**
- **M&V Reporting Responsibilities:**
  - **Solar PV Performance Analysis**
  - **Utility Bill Monitoring**
  - **Remote monitoring through metering equipment**
  - **Annual Performance Report**
  - **Visual inspection and review of O&M to ensure continued performance**

# Water Cashflow Summary

- Construction cost: \$7,807,525
- 2,809,701 kWh generated
- Savings/avoided cost totals
  - \$678,951 total in year 1
  - \$481,086 from Solar
  - \$197,883 from rate change
  - 5% escalation modeled
- Year 1 expense total: \$68,107 (deferred)
- 25-year net avoided cost: \$8.8M (electricity only)
- ITC value: \$2M-\$2.7M

# Wastewater Cashflow Summary

- Construction cost: \$2,967,147
- 889,475 kWh generated
- Savings/avoided cost totals
  - \$185,993 total in year 1
  - \$147,727 from Solar
  - \$38,266 from rate change
  - 5% escalation modeled
- Year 1 expense total: \$31,033 (deferred)
- 25-year net avoided cost: \$1.4M (electricity only)
- ITC Value: \$700k-\$1M

# Project Benefits Summary



- Grandfathers the City into the expired NEM 2.0 solar tariff
- Hedging against future PG&E rate increases
- Captures Investment Tax Credit at historic high
- Reduces the long-term impact of future rate increases
- Contract and NTP structure allows flexibility for construction activities and start time
  - Allows the City to give JCI direction for limited mobilization and reduces risk to City
  - Helps meet the timeline for permitting and NEM 2.0 deadline

# Thank you!



# **STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY**

**Subject:** Adopt Resolution No. 4213 Authorizing City Manager to Execute Agreements with Members of Pleasant Valley Water Conveyance Partners, LLC for Sale of Excess Untreated USBR Contract Water for Water Year 2024/2025

**Meeting Date:** Thursday, June 20, 2024

**From:** Marissa Trejo, City Manager

**Prepared by:** Sean Brewer, Assistant City Manager

---

## **I. RECOMMENDATION:**

City Council is hereby recommended to approve Resolution No. 4213 and Agreement for untreated water sales to Pleasant Valley Water Conveyance Partners (Farmers) during the 2024/25 water year.

## **II. BACKGROUND:**

The City has a history already of providing USBR water to the Farmers when excess water is available. Canal water is better quality than ground water, use of canal water preserves groundwater reserves, and sales of excess water benefits the city's ratepayers.

## **III. DISCUSSION:**

This proposed water supply agreement supersedes the agreement made earlier this year. After the initial agreement, City staff became aware of an increased value in the market value of the excess water and suspended sales to PVWCP effective May 31, 2024. (This was allowed by the previous agreement).

Staff and the Farmers have now agreed on a new price for water that is much greater, at \$400 per AF. This price was determined based on available market information, and on consideration that water delivered to PVWCP has additional costs such as pumping costs into the Coalinga lateral and Westlands maintenance costs. This new price is fixed and, different from previous pricing, is not subject to revision based on revisions to the City's cost. This is done to avoid future administrative burden of calculating adjustments. It is permissible because the sales margin on the water is relatively high.

The sale of excess USBR water is beneficial to the City, and specifically to water ratepayers because 1) the water is sold at a margin above the city's total costs, 2) revenue from wholesale customers helps pay the maintenance costs of the Coalinga Canal, and 3) taking greater water volumes from USBR helps lower allocation of USBR fixed costs in the future.

Excess water committed to the Farmers is 3,600 AF, based on the city using 4,000 AF of its indicated 7,800 AF available water, leaving 200 AF of discretionary water the City may need later in the Water Year. In this transaction, the Farmers have made a firm commitment to take the water and the City has made a commitment to make it available, contingent on it being available from USBR and the City not needing it for its own customers.

Regarding USBR, the City is in the process of obtaining formal written permission from USBR to sell water for other than municipal and industrial (M&I) purposes. Though this practice has been ongoing for years, both City staff and USBR recently realized written permission was never requested, as required by the City’s contract with USBR. Staff has informed the Farmers that written permission from USBR is pending to perform the water sales.

The effort required by the City for sale of excess water is administrative and financial only. The agreement must be prepared and executed. Westlands personnel read the meters each month, then city staff prepare and issue the billing statements and collect the amounts due. The financial aspect is that the City will take title to and pay for the additional USBR water being sold. The agreement also provides for conveyance only of water through the Coalinga Canal. This will be used when PVWCP already owns water but prefers conveyance only. For conveyance only, the proposed cost is unchanged at \$25 /AF.

**IV. ALTERNATIVES:**

The alternative is not to sell excess wholesale water.

**V. FISCAL IMPACT:**

The projected net benefit to water enterprise rate payers is approximately \$800,000.

**ATTACHMENTS:**

| File Name                                                                                                                                                 | Description                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
|  Resolution_No._4213_-<br>__Water_Sale_Agreement_2024_(PVWCP)_Dan.docx | Resolution No. 4213 - Water Sale Agreement 2024<br>(PVWCP) |
|  Farmers_Agreement_2024_as_of_2024_06_07.docx                          | Farmers Agreement 2024 (Amended)                           |

**RESOLUTION NO. 4213**

**RESOLUTION FOR SALE OF UNTREATED USBR WATER TO PLEASANT VALLEY WATER  
CONVEYANCE PARTNERS DURING 2024/25 WATER YEAR**

**WHEREAS**, City has a long history of providing excess water to the Pleasant Valley Water Conveyance Partners (Farmers), during times the City has excess water available; and

**WHEREAS**, the USBR has made available to City excess water during the 2024/25 water year; and

**WHEREAS**, USBR water provided though City is good quality allowing the farmers to preserve ground water supplies; and

**WHEREAS**, sale of excess water is beneficial to water ratepayers of City; and

**WHEREAS**, City and Farmers have mutually agreed on an increased value of water to be sold and purchased effective June 1, 2024; and

**WHEREAS**, the City is also able to provide conveyance-only for Farmer-owned water; and

**WHEREAS**, City desires to provide excess USBR water to the Farmers and they desire to acquire excess water from City (or conveyance only), under specified terms and conditions, for the mutual benefit of all parties, and in conformity with applicable State and Federal regulations.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Coalinga does hereby approve untreated water sales in accordance with the terms and conditions of the attached agreements to this Resolution, as follows.

1. Agreement with Pleasant Valley Water Conveyance Partners for the 2024/25 Water Year.

The foregoing resolution was duly adopted by the Coalinga City Council at a regular meeting held on the 20th day of June 2024, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Mayor/Mayor Pro-Tem

Attest:

---

Shannon Jensen  
City Clerk

**WATER SUPPLY AGREEMENT  
CITY OF COALINGA AND PLEASANT VALLEY WATER CONVEYANCE  
PARTNERS, LLC**

**2024 Agreement**

This Agreement is entered into by and between the City of Coalinga (“City”) and Pleasant Valley Water Conveyance Partners, LLC (“Farmers”), with respect to the following Recitals, which are a substantive part of this Agreement.

**RECITALS**

**WHEREAS**, from time to time, City may have the ability to sell excess USBR water to Farmers in the Pleasant Valley Water District that are located within the City’s defined USBR Contractor Service Area; and

**WHEREAS**, City can make available excess contract water to Farmers to the benefit of City’s water ratepayers, and

**WHEREAS**, USBR water provided though City is good quality allowing Farmers to recharge and preserve ground water supplies; and

**WHEREAS**, City may also make available conveyance of Farmer-owned water using City’s conveyance agreement with Westlands Water District; and

**WHEREAS**, when City desires to provide excess USBR water to Farmers and Farmers desire to acquire excess water from City, on the terms and conditions set forth in this Agreement, all for the mutual benefit of City and Farmers, and in conformity with applicable State and Federal regulations.

**NOW THEREFORE**, City and Farmers agree to the following:

1. Termination of 2023 Agreement. The previous Water Supply Agreement between City and Farmers covering March 1, 2023, through February 29, 2024, and any other agreements with Farmers, are terminated.
2. Term of Agreement. This Agreement shall be effective March 1, 2024, for water transactions mutually agreed by the parties, provided the Agreement is fully executed by City and each farmer listed hereto, for service to each farmer as each executes, and shall be effective through February 28, 2025.
3. USBR Water Supply. This Agreement is for both contracted long-term USBR Water Supply (Contracted Water) available to City and Section 215 or other discounted USBR water (Discounted Water). Contracted or Discounted Water may be made available to Farmers to the extent it is made available to City by USBR, and after a full supply has been provided to City’s treated water customers. Water available to Farmers may also be reduced by allocations to other wholesale customers. When the supply of Discounted Water is terminated by the USBR, the City’s Contract water may be available to Farmers on an as-available basis as determined month-to-month by City. In the event USBR determines Discounted Water supply has ended, with or without timely notice from USBR, and Farmers continues to take water under this

Agreement, Farmers agree to pay the higher Contract price shown below for excess water beyond the Discounted Water supply, provided City is billed the higher price from USBR. City shall use its best effort to notify Farmers as soon as City is notified by USBR of Discounted Water ending.

4. Price and Volumes for Purchase Water.

March 2024 through May 2024. The price for standard contract water during March 2024 through May 2024 shall be based on the City's cost, plus a margin per acre-foot (AF) of fifty dollars (\$50.00) per AF. The following calculation shows March 2024 as an example. The actual price shall be updated as any of the cost components change, or any cost components are added to the City's cost.

| March through May Water Price Components |                |
|------------------------------------------|----------------|
| <u>Components</u>                        | <u>\$/AF</u>   |
| USBR Contract (Carryover water)          | \$77.45        |
| USBR Carryover Fee                       | 11.10          |
| USBR "Environmental Restoration Fund"    | 25.99          |
| San Luis Delta Mendota                   | 57.57          |
| Westlands Canal Maintenance Fee*         | <u>20.00</u>   |
| Subtotal                                 | \$192.11       |
| Margin                                   | <u>\$50.00</u> |
| Total                                    | \$242.11       |
| * Estimated, to be trued up to actual    |                |

The volumes purchased during March 2024 through May 2024 are:

|       | <u>Purchased (AF)</u> |
|-------|-----------------------|
| March | 0                     |
| April | 57                    |
| May   | <u>370</u>            |
| Total | 427                   |

The price for all water sold from City to Farmers from March through May shall be inclusive of all costs incurred by City up to the Delivery Point. To the extent any of the cost components composing the total cost of the water sold are adjusted downward or upward by USBR, San Luis Delta Mendota Water Authority, or Westland's Water District, City shall adjust the price to Farmers in the same amount.

June 2024 through February 2025. Notwithstanding the pricing and terms for March 2024 through May 2024 above, the price for standard contract water during June 2024 through February 2025 shall be four hundred dollars (\$400) per AF inclusive of all costs incurred by the City up to the Delivery Point. The price of \$400 is fixed and not subject to revision or adjustment.

In consideration of the price, Farmers make a firm commitment to purchase a total of 3,600 AF from City prior to March 1, 2025. Farmers anticipated schedule, subtracting the 427 AF purchased during March through April, for a remaining total of 3,173 AF, is:

|              | <u>Planned (AF)</u> |
|--------------|---------------------|
| June 2024    | 500                 |
| July         | 673                 |
| August       | 600                 |
| September    | 400                 |
| October      | 200                 |
| November     | 200                 |
| December     | 200                 |
| January 2025 | 200                 |
| February     | <u>200</u>          |
| Total        | 3,173               |

Price for Purchase Volumes above 3,600 AF. In the event City has water available for sale to Farmers above 3,600 AF, and Farmers desire to purchase additional water, a price may be mutually negotiated between City and Farmers.

5. Price for Water Conveyed Only. The price for water conveyed only shall be the sum of:
- A. San Luis Delta Mendota Water Authority Fee,
  - B. Westlands Canal Maintenance Fee,
  - C. Twenty-five dollars (\$25) per AF, and
  - D. Any other fees incurred by City for conveyance only.

Farmers shall provide, or cause to provide, evidence of ownership of all water conveyed by City on a monthly basis prior to the 10<sup>th</sup> day following each month of conveyance.

6. Monthly Sales Volumes. Water volumes shall be determined by Farmers and City prior to each calendar month in a mutual effort to achieve the specified volumes herein. Farmers shall use their best effort to monitor water deliveries to not to exceed determined monthly volumes. Water volumes sold and conveyed under this agreement are contingent on Regulatory Compliance, as defined herein. City may immediately suspend deliveries in the event the Assistant City Manager deems additional water is needed for the City’s treated water use.
7. Notices, Billing and Payment. City shall issue billing statements to Farmers following each month of water deliveries. Payment shall be rendered by Farmers to City within fifteen (15) days of the date of the statement. Notices, including billing statements may be communicated via email, provided the receiving party acknowledges receipt.

Billing Statements shall be sent to:

Pleasant Valley Water Conveyance Partners, LLC  
c/o NK Development  
13762 1<sup>st</sup> Avenue  
Hanford, CA 93230

James Nichols  
[james@nicholsfarms.com](mailto:james@nicholsfarms.com)  
559-772-1582

Payments shall be made to:

City of Coalinga  
155 W Durian Avenue  
Coalinga, CA 93210

Ms. Mai Vang  
Financial Services Director  
[mvang@coalinga.com](mailto:mvang@coalinga.com)  
559-935-1533 Ext. 129

8. Delivery Point. The Delivery Point for water sold hereunder shall be the Farmers' turn-out located near the end of the Coalinga Canal.
9. Resale Prohibited. Water sold to Farmers under this Agreement is explicitly for use by Farmers on land that is within City's USBR Contractor Service Area. Farmers' land for irrigation under this agreement is shown on the map on Attachment 1. Farmers shall not resale water purchased under this agreement.
10. Regulatory Compliance. The obligations of City and Farmers to perform under this Agreement are conditioned upon ongoing compliance, approvals, and consents, including without limitation consent from the USBR, Westlands Water District, the State Water Resources Control Board, and any other authority with jurisdiction impacting this Agreement.
11. Conflicts of Interest. Neither City, nor its City Manager, nor any City Council member, department head, manager, employee, consultant, or agent of City, shall give to or receive from any director, employee or agent of Farmers or any affiliate thereof any gift or entertainment of significant value, or any commission, fee, or rebate in connection with this Agreement.
12. Farmers. This Agreement is being entered into with Pleasant Valley Water Conveyance Partners, LLC. The Farmers that are parties to the LLC are listed as Attachment 2 (contact list).

The Farmers listed above agree to allocate water receipts cooperatively amongst their designated properties, track volumetric deliveries, and be responsible for full payment to City for water taken hereunder. Specifically, any one Farmer agrees to be responsible for full payment of all water taken in the event of nonpayment by one or more other Farmers.

13. Operating Communication. The City shall designate a representative for ongoing operating coordination with Farmers, and similarly Farmers shall designate a representative authorized to represent Farmers for operating coordination.
14. Counterpart Signatures. The parties hereto agree that this Agreement may be signed in counterparts such that each signature alone or combined with others agrees to this single binding Agreement.

IN WITNESS WHEREOF, City and Farmers agree to the terms and conditions herein.

