

**AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
TUESDAY, DECEMBER 15, 2020 AT 8:30 AM**

The next regular meeting of the San Elijo Joint Powers Authority (SEJPA) will be on Tuesday, December 15, 2020 at 8:30 a.m., PST.

Pursuant to the State of California Executive Order N-29-20 and the amended County Health Orders, members of the public will only be allowed to participate in meetings telephonically.

This regular meeting of the San Elijo Joint Powers Authority can be accessed using the phone number listed below:

Dial-In Phone Number: 669-900-9128

Meeting ID:

Public Comments (including oral communication and agenda item related topics must be submitted via email to hackneyv@sejpa.org not later than 7:30 a.m. the day of the meeting, December 15, 2020. These comments will be read into the record during the oral communications. Please include your name, address, group affiliation, subject, and question or comment in your email.

-
1. CALL TO ORDER
 2. ROLL CALL
 3. PLEDGE OF ALLEGIANCE
 4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
 5. AWARDS AND RECOGNITION
 6. * **CONSENT CALENDAR**
 7. * [APPROVAL OF MINUTES FOR NOVEMBER 17, 2020 MEETING](#)
 8. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS](#)
 9. * [WASTEWATER TREATMENT REPORT](#)
 10. * [RECYCLED WATER REPORT](#)
 11. * ITEMS REMOVED FROM CONSENT CALENDAR

Items on the Consent Calendar are routine matters and there will be no discussion unless an item is removed from the Consent Calendar. Items removed by a "Request to Speak" form from the public will be handled immediately following adoption of the Consent Calendar. Items removed by a Board Member will be handled as directed by the Board.

REGULAR AGENDA

12. [2021 ELECTION OF OFFICERS AND BOARD MEETING SCHEDULE](#)

1. Appoint Chairperson and Vice Chairperson for the 2021 SEJPA Board of Directors;
2. Select regular meeting place and time for 2021; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

13. [APPROVAL OF SOLAR PHOTOVOLTAIC POWER PURCHASE AGREEMENT AND CONSTRUCTION SUPPORT SERVICES AGREEMENT](#)

1. Approve Resolution 2021-02 of the Board of Directors of the San Elijo Joint Powers Authority authorizing execution of a solar Power Purchase Agreement with REC Solar Commercial Corporation pursuant to Government Code § 4217.12;
2. Authorize Authorize the General Manager to execute a solar Power Purchase Agreement with REC Solar Commercial Corporation in a form substantially similar to the draft attached to Resolution 2021-02, subject to final negotiations by the General Manager and final approval of terms by General Counsel;
3. Authorize the General Manager to execute a professional services agreement with Sage Energy Consulting, Inc. for design and construction support for \$53,600; and
4. Discuss and take action as appropriate.

Staff Reference: General Manager

14. [ACCEPT SOLIDS TREATMENT DEFINITION REPORT AND AWARD OF ENGINEERING DESIGN SERVICES FOR PRELIMINARY DESIGN - SOLIDS DEWATERING SYSTEM](#)

1. Accept and file the Solid Treatment definition report;
2. Authorize the General Manager to execute an Engineering Agreement with Black & Veatch for Preliminary Design of the Sludge Dewatering System for an amount not to exceed \$169,369; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

15. [2020 YEAR IN REVIEW – RECOGNIZING AGENCY ACHIEVEMENTS AND SUCCESSES](#)

No action required. This memorandum is submitted for information only.

Staff Reference: General Manager

16. GENERAL MANAGER'S REPORT

Informational report by the General Manager on items not requiring Board action.

17. GENERAL COUNSEL'S REPORT

Informational report by the General Counsel on items not requiring Board action.

18. BOARD MEMBER COMMENTS

This item is placed on the agenda to allow individual Board Members to briefly convey information to the Board or public, or to request staff to place a matter on a future agenda and/or report back on any matter. There is no discussion or action taken on comments by Board Members.

19. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, January 19, 2021 at 8:30 a.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings comply with the protections and prohibitions contained in Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C Section 12132), and the federal rules and regulations adopted in implementation thereof. Any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting of the SEJPA Board of Directors may request such modification or accommodation from Michael T. Thornton, General Manager, (760) 753-6203 ext. 72.

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held on the third Tuesday of each month, with no scheduled meetings in August.

AFFIDAVIT OF POSTING

I, Michael T. Thornton, Secretary of the San Elijo Joint Powers Authority, hereby certify that I posted, or have caused to be posted, a copy of the foregoing agenda in the following locations:

San Elijo Water Campus, 2695 Manchester Avenue, Cardiff, California
City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
City of Solana Beach, 635 South Highway 101, Solana Beach, California

The notice was posted at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: December 10, 2020

A handwritten signature in black ink, appearing to read 'M. Thornton', is written over a horizontal line.

Michael T. Thornton, P.E.
Secretary / General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON NOVEMBER 17, 2020
VIA VIDEO CONFERENCE

Jody Hubbard, Chair

Kristi Becker, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, November 17, 2020, at 8:30 a.m., via a public web conference.

1. CALL TO ORDER

Vice Chair Becker called the meeting to order at 8:30 a.m.

2. ROLL CALL

Directors Present:

Kristi Becker
Catherine Blakespear
David Zito

Directors Absent:

Jody Hubbard

Others Present:

General Manager
Director of Operations
Director of Finance and Administration
Administrative Coordinator
Senior Project Manager

Michael Thornton
Chris Trees
Amy Chang
Vanessa Hackney
Mike Konicke

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Tracie Stender
Adriana Ochoa

City of Encinitas:

Assistant City Manager
Director of Public Works
Assistant Director/Assistant General Manager

Mark Delin
Carl Quiram
Isam Hireish

City of Solana Beach:

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

The Pun Group:

Partner

Coley Delaney

3. PLEDGE OF ALLEGIANCE

General Manager Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

Moved by Board Member Zito and seconded by Board Member Blakespear to approve the Consent Calendar.

Agenda Item No. 7 Approval of Minutes for the October 20, 2020 Meeting

Agenda Item No. 8 Approval for Payment of Warrants and Monthly Investment Report

Agenda Item No. 9 Wastewater Treatment Report

Agenda Item No. 10 Recycled Water Report

Motion carried with the following vote of approval:

AYES: Becker, Blakespear, Zito

NOES None

ABSENT: Hubbard

ABSTAIN: None

12. FY 2019-20 FINANCIAL AUDIT REPORT ACCEPTANCE

Mr. Coley Delaney, CPA, a Partner for The Pun Group, presented the financial audit of SEJPA for FY 2019-20. The audit has been completed and it is the auditor's opinion that SEJPA's June 30, 2020 financial statements are presented fairly in all material aspects. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Upon completion of the audit, The Pun Group stated that no transactions were noted where there was a lack of authoritative guidance or consensus. In addition, there were no difficulties or disagreements with management in performing and completing the audit.

Moved by Board Member Zito and seconded by Board Member Blakespear to:

1. Accept and file the FY 2019-20 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2019-20 SAS 114 Letter; and
3. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES: Becker, Blakespear, Zito
NOES: None
ABSENT: Hubbard
ABSTAIN: None

13. SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE FISCAL YEAR 2019-20 OPERATING AND DEBT SERVICES

Director of Finance and Administration, Amy Chang, provided a review of Fiscal Year 2019-20 operating and debt expenses and stated that overall, SEJPA completed the year below budget. Total budget saving was \$174,141 or 2.5%, which included a contribution of \$263,020 to the PARS trust to reduce future pension liability and a capital contribution of \$189,826 to the Ocean Outfall repair and replacement reserve. Wastewater Treatment, Laboratory Services, Pump Stations, Ocean Outfall, and Storm Drains programs were under budget by \$101,828 or 1.9%. Recycled Water expenditures were \$72,313 or 4.7% under budget. All debt service payments were paid according to the loan agreements.

No action required. This memorandum was submitted for information only.

14. OCEAN OUTFALL PLUME TRACKING STUDY

General Manager Thornton stated that the Regional Board required SEJPA, Escondido, and EWA to conduct studies to assess the movement and fate of wastewater discharged from the outfalls. As part of this assessment, the Regional Board required the San Elijo Ocean Outfall (SEOO) and Encina Ocean Outfall (EOO) agencies to develop and submit a Plume Tracking Monitoring Plan (PTMP) which establishes goals of the plume tracking effort and details tasks proposed to comply with the plume tracking requirements imposed by the Regional Board. The final version of the PTMP was approved by the Regional Board in August 2020.

Mr. Thornton reported that staff advertised the Plume Tracking scope of work in August 2020 and proposals were received in October 2020, which were reviewed by staff from SEJPA, Escondido, and EWA, as well as by our technical consultant, Michael Welch, PhD. Based on this review, the proposal submitted by Michael Baker International, Inc. was determined to be the best combination of qualifications, approach, and value.

Mr. Thornton also stated that staff proposes a shared services agreement with EWA for conducting the Plume Tracking Study cost. The inclusion of EWA will provide economies of scale to reduce costs to each agency. The City of Escondido will pay for their share of the cost through participation in the SEJPA's Ocean Outfall Program.

Moved by Board Member Blakespear and seconded by Board Member Zito to:

1. Authorize the General Manager to execute a shared services agreement with Encina Wastewater Authority for a joint Plume Tracking Study;
2. Authorize the General Manager to execute a contract with Michael Baker

International, Inc. for a Plume Tracking Study in the amount of \$568,720; and

3. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES:	Becker, Blakespear, Zito
NOES:	None
ABSENT:	Hubbard
ABSTAIN:	None

15. CAPITAL IMPROVEMENT PROGRAM UPDATE

Senior Project Manager, Michael Konicke, stated that the first phase of the Capital Program (Phase I) has been constructed and included the Land Outfall Replacement, Preliminary Treatment Upgrades, and Odor Control Improvements projects. The construction cost of Phase I was \$14.7 million.

Phase II of the Capital Program has a construction budget of \$23.3 million and consists of multiple projects, including the Electrical System Improvements, Encinitas Ranch Recycled Water Expansion, Supervisory Control and Data Acquisition (SCADA) Upgrades, and Water Campus Improvements (WCI). The WCI project was divided into two components to manage risk associated with the COVID-19 pandemic. The first component (GMP-1) is substantially complete. The second component (GMP-2) began in September 2020 and includes the construction of the multi-use path, administration/operation building and site improvements, and Manchester Avenue traffic signal and right-of-way improvements. The total project budget is \$20,595,000.

Phase III, the Solids Treatment Improvements, is in the pre-design phase. The Project Definition Report (PDR) is complete and staff is reviewing the report recommendations.

Phase IV consists of Resource Recovery and Reuse projects including potable reuse and stormwater capture and reuse, treated water storage, process optimization, and energy efficiency projects. These projects are in various stages of development, which includes project scale, scope, budgets, and funding strategies.

No action required. This memorandum was submitted for information only.

16. GENERAL MANAGER'S REPORT

General Manager Thornton reported updates to the Solar Photovoltaic Power Purchase Agreement, updates to Board Member Blakespear's suggestion on energy storage opportunities, and meeting with Vice Chair Becker to review and prepare for the November Board meeting.