**CITY OF COALINGA**

By: \_\_\_\_\_  
James Horn  
Mayor

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

ATTEST:

APPROVED AS TO FORM:

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

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

**NK DEVELOPMENT**

**SUTTER AVENUE COALINGA CA, LP**

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name Printed

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name Printed

**WEST LOST HILLS ROAD COALINGA  
CA, LP**

**NVBI<sub>Inv</sub> AF4, LLC**

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name Printed

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name Printed

**FIRESTONE AVENUE COALINGA, CA LP**

**KREYENHAGEN FAMILY, LLC**

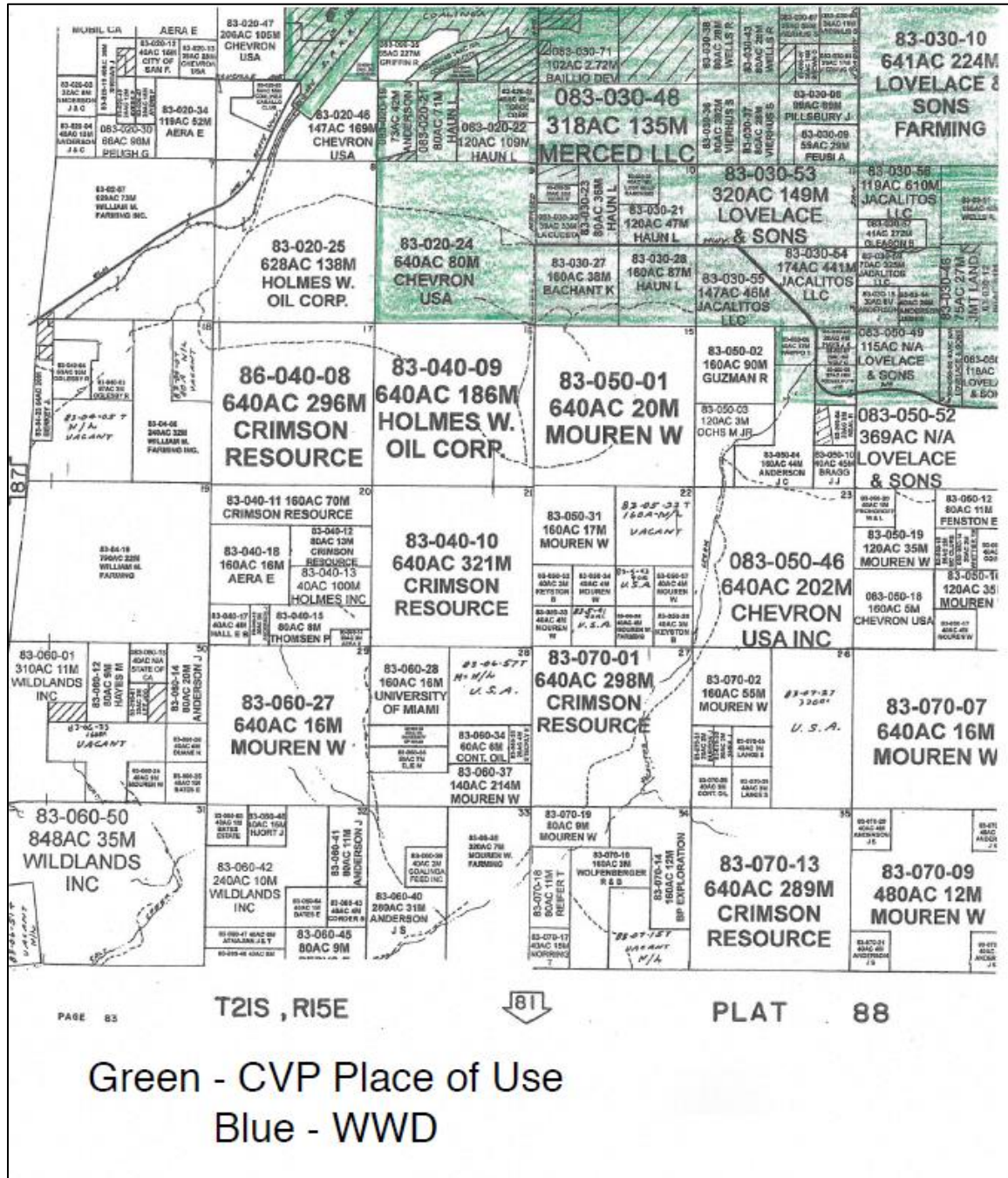
By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name Printed

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name Printed

# Attachment 1

## Maps of Farm Parcels in Green that can be Served by City of Coalinga

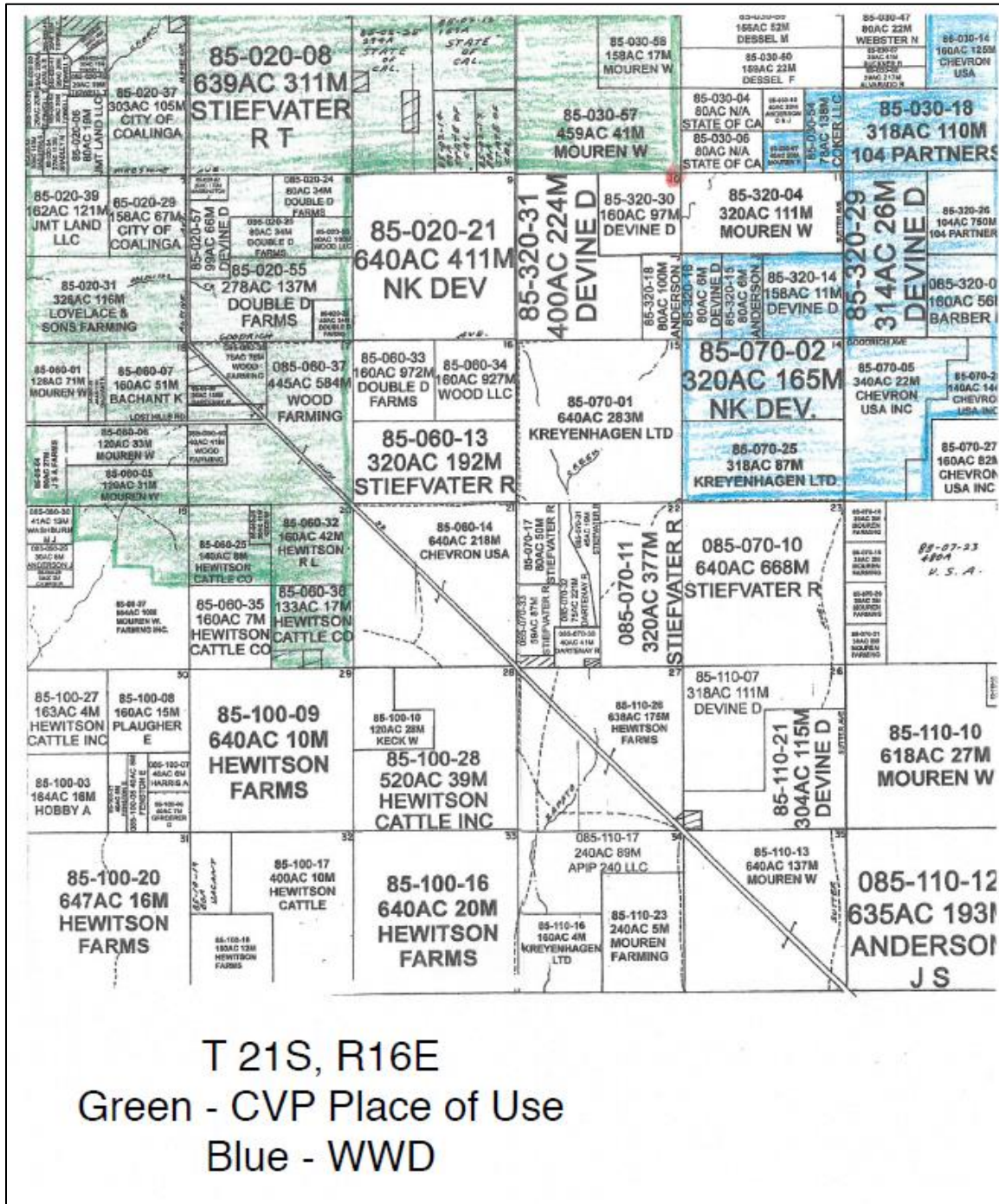
(All sections shaded below)



# Attachment 1 (cont.)

## Maps of Farm Parcels in Green that can be Served by City of Coalinga

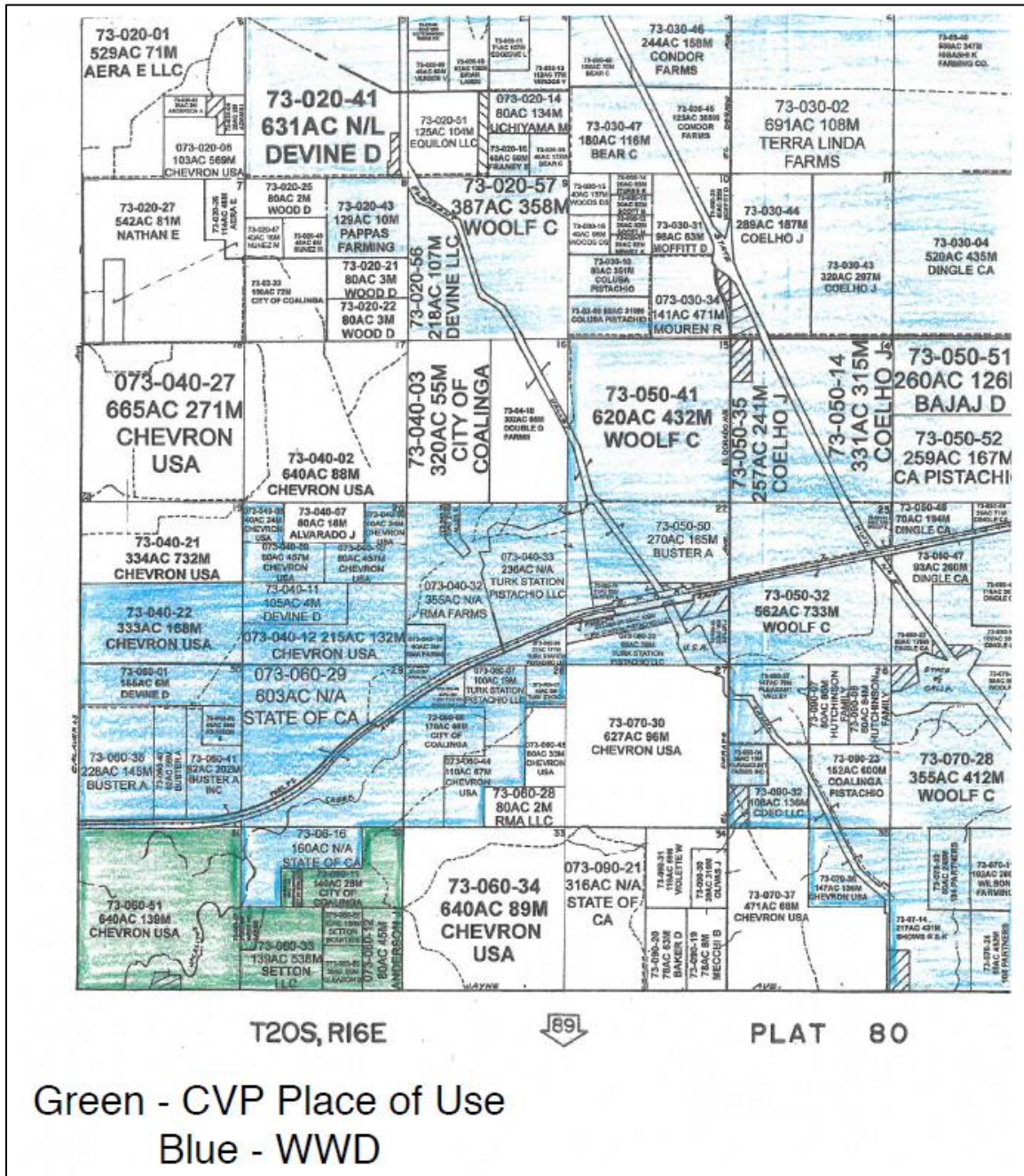
(All sections shaded that are left of right two columns of sections)



# Attachment 1 (cont.)

## Maps of Farm Parcels in Green that can be Served by City of Coalinga

(Lower left two sections on bottom row only)



## Attachment 2

### CONTACT LIST PLEASANT VALLEY WATER CONVEYANCE PARTNERS

Sutter Avenue Coalinga CA, LP 25% ;

**Lessee, Rod Stiefvater**, 661-809-5199, [rod@rtsag.com](mailto:rod@rtsag.com)

**Landowner, Gladstone**, Kyle Murai, 949-735-2737, [kyle.n@gladstoneland.com](mailto:kyle.n@gladstoneland.com)

1521 Westbranch Drive, Suite 100

McLean, VA 22102

Farm Manager, Mark Lovelace, 559-217-1801, [lovelacemark@sbcglobal.net](mailto:lovelacemark@sbcglobal.net)

520 W Houston

Coalinga, CA 93210

West Lost Hills Road Coalinga CA, LP (formerly Wood Ag Management, Inc) 12.5%

**Lessee, Dave Wood**, 559-432-5164, [davidewood@wood-ag.com](mailto:davidewood@wood-ag.com)

652 W. Cromewell Ave., Suite 103

Fresno, CA 93711

**Farm Manager, Rex Buchanan**, 559-859-1202, [rbuchanan@wood-ag.com](mailto:rbuchanan@wood-ag.com)

**Landowner, Gladstone**, Kyle Murai, 949-735-2737, [kyle.n@gladstoneland.com](mailto:kyle.n@gladstoneland.com)

1521 Westbranch Drive, Suite 100

McLean, VA 22102

Firestone Avenue Coalinga CA, LP (formerly Devine Farms, LLC) 12.5%

**Lessee, Rod Stiefvater**, 661-809-5199, [rod@rtsag.com](mailto:rod@rtsag.com)

**Landowner, Gladstone**, Kyle Murai, 949-735-2737, [kyle.n@gladstoneland.com](mailto:kyle.n@gladstoneland.com)

1521 Westbranch Drive, Suite 100

McLean, VA 22102

NBInv AF4, LLC 25%;

**Manager, Agriglobe**, Phillip Christensen, 559-439-7490, [p.christensen@agriglobe.com](mailto:p.christensen@agriglobe.com)

Farm Manager, Taylor & Jeff Schmiedier, Taylor 559-349-7776,

[tschmied002@gmail.com](mailto:tschmied002@gmail.com)

2787 W. Bullard Ave., Suite 106

Fresno, CA 93711

NK Development 18.75%;

**James Nichols**, 559-772-1582, [james@nicholsfarms.com](mailto:james@nicholsfarms.com)

**Chuck Nichols**, 559-772-4111, [chuck@nicholsfarms.com](mailto:chuck@nicholsfarms.com)

**Farm Manager, Joe**, 559-707-4650

13762 1<sup>st</sup> Ave.

Hanford, CA 93230

Kreyenhagen Family, LLC

6.25%

**Scott Kreyenhagen** (Signator), [skreyenhagen@gmail.com](mailto:skreyenhagen@gmail.com)

PO Box 270114

Louisville, CO 80027

**James Kreyenhagen**, [jim.kreyenhagen@gmail.com](mailto:jim.kreyenhagen@gmail.com)

Accounting & Water Order

Water Wise, Sarah Woolf, 559-341-0174, [sarahwoolf@me.com](mailto:sarahwoolf@me.com)

4955 E. Andersen, Suite 110

Fresno, CA 93727

Billing and Meter Reading

James Nichols, 559-772-1582, [james@nicholsfarms.com](mailto:james@nicholsfarms.com)

13762 1<sup>st</sup> Ave.

Hanford, CA 93230

**STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE  
AUTHORITY**

**Subject:** Declare Chevrolet Impala and Chevrolet Colorado as Surplus and Dispose of Vehicles  
**Meeting Date:** June 20, 2024  
**From:** Marissa Trejo, City Manager  
**Prepared by:** Mercedes Garcia, Senior Administrative Analyst

---

**I. RECOMMENDATION:**

Staff is recommending the City Council declare one 2009 Chevrolet Impala (white) and 2010 Chevrolet Colorado as surplus and authorize disposal.

**II. BACKGROUND:**

The vehicles declared as surplus were recently replaced by two 2024 Kia Sportage Plug-in Hybrid vehicles for use by the Code Enforcement Officer and the Building Inspector.

**III. DISCUSSION:**

The two vehicles have high mileage and other mechanical problems. With these aging vehicles parts are difficult to acquire at times..

Staff would like to dispose of these vehicles using govdeals.com. This site has been used for surplus of other city vehicles.

**IV. ALTERNATIVES:**

The Council may surplus the vehicles and have them sold by silent auction.

The Council may deny the surplus and sale of the vehicles.

**V. FISCAL IMPACT:**

The fiscal impact is unknown at this time. Proceeds received will be allocated to the general fund.

**ATTACHMENTS:**

| File Name                | Description |
|--------------------------|-------------|
| No Attachments Available |             |

**STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE  
AUTHORITY**

**Subject:** Adopt Resolution No. 4214 Amending the Fire Mid-Management Pay Scale  
**Meeting Date:** Thursday, June 20, 2024  
**From:** Marissa Trejo, City Manager  
**Prepared by:** Marissa Trejo, City Manager

---

**I. RECOMMENDATION:**

City Manager recommends Adopt Resolution No. 4214 Amending the Fire Mid-Management Pay Scale.

**II. BACKGROUND:**

**III. DISCUSSION:**

This item grants a 2% COLA effective January 1, 2024, to the Battalion Chief positions, comparable to the COLA received by sworn Fire Department non-management staff in the fall.

**IV. ALTERNATIVES:**

Do Not Adopt Resolution No. 4214 Amending the Fire Mid-Management Pay Scale (not recommended)

**V. FISCAL IMPACT:**

Approximately \$6,000 in the current fiscal year which was budgeted.