17. GENERAL COUNSEL'S REPORT

None.

18. BOARD MEMBER COMMENTS

None.

19. ADJOURNMENT

The meeting adjourned at 9:45 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, December 15, 2020 at 8:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Thornton', written over a horizontal line.

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
20-12
For the Month of November 2020

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
38996	Airgas USA, LLC	Supplies - Shop & Field	Welding items	370.77
38997	Aquatic Bioassay	Services - Laboratory	Toxicity testing	1,225.00
38998	AT&T	Utilities - Telephone	Phone service - 09/13/20 - 10/12/20	430.85
38999	AT&T	Utilities - Telephone	Alarm service - Oct	420.28
39000	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	1,969.62
39001	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride	6,236.77
39002	Carrie Cook	Supplies - Office	Employee reimbursement - Printer cartridges	72.19
39003	Corodata	Rent	Record storage - Sep	96.23
39004	County of San Diego	Fees - Permits	APCD	3,937.48
39005	CS-Amsco	Repair Parts Expense	Protective shaft cover for sludge hopper gate #2	373.15
39006	City of Encinitas	Service - IT Support	Admin network	7,725.00
39007	City of Encinitas	Licenses	Zoom	39.98
39008	City of Encinitas	Licenses	Duo	30.00
39009	Eurofins Calscience, Inc.	Services - Laboratory	Testing water samples	978.50
39010	Evantec Scientific	Supplies - Laboratory	Various supplies	518.14
39011	Ferguson Enterprises LLC	Repair Parts Expense	Seal and gasket	587.42
39012	Fisher Scientific	Supplies - Laboratory	Various supplies	382.50
39013	Grainger, Inc.	Supplies - Safety	Combination cartridge filter for confined space entry	61.90
39014	Hardy Diagnostics	Supplies - Laboratory	Various supplies	1,305.57
39015	Harrington Industrial Plastics	Repair Parts Expense	Pumps repair	2,155.97
39016	Idexx Distribution, Inc.	Supplies - Laboratory	Various supplies	3,586.89
39017	Lee's Lock & Safe	Services - Maintenance	Duplicate keys and decode	524.76
39018	Liquid Environmental Solution	Services - Grease & Scum, Grit & Screening	Roll-off box delivery and septic fee	1,527.44
39019	MBC Applied Environmental	Services - Professional	Region Nine kelp survey	6,880.27
39020	McMaster-Carr Supply Co.	Repair Parts Expense & Supplies	Various repair parts and supplies	2,364.57
39021	Northern Safety & Industrial	Supplies - Safety	Full brim hard hats	275.92
39022	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Sodium hypochlorite	3,809.72
39023	Pacific Pipeline Supply	Repair Parts Expense	Repair supplies - Digester 3	3,088.07
39024	ProBuild Company, LLC	Supplies - Shop & Field	Supplies and parts	622.70
39025	Procopio Cory Hargreaves	Services - Legal	Legal service fees - Sep	14,054.25
39026	Rockwell Solutions	Repair Parts Expense	Coast pump station impeller set replacement	3,821.47
39027	Rohan & Sons, Inc	Services - Maintenance	Bi-annual maintenance service	385.00
39028	Rusty Wallis, Inc.	Repair Parts Expense	Water softener, exchange tank service, and salt bags	189.05
39029	Sage Energy Consulting	Services - Professional	WCI project	11,200.00
39030	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment	1,451.45
39031	San Dieguito Water District	Utilities - Water	Recycled water	2,192.63
39032	Sloan Electric Company	Repair Parts Expense	Area 1 odor scrubber recirc pump motor (2), Belt filter sludge feed pump 3 motor	1,750.06
39033	Terminix Processing Center	Services - Maintenance	Pest control service - Sep	441.00
39034	Test America	Services - Laboratory	Testing water samples	231.50
39035	Michael Thornton	Supplies - Safety	Employee reimbursement - Safety gear and supplies	195.28
39036	Technology Integration Group	Services - Maintenance	Copier	67.82
39037	Trussell Technologies, Inc	Services - Engineering	Operations plan update and training - Sep	745.00
39038	Unifirst Corporation	Services - Uniforms	Uniform service	341.31
39039	UPS	Postage/Shipping	Shipping fee	2.39
39040	USA Bluebook	Supplies - Laboratory	Various supplies	1,442.42
39041	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,469.00
39042	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,923.15
39043	Verizon Wireless	Utilities - Telephone	09/11/20 - 10/10/20	401.67
39044	Verizon Wireless	Utilities - Telephone	Cell phone - 09/08/20 - 10/07/20	1,066.33
39045	VWR International, Inc.	Supplies - Laboratory	Various supplies	1,280.98
39046	WageWorks	Payroll Processing Fees	Admin and compliance fee	128.75
39047	Water Environment Federation	Dues & Memberships	Membership - S. Arredondo	20.00
39048	Albertsons Companies	Services - Medical	Employee flu shot	40.00
39049	Alfa Laval Ashbrook Simon-Hart	Repair Parts Expense	Roller assembly for belt press repair	6,668.96
39050	Allied Storage Containers	Equipment Rental/Lease	Storage containers	274.76
39051	Aquatic Bioassay	Services - Laboratory	Toxicity testing	1,050.00
39052	Atlas	Services - Engineering	WCI project	20,548.75
39053	American Water Chemicals, Inc.	Supplies - Chemicals	AWC A-110	6,811.14
39054	Bay City Electric Works	Services - Maintenance	Generator maintenance	155.00
39055	Brax Process and Pump Equip.	Repair Parts Expense	Hydro station	3,810.61
39056	BrightView Landscapes	Services - Landscape	Nov	2,782.00
39057	Corodata	Rent	Record storage - Oct	99.44
39058	CWEA Membership	Dues & Memberships	Membership - T. Hutchinson	192.00
39059	Denali Water Solutions LLC	Services - Biosolids Hauling	Sep	18,380.38
39060	DMV	Services - Other	Safety records - 09/01/20 - 09/30/20	3.00
39061	EDCO Waste & Recycling Service	Utilities - Trash	Oct	265.16
39062	Forte of San Diego	Services - Janitorial	Dec	1,000.00
39063	Grainger, Inc.	Supplies - Shop & Field	Fuses	124.03
39064	GC Pivotal LLC	Utilities - Internet	T-1 service - Dec	355.24
39065	Harbor Freight Tools	Supplies - Shop & Field, Safety	Various tools and masks	574.62
39066	Hardy Diagnostics	Supplies - Laboratory	Various supplies	2,409.07
39067	Helix Environmental Planning	Services - Professional	WCI project	805.19
39068	Idexx Distribution, Inc.	Supplies - Laboratory	Various supplies	1,080.13
39069	Infrastructure Engineering	Services - Engineering	Recycled water system evaluation	7,408.50
39070	Kimley-Horn & Associates, Inc.	Services - Professional	WCI project	2,440.49
39071	Liquid Environmental Solution	Services - Grease & Scum	Grease and scum pumping	832.32
39072	McMaster-Carr Supply Co.	Repair Parts Expense & Supplies	Various repair parts and supplies	1,241.95
39073	MetLife - Group Benefits	Dental/Vision	Dental - Dec	2,041.98
39074	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Sodium hypochlorite	3,772.23
39075	Olivenhain Municipal Water Dis	Rent	Pipeline rental payment - Oct	14,895.00
39076	Eric ORiley	Supplies - Laboratory	Employee reimbursement - Disinfectant aerosol and wipes	69.05
39077	Pacific Safety Center	Services - Maintenance	Fall protection equipment inspection with report	895.00
39078	PCL Construction Services PCL	Services - Contractors	WCI project	976,612.00
39079	Preferred Benefit Insurance	Dental/Vision	Vision - Nov	306.40
39080	ProBuild Company, LLC	Supplies - Shop & Field	Supplies and parts	448.26
39081	Rockwell Solutions	Repair Parts Expense	Seal and upper cutter	1,047.85

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
20-12**

For the Month of November 2020

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
39082	Rockwell Solutions	Repair Parts Expense	Impeller and parts	6,325.76
39083	Rusty Wallis, Inc.	Repair Parts Expense	Water softener, exchange tank service, and salt bags	182.58
39084	Safe Hearing America	Services - Medical	Hearing test results	90.00
39085	Santa Fe Irrigation District	Utilities - Water	Water	316.34
39086	The San Diego Union-Tribune	Subscriptions	10/15/20 - 10/15/21	1,005.66
39087	San Dieguito Water District	Utilities - Water	Construction water	2,166.25
39088	San Dieguito Water District	Utilities - Water	Recycled water	1,012.37
39089	Southland Manufacturing, Inc.	Supplies - Shop & Field	Crushed rock and screened sand	425.07
39090	Terminix Processing Center	Services - Maintenance	Pest control service - Oct	441.00
39091	Unifirst Corporation	Services - Uniforms	Uniform service	758.46
39092	Underground Service Alert/SC	Services - Alarm	Safe excavation board and dig alert - Oct	205.14
39093	USA Bluebook	Shop Tools and Equip.	Temperature tester and stirring bar	337.98
39094	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,472.90
39095	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	4,006.11
39096	Verizon Wireless	Utilities - Telephone	Cell phone - 10/08/20 - 11/07/20	1,067.39
39097	Volt Management Corp	Services - Temp	Period end - 09/13/20, 09/20/20, 10/09/20, 10/11/20	1,588.34
39098	VWR International, Inc.	Supplies - Laboratory	Various supplies	70.64
39099	Water Environment Federation	Dues & Memberships	Membership - M. Thornton	332.00
39100	Water Environment Federation	Dues & Memberships	Membership - A. Simonson	267.00
39101	WM Corporate Services, Inc.	Services - Grit & Screenings	10 yd rolloff - 10/01/20 - 10/31/20	1,257.21
On-line 466	Home Depot Credit Services	Shop Tools and Equip.	Compact air compressor	406.19
On-line 467	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 10/17/20 - 10/30/20	15,574.88
On-line 468	Fuelman	Fuel	Oct	859.52
On-line 469	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 10/31/20 - 11/13/20	15,690.35
	San Elijo Payroll Account	Payroll	Payroll - 11/06/2020	77,817.97
	San Elijo Payroll Account	Payroll	Payroll - 11/20/2020	79,707.23
				<u>1,401,223.02</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of November 2020
As of November 30, 2020**

PAYMENT OF WARRANTS	\$ 1,401,223.02
Reference Number	20-12

I hereby certify that the demands listed and covered by warrants are correct and just to the best of my knowledge, and that the money is available in the proper funds to pay these demands. The cash flows of the SEJPA, including the Member Agency commitment in their operating budgets to support the operations of the SEJPA, are expected to be adequate to meet the SEJPA's obligations over the next six months. I also certify that the SEJPA's investment portfolio complies with the SEJPA's investment policy.