**ATTACHMENTS:**

| File Name                                           | Description |
|-----------------------------------------------------|-------------|
| ❑ Fire_Mid_Management_Pay_Scale_1.4.24.docx         | Pay Scale   |
| ❑ Resolution_4214_Fire_Mid_Management_Pay_Scale.doc | Resolution  |

City of Coalinga Fire Mid-Management Pay Scale

Effective: 1/4/24

Approved: 6/20/24

Revised: 6/20/24

| <u>Grade</u> | <u>Position</u>        | <u>Step A</u> | <u>Step B</u> | <u>Step C</u> | <u>Step D</u> | <u>Step E</u> | <u>Step F</u> |
|--------------|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>24</b>    | <b>Battalion Chief</b> |               |               |               |               |               |               |
|              | Annually               | \$91,208.00   | \$95,768.40   | \$100,556.56  | \$105,584.70  | \$110,864.00  | \$116,410.00  |
|              | Monthly                | \$7,600.67    | \$7,980.70    | \$8,379.71    | \$8,798.73    | \$9,238.67    | \$9,700.83    |
|              | Bi-Weekly              | \$3,508.00    | \$3,683.40    | \$3,867.56    | \$4,060.95    | \$4,264.00    | \$4,477.30    |
|              | Hourly                 | \$31.32       | \$32.89       | \$34.53       | \$36.26       | \$38.07       | \$39.91       |

**RESOLUTION NO. 4214**

**A RESOLUTION TO REVISE CITY OF COALINGA  
FIRE MID-MANAGEMENT PAY SCALE**

**WHEREAS**, the governing body of the City of Coalinga is authorized to prepare, install, revise and maintain a position classification and compensation plan covering all positions in the competitive service;

**NOW, THEREFORE, BE IT RESOLVED,**

- I. That the City Council of the City of Coalinga hereby established pay scales for all employees in all classifications of employment described on the Fire Mid-Management Pay Scale to be revised effective January 4, 2024.

The foregoing resolution was approved and adopted at a meeting of the City Council of the City of Coalinga held on the 20 day of June, 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk/Deputy City Clerk

**STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE  
AUTHORITY**

**Subject:** Adopt Resolution No. 4215 Amending the General Pay Scale  
**Meeting Date:** Thursday, June 20, 2024  
**From:** Marissa Trejo, City Manager  
**Prepared by:** Marissa Trejo, City Manager

---

**I. RECOMMENDATION:**

City Manager recommends Adopting Resolution No. 4215 Amending the General Pay Scale.

**II. BACKGROUND:**

**III. DISCUSSION:**

This item adds the Office Assistant position and the Building Inspector Trainee/I/II/III position approved at the June 13, 2024, City Council meeting.

**IV. ALTERNATIVES:**

City Manager recommends Adopting Resolution No. 4215 Amending the General Pay Scale.

**V. FISCAL IMPACT:**

None as these positions were already approved.

**ATTACHMENTS:**

|   | File Name                             | Description |
|---|---------------------------------------|-------------|
| ▣ | Resolution_4215_General_Pay_Scale.doc | Resolution  |
| ▣ | General_for_6.20.24_agenda.pdf        | Pay Scale   |

**RESOLUTION NO. 4215**

**A RESOLUTION TO REVISE CITY OF COALINGA  
GENERAL PAY SCALE**

**WHEREAS**, the governing body of the City of Coalinga is authorized to prepare, install, revise and maintain a position classification and compensation plan covering all positions in the competitive service;

**NOW, THEREFORE, BE IT RESOLVED,**

- I. That the City Council of the City of Coalinga hereby established pay scales for all employees in all classifications of employment described on the General Pay Scale to be revised effective June 13, 2024.

The foregoing resolution was approved and adopted at a meeting of the City Council of the City of Coalinga held on the 20 day of June, 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk/Deputy City Clerk

# CITY OF COALINGA

## General Pay Scale

Effective: June 13, 2024

Approved: June 20, 2024

Revised: June 20, 2024

| Grade     | Position                                                                                       | Step A       | Step B       | Step C       | Step D       | Step E       | Step F       |
|-----------|------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>18</b> | Annually                                                                                       | \$ 33,909.62 | \$ 35,605.10 | \$ 37,385.35 | \$ 39,254.62 | \$ 41,217.35 | \$ 43,278.22 |
|           | Monthly                                                                                        | \$ 2,825.80  | \$ 2,967.09  | \$ 3,115.45  | \$ 3,271.22  | \$ 3,434.78  | \$ 3,606.52  |
|           | Bi-Weekly                                                                                      | \$ 1,304.22  | \$ 1,369.43  | \$ 1,437.90  | \$ 1,509.79  | \$ 1,585.28  | \$ 1,664.55  |
|           | Hourly                                                                                         | \$ 16.3027   | \$ 17.1178   | \$ 17.9737   | \$ 18.8724   | \$ 19.8160   | \$ 20.8068   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>19</b> | Custodian<br>Groundskeeper<br>Office Assistant                                                 |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 35,605.10 | \$ 37,385.35 | \$ 39,254.62 | \$ 41,217.35 | \$ 43,278.22 | \$ 45,442.13 |
|           | Monthly                                                                                        | \$ 2,967.09  | \$ 3,115.45  | \$ 3,271.22  | \$ 3,434.78  | \$ 3,606.52  | \$ 3,786.84  |
|           | Bi-Weekly                                                                                      | \$ 1,369.43  | \$ 1,437.90  | \$ 1,509.79  | \$ 1,585.28  | \$ 1,664.55  | \$ 1,747.77  |
|           | Hourly                                                                                         | \$ 17.1178   | \$ 17.9737   | \$ 18.8724   | \$ 19.8160   | \$ 20.8068   | \$ 21.8472   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>20</b> | Wastewater Operator<br>Apprentice                                                              |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 37,385.35 | \$ 39,254.62 | \$ 41,217.35 | \$ 43,278.22 | \$ 45,442.13 | \$ 47,714.24 |
|           | Monthly                                                                                        | \$ 3,115.45  | \$ 3,271.22  | \$ 3,434.78  | \$ 3,606.52  | \$ 3,786.84  | \$ 3,976.19  |
|           | Bi-Weekly                                                                                      | \$ 1,437.90  | \$ 1,509.79  | \$ 1,585.28  | \$ 1,664.55  | \$ 1,747.77  | \$ 1,835.16  |
|           | Hourly                                                                                         | \$ 17.9737   | \$ 18.8724   | \$ 19.8160   | \$ 20.8068   | \$ 21.8472   | \$ 22.9395   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>21</b> | Account Clerk I<br>Maintenance Worker I<br>Maintenance Worker I (Street<br>Sweeper)            |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 39,254.62 | \$ 41,217.35 | \$ 43,278.22 | \$ 45,442.13 | \$ 47,714.24 | \$ 50,099.95 |
|           | Monthly                                                                                        | \$ 3,271.22  | \$ 3,434.78  | \$ 3,606.52  | \$ 3,786.84  | \$ 3,976.19  | \$ 4,175.00  |
|           | Bi-Weekly                                                                                      | \$ 1,509.79  | \$ 1,585.28  | \$ 1,664.55  | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  |
|           | Hourly                                                                                         | \$ 18.8724   | \$ 19.8160   | \$ 20.8068   | \$ 21.8472   | \$ 22.9395   | \$ 24.0865   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>22</b> | Water Operator Apprentice                                                                      |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 41,217.35 | \$ 43,278.22 | \$ 45,442.13 | \$ 47,714.24 | \$ 50,099.95 | \$ 52,604.94 |
|           | Monthly                                                                                        | \$ 3,434.78  | \$ 3,606.52  | \$ 3,786.84  | \$ 3,976.19  | \$ 4,175.00  | \$ 4,383.75  |
|           | Bi-Weekly                                                                                      | \$ 1,585.28  | \$ 1,664.55  | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.27  |
|           | Hourly                                                                                         | \$ 19.8160   | \$ 20.8068   | \$ 21.8472   | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>23</b> | Account Clerk II<br>Maintenance Worker II<br>Code Enforcement Officer<br>Wastewater Operator I |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 43,278.22 | \$ 45,442.13 | \$ 47,714.24 | \$ 50,099.95 | \$ 52,604.94 | \$ 55,235.19 |
|           | Monthly                                                                                        | \$ 3,606.52  | \$ 3,786.84  | \$ 3,976.19  | \$ 4,175.00  | \$ 4,383.75  | \$ 4,602.93  |
|           | Bi-Weekly                                                                                      | \$ 1,664.55  | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.27  | \$ 2,124.43  |
|           | Hourly                                                                                         | \$ 20.8068   | \$ 21.8472   | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   | \$ 26.5554   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>24</b> | Water Operator I                                                                               |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 45,442.13 | \$ 47,714.24 | \$ 50,099.95 | \$ 52,604.94 | \$ 55,235.19 | \$ 57,996.95 |
|           | Monthly                                                                                        | \$ 3,786.84  | \$ 3,976.19  | \$ 4,175.00  | \$ 4,383.75  | \$ 4,602.93  | \$ 4,833.08  |
|           | Bi-Weekly                                                                                      | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.27  | \$ 2,124.43  | \$ 2,230.65  |
|           | Hourly                                                                                         | \$ 21.8472   | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   | \$ 26.5554   | \$ 27.8831   |
|           |                                                                                                |              |              |              |              |              |              |

# CITY OF COALINGA

## General Pay Scale

Effective: June 13, 2024  
Approved: June 20, 2024  
Revised: June 20, 2024

| Grade     | Position                                                                                        | Step A       | Step B       | Step C       | Step D       | Step E       | Step F       |
|-----------|-------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>25</b> | Equipment Mechanic<br>Account Clerk III<br>Wastewater Operator II<br>Building Inspector Trainee |              |              |              |              |              |              |
|           | Annually                                                                                        | \$ 47,714.24 | \$ 50,099.95 | \$ 52,604.94 | \$ 55,235.19 | \$ 57,996.95 | \$ 60,896.80 |
|           | Monthly                                                                                         | \$ 3,976.19  | \$ 4,175.00  | \$ 4,383.75  | \$ 4,602.93  | \$ 4,833.08  | \$ 5,074.73  |
|           | Bi-Weekly                                                                                       | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.27  | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  |
|           | Hourly                                                                                          | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   | \$ 26.5554   | \$ 27.8831   | \$ 29.2773   |
| <b>26</b> | Maintenance Worker III<br>Accounting Technician                                                 |              |              |              |              |              |              |
|           | Annually                                                                                        | \$ 50,099.95 | \$ 52,604.94 | \$ 55,235.19 | \$ 57,996.95 | \$ 60,896.80 | \$ 63,941.64 |
|           | Monthly                                                                                         | \$ 4,175.00  | \$ 4,383.75  | \$ 4,602.93  | \$ 4,833.08  | \$ 5,074.73  | \$ 5,328.47  |
|           | Bi-Weekly                                                                                       | \$ 1,926.92  | \$ 2,023.27  | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  |
|           | Hourly                                                                                          | \$ 24.0865   | \$ 25.2908   | \$ 26.5554   | \$ 27.8831   | \$ 29.2773   | \$ 30.7412   |
| <b>27</b> | Building Inspector I                                                                            |              |              |              |              |              |              |
|           | Annually                                                                                        | \$ 52,604.94 | \$ 55,235.19 | \$ 57,996.95 | \$ 60,896.80 | \$ 63,941.64 | \$ 67,138.72 |
|           | Monthly                                                                                         | \$ 4,383.75  | \$ 4,602.93  | \$ 4,833.08  | \$ 5,074.73  | \$ 5,328.47  | \$ 5,594.89  |
|           | Bi-Weekly                                                                                       | \$ 2,023.27  | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.26  |
|           | Hourly                                                                                          | \$ 25.2908   | \$ 26.5554   | \$ 27.8831   | \$ 29.2773   | \$ 30.7412   | \$ 32.2782   |
| <b>28</b> | Water Operator II<br>Public Utilities Coordinator                                               |              |              |              |              |              |              |
|           | Annually                                                                                        | \$ 55,235.19 | \$ 57,996.95 | \$ 60,896.80 | \$ 63,941.64 | \$ 67,138.72 | \$ 70,495.66 |
|           | Monthly                                                                                         | \$ 4,602.93  | \$ 4,833.08  | \$ 5,074.73  | \$ 5,328.47  | \$ 5,594.89  | \$ 5,874.64  |
|           | Bi-Weekly                                                                                       | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.26  | \$ 2,711.37  |
|           | Hourly                                                                                          | \$ 26.5554   | \$ 27.8831   | \$ 29.2773   | \$ 30.7412   | \$ 32.2782   | \$ 33.8921   |
| <b>29</b> | Assistant Engineer<br>Building Inspector II                                                     |              |              |              |              |              |              |
|           | Annually                                                                                        | \$ 57,996.95 | \$ 60,896.80 | \$ 63,941.64 | \$ 67,138.72 | \$ 70,495.66 | \$ 74,020.44 |
|           | Monthly                                                                                         | \$ 4,833.08  | \$ 5,074.73  | \$ 5,328.47  | \$ 5,594.89  | \$ 5,874.64  | \$ 6,168.37  |
|           | Bi-Weekly                                                                                       | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.26  | \$ 2,711.37  | \$ 2,846.94  |
|           | Hourly                                                                                          | \$ 27.8831   | \$ 29.2773   | \$ 30.7412   | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   |
| <b>30</b> | Water Operator III<br>Public Utilities Coordinator                                              |              |              |              |              |              |              |
|           | Annually                                                                                        | \$ 60,896.80 | \$ 63,941.64 | \$ 67,138.72 | \$ 70,495.66 | \$ 74,020.44 | \$ 77,721.46 |
|           | Monthly                                                                                         | \$ 5,074.73  | \$ 5,328.47  | \$ 5,594.89  | \$ 5,874.64  | \$ 6,168.37  | \$ 6,476.79  |
|           | Bi-Weekly                                                                                       | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.26  | \$ 2,711.37  | \$ 2,846.94  | \$ 2,989.29  |
|           | Hourly                                                                                          | \$ 29.2773   | \$ 30.7412   | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   | \$ 37.3661   |
| <b>31</b> | Building Inspector III                                                                          |              |              |              |              |              |              |
|           | Annually                                                                                        | \$ 63,941.64 | \$ 67,138.72 | \$ 70,495.66 | \$ 74,020.44 | \$ 77,721.46 | \$ 81,607.53 |
|           | Monthly                                                                                         | \$ 5,328.47  | \$ 5,594.89  | \$ 5,874.64  | \$ 6,168.37  | \$ 6,476.79  | \$ 6,800.63  |
|           | Bi-Weekly                                                                                       | \$ 2,459.29  | \$ 2,582.26  | \$ 2,711.37  | \$ 2,846.94  | \$ 2,989.29  | \$ 3,138.75  |
|           | Hourly                                                                                          | \$ 30.7412   | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   | \$ 37.3661   | \$ 39.2344   |

# CITY OF COALINGA

## General Pay Scale

Effective: June 13, 2024

Approved: June 20, 2024

Revised: June 20, 2024

| Grade | Position          | Step A       | Step B       | Step C       | Step D       | Step E       | Step F       |
|-------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 32    | Water Operator IV |              |              |              |              |              |              |
|       | Annually          | \$ 67,138.72 | \$ 70,495.66 | \$ 74,020.44 | \$ 77,721.46 | \$ 81,607.53 | \$ 85,687.91 |
|       | Monthly           | \$ 5,594.89  | \$ 5,874.64  | \$ 6,168.37  | \$ 6,476.79  | \$ 6,800.63  | \$ 7,140.66  |
|       | Bi-Weekly         | \$ 2,582.26  | \$ 2,711.37  | \$ 2,846.94  | \$ 2,989.29  | \$ 3,138.75  | \$ 3,295.69  |
|       | Hourly            | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   | \$ 37.3661   | \$ 39.2344   | \$ 41.1961   |