Amy Chang
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
As of November 30, 2020

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND	
<i>(OCTOBER 2020 YIELD 0.62%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	9,198,792.14
CALIFORNIA BANK AND TRUST	
<i>(NOVEMBER 2020 YIELD 0.01%)</i>	
REGULAR CHECKING	4,417,765.82
PAYROLL CHECKING	5,000.00
UNION BANK - TRUSTEE (BOND FUNDS)	
BLACKROCK	95.06
<i>(NOVEMBER 2020 YIELD 0.02%)</i>	
LAIF	6,739,228.89
<i>(OCTOBER 2020 YIELD 0.62%)</i>	
PARS - TRUSTEE (POST-EMPLOYMENT BENEFITS TRUST)	54,341.51
<i>(OCTOBER 2020 YIELD -0.86%)</i>	
TOTAL RESOURCES	<u>\$ 21,045,223.42</u>

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 15, 2020

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT

RECOMMENDATION

No action required. This memorandum is submitted for information only.

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of October 2020. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for **CBOD** and **TSS** were **98.6** and **98.7** percent removal, respectively, during the month of October.

Exceptional Water Treatment

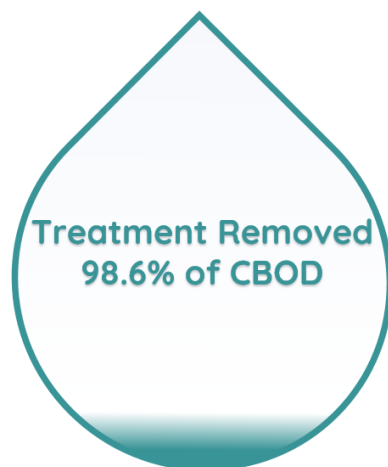
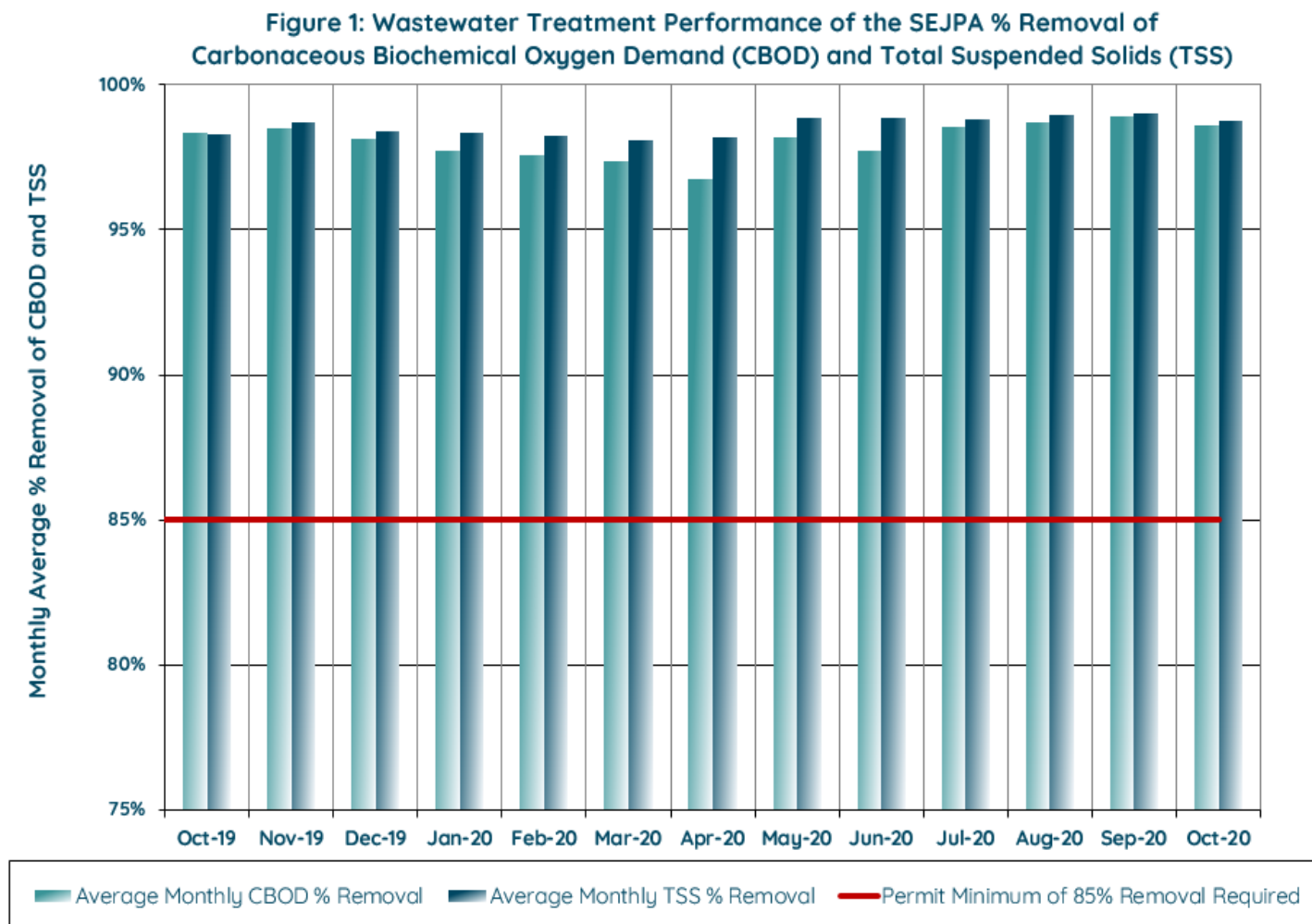


Figure 1 (below) shows historic treatment performance trends for the removal of CBOD and TSS over the last 13 months compared to the permit minimum of 85%.



Figures 2 and 3 (below) show historic influent vs effluent CBOD and TSS concentration fluctuations in the strength of the wastewater being received and discharged by the SEJPA. Rain events often result in rainwater entering into the sewer system which can dilute both CBOD and TSS.