# CITY OF COALINGA

## General Pay Scale

Effective: January 1, 2025

Approved: June 20, 2024

Revised: June 20, 2024

| Grade     | Position                                                                                       | Step A       | Step B       | Step C       | Step D       | Step E       | Step F       |
|-----------|------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>18</b> | Annually                                                                                       | \$ 35,605.02 | \$ 37,385.28 | \$ 39,254.54 | \$ 41,217.27 | \$ 43,278.13 | \$ 45,442.04 |
|           | Monthly                                                                                        | \$ 2,967.09  | \$ 3,115.44  | \$ 3,271.21  | \$ 3,434.77  | \$ 3,606.51  | \$ 3,786.84  |
|           | Bi-Weekly                                                                                      | \$ 1,369.42  | \$ 1,437.90  | \$ 1,509.79  | \$ 1,585.28  | \$ 1,664.54  | \$ 1,747.77  |
|           | Hourly                                                                                         | \$ 17.1178   | \$ 17.9737   | \$ 18.8724   | \$ 19.8160   | \$ 20.8068   | \$ 21.8471   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>19</b> | Custodian<br>Groundskeeper<br>Office Assistant                                                 |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 37,385.28 | \$ 39,254.54 | \$ 41,217.27 | \$ 43,278.13 | \$ 45,442.04 | \$ 47,714.14 |
|           | Monthly                                                                                        | \$ 3,115.44  | \$ 3,271.21  | \$ 3,434.77  | \$ 3,606.51  | \$ 3,786.84  | \$ 3,976.18  |
|           | Bi-Weekly                                                                                      | \$ 1,437.90  | \$ 1,509.79  | \$ 1,585.28  | \$ 1,664.54  | \$ 1,747.77  | \$ 1,835.16  |
|           | Hourly                                                                                         | \$ 17.9737   | \$ 18.8724   | \$ 19.8160   | \$ 20.8068   | \$ 21.8471   | \$ 22.9395   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>20</b> | Wastewater Operator<br>Apprentice                                                              |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 39,254.54 | \$ 41,217.27 | \$ 43,278.13 | \$ 45,442.04 | \$ 47,714.14 | \$ 50,099.84 |
|           | Monthly                                                                                        | \$ 3,271.21  | \$ 3,434.77  | \$ 3,606.51  | \$ 3,786.84  | \$ 3,976.18  | \$ 4,174.99  |
|           | Bi-Weekly                                                                                      | \$ 1,509.79  | \$ 1,585.28  | \$ 1,664.54  | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  |
|           | Hourly                                                                                         | \$ 18.8724   | \$ 19.8160   | \$ 20.8068   | \$ 21.8471   | \$ 22.9395   | \$ 24.0865   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>21</b> | Account Clerk I<br>Maintenance Worker I<br>Maintenance Worker I (Street<br>Sweeper)            |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 41,217.27 | \$ 43,278.13 | \$ 45,442.04 | \$ 47,714.14 | \$ 50,099.84 | \$ 52,604.84 |
|           | Monthly                                                                                        | \$ 3,434.77  | \$ 3,606.51  | \$ 3,786.84  | \$ 3,976.18  | \$ 4,174.99  | \$ 4,383.74  |
|           | Bi-Weekly                                                                                      | \$ 1,585.28  | \$ 1,664.54  | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.26  |
|           | Hourly                                                                                         | \$ 19.8160   | \$ 20.8068   | \$ 21.8471   | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>22</b> | Water Operator Apprentice                                                                      |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 43,278.13 | \$ 45,442.04 | \$ 47,714.14 | \$ 50,099.84 | \$ 52,604.84 | \$ 55,235.08 |
|           | Monthly                                                                                        | \$ 3,606.51  | \$ 3,786.84  | \$ 3,976.18  | \$ 4,174.99  | \$ 4,383.74  | \$ 4,602.92  |
|           | Bi-Weekly                                                                                      | \$ 1,664.54  | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.26  | \$ 2,124.43  |
|           | Hourly                                                                                         | \$ 20.8068   | \$ 21.8471   | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   | \$ 26.5553   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>23</b> | Account Clerk II<br>Maintenance Worker II<br>Code Enforcement Officer<br>Wastewater Operator I |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 45,442.04 | \$ 47,714.14 | \$ 50,099.84 | \$ 52,604.84 | \$ 55,235.08 | \$ 57,996.83 |
|           | Monthly                                                                                        | \$ 3,786.84  | \$ 3,976.18  | \$ 4,174.99  | \$ 4,383.74  | \$ 4,602.92  | \$ 4,833.07  |
|           | Bi-Weekly                                                                                      | \$ 1,747.77  | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.26  | \$ 2,124.43  | \$ 2,230.65  |
|           | Hourly                                                                                         | \$ 21.8471   | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   | \$ 26.5553   | \$ 27.8831   |
|           |                                                                                                |              |              |              |              |              |              |
| <b>24</b> | Water Operator I                                                                               |              |              |              |              |              |              |
|           | Annually                                                                                       | \$ 47,714.14 | \$ 50,099.84 | \$ 52,604.84 | \$ 55,235.08 | \$ 57,996.83 | \$ 60,896.67 |
|           | Monthly                                                                                        | \$ 3,976.18  | \$ 4,174.99  | \$ 4,383.74  | \$ 4,602.92  | \$ 4,833.07  | \$ 5,074.72  |
|           | Bi-Weekly                                                                                      | \$ 1,835.16  | \$ 1,926.92  | \$ 2,023.26  | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  |
|           | Hourly                                                                                         | \$ 22.9395   | \$ 24.0865   | \$ 25.2908   | \$ 26.5553   | \$ 27.8831   | \$ 29.2772   |
|           |                                                                                                |              |              |              |              |              |              |

# CITY OF COALINGA

## General Pay Scale

Effective: January 1, 2025

Approved: June 20, 2024

Revised: June 20, 2024

| Grade     | Position                     | Step A       | Step B       | Step C       | Step D       | Step E       | Step F       |
|-----------|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>25</b> | Equipment Mechanic           |              |              |              |              |              |              |
|           | Account Clerk III            |              |              |              |              |              |              |
|           | Wastewater Operator II       |              |              |              |              |              |              |
|           | Building Inspector Trainee   |              |              |              |              |              |              |
|           | Annually                     | \$ 50,099.84 | \$ 52,604.84 | \$ 55,235.08 | \$ 57,996.83 | \$ 60,896.67 | \$ 63,941.51 |
|           | Monthly                      | \$ 4,174.99  | \$ 4,383.74  | \$ 4,602.92  | \$ 4,833.07  | \$ 5,074.72  | \$ 5,328.46  |
|           | Bi-Weekly                    | \$ 1,926.92  | \$ 2,023.26  | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  |
|           | Hourly                       | \$ 24.0865   | \$ 25.2908   | \$ 26.5553   | \$ 27.8831   | \$ 29.2772   | \$ 30.7411   |
| <b>26</b> | Maintenance Worker III       |              |              |              |              |              |              |
|           | Accounting Technician        |              |              |              |              |              |              |
|           | Annually                     | \$ 52,604.84 | \$ 55,235.08 | \$ 57,996.83 | \$ 60,896.67 | \$ 63,941.51 | \$ 67,138.58 |
|           | Monthly                      | \$ 4,383.74  | \$ 4,602.92  | \$ 4,833.07  | \$ 5,074.72  | \$ 5,328.46  | \$ 5,594.88  |
|           | Bi-Weekly                    | \$ 2,023.26  | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.25  |
|           | Hourly                       | \$ 25.2908   | \$ 26.5553   | \$ 27.8831   | \$ 29.2772   | \$ 30.7411   | \$ 32.2782   |
| <b>27</b> | Building Inspector I         |              |              |              |              |              |              |
|           | Annually                     | \$ 55,235.08 | \$ 57,996.83 | \$ 60,896.67 | \$ 63,941.51 | \$ 67,138.58 | \$ 70,495.51 |
|           | Monthly                      | \$ 4,602.92  | \$ 4,833.07  | \$ 5,074.72  | \$ 5,328.46  | \$ 5,594.88  | \$ 5,874.63  |
|           | Bi-Weekly                    | \$ 2,124.43  | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.25  | \$ 2,711.37  |
|           | Hourly                       | \$ 26.5553   | \$ 27.8831   | \$ 29.2772   | \$ 30.7411   | \$ 32.2782   | \$ 33.8921   |
| <b>28</b> | Water Operator III           |              |              |              |              |              |              |
|           | Public Utilities Coordinator |              |              |              |              |              |              |
|           | Annually                     | \$ 57,996.83 | \$ 60,896.67 | \$ 63,941.51 | \$ 67,138.58 | \$ 70,495.51 | \$ 74,020.29 |
|           | Monthly                      | \$ 4,833.07  | \$ 5,074.72  | \$ 5,328.46  | \$ 5,594.88  | \$ 5,874.63  | \$ 6,168.36  |
|           | Bi-Weekly                    | \$ 2,230.65  | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.25  | \$ 2,711.37  | \$ 2,846.93  |
|           | Hourly                       | \$ 27.8831   | \$ 29.2772   | \$ 30.7411   | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   |
| <b>29</b> | Assistant Engineer           |              |              |              |              |              |              |
|           | Building Inspector II        |              |              |              |              |              |              |
|           | Annually                     | \$ 60,896.67 | \$ 63,941.51 | \$ 67,138.58 | \$ 70,495.51 | \$ 74,020.29 | \$ 77,721.30 |
|           | Monthly                      | \$ 5,074.72  | \$ 5,328.46  | \$ 5,594.88  | \$ 5,874.63  | \$ 6,168.36  | \$ 6,476.78  |
|           | Bi-Weekly                    | \$ 2,342.18  | \$ 2,459.29  | \$ 2,582.25  | \$ 2,711.37  | \$ 2,846.93  | \$ 2,989.28  |
|           | Hourly                       | \$ 29.2772   | \$ 30.7411   | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   | \$ 37.3660   |
| <b>30</b> | Water Operator III           |              |              |              |              |              |              |
|           | Public Utilities Coordinator |              |              |              |              |              |              |
|           | Annually                     | \$ 63,941.51 | \$ 67,138.58 | \$ 70,495.51 | \$ 74,020.29 | \$ 77,721.30 | \$ 81,607.37 |
|           | Monthly                      | \$ 5,328.46  | \$ 5,594.88  | \$ 5,874.63  | \$ 6,168.36  | \$ 6,476.78  | \$ 6,800.61  |
|           | Bi-Weekly                    | \$ 2,459.29  | \$ 2,582.25  | \$ 2,711.37  | \$ 2,846.93  | \$ 2,989.28  | \$ 3,138.74  |
|           | Hourly                       | \$ 30.7411   | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   | \$ 37.3660   | \$ 39.2343   |
| <b>31</b> | Building Inspector III       |              |              |              |              |              |              |
|           | Annually                     | \$ 67,138.58 | \$ 70,495.51 | \$ 74,020.29 | \$ 77,721.30 | \$ 81,607.37 | \$ 85,687.74 |
|           | Monthly                      | \$ 5,594.88  | \$ 5,874.63  | \$ 6,168.36  | \$ 6,476.78  | \$ 6,800.61  | \$ 7,140.64  |
|           | Bi-Weekly                    | \$ 2,582.25  | \$ 2,711.37  | \$ 2,846.93  | \$ 2,989.28  | \$ 3,138.74  | \$ 3,295.68  |
|           | Hourly                       | \$ 32.2782   | \$ 33.8921   | \$ 35.5867   | \$ 37.3660   | \$ 39.2343   | \$ 41.1960   |

# CITY OF COALINGA

## General Pay Scale

Effective: January 1, 2025

Approved: June 20, 2024

Revised: June 20, 2024

| Grade | Position          | Step A       | Step B       | Step C       | Step D       | Step E       | Step F       |
|-------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 32    | Water Operator IV |              |              |              |              |              |              |
|       | Annually          | \$ 70,495.51 | \$ 74,020.29 | \$ 77,721.30 | \$ 81,607.37 | \$ 85,687.74 | \$ 89,972.12 |
|       | Monthly           | \$ 5,874.63  | \$ 6,168.36  | \$ 6,476.78  | \$ 6,800.61  | \$ 7,140.64  | \$ 7,497.68  |
|       | Bi-Weekly         | \$ 2,711.37  | \$ 2,846.93  | \$ 2,989.28  | \$ 3,138.74  | \$ 3,295.68  | \$ 3,460.47  |
|       | Hourly            | \$ 33.8921   | \$ 35.5867   | \$ 37.3660   | \$ 39.2343   | \$ 41.1960   | \$ 43.2558   |

# **STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY**

**Subject:** City Council Consideration of Resolution No. 4216, Approving of A New Gas Supplier and Further Authorizing the City Manager to Execute a Contract with NRG

**Meeting Date:** Thursday, June 20, 2024

**From:** Marissa Trejo, City Manager

**Prepared by:** Dan Bergmann, IGS

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## **I. RECOMMENDATION:**

City Council is recommended to approve a natural gas supply agreement with NRG Business Marketing LLC and Further Adopt Resolution No. 4216.

## **II. BACKGROUND:**

Shell Trading has provided outstanding natural gas supply services to the City for over 20 years. Unfortunately, Shell is leaving the retail gas market. Shell provided timely notice to the City that service will end June 30, 2024. As a result, Dan Bergmann of IGS prepared and administered a request for qualifications (RFQ) process to seek out the best qualified new gas supplier for the City. A primary requirement for a gas supplier to the City is that the supplier must have a large customer base on PG&E to incorporate the City's large daily load changes in winter. The RFQ was sent to seven gas suppliers potentially capable of serving the City, of which two responded with qualifications, NRG and Pacific Summit Energy.

## **III. DISCUSSION:**

Supply and management of Coalinga's natural gas needs are unique because daily gas demand varies dramatically in winter based on outside temperatures, and because the City holds pipeline capacity on PG&E's "Redwood Path" from Malin, Oregon, which is economically beneficial to ratepayers, but requires additional attention to administer. For these reasons, only two suppliers proposed. NRG's proposal was superior primarily because of NRG's ability to manage the City's Redwood Path capacity under mutually agreeable terms. NRG also demonstrated outstanding California gas market knowledge and willingness to support strategic gas purchasing. The operating terms of this new agreement are structured such that daily monitoring of the City's gas demand will not longer be required (performed by IGS). NRG will handle all daily monitoring.

The proposed agreement is the same template at the current agreement in place with Shell Trading. It is a "NAESB" agreement (North American Energy Standards Board), with terms widely accepted by the gas industry. The initial term will be one year; however, the term will be extended one year up to three years each time the City does a purchase to adhere with its City Council-approved gas purchase policy.

## **IV. ALTERNATIVES:**

The one alternative is to convert back to PG&E supply; however, doing so would be prohibitively expensive.

## **V. FISCAL IMPACT:**

There is not significant fiscal impact because of changing gas suppliers.

### **ATTACHMENTS:**

| File Name                                                                                  | Description                                |
|--------------------------------------------------------------------------------------------|--------------------------------------------|
| ❏ Resolution_No._4216_-_Natural_Gas_Supplier_2024.docx                                     | Resolution No. 4216 - Natural Gas Supplier |
| ❏ City_of_Coalinga_NBM_NAESB_2006_Wholesale_Governmental_Entity_Rider_final_exe_061724.pdf | Contract Documents                         |
| ❏ City_of_Coalinga_NBM_NAESB_Cover_Page_final_exe_061724.pdf                               | Cover Page                                 |
| ❏ Coalinga_NBM_TC_final_exe_061724.pdf                                                     | Coalinga NBM TC Final                      |
| ❏ NBM_-_City_of_Coalinga_NAESB_Special_Provisions_final_exe_061724.pdf                     | Special Provisions                         |

**RESOLUTION NO. 4216**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COALINGA APPROVING NRG  
BUSINESS MARKETING LLC TO BE THE CITY'S NATURAL GAS SUPPLIER BEGINNING  
JULY 1, 2024**

**WHEREAS**, Shell Trading has done an outstanding job providing gas supply service to the City of Coalinga for over 20 years, but is leaving the retail gas market and has provided timely notice doing so; and

**WHEREAS**, City staff with the support of IGService has conducted a request for qualifications process seeking a new supplier; and

**WHEREAS**, NRG Business Marketing LLC (NRG) has demonstrated superior ability and qualifications to be the City's new gas supplier, and has been selected accordingly; and

**WHEREAS**, City staff, with the support of IGService as needed; shall work with NRG to comply with the requirements of the City's Long-Term Natural Gas Purchase Policy, approved by Resolution No. 4156, dated May 4, 2023; and

**WHEREAS**, the City of Coalinga's gas system is operated safely, reliably, and benefits Coalinga's residents.

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

1. The recitals set forth above are true and correct as of the date this Resolution was adopted.
2. NRG is approved to be the City's new natural gas supplier effective June 1, 2023.
3. The initial transaction agreement shall be for one year.
4. Transaction agreements may be extended up to three years to follow the City's Long-Term Natural Gas Purchase Policy.
5. The City Manager is authorized to execute base agreement general terms and conditions with NRG, called the North American Energy Standards Board Agreement ("NAESB"), attached hereto.
6. The City Manager is further authorized to execute gas purchases as specified in the Gas Purchase Policy.

The foregoing resolution was approved and adopted at a regular meeting of the City Council of the City of Coalinga held on the 20th day of June 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk/Deputy City Clerk

**GOVERNMENTAL ENTITY RIDER**  
to the NAESB Base Contract for Sale and Purchase of Natural Gas ("Base Contract")  
entered into by and between  
**NRG Business Marketing LLC and City of Coalinga**

and dated as of June 17, 2024

1. The following definitions shall apply to this Governmental Entity Rider:

"Covered Indenture" means any written agreement under which bonds, debentures or any other form of indebtedness are issued by the Government Entity.

"Government Entity" means City of Coalinga.

"Incipient Illegality" means (a) the enactment by any legislative body with competent jurisdiction over a Government Entity of legislation which, if adopted as law, would render unlawful (i) the performance by such Government Entity of any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of a transaction or the compliance by such Government Entity with any other material provision of the Contract relating to such transaction or (ii) the performance by a Government Entity of any contingent or other obligation which the Government Entity has under any Credit Support Obligation(s) relating to such transaction, (b) any assertion in any proceeding, forum or action by a Government Entity, in respect of such Government Entity or in respect of any entity location or organized under the laws of the state in which such Government Entity is located to the effect that performance under the Contract or similar agreements is unlawful or (c) the occurrence with respect to a Government Entity or any guarantor of such Government Entity of any event that constitutes an illegality.

"NBM" means NRG Business Marketing LLC.

2. Section 3 is amended by inserting the following new section:

"3.5 Documents to be Delivered. Upon execution of this Contract, and thereafter upon reasonable demand, Government Entity shall provide to NBM: (i) copies of its charter, enabling statute(s) or comparable legislation creating Government Entity; (ii) copies of documents evidencing its capacity and authority to execute this Contract and each Transaction Confirmation and to perform its obligations hereunder and thereunder; and (iii) if requested by NBM, an opinion of counsel for the Government Entity, in form and substance reasonably satisfactory to NBM, regarding the validity, binding effect and enforceability of the Contract against the Government Entity in respect of all relevant constitutional, organic or other governing documents and applicable law."

3. The following is added as a new Section 8.6:

"The Government Entity warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it shall not claim, and hereby waives any claim it may have to immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from: (a) suit, (b) jurisdiction of court (including a court located outside the jurisdiction of its organization), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment."

4. In Section 10.2, the following are added as additional Events of Default, which shall apply to the Government Entity:

“(xi) there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it; or (xii) there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it.”

5. The following sentence is added to the end of Section 11.3: “With respect to the Government Entity, Force Majeure does not include any action taken by the Government Entity in its governmental capacity.”

6. The following sentence is added to the end of Section 15.8:

“The Government Entity represents and warrants (which representations and warranties will be deemed to be repeated by such party on each date on which a transaction is entered into) that: (a) it has taken all necessary action and made all necessary determinations and findings to authorize due execution, delivery and performance (including, but not limited to, competitive bidding, public notice, election, referendum, prior appropriation or other procedures that are required pursuant to the Government Entity’s ordinances, bylaws or other regulations); (b) it has obtained all governmental and other consents that are required to have been obtained by it with respect to this Contract, including without limitation, each transaction, and has complied with all conditions of any such consents; (c) the term of any transaction under this Contract shall not extend beyond any applicable limitation imposed by any enabling act or other relevant constitutional, organic or other governing documents and applicable law; (d) its ability to pay any and all amounts due and payable under this Contract and each transaction is not conditioned upon any governmental or administrative appropriation by any governmental or administrative authority, and further represents, warrants and covenants that (i) the members of the Government Entity have no legal right, absent the approval of the Government Entity, to take any funds of the Government Entity and (ii) it will neither transfer funds nor approve the transfer of funds to any of its members if such action will result, or is likely to result, in the Government Entity’s inability to perform under this Contract or any transaction, or to otherwise make payment to NBM for amounts due and owing under this Contract and/or any transaction; and (e) its obligations to make payments under this Contract, including each transaction, are unsubordinated obligations and such payments are: (i) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, any enabling act and all relevant constitutional, organic or other governing documents and applicable law; (ii) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the enabling act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Government Entity obligations under this Contract, including each transaction; or (iii) are to be made solely from a fund or account of the Government Entity set aside and/or pledged to satisfy the Government Entity’s obligations under this Contract, including each transaction.”

7. The following are added as new Sections 15.19, 15.20 and 15.21:

“15.19 Compliance with Covered Indenture. The Government Entity will observe, perform and fulfill each provision in the Covered Indenture applicable to such Government Entity in effect from time to time during the pendency of this Contract and each transaction, as any of those provisions may be amended, supplemented or modified for purposes of the Contract with the prior written

consent of NBM (the “Incorporated Provisions”), with the effect that NBM will have the benefit of each of the Incorporated Provisions (including without limitation, covenants, right to consent to certain actions subject to consent under the Covered Indenture and delivery of financial statements and other notices and information). In the event the Covered Indenture ceases to be in effect prior to the termination of the Contract, the Incorporated Provisions (other than those provisions requiring payments in respect of bonds, notes, warrants or other similar instruments issued under the Covered Indenture) will remain in full force and effect for purposes of the Contract as though set forth herein until such date on which all of the obligations of the Government Entity under the Contract and any obligations of the Government Entity have been fully satisfied. The Incorporated Provisions are hereby incorporated by reference and made a part of the Contract to the same extent as if such provisions were set forth herein. For purposes of the Contract, the Incorporated Provisions shall be construed as though (i) all references therein to any party making loans, extensions of credit or financial accommodations thereunder or commitments therefor (the “Financings”) were to NBM (but without imposing any obligation or liability with respect to NBM) and (ii) to the extent that such Incorporated Provisions are conditioned on or relate to the existence of such Financings or the Government Entity having any obligations in connection therewith, all references to such Financings or obligations were to the obligations of the Government Entity under the Contract. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of NBM shall have no force and effect with respect to the Contract. Any amendment, supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of the Contract. Notwithstanding the foregoing, or any Incorporated Provisions or Covered Indenture, under no circumstance shall the foregoing or any such Incorporated Provisions or Covered Indenture impose, or be construed as imposing, any liability, obligation, or other undertaking whatsoever (whether financial or otherwise), under contract, law, equity or otherwise on, or upon, NBM.

15.20 Notice of Incipient Illegality. If an Incipient Illegality occurs, the Government Entity will, promptly upon becoming aware of it, notify NBM, specifying the nature of that Incipient Illegality and will also give such other information about that Incipient Illegality as NBM may reasonably require.

15.21 Suspension upon Incipient Illegality. If an Incipient Illegality has and is continuing, NBM will have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon notice to the Government Entity.”

**[Signatures follow on next page]**

**IN WITNESS WHEREOF** the parties have executed this Governmental Entity Rider to supplement and, where applicable, to amend the Base Contract, together with the Special Provisions, by and between the parties.

**NRG Business Marketing LLC**

**City of Coalinga**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name: \_\_\_\_\_

Title:

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

Date:

Date:

# Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: June 17, 2024

The parties to this Base Contract are the following:

|                                                                                                                                                                                                                                   |                                                                                                                                                                      |                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PARTY A</b><br>NRG Business Marketing LLC                                                                                                                                                                                      | <b>PARTY NAME</b>                                                                                                                                                    | <b>PARTY B</b><br>City of Coalinga                                                                                                                                                                                                                    |
| 804 Carnegie Center<br>Princeton, NJ 08540                                                                                                                                                                                        | <b>ADDRESS</b>                                                                                                                                                       | 155 West Durian Avenue<br>Coalinga, CA 993210                                                                                                                                                                                                         |
| <a href="http://www.nrg.com">www.nrg.com</a>                                                                                                                                                                                      | <b>BUSINESS WEBSITE</b>                                                                                                                                              | <a href="http://www.coalinga.com">www.coalinga.com</a>                                                                                                                                                                                                |
|                                                                                                                                                                                                                                   | <b>CONTRACT NUMBER</b>                                                                                                                                               |                                                                                                                                                                                                                                                       |
| 07-879-0103                                                                                                                                                                                                                       | <b>D-U-N-S® NUMBER</b>                                                                                                                                               | 030999361                                                                                                                                                                                                                                             |
| <input checked="" type="checkbox"/> US FEDERAL: 80-0909818<br><input type="checkbox"/> OTHER:                                                                                                                                     | <b>TAX ID NUMBERS</b>                                                                                                                                                | <input checked="" type="checkbox"/> US FEDERAL: 94-6000312<br><input type="checkbox"/> OTHER:                                                                                                                                                         |
| Delaware                                                                                                                                                                                                                          | <b>JURISDICTION OF ORGANIZATION</b>                                                                                                                                  |                                                                                                                                                                                                                                                       |
| <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC<br><input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership<br><input type="checkbox"/> LLP <input type="checkbox"/> Other: | <b>COMPANY TYPE</b>                                                                                                                                                  | <input type="checkbox"/> Corporation <input type="checkbox"/> LLC<br><input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership<br><input type="checkbox"/> LLP <input checked="" type="checkbox"/> Other: <u>Municipality</u> |
|                                                                                                                                                                                                                                   | <b>GUARANTOR (IF APPLICABLE)</b>                                                                                                                                     |                                                                                                                                                                                                                                                       |
| <b>CONTACT INFORMATION</b>                                                                                                                                                                                                        |                                                                                                                                                                      |                                                                                                                                                                                                                                                       |
| <b>ATTN:</b> VP of Gas Trading<br><b>TEL#:</b> 732-781-0682 <b>FAX#:</b> 609-524-4540<br><b>EMAIL:</b> <a href="mailto:SpotGasTrading@nrg.com">SpotGasTrading@nrg.com</a>                                                         | <input checked="" type="checkbox"/> <b>COMMERCIAL</b>                                                                                                                | <b>ATTN:</b> Sean Brewer, Assistant City Manager<br><b>TEL#:</b> 559-935-1533 x 143<br><b>EMAIL:</b> <a href="mailto:sbrewer@coalinga.com">sbrewer@coalinga.com</a>                                                                                   |
| <b>ATTN:</b> Director – Wholesale Gas Operations<br><b>TEL#:</b> 732-781-0688 <b>FAX#:</b> 609-524-4540<br><b>EMAIL:</b> <a href="mailto:natgasops@nrg.com">natgasops@nrg.com</a>                                                 | <input checked="" type="checkbox"/> <b>SCHEDULING</b>                                                                                                                | <b>ATTN:</b> <u>same</u><br><b>TEL#:</b> <u>                    </u> <b>FAX#:</b> <u>                    </u><br><b>EMAIL:</b> <u>                    </u>                                                                                            |
| <b>ATTN:</b> Contract Administration<br><b>TEL#:</b> 609-524-4543 <b>FAX#:</b> 609-524-4540<br><b>EMAIL:</b> <a href="mailto:ContractAdmin@nrg.com">ContractAdmin@nrg.com</a>                                                     | <input checked="" type="checkbox"/> <b>CONTRACT AND LEGAL NOTICES</b>                                                                                                | <b>ATTN:</b> <u>same</u><br><b>TEL#:</b> <u>                    </u> <b>FAX#:</b> <u>                    </u><br><b>EMAIL:</b> <u>                    </u>                                                                                            |
| <b>ATTN:</b> Sr. Director of Credit<br><b>TEL#:</b> 732-781-0506 <b>FAX#:</b> N/A<br><b>EMAIL:</b> <a href="mailto:WholesaleCredit_de@nrg.com">WholesaleCredit_de@nrg.com</a>                                                     | <input checked="" type="checkbox"/> <b>CREDIT</b>                                                                                                                    | <b>ATTN:</b> Mai Vang, Financial Services Director<br><b>TEL#:</b> 559-935-1533 x 129<br><b>EMAIL:</b> <a href="mailto:mvang@coalinga.com">mvang@coalinga.com</a>                                                                                     |
| <b>ATTN:</b> Confirmations<br><b>TEL#:</b> 732-781-0516 <b>FAX#:</b> 866-730-5094<br><b>EMAIL:</b> <a href="mailto:apolloinbounddocs@nrg.com">apolloinbounddocs@nrg.com</a>                                                       | <input checked="" type="checkbox"/> <b>TRANSACTION CONFIRMATIONS</b>                                                                                                 | <b>ATTN:</b> <u>Assistant City Manager (above)</u><br><b>TEL#:</b> <u>                    </u> <b>FAX#:</b> <u>                    </u><br><b>EMAIL:</b> <u>                    </u>                                                                  |
| <b>ACCOUNTING INFORMATION</b>                                                                                                                                                                                                     |                                                                                                                                                                      |                                                                                                                                                                                                                                                       |
| <b>ATTN:</b> Natural Gas Settlements<br><b>TEL#:</b> 732-781-0492 <b>FAX#:</b> N/A<br><b>EMAIL:</b> <a href="mailto:naturalgasphysicalsettlements@nrg.com">naturalgasphysicalsettlements@nrg.com</a>                              | <input checked="" type="checkbox"/> <b>INVOICES</b><br><input checked="" type="checkbox"/> <b>PAYMENTS</b><br><input checked="" type="checkbox"/> <b>SETTLEMENTS</b> | <b>ATTN:</b> <u>Financial Services Director (above)</u><br><b>TEL#:</b> <u>                    </u> <b>FAX#:</b> <u>                    </u><br><b>EMAIL:</b> <u>                    </u>                                                             |

|                                                                                                                                                 |                                              |                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>BANK:</b> J.P. Morgan /Chase Manhattan<br><b>ABA:</b> 021 000021 <b>ACCT:</b> 323-271979<br><b>OTHER DETAILS:</b> NRG Business Marketing LLC | <b>WIRE TRANSFER NUMBERS (IF APPLICABLE)</b> | <b>BANK:</b> _____<br><b>ABA:</b> _____ <b>ACCT:</b> _____<br><b>OTHER DETAILS:</b> _____ |
| <b>BANK:</b> _____<br><b>ABA:</b> _____ <b>ACCT:</b> _____<br><b>OTHER DETAILS:</b> _____                                                       | <b>ACH NUMBERS (IF APPLICABLE)</b>           | <b>BANK:</b> _____<br><b>ABA:</b> _____ <b>ACCT:</b> _____<br><b>OTHER DETAILS:</b> _____ |
| <b>ATTN:</b> _____<br><b>ADDRESS:</b> _____                                                                                                     | <b>CHECKS (IF APPLICABLE)</b>                | <b>ATTN:</b> _____<br><b>ADDRESS:</b> _____                                               |

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Section 1.2</b> <input checked="" type="checkbox"/> Oral (default)<br>Transaction Procedure <input type="checkbox"/> Written<br><b>Section 2.7</b> <input checked="" type="checkbox"/> 2 Business Days after receipt (default)<br>Confirm Deadline <input type="checkbox"/> _____ Business Days after receipt<br><b>Section 2.8</b> <input type="checkbox"/> Seller (default)<br>Confirming Party <input type="checkbox"/> Buyer<br><input checked="" type="checkbox"/> NRG Business Marketing LLC | <b>Section 10.2</b> <input type="checkbox"/> No Additional Events of Default (default)<br>Additional Events of Default <input type="checkbox"/> Indebtedness Cross Default<br><input type="checkbox"/> Party A:<br><input type="checkbox"/> Party B:<br><input checked="" type="checkbox"/> Transactional Cross Default - Specified Transactions (as defined in the Special Provisions) |
| <b>Section 3.2</b> <input checked="" type="checkbox"/> Cover Standard (default)<br>Performance Obligation <input type="checkbox"/> Spot Price Standard                                                                                                                                                                                                                                                                                                                                                | <b>Section 10.3.1</b> <input checked="" type="checkbox"/> Early Termination Damages Apply (default)<br>OR<br>Early Termination Damages <input type="checkbox"/> Early Termination Damages Do Not Apply                                                                                                                                                                                  |
| <b>Note: The following Spot Price Publication applies to both of the immediately preceding.</b><br><b>Section 2.31</b> <input checked="" type="checkbox"/> Gas Daily Midpoint (default)<br>Spot Price Publication <input type="checkbox"/> _____<br><b>Section 6</b> <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR<br>Taxes <input type="checkbox"/> Seller Pays Before and At Delivery Point                                                               | <b>Section 10.3.2</b> <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default)<br>Other Agreement Setoffs <input type="checkbox"/> Bilateral (default)<br><input checked="" type="checkbox"/> Triangular<br>OR<br><input type="checkbox"/> Other Agreement Setoffs Do Not Apply                                                                                      |
| <b>Section 7.2</b> <input checked="" type="checkbox"/> 25 <sup>th</sup> Day of Month following Month of delivery (default)<br>Payment Date OR<br><input type="checkbox"/> Day of Month following Month of delivery                                                                                                                                                                                                                                                                                    | <b>Section 15.5</b><br>Choice Of Law State of New York                                                                                                                                                                                                                                                                                                                                  |
| <b>Section 7.2</b> <input checked="" type="checkbox"/> Wire transfer (default)<br>Method of Payment <input type="checkbox"/> Automated Clearinghouse Credit (ACH)<br><input type="checkbox"/> Check<br><b>Section 7.7</b> <input checked="" type="checkbox"/> Netting applies (default)<br>Netting OR<br><input type="checkbox"/> Netting does not apply                                                                                                                                              | <b>Section 15.10</b> <input checked="" type="checkbox"/> Confidentiality applies (default)<br>Confidentiality OR<br><input type="checkbox"/> Confidentiality does not apply                                                                                                                                                                                                             |
| <input checked="" type="checkbox"/> <b>Special Provisions</b> Number of sheets attached: <u>5</u><br><input type="checkbox"/> <b>Addendum(s):</b> _____                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                         |

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

|                                   |                     |                         |
|-----------------------------------|---------------------|-------------------------|
| <b>NRG Business Marketing LLC</b> | <b>PARTY NAME</b>   | <b>City of Coalinga</b> |
| By: _____                         | <b>SIGNATURE</b>    | By: _____               |
|                                   | <b>PRINTED NAME</b> |                         |
|                                   | <b>TITLE</b>        |                         |

## TRANSACTION CONFIRMATION



Date: 6/17/24

Transaction Confirmation #

This Transaction Confirmation is subject to the NAESB Base Agreement between NRG Business Marketing LLC and City of Coalinga dated June 17, 2024. This Transaction Confirmation will not become binding until executed by both parties.