FIGURE 2: TREATED EFFLUENT FLOWS REMOVAL OF CBOD

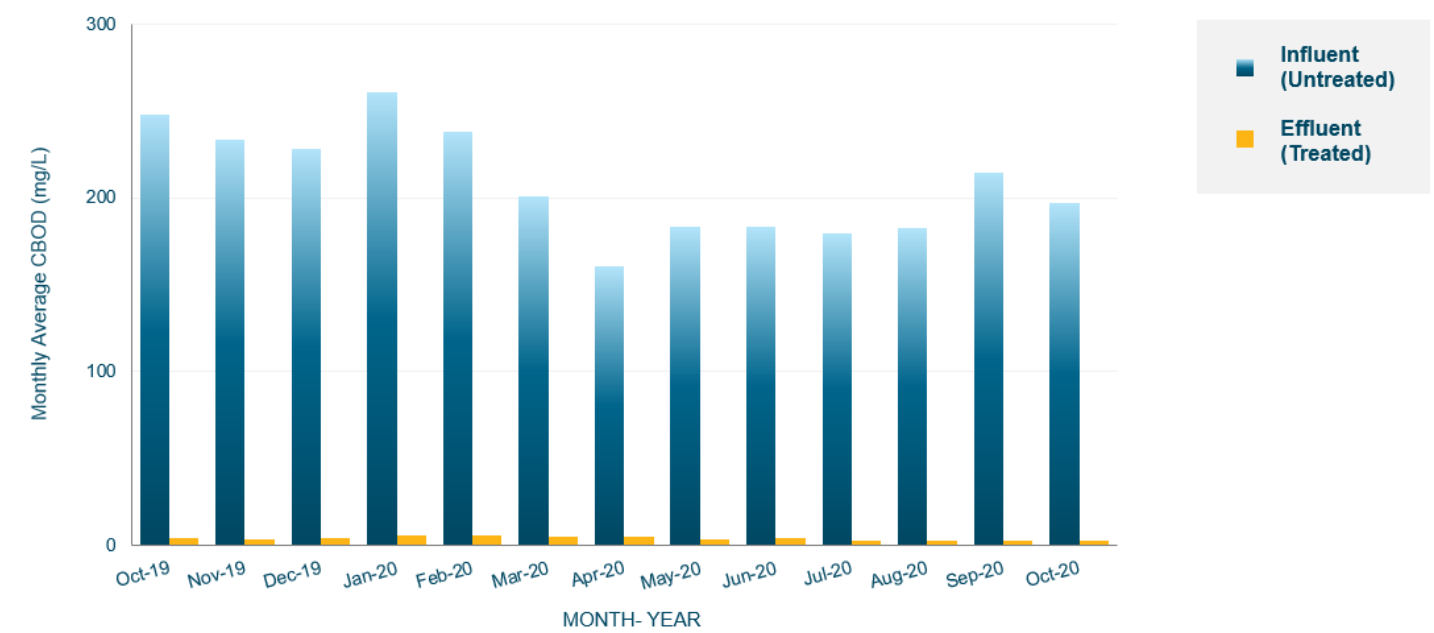
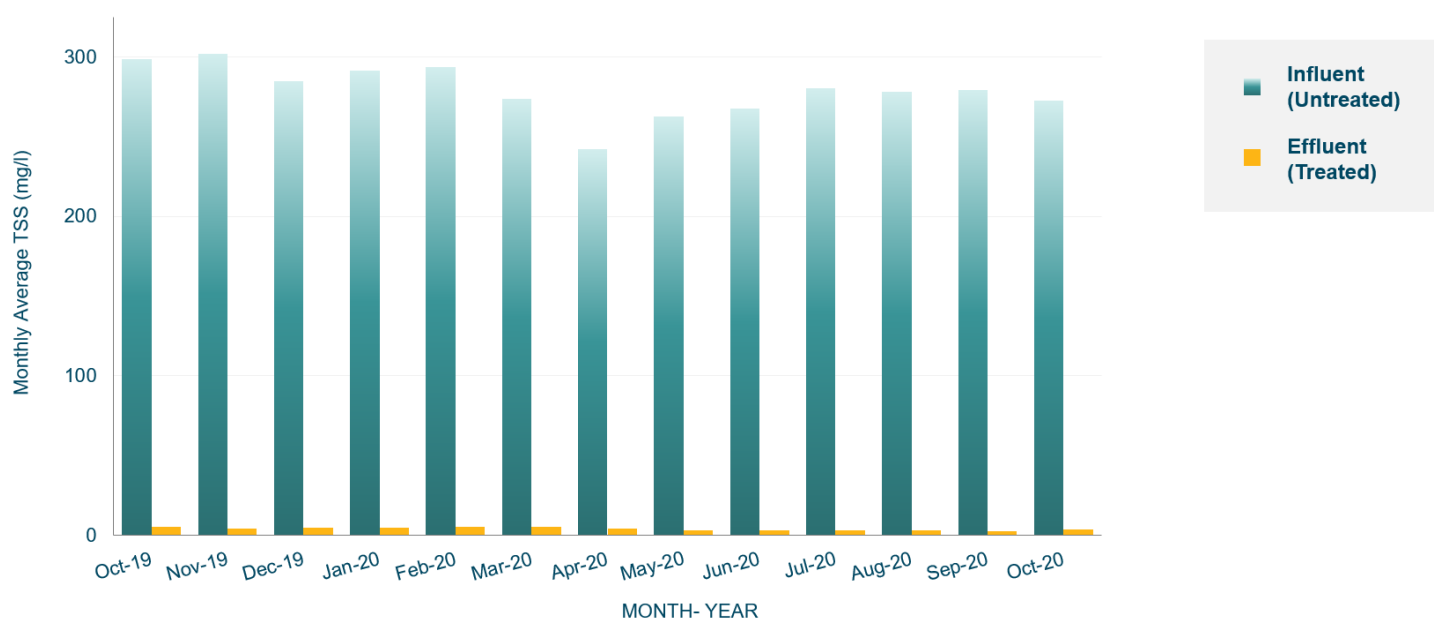


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF TSS



Member Agency Flows

Table 1 (below) presents the influent and effluent flows for the month of October. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Campus.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN OCTOBER

OCTOBER			
	Influent (mgd)	Recycled Water (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.197	0.843	0.354
City of Solana Beach	0.940	0.662	0.278
Rancho Santa Fe SID	0.142	0.100	0.042
City of Del Mar	0.316	0.222	0.094
Total San Elijo Water Campus Flow	2.595	1.827	0.768

* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

Table 2 (below) presents the historical average and unit influent rates per month for each of the Member Agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

TABLE 2 - SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)					
MONTH	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD EDUS	RSF CSD EDUS	SB EDUS	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Aug-17	1.262	0.139	1.051	0.000	0.000	2.452	8,423	553	8,061	1,716	18,753	150	251	130	0	144
Sep-17	1.264	0.130	1.006	0.000	0.000	2.400	8,427	555	8,061	1,716	18,759	150	234	125	0	141
Oct-17	1.242	0.123	0.977	0.000	0.000	2.342	8,431	555	8,061	1,716	18,763	147	222	121	0	137
Nov-17	1.257	0.131	0.983	0.000	0.000	2.371	8,431	554	8,061	1,716	18,762	149	237	122	0	139
Dec-17	1.248	0.125	1.014	0.000	0.000	2.387	8,431	554	8,061	1,716	18,762	148	226	126	0	140
Jan-18	1.276	0.125	1.015	0.000	0.000	2.416	8,435	555	8,061	1,716	18,767	151	225	126	0	142
Feb-18	1.249	0.118	0.968	0.000	0.000	2.335	8,441	555	8,061	1,716	18,773	148	213	120	0	137
Mar-18	1.265	0.122	0.922	0.039	0.000	2.348	8,451	555	8,061	1,716	18,782	150	220	114	149	125
Apr-18	1.184	0.115	0.901	0.337	0.000	2.537	8,451	559	8,061	1,716	18,786	140	206	112	129	135
May-18	1.173	0.119	0.890	0.376	0.000	2.558	8,461	562	8,061	1,716	18,799	139	212	110	144	136
Jun-18	1.188	0.124	0.888	0.549	0.000	2.749	8,466	562	8,061	1,716	18,804	140	221	110	210	146
Jul-18	1.193	0.118	0.933	0.537	0.000	2.781	8,478	562	8,083	2,611	19,733	141	210	115	206	141
Aug-18	1.210	0.119	0.980	0.534	0.000	2.843	8,481	563	8,083	2,611	19,737	143	212	121	205	144
Sep-18	1.230	0.117	0.905	0.341	0.000	2.593	8,481	563	8,083	2,611	19,737	145	208	112	131	131
Oct-18	1.172	0.121	0.897	0.354	0.000	2.544	8,481	564	8,083	2,611	19,738	138	215	111	136	129
Nov-18	1.173	0.121	0.906	0.064	0.000	2.264	8,488	565	8,083	2,611	19,746	138	214	112	136	129
Dec-18	1.264	0.144	0.967	0.244	0.000	2.619	8,491	566	8,083	2,611	19,751	149	255	120	136	138
Jan-19	1.269	0.153	0.975	0.384	0.000	2.781	8,491	566	8,083	2,611	19,751	149	271	121	147	141
Feb-19	1.400	0.173	0.935	0.309	0.000	2.817	8,492	566	8,083	2,611	19,752	165	306	116	137	145
Mar-19	1.200	0.149	0.908	0.340	0.000	2.597	8,493	568	8,083	2,611	19,755	141	263	112	132	132
Apr-19	1.119	0.138	0.887	0.334	0.000	2.478	8,494	568	8,083	2,611	19,756	132	243	110	128	125
May-19	1.125	0.133	0.880	0.361	0.000	2.499	8,494	568	8,083	2,611	19,756	132	234	109	138	126
Jun-19	1.162	0.126	0.903	0.507	0.000	2.698	8,504	568	8,083	2,611	19,766	137	222	112	194	136
Jul-19	1.127	0.128	0.924	0.546	0.000	2.725	8,504	568	8,083	2,611	19,766	133	226	114	209	138
Aug-19	1.148	0.126	0.938	0.567	0.000	2.779	8,505	570	8,105	2,612	19,792	135	221	116	217	140
Sep-19	1.131	0.132	0.918	0.393	0.000	2.574	8,507	570	8,105	2,612	19,794	133	232	113	150	130
Oct-19	1.120	0.124	0.914	0.378	0.000	2.536	8,507	571	8,105	2,612	19,795	132	217	113	145	128
Nov-19	1.230	0.137	0.927	0.437	0.000	2.731	8,510	571	8,105	2,612	19,798	145	240	114	172	138
Dec-19	1.347	0.173	0.946	0.483	0.000	2.949	8,516	571	8,105	2,612	19,804	158	303	117	185	149
Jan-20	1.194	0.163	0.917	0.410	0.000	2.684	8,517	571	8,105	2,612	19,805	140	286	113	157	136
Feb-20	1.176	0.146	0.919	0.352	0.000	2.593	8,517	571	8,105	2,612	19,805	138	256	113	135	131
Mar-20	1.432	0.185	0.907	0.389	0.000	2.913	8,519	572	8,105	2,612	19,808	168	324	112	149	147
Apr-20	1.720	0.231	0.912	0.377	0.000	3.240	8,522	572	8,105	2,612	19,811	202	404	113	153	164
May-20	1.293	0.158	0.853	0.304	0.000	2.608	8,523	573	8,105	2,612	19,813	152	276	105	133	132
Jun-20	1.251	0.164	0.897	0.434	0.000	2.746	8,534	576	8,105	2,612	19,826	147	285	111	179	139
Jul-20	1.231	0.157	0.937	0.548	0.000	2.873	8,535	576	8,110	2,616	19,837	144	273	116	222	145
Aug-20	1.226	0.156	0.950	0.478	0.000	2.810	8,540	577	8,110	2,616	19,843	144	271	117	194	142
Sep-20	1.225	0.151	0.956	0.362	0.000	2.694	8,540	578	8,110	2,616	19,844	143	261	118	146	136
Oct-20	1.197	0.142	0.940	0.316	0.000	2.595	8,543	579	8,110	2,616	19,848	140	245	116	128	131