**SELLER:**

NRG Business Marketing LLC ("NBM")

804 Carnegie Center

Princeton, New Jersey 08540

Attn: Transaction Control

Phone: (732) 516-2609

Fax: (866) 730-5094

Trader: Kenneth Diel

**BUYER:**

City of Coalinga ("CoC")

155 West Durian Avenue

Coalinga, CA 93210

Attn: Dan Bergmann

Phone: (925) 899-2578

Fax:

Email: dan@igservice.com

**Contract Price:** For Gas delivered hereunder, the Contract Price shall be NGI, PG&E + \$0.07 / MMBtu

Where "NGI, PG&E" is defined as the "AVG" valuation as listed in Intelligence Press, Inc's, NGI's Bid Week Survey, under "Fixed + Basis" for the appropriate gas delivery month under California for "PG&E Citygate."

Index Settlement for NGI Contract Quantity

Buyer will pay for all Monthly Contract Quantities. In the event Buyer fails to consume any Contract Quantity for the associated flow month, Seller will remarket deficient volumes and credit Buyer's account as follows; deficient Monthly Contract Quantity x (GDA, PG&E - \$0.07 / MMBtu).

In the event Buyer consumes volumes incremental to the Monthly Contract Quantity for the associated flow month, Seller will charge Buyer's accounts as follows; incremental Monthly Volume x (GDA, PG&E + \$0.07 / MMBtu).

Where "GDA, PG&E" is defined as the monthly average of the "Midpoint" valuations as listed in Platt's Gas Daily, "Final Daily Price Survey" for the appropriate gas delivery day under Southwest for "PG&E Citygate", for the applicable flow month.

If a day does not fall on a Business Day, the Index Settlement price will be the price published on the next Business Day, provided, however, that if the next Business Day is in the following month, the Index Settlement price will be the price on the preceding Business Day. The Contract Price will be applied on an "as-burned" basis with no additional fees for imbalance.

**Fixed Price Conversion Option ("Conversion"):** Buyer shall have the right, but not the obligation, to convert the Monthly Contract Quantity and associated Contract Price to a fixed price composed of a NYMEX related price plus a basis related price, quoted by Seller at time of Buyer's request, pursuant to the following conditions:

- 1) Maximum Quantity shall be the Monthly Contract Quantity applicable to the associated Month of delivery.
- 2) Buyer shall exercise such right during reasonable business hours on any Business Day; however, such right shall be exercised prior to 11:00 AM EPT on the Natural Gas Futures Contract Settlement Day applicable to the Month of delivery.

**Delivery Period: Begin:** July 1, 2024

**End:** June 30, 2025

**Performance Obligation and Monthly Contract Quantity:**

Firm, non-recallable physical supply. Each Month during the Delivery Period, Seller shall have the obligation to deliver and sell and Buyer shall have the obligation to receive and purchase the Monthly Contract Quantity, as specified (in MMBtu's) below.

Jan: 39,484

Feb: 33,303

Mar: 26,039

Apr: 15,569

May: 10,912

Jun: 8,158

Jul: 6,840

Aug: 9,634

Sep: 7,711

Oct: 12,221

Nov: 21,936

Dec: 38,642

**Delivery Point(s):** PG&E City Gate

## **Special Conditions:**

**A. Definitions.** In addition to the terms defined elsewhere in this Transaction Confirmation, the following terms shall have the respective meanings specified below:

“Eastern Prevailing Time” or “EPT” shall mean Eastern Standard Time adjusted for Daylight Savings Time.

“Index Settlement” shall mean the process through which the Buyer and Seller compensate each other for deficient and incremental volumes of Gas that differ from the Monthly Contract Quantity.

“NYMEX” means the New York Mercantile Exchange, and its successors.

## **B. Gas Supply Service**

1. Seller and Buyer shall each provide primary and secondary contacts to facilitate necessary operational communications, whereby Seller may utilize said contacts for scheduling and balancing gas requirements and Buyer will utilize said contacts in the event a material change in consumption (*e.g.*, plant shut-down, line down, major equipment issue, etc.) occurs.
2. During the entire Delivery Period, Buyer shall designate Seller as its agent on Pacific Gas and Electric Company’s (“PG&E”) system to assist Buyer in all transportation and nomination related activities, including estimated and/or actual natural gas consumption data, at the Delivery Point, to effectively facilitate account servicing and balancing. Seller may accomplish such account servicing and balancing in any manner that Seller may determine; provided, that, neither the failure of Seller to perform such servicing and balancing activity, nor the imposition of Imbalance Charges shall constitute an Event of Default with respect to Seller under the NAESB Base Agreement. If any fees, penalties, costs or charges (including any cash-out charges) are assessed by PG&E for failure to satisfy PG&E’s balance requirements, Seller shall be responsible for, and shall pay, any such fees, penalties, costs, or charges that are assessed by PG&E relating to the servicing and balancing of the account. In the event any fees, penalties, costs, or charges (including any cash-out charges) are caused by Buyer’s failure to notify Seller (in a timely manner) of a material change in usage (*e.g.*, plant shut-down, line down, equipment issue, etc.), Buyer shall pay for any such fees, penalties, costs, or charges that are assessed by PG&E relating to the servicing and balancing of the account.
3. Buyer shall designate Seller as Agent for Buyer’s PG&E Redwood Path Capacity of 552 MMBtu/day from Malin, OR to the PG&E Citygate, which shall always be first through the meter. Buyer shall remain responsible for direct payment of all Redwood Path Capacity Demand and Usage Charges. Buyer is solely responsible for providing the necessary authorizations to PG&E to permit Seller to provide the Gas Supply Service as described herein.

Seller shall credit Buyer’s invoice in accordance with the following methodology when it yields a positive value for each Day:

(NGI, PG&E less NGI, Malin less applicable fuel) multiplied by 0.80 multiplied by the daily actual flow volume for each Day of the month.

Where “NGI, PG&E” is defined as the “AVG” valuation as listed in Intelligence Press, Inc’s, NGI’s Bid Week Survey, under “Fixed + Basis” for the appropriate gas delivery month under California for “PG&E Citygate”.

Where “NGI, Malin” is defined as the “AVG” valuation as listed in Intelligence Press, Inc’s, NGI’s Bid Week Survey, under “Fixed + Basis” for the appropriate gas delivery month under California for “Malin”.

## **C. Changes in Law**

If PG&E or other applicable regulatory body shall implement any change in law, rule, regulation, tariff or practice that is binding on NBM or CoC and materially and adversely affects such party’s ability to perform its obligations under this Contract, the parties shall negotiate in good faith an amendment to this Contract or take other appropriate action the effect of which is to restore each party, as closely as possible, to its same position as prior to such change. Contemporaneously with such negotiations and if within sixty (60) days after the implementation of such change, the parties are unable to agree on such amendment or such other appropriate action, each party will continue to perform its obligations under this Contract to the maximum extent possible under the applicable law, rule, regulation, tariff or practice, as changed, taking all reasonable steps to mitigate the effect of such change on each other.

## **D. Miscellaneous**

1. Forward Sales. CoC and NBM acknowledge and agree that this Transaction Confirmation is not (and the transactions evidenced hereby are not) a requirements contract for purposes of the United States Bankruptcy Code, but rather a series of forward sales and purchases.
2. Utility Disclaimer. CoC acknowledges that NBM is not a “utility” as such term is used in 11 U.S.C. Section 366 of the Bankruptcy Code and agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding, and further agrees that NBM is not a provider of last resort.
3. Agency Indemnification. In addition to any indemnification obligations set forth in the Base Contract, (i) Buyer shall indemnify and hold Seller harmless from and against any and all losses, costs and expenses, including court costs and reasonable attorneys’ fees, arising from or relating to the management of the nominations, scheduling and balancing, excluding Seller’s negligence or willful misconduct; and (ii) Seller shall indemnify and hold Buyer harmless from and against any and all losses, costs and expenses, including court costs and reasonable attorneys’ fees, arising from or relating to Seller’s negligence or willful misconduct in managing the nominations, scheduling and balancing in connection therewith.

Seller: NRG Business Marketing LLC

By: \_\_\_\_\_

Name:

Title:

Date:

Buyer: City of Coalinga

By: \_\_\_\_\_

Name:

Title:

Date:

**Special Provisions to NAESB Base Contract for Sale and Purchase of Natural Gas  
Dated June 17, 2024 by and between**

**NRG Business Marketing LLC ("Party A")**

**and**

**City of Coalinga ("Party B")**

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These Special Provisions are part of and supplement or revise the General Terms and Conditions for Sale and Purchase of Natural Gas in the pre-printed form published by the North American Energy Standards Board ("NAESB") as NAESB Standard 6.3.1 September 5, 2006 (the "General Terms and Conditions") and which are incorporated by reference into the Base Contract (the "Base Contract"). The pre-printed form of General Terms and Conditions will control to the extent of any inconsistency with the body of the General Terms and Conditions included in the Base Contract executed by the parties. If any of these Special Provisions conflict with the Base Contract these Special Provisions shall govern. Any definition used in the Base Contract shall have the same meaning in these Special Provisions unless otherwise defined or the context clearly requires otherwise.

**1. SECTION 2. DEFINITIONS**

- (a) Affiliate – The term "Affiliate" shall have the meaning specified in Section 2.2; provided, however, that for purposes of the definition of "Specified Transaction(s)" in Section 2.30 and the "Triangular Setoff Option" provision in Section 10.2.3, Affiliates of Party A are, to the extent an Affiliate of Party A, only Direct Energy Marketing Limited, or any successors thereto.
- (b) Cover Standard – Section 2.12 is amended by deleting: "(or an alternate fuel if elected by Buyer and replacement gas is not available)".
- (c) Specified Transaction –Section 2.30 is deleted its entirety and replaced with the following new section 2.30:

**"2.30.** 'Specified Transaction(s)' shall mean any other transaction or agreement now existing or hereafter entered into between a party or one of its Affiliates and the other party or one of its Affiliates, which is not a transaction under this Contract, for the purchase, sale or exchange of a commodity or financial derivative, and any other forward contract, swap agreement, or commodities contract, in each case as defined in the United States Bankruptcy Code, as amended from time to time.

**2. SECTION 7. BILLING, PAYMENT, AND AUDIT**

- (a) Section 7.7 - add "The audit provisions of this Contract shall survive the termination of this Contract for a period of twelve (12) months."

**3. SECTION 8. TITLE, WARRANTY, AND INDEMNITY**

- (a) Liability – Section 8.1 shall be amended to insert the words "at and" between "Gas" and "after".

**4. SECTION 10. FINANCIAL RESPONSIBILITY**

- (a) Covenant Breach –The word "or" immediately prior to clause (ix) in section 10.2 is deleted and the following new clause (x) is inserted immediately after clause (ix):

"(x) fail to perform any other material covenant or obligation set forth in this Contract and not expressly covered by this Section 10.2 (excluding a breach of a Firm obligation to deliver or receive Gas for which a remedy is provided under Section 3.2), if such failure is not remedied within three (3) Business Days after written Notice of such failure;"

- (b) Limitation of Suspension –The following shall be added to the end of Section 10.2:

"Provided, however, and without waiving such Event of Default or any rights or remedies in this Contract (other than such withholding and/or suspension rights solely in respect of such Event of Default), the Non-Defaulting Party's right to withhold and/or suspend deliveries or payments on account of the occurrence of a particular Event of Default shall cease with respect to such Event of Default after 10 Business Days from (and including) the first date of any such withholding and/or suspension by the Non-Defaulting Party (during which time amounts under Section 3.2 may continue to accrue with respect to the Defaulting Party as if it breached its Firm obligation), unless within that period the Non-Defaulting Party designates an Early Termination Date in the manner provided in Section 10.3. Notwithstanding the preceding sentence, (x) the Non-Defaulting Party retains all of its other rights and remedies arising with respect to such Event of Default, including (without limitation) the

right to declare an Early Termination Date, and (y) such waiver of suspension rights will not affect the right of the Non-Defaulting Party in respect of any new or subsequent Event of Default.”

- (c) Transaction Terminations – The second sentence of 10.3 is deleted in its entirety and replaced with the following:

“On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or are, in the reasonable opinion of the Non-Defaulting Party, commercially impractical to liquidate and terminate (collectively, the “Excluded Transactions”), which Excluded Transactions shall be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below.”

- (d) Early Termination Damages Apply – Add the following to the end of Section 10.3.1:

“In addition, the Non-Defaulting Party shall be entitled to collect from the Defaulting Party, all reasonable costs, fees and expenses, including, without limitation, attorneys’ fees and disbursements, incurred by the Non-Defaulting Party (i) to collect amounts owed under this Contract, including, without limitation, enforcement of any security taken to secure the payment or performance of obligations under a transaction or collection of amounts from a guarantor or issuer of a letter of credit; (ii) to replace a terminated Transaction; or (iii) in connection with or related to termination and/or liquidation of a Transaction pursuant to Section 10 or an Event of Default (including, but not limited to, reasonable broker and hedge related costs).”

- (e) Triangular Setoff Option – In Section 10.3.2 and the “Triangular Setoff Option” provision, (1) add before “(iv)” the word “or”, and (2) delete “; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement”.

- (f) Utility Disclaimer – Add the following as a new Section 10.8:

“Party B acknowledges and agrees that Party A is not a “utility” as such term is used in 11 U.S.C. Section 366, and Party B waives, and shall not assert, the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding involving such party.”

## **5. SECTION 12. TERM**

- (a) Survival of Termination- Add “Section 15” to the enumerated sections in the second line.

## **6. SECTION 14. MARKET DISRUPTION**

Section 14. “MARKET DISRUPTION” is replaced in its entirety with the following:

“Section 14. ‘MARKET DISRUPTION AND INDEX CORRECTIONS’ (a) If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated dealers in the relevant market (each, a “Specified Dealer”), two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point. Once the parties obtain the quotes, the following methodology shall be used to determine the replacement price for the Floating Price: (i) if each Party obtains two quotes, the arithmetic mean of the quotations, excluding the highest and lowest values, shall be utilized; (ii) if one Party obtains two quotes and the other Party only obtains one quote, the highest and lowest values shall be excluded and the remaining quotation shall be utilized; (iii) if both Parties each obtain one quote, the arithmetic mean of the quotations shall be utilized; or (iv) if only one Party is able to obtain a quote, the obtained quotation shall be utilized. For purposes of the foregoing sentence, if more than one quotation is the same as another quotation, and such quotations are the highest and/or lowest values, only one of the quotations shall be excluded. “Floating Price” means the price or a factor of the price agreed to in the transaction as being based upon a specified index. “Market Disruption Event” means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce, publish or make available information necessary for determining the Floating Price for a particular day; (b) the failure of trading to commence on a particular day or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange or market acting as the index; or (e) a material change in the formula for or the method of determining the index used in the Floating Price, or a material change in the composition of such index, has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one, and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

(b) If the index published, announced or made available on a given day and used or to be used to determine a Floating Price is subsequently corrected and announced or made available by the relevant exchange or market within 30 Days of the original publication, announcement or availability, then either party may notify the other party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than sixty (60) Days after publication or announcement of that correction, a party gives notice that an amount is so payable, the party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent and any other applicable provisions in this Contract, to the other party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction. Notwithstanding the foregoing, corrections shall not be made to any Floating Prices agreed upon by the parties or determined based on quotations from Specified Dealers pursuant to paragraph (a) above unless the parties expressly agree otherwise in writing. For purposes of the foregoing sentence, "Interest Rate" means the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum."

## **7. SECTION 15. MISCELLANEOUS**

(a) Confidentiality - Section 15.10 shall be amended to insert in the third line the words "and such party's affiliates" after the word "party".

(b) Conflict of Laws - Add the following to the end of Section 15.5:

"The parties agree to submit to the exclusive jurisdiction of the state courts and United States District Court of such indicated jurisdiction, including all appellate courts therein and therefrom, to determine such matters, but nothing in the foregoing shall prohibit a party from seeking enforcement of any judgment in any other jurisdiction."

(c) Waiver of Jury Trial - Section 15.11 is deleted in its entirety and replaced with the following Section 15.11:

"15.11 EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THE CONTRACT OR ANY TRANSACTION CONFIRMATION."

(d) Added Provisions - Add the following as new Sections 15.13, 15.14, 15.15, 15.16, 15.17 and 15.18, respectively:

"**15.13.** Standard of Review. The standard of review for any revisions of this Contract or Confirmation, whether proposed by a Party, a non-Party or the Federal Energy Regulatory Commission ("FERC") acting sua sponte, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish* 554 U.S. 527 (2008) and related cases ( the "Mobile-Sierra" doctrine)."

"**15.14.** Waiver. EACH PARTY EXPRESSLY AND IRREVOCABLY WAIVES ANY RIGHTS IT HAS OR MAY HAVE, NOW OR IN THE FUTURE, WHETHER UNDER SECTIONS 4 AND 5 OF THE NATURAL GAS ACT, AS AMENDED, OR SECTIONS 205 OR 206 OF THE FEDERAL POWER ACT, AS AMENDED, TO SEEK TO OBTAIN FROM FERC BY ANY MEANS, DIRECTLY OR INDIRECTLY, AND EACH PARTY HEREBY COVENANTS NOT AT ANY TIME TO SEEK TO SO OBTAIN, AN ORDER FROM FERC CHANGING ANY TERM OF THIS BASE CONTRACT OR CONFIRMATION. It is the express intent of the parties that neither Party shall unilaterally seek to obtain from FERC any relief changing any term of this Base Contract or Confirmation, notwithstanding any subsequent changes in law or market conditions that may occur. In the event it were to be determined that Applicable Law precludes the parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section shall not apply, provided that, consistent with Section 15.13, neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in Section 15.13."

"**15.15.** This Contract may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument. Without limiting the foregoing, a facsimile copy of this Contract or copy of this Contract sent via electronic mail in a portable document format ("PDF") will be considered an original. The parties may execute this Contract in any number of duplicate originals."

"**15.16.** Each of the parties agree that (i) this Contract is a "master netting agreement" as defined in the United States Bankruptcy Code, as amended (the "Bankruptcy Code"), (ii) it is a "master netting agreement participant" for purposes of the Bankruptcy Code (iii) all setoffs, netting and liquidations contemplated hereunder constitute "settlement payments" as set forth in Sections 101 and 741 of the Bankruptcy Code and each payment or transfer of Adequate Assurance of Performance or Credit Support Obligation(s) under this Contract is a "margin payment" or "settlement payment" within the meaning of Section 101 of the Bankruptcy Code for the purposes of and as used therein, (iv) each party's rights under Sections 10.2, 10.3 and 10.4 of this Contract constitute a "contractual right to liquidate, terminate or accelerate" or "contractual right to liquidate,

terminate, accelerate, or offset under a master netting agreement and across contracts" the transactions hereunder within the meaning of the within the meaning of the Bankruptcy Code, and (v) it is acting for its own account, has made its own independent decision to enter into this Contract and each transaction and as to whether this Contract and any transaction is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other party hereto in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Contract and each transaction."

"**15.17.** On and after the effective date of this Base Contract, (i) any and all Gas purchases and/or sales transactions entered into by and between the parties prior to such effective date and which have not been fully performed prior to such effective date (each, an "Existing Transaction"), shall become subject to, and form part of, this Contract, and (ii) this Contract shall supersede and replace any other general terms and conditions and/or master agreement, howsoever characterized, that applied or may have applied to an Existing Transaction prior to such effective date."

"**15.18.** Each Party will comply in all material respects with all applicable laws, regulations, and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Contract or any Confirmation."

(e) Added Provision – Add the following after Section 15:

"Section 16. COMMODITY TRADE OPTIONS. With respect to each transaction proposed or entered into that constitutes a "commodity option transaction" as such term is used in Part 32 of Title 17 of the U.S. Code of Federal Regulations, each party represents as of the date that such transaction is offered and as of the date that such transaction is entered into that:

- (i) it is a producer, processor, or commercial user of, or a merchant handling the commodity that is the subject of such transaction, or the products or byproducts thereof;
- (ii) it is entering into such transaction solely for purposes related to its business as such; and
- (iii) it intends to physically settle such transaction such that if the option associated with such transaction is exercised, the option would result in the sale of an "exempt commodity" (as such term is defined in Section 1a(20) of the U.S. Commodity Exchange Act, as amended), for immediate or deferred delivery."

[Signatures on following page]

IN WITNESS WHEREOF, the parties have caused these Special Provisions to be duly executed as of the date first above written.

**NRG Business Marketing LLC**

By: \_\_\_\_\_

Name:

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

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

**City of Coalinga**

By: \_\_\_\_\_

Name:

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

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

# STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

**Subject:** City Council Consideration and Approval of a Ground Lease Agreement with Wood Land Company, LLC.  
**Meeting Date:** Thursday, June 20, 2024  
**From:** Marissa Trejo, City Manager  
**Prepared by:** Sean Brewer, Assistant City Manager

---

## I. RECOMMENDATION:

Staff is recommending that the City Council authorize the City Manager to sign a ground lease agreement, in substantially the form attached, with Wood Land Company, LLC as part of the Coalinga Water Treatment Plant Solar Project.

## II. BACKGROUND:

The City of Coalinga is undertaking a solar project on 6.8 Acres of land adjacent to the existing water treatment plant on Palmer Ave. Since there is not enough space on the land owned by the City, the City engaged in negotiations with the property owner to the west to purchase the land. The owner of the property advised the City that they are not interested in selling but would enter into a long term lease to support the solar project.

## III. DISCUSSION:

The total land to be leased is 6.8 acres west of the water plant and north of Palmer Ave. The term of this lease shall be for a period of twenty-five (25) years commencing on the date of execution at a lease amount of \$14,000 per year with a 2% annual escalator. This lease will allow the City to develop, install and operate its solar facility for 25 years with the right to continue for another 25 years unless terminated as identified in the lease agreement. A copy of the lease agreement has been attached to this report.

## IV. ALTERNATIVES:

None, unless the solar project does not move forward.

## V. FISCAL IMPACT:

The cost of the lease is \$14,000 per year and will be paid from solar savings generated by the Coalinga WTP solar project. This lease will not directly impact the water enterprise fund nor rate payers.

## ATTACHMENTS:

| File Name                                         | Description                         |
|---------------------------------------------------|-------------------------------------|
| ☐ Solar_Project_Ground_Lease_Final_6-17-2024.docx | Wood Lease Agreement - Updated 6-17 |

**CITY OF COALINGA  
AND  
WOOD LAND COMPANY, LLC  
GROUND LEASE**

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This lease is entered into on January 1, 2024 (the “Commencement Date”) by and between Wood Land Company, LLC, a California limited liability company, referred to in this lease as “Landlord,” and the City of Coalinga, a California municipal corporation, referred to in this lease as “Tenant.”

**WHEREAS**, Landlord is the owner of certain real property in the County of Fresno, State of California, described on Exhibit “A,” which is attached and made a part of this lease (referred to in this lease as the “Premises”).

**WHEREAS**, Tenant desires to lease the Premises for the purpose of constructing a solar project (the “Solar Project”) and other related improvements (collectively referred to in this lease as “the Improvements”) in accordance with the agreement of the parties as set forth in this lease.

## **ARTICLE 1 LEASE OF PREMISES AND TERM OF LEASE**

**Section 1.01 Agreement to Lease.** For and in consideration of the rents to be paid and covenants to be performed by Tenant under this lease, Landlord agrees to lease the Premises to Tenant, and Tenant agrees to lease the Premises from Landlord, on the terms and conditions set forth in this lease. Except as expressly otherwise provided in this lease, “the Premises” includes the real property plus any appurtenances and easements described in Exhibit “A” of this lease, exclusive of any Improvements now or subsequently located on the Premises, notwithstanding that any Improvements may or shall be construed as affixed to and as constituting part of the described Premises, and without regard to whether ownership of the Improvements is in Landlord or in Tenant.

**Section 1.02 Term of Lease.** The term of this lease shall be for a period of twenty-five (25) years commencing on the date referenced above and continuing twenty-five (25) years thereafter, unless terminated earlier as provided in this lease. Notwithstanding any other language herein, Tenant shall not have any obligations to pay rent under this lease until proof is submitted to Tenant that any contracts for the Premises pursuant to the Williamson Act (Gov. Code §§51200 - 51297.5) have been cancelled (including filings a notice of non-renewal) or amended to permit Solar Development on the subject property by Fresno County. Landlord agrees to apply with the County of Fresno for cancellation of any Williamson Act contract or amendment to said Williamson Act Contract within two (2) weeks following notice of this agreement being executed by Tenant. Tenant agrees to pay all costs associated with filing and cancelling said Williamson act contract.

**Section 1.03 As Is Condition.** Tenant accepts the Premises in their current, “as is” condition, subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, easements, and rights of way pertaining to the Premises, without any representation or warranty from Landlord, all of which are hereby disclaimed except as expressly set forth in this lease. Tenant acknowledges that it has thoroughly inspected the Premises and is familiar with their condition.

## **ARTICLE 2 RENT**

**Section 2.01 Minimum Rent.** Tenant agrees to pay to Landlord an initial annual rent of fourteen thousand dollars (\$14,000.00) per year. Rent shall be increased on each anniversary of the Commencement Date by two percent (2%) of the rent in effect immediately prior to such anniversary.

**Section 2.02 Time and Place for Payment of Rent.** All Rent provided for in Section 2.01 of this lease shall be paid in advance by Tenant starting on the Commencement Date and paid annually no later than January 30<sup>th</sup> of each subsequent year. All rent required under this lease shall be paid to Landlord at 652 West Cromwell Avenue, Suite 103, Fresno, California 93711, or any other place or places that Landlord may designate by written notice to Tenant.

**Section 2.03 No Partnership or Joint Venture.** Nothing in this lease shall be construed to render Landlord in any way or for any purpose a partner, joint venturer, or associate in any relationship with Tenant other than that of Landlord and Tenant, nor shall this lease be construed to authorize either to act as agent for the other.

### **ARTICLE 3 USE OF PREMISES**

**Section 3.01 Permitted Use.** Tenant shall use the Premises solely for the purpose of constructing, maintaining, and operating solar panels for the Solar Project. Tenant shall not change the use of the Premises without first obtaining the written consent of Landlord. Tenant shall only use and permit use of the Premises for purposes permitted by this Section 3.01.

**Section 3.02 Compliance With Laws.** Tenant shall, at Tenant's own cost and expense, comply with all statutes, ordinances, regulations, and requirements of all governmental entities, both federal and state and county or municipal, including those requiring capital improvements to the Premises or Improvements, relating to any use and occupancy of the Premises (and specifically not limited to any particular use or occupancy by Tenant), whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. Without limiting the generality of the foregoing, Tenant shall be solely responsible for compliance with the California Subdivision Map Act with respect to this lease, the effectiveness of which is conditioned on such compliance. If any license, permit, or other governmental authorization is required for the lawful use or occupancy of the Premises or any portion of the Premises, Tenant shall procure and maintain it throughout the term of this lease. The judgment of any court of competent jurisdiction, or the admission by Tenant in a proceeding brought against Tenant by any government entity, that Tenant has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Landlord and Tenant and shall constitute grounds for termination of this lease by Landlord.

**Section 3.03 Prohibited Uses.** Tenant shall not use or permit the Premises or any portion of the Premises to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of any valid law, ordinance, or regulation of any federal, state, county, or local governmental agency, body, or entity. Furthermore, Tenant shall not maintain, commit, or permit the maintenance or commission of any nuisance or waste as now or hereafter defined by any statutory or decisional law applicable to the Premises or any part of the Premises.

### **ARTICLE 4 TAXES AND UTILITIES**

**Section 4.01 Landlord to Pay Taxes.** Landlord shall timely pay during the term of this lease, without abatement, deduction, or offset, any and all increases in real property taxes, general and special assessments, and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed during the term of this lease by any governmental agency or entity on or against the Premises except as provided below. The Tenant agrees to pay any increase in property taxes resulting from the cancellation of the Williamson Act contract or from any solar improvements made to the subject leased property. The

Tenant acknowledges that these increases in property taxes are separate from and in addition to the base rent specified in the lease agreement. The Landlord shall provide the Tenant with documentation of such tax increases upon request.

**Section 4.02 Utilities.** Tenant shall pay or cause to be paid, and hold Landlord and Landlord's property including the Premises free and harmless from, all charges for the furnishing of gas, water, electricity, telephone service, and other public utilities to the Premises during the lease's term and for the removal of garbage and rubbish from the Premises during the term of this lease.

**Section 4.03 Payment by Landlord.** Should Tenant fail to pay within the time specified in this Article any charges required by this Article to be paid by Tenant, Landlord may, without notice to or demand on Tenant, pay, discharge, or adjust that other charge for the benefit of Tenant. In that event, Tenant shall promptly on written demand of Landlord reimburse Landlord for the full amount paid by Landlord in paying, discharging, or adjusting that other charge together with interest thereon at the then-maximum legal rate from the date of payment by Landlord until the date of repayment by Tenant. If this Article does not specify the time within which Tenant must pay any charge required by this Article, Tenant shall pay that charge before it becomes delinquent.

## **ARTICLE 5 CONSTRUCTION BY TENANT**

**Section 5.01 Duty to Construct.** Tenant shall, at Tenant's sole cost and expense, construct or cause to be constructed on the Premises, the Solar Project and Improvements in the manner and according to the terms and conditions specified in this Article.

**Section 5.02 Requirement of Landlord's Written Approval.** No structure or other improvement of any kind shall be constructed on the Premises unless and until the plans, specifications, and proposed location of that structure or improvement have been approved in writing by Landlord. Furthermore, no structure or other improvement shall be constructed on the Premises that does not comply with plans, specifications, and locations approved in writing by Landlord.

**Section 5.03 Preparation and Submission of Plans.** Tenant shall, at Tenant's own cost and expense, engage a licensed architect or engineer to prepare plans and specifications for the Solar Project and Improvements, and shall submit the following to Landlord for approval:

(a) Within 30 days after Commencement Date, two copies of the following:

(1) Drawings and materials in the form of plans, elevations, sections, and rendered perspectives sufficient to convey the architectural design of the Solar Project and Improvements to Landlord; and

(2) A statement of estimated construction costs for the Solar Project and Improvements prepared by the engaged architect or engineer.

(b) Within 30 days after approval by Landlord of the items specified in subsection (a) of this Section and the obtaining by Tenant of any variance permits, use permits, or rezoning required for the Solar Project and Improvements, two copies of the following:

(1) Detailed working drawings, plans, and specifications for the Solar Project and Improvements; and

- (2) A revised statement of estimated construction costs for the Solar Project and Improvements prepared by the engaged architect or engineer.

**Section 5.04 Landlord's Approval or Rejection of Plans.** Within 30 days after receipt by Landlord of any of the documents submitted to Landlord for approval under Section 5.03 of this lease, Landlord shall either approve those documents by endorsing Landlord's approval on each such document and returning one set of the documents to Tenant, or Landlord shall give written notice to Tenant of any objections Landlord may have to those documents. Landlord's failure to give written notice to Tenant within that 30-day period of any objections Landlord may have to the documents shall constitute approval of the documents by Landlord. Within 30 days after service on Tenant of the written notice of Landlord's objections, Tenant may deliver corrective amendments to the documents to Landlord and Landlord shall, within 30 days after receiving the corrective amendments, serve written notice on Tenant of Landlord's approval or rejection of the documents as so amended. Failure of Landlord to serve written notice on Tenant within that 30-day period after receipt of the corrective amendments shall constitute approval by Landlord of the documents as so amended.

**Section 5.05 Changes in Plans.** After approval by Landlord of the documents pertaining to the Solar Project and Improvements described in Section 5.03(b) of this lease, any substantial change in the plans or specifications for the Solar Project and Improvements shall be approved by Landlord. For purposes of this Section, "substantial change" means one that materially changes the operation of the Solar Project and/or Improvements. Landlord's failure to give written notice to Tenant of any objections Landlord may have to any proposed changes within 30 days after a written statement of the proposed changes has been given to Landlord by Tenant shall constitute Landlord's approval of the changes. Minor changes in work or materials not constituting a substantial change need not be approved by Landlord but a copy of the altered plans and specifications reflecting those changes shall be given to Landlord.

**Section 5.07 Mechanics' Liens.** At all times during the term of this lease, Tenant shall keep the Premises and all Improvements now or hereafter located on the Premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises. Should Tenant fail to pay and discharge or cause the Premises to be released from any such lien or claim of lien within 20 days after service on Tenant of written request from Landlord to do so, Landlord may pay, adjust, compromise, and discharge any such lien or claim of lien on any terms and in any manner that Landlord may deem appropriate. In that event, Tenant shall, on or before the first day of the next calendar month following any such payment by Landlord, reimburse Landlord for the full amount paid by Landlord in paying, adjusting, compromising, and discharging that lien or claim of lien, including any attorneys' fees or other costs expended by Landlord, together with interest at the then-maximum legal rate from the date of payment by Landlord to the date of repayment by Tenant.

**Section 5.08 Zoning and Use Permits.** Should Tenant deem it necessary or appropriate to obtain any use permit, variance, or rezoning of the Premises to construct or operate the Solar Project, Landlord agrees to execute any documents, petitions, applications, and authorizations that may be necessary or appropriate and hereby appoints Tenant as Landlord's attorney in fact to execute in the name and on behalf of Landlord any such documents, petitions, applications, or authorizations; provided, however, that any such permits, variances, or rezoning shall be obtained at the sole cost and expense of Tenant and Tenant agrees to protect and save Landlord and the property of

Landlord, including the Premises, free and harmless from any such cost and expense and from any additional costs imposed on Landlord, the Premises or any other property owned by Landlord as a result thereof.

**Section 5.09 Ownership of Improvements.** Title and ownership to all Improvements constructed on the Premises by Tenant shall be owned by Tenant following the expiration of the term or earlier termination of this lease. All Improvements on the Premises at the expiration of the term or earlier termination of this lease shall be removed by Tenant at Tenant's sole cost as provided by Section 8.04 below. Landlord claims no ownership or title to any Improvements constructed on the Premises by Tenant. Tenant shall deliver the Premises free of all Improvements and in the same or similar condition as the condition on the initiation of this lease.

## **ARTICLE 6 REPAIRS AND RESTORATION**

**Section 6.01 Maintenance by Tenant.** At all times during the term of this lease Tenant shall, at Tenant's own cost and expense, keep and maintain the Premises, all Improvements, and all appurtenances now or hereafter on the Premises in a good condition, in good order and repair, and in a safe and clean condition.

**Section 6.02 Requirements of Governmental Agencies.** At all times during the term of this lease, Tenant, at Tenant's own cost and expense, shall do all of the following:

- (a) Make all alterations, additions, or repairs to the Premises or the Improvements on the Premises required by any valid law, ordinance, statute, order, or regulation now or hereafter made or issued by any federal, state, county, local, or other governmental agency or entity;
- (b) Observe and comply with all valid laws, ordinances, statutes, orders, and regulations now or hereafter made or issued respecting the Premises or the Improvements on the Premises by any federal, state, county, local, or other governmental agency or entity;
- (c) Contest if Tenant, in Tenant's sole discretion, desires by appropriate legal proceedings brought in good faith and diligently prosecuted in the name of Tenant, or in the names of Tenant and Landlord when appropriate or required, the validity or applicability to the Premises of any law, ordinance, statute, order, or regulation now or hereafter made or issued by any federal, state, county, local, or other governmental agency or entity; provided, however, that any such contest or proceeding, though maintained in the names of Tenant and Landlord, shall be without cost to Landlord, and Tenant shall protect the Premises and Landlord from Tenant's failure to observe or comply during the contest with the contested law, ordinance, statute, order, or regulation; and
- (d) Indemnify and hold Landlord and the property of Landlord, including the Premises, free and harmless from any and all liability, loss, damages, fines, penalties, claims, and actions resulting from Tenant's failure to comply with and perform the requirements of this section.

**Section 6.03 Option to Terminate Lease for Destruction.** Notwithstanding Section 7.03 of this lease, Tenant shall have the right to terminate this lease if, at any time during the lease term, the Improvements are damaged or destroyed by a casualty for which Tenant is not required under this

lease to carry insurance and the cost to repair or restore the damaged or destroyed Improvements exceeds the fair market value of the Improvements immediately before the damage or destruction.

**Section 6.04 Application of Insurance Proceeds.** Any and all fire or other insurance proceeds that become payable at any time during the term of this lease because of damage to or destruction of any Improvements on the Premises shall be paid to Tenant and applied by Tenant toward the cost of repairing and restoring the damaged or destroyed Improvements in the manner required by Section 7.03 of this lease, or, if this lease is terminated under Section 7.04, applied by Tenant toward payment of the Leasehold Encumbrance(s).

**Section 6.05 Restoration of Premises.** Prior to the Commencement Date, Tenant shall obtain and thereafter maintain in its General Fund, funds to be applied toward the removal of the Improvements and the reclamation of the Premises, in an amount sufficient to comply with Section 8.04 below.

## **ARTICLE 7 INDEMNITY AND INSURANCE**

**Section 7.01 Indemnity Agreement.** Tenant shall indemnify, defend and hold Landlord and Landlord's property, including the Premises and Improvements now or hereafter on the Premises, free and harmless from any and all liability, claims, loss, damages, or expenses resulting from Tenant's occupation and use of the Premises, specifically including, without limitation, any liability, claim, loss, damage, or expense arising by reason of the following:

- (a) The death or injury of any person, including Tenant or any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or by any person who is an employee or agent of Tenant, from any cause whatever while that person or property is in or on the Premises or in any way connected with the Premises or with any of the Improvements or personal property on the Premises;
- (b) The death or injury of any person, including Tenant or any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee or agent of Tenant, caused or allegedly caused by either (1) the condition of the Premises or some building or improvement on the Premises, or (2) some act or omission on the Premises of Tenant or any person in, on, or about the Premises with the permission and consent of Tenant;
- (c) Any work performed on the Premises or materials furnished to the Premises at the instance or request of Tenant or any person or entity acting for or on behalf of Tenant; or
- (d) Tenant's failure to perform any provision of this lease or to comply with any requirement of law or any requirement imposed on Tenant or the Premises by any duly authorized governmental agency or political subdivision.

**Section 7.02 Liability Insurance.** Tenant shall, at Tenant's own cost and expense, procure and maintain during the entire term of this lease a broad form comprehensive coverage policy of public liability insurance issued by an insurance company licensed by the State of California insuring

Tenant and Landlord against loss or liability caused by or connected with Tenant's occupation and use of the Premises under this lease in amounts not less than those shown on Exhibit B.

**Section 7.03 Fire and Casualty Insurance.** Tenant shall, at Tenant's own cost and expense, at all times during the term of this lease, keep all Improvements on the Premises insured for their full replacement value by insurance companies authorized to do business in the State of California against loss or destruction by fire and the perils commonly covered under the standard extended coverage endorsement to fire insurance policies in the county where the Premises are located.

## **ARTICLE 8 DEFAULT AND REMEDIES**

**Section 8.01 Breach and Default by Tenant.** All covenants and agreements contained in this lease are declared to be conditions to this lease and to the term hereby leased to Tenant. Should Tenant fail to perform any covenant, condition, or agreement contained in this lease and the default is not be cured within 30 days after written notice of the default is served on Tenant by Landlord, then Tenant shall be in default under this lease. In addition to Tenant's failure to perform any covenant, condition, or agreement contained in this lease within the cure period permitted by this section, the following shall constitute a default by Tenant under this lease:

(a) An assignment by Tenant for the benefit of creditors; or the voluntary filing by Tenant or the involuntary filing against Tenant of a petition, other court action, or suit under any law for the purpose of (1) adjudicating Tenant a bankrupt, (2) extending time for payment, (3) satisfaction of Tenant's liabilities, or (4) reorganization, dissolution, or arrangement on account of, or to prevent, bankruptcy or insolvency; provided, however, that in the case of an involuntary proceeding, if all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within 90 days after the filing or other initial event, then Tenant shall not be in default under this Section; and

(b) The subjection of any right or interest of Tenant to or under this lease to attachment, execution, or other levy, or to seizure under legal process when the claim against Tenant is not released within 90 days.

**Section 8.02 Cumulative Remedies.** The remedies given to Landlord in this Article shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law or equity and elsewhere provided in this lease.

**Section 8.03 Waiver of Breach.** The waiver by Landlord of any breach by Tenant of any of the provisions of this lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant of either the same or a different provision of this lease.

**Section 8.04 Surrender of Premises.** On expiration or earlier termination of this lease, Tenant shall surrender the Premises in substantially the same condition as existed on the Commencement Date, with all Improvements removed and the Premises fully restored, to Landlord in as good, safe, and clean condition as practicable, reasonable wear and tear excepted.

## **ARTICLE 9 OTHER PROVISIONS**

**Section 9.01 Assignment.** Tenant shall not voluntarily or by operation of law assign, transfer, mortgage otherwise encumber all or any part of Tenant's interest in this Lease or in the Premises, and shall not sublet or license all or any part of the Premises, without the prior written consent of Landlord in each instance, with such consent not being unreasonably withheld and any attempted assignment, transfer, mortgage, encumbrance, subletting or license without such consent shall be wholly void.

**Section 9.02 Force Majeure.** Except as otherwise expressly provided in this lease, if the performance of any act required by this lease to be performed by either Landlord or Tenant is prevented or delayed by reason of any act of God, strike, lockout, labor trouble, inability to secure materials, restrictive governmental laws or regulations, or any other cause (except financial inability) not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused. However, nothing contained in this section shall excuse the prompt payment of rent by Tenant as required by this lease or the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

**Section 9.03 Attorneys' Fees.** Should any litigation be commenced between the parties to this lease concerning the Premises, this lease, or the rights and duties of either in relation thereto, the party prevailing in that litigation shall be entitled, in addition to any other relief that may be granted in the litigation, to a reasonable sum as and for that party's attorneys' fees in that litigation that shall be determined by the court in that litigation or in a separate action brought for that purpose.

**Section 9.04 Notices to Landlord.** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to Landlord by Tenant shall be in writing and shall be deemed duly served and given when personally delivered to Landlord, to any managing employee of Landlord, or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, and sent by express mail that allows for tracking, addressed to Landlord at 652 West Cromwell Avenue, Suite 103, Fresno, California 93711. Landlord may change Landlord's address for the purpose of this Section by giving written notice of that change to Tenant in the manner provided in Section 9.05.

**Section 9.05 Notices to Tenant.** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to Tenant by Landlord shall be in writing and shall be deemed duly served and given when personally delivered to Tenant, any managing employee of Tenant, or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, and sent by express mail that allows for tracking, addressed to Tenant at 155 W. Durian, Coalinga, CA 93210. Tenant may change its address for the purpose of this section by giving written notice of that change to Landlord in the manner provided in Section 9.04 of this lease.

**Section 9.06 Governing Law.** This lease, and all matters relating to this lease, shall be governed by the laws of the State of California in force at the time any need for interpretation of this lease or any decision or holding concerning this lease arises.

**Section 9.07 Binding on Heirs and Successors.** This lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but

nothing in this section shall be construed as a consent by Landlord to any assignment of this lease or any interest in the lease by Tenant except as provided in Article 10 of this lease.

**Section 9.08 Partial Invalidity.** If any provision of this lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this lease shall remain in full force and effect unimpaired by the holding.

**Section 9.09 Sole and Only Agreement.** This instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Premises, the leasing of the Premises to Tenant, the construction of the Solar Project described in this lease on the Premises, and the lease terms set forth in this lease, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Premises, their leasing to Tenant by Landlord, or any other matter discussed in this lease not expressly set forth in this instrument are null and void.

**Section 9.10 Time of Essence.** Time is expressly declared to be of the essence of this lease.

**Section 9.11 Memorandum of Lease for Recording.** Neither Landlord nor Tenant shall record this lease without the written consent of the other. However, Landlord and Tenant shall, at the request of either at any time during the term of this lease, execute a memorandum or “short form” of this lease for purposes of, and in a form suitable for, recordation. The memorandum or “short form” of this lease shall describe the parties, set forth a description of the leased premises, specify the term of this lease, incorporate this lease by reference, and include any other provisions required by Lender(s).

**Section 9.12 Water Supplies.** Landlord shall retain all water allocations associated with the Premises, including without limitation allocations of surface water and supplemental water from the Westlands Water District and allocations of groundwater to the Premises under the Sustainable Groundwater Management Act. Tenant shall cooperate with Landlord to ensure that Landlord has the right to transfer all such allocations to other land controlled by Landlord or its affiliates. Tenant shall have no right to any surface water or groundwater allocated to the Premises while this lease is in effect.

**Section 9.13 Access.** Notwithstanding any other provision of this lease, at all times Landlord shall be entitled to access all pipelines running through or adjacent to the Premises, including without limitation the irrigation water pipeline that runs adjacent to Palmer Avenue. Such access shall include without limitation access to operate, maintain, repair and replace any such pipeline.

IN WITNESS WHEREOF, the parties execute this Agreement effective as of the Effective Date.

LANDLORD

TENANT

\_\_\_\_\_  
[NAME]  
On behalf of \_\_\_\_\_

\_\_\_\_\_  
Marissa Trejo, City Manager  
On behalf of City of Coalinga

Address for Notice:  
[]  
[]

Address for Notice:  
City Manager  
155 West Durian

[]

Coalinga, CA 93210

# EXHIBIT A



## EXHIBIT B

### SCHEDULE OF COVERAGE – JULY 1, 2023 – JUNE 30, 2024 City of Coalinga

| Program Participation               | Provider/Insurer & Policy #                                                                     | Coverage Limits                                                                                                                                                                             | Annual Contribution                                   |
|-------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| All-Risk Property Insurance (Cont.) | PRISM – PRISMPR 23-24                                                                           | <b>Auto Physical Damage</b><br>Loss Limit: Scheduled replacement cost value, Member Deductible:<br>\$15,000 – Vehicles valued up to \$250,000<br>\$100,000 – vehicles valued over \$250,000 | Included in All-Risk Property Insurance contribution. |
| Cyber Liability                     | Alliant Cyber Liability Core – FN2305500<br><br>Liberty Surplus Insurance Corp. – EO5SACA0QB003 | \$1,950,000 (with sublimits) per occurrence excess Member's \$50,000 deductible<br><br>\$2 million (with sublimits) per occurrence excess of Core \$2 million retention                     | \$10,885                                              |
| Pollution Liability                 | PRISM – ISPILLSCAZ5M003                                                                         | \$50 Million aggregate excess of Member's \$250,000 deductible                                                                                                                              | \$2,002                                               |
| Crime/Fidelity                      | Alliant Crime Insurance Program – 01-309-02-02                                                  | \$1 Million (with sublimits) excess of \$2,500 Member's deductible                                                                                                                          | \$1,269                                               |
| Deadly Weapons Response             | Alliant Deadly Weapons Response Program – PJ23000500113                                         | \$490,000 (with sublimits) each event, excess of \$10,000 Member's deductible                                                                                                               | \$522                                                 |

### SCHEDULE OF COVERAGE – JULY 1, 2023 – JUNE 30, 2024 City of Coalinga

| Program Participation                              | Provider/Insurer & Policy #                                                                                                  | Coverage Limits                                                                                                                                                                                                                                                                                                                            | Annual Contribution                               |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| General & Auto Liability, Public Errors & Omission | CIRA – CIRA GL #2023/24<br><br>PRISM – PRISM PE 23 EL-76                                                                     | \$975,000 per occurrence excess of Member's \$25,000 retention<br><br>\$40 million per occurrence excess of CIRA's \$1,000,000 retention                                                                                                                                                                                                   | \$508,869                                         |
| Employment Practices Liability                     | CIRA – CIRA GL #2023/24<br><br>Employment Risk Management Authority (ERMA) - ERMA 2023-1EPL<br><br>PRISM – PRISM PE 23-EL-76 | \$225,000 per occurrence excess of Member's \$25,000 retention<br><br>\$750,000 per occurrence excess of CIRA's \$250,000 retention<br><br>\$40 million per occurrence excess of ERMA's \$1,000,000 retention                                                                                                                              | Included in CIRA's General Liability contribution |
| Workers' Compensation & Employer's Liability       | CIRA – CIRA WC #2023/24<br><br>Gray Insurance Company – SPR0630007<br><br>Safety National – SP 4066628                       | \$475,000 per occurrence excess of Member's \$25,000 retention<br><br>\$250,000 per occurrence excess of CIRA's \$500,000 retention for non-safety; \$500,000 excess of CIRA's \$500,000 retention for safety<br><br>Statutory limits excess of \$750,000 per occurrence for non-safety; statutory limits excess of \$1 million for safety | \$469,600                                         |
| All-Risk Property Insurance                        | PRISM – PRISMPR 23-24                                                                                                        | \$599,975,000 (with sublimits) per occurrence excess Members \$25,000 deductible<br><br><b>Wildfire</b><br>Member Deductible: \$50,000                                                                                                                                                                                                     | \$187,684                                         |