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

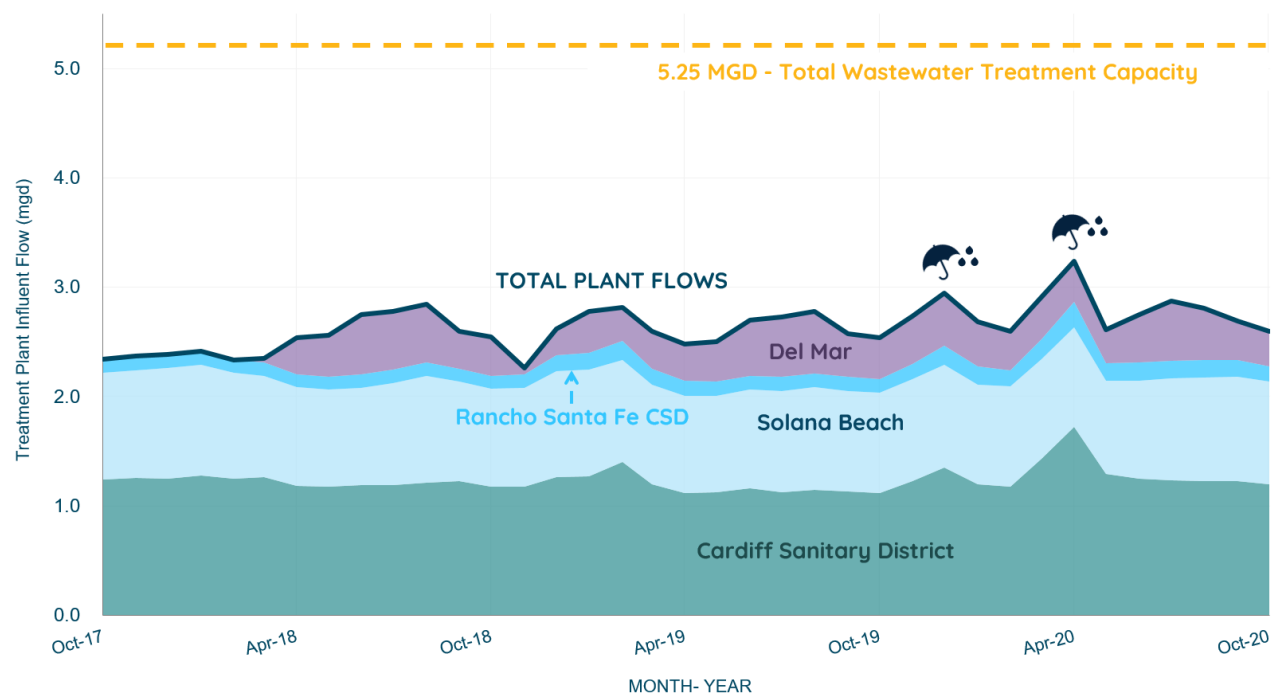
SB: Solana Beach

DM: City of Del Mar

EDU: Equivalent Dwelling Unit

Figure 4 (below) presents the 3-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average flow treated for each agency. Also shown in Figure 4 is the total wastewater treatment capacity of the water campus, 5.25 mgd, of which each Member Agency has the right to 2.2 mgd, Rancho Santa Fe Community Service District leases 0.25 mgd, and the City of Del Mar leases 0.60 mgd.

FIGURE 4: SEJPA AVERAGE DAILY FLOWS OVER THE PAST 5 YEARS



City of Escondido Flows

The average and peak flow rate for the month of October 2020 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below in Table 3.

TABLE 3 – CITY OF ESCONDIDO FLOWS

	Flow (mgd)
Escondido (Average flow rate)	9.01
Escondido (Peak flow rate)	18.1

Connected Equivalent Dwelling Units

The City of Solana Beach and the City of Del Mar updated the connected EDUs number that is reported to the SEJPA in July 2020. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The number of EDUs connected for each of the Member Agencies and lease agencies is reported in Table 4 below.

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,543
Rancho Santa Fe SID	579
City of Solana Beach	7,773
San Diego (to Solana Beach)	337
City of Del Mar	2,616
Total EDUs to System	19,848

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 15, 2020

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT

RECOMMENDATION

No action required. This memorandum is submitted for information only.

DISCUSSION

Recycled Water Production

For the month of October 2020, recycled water demand was 163.3 acre-feet (AF), which was met using 161.3 AF of recycled water and 2.0 AF supplementation with potable water. Higher than normal supplementation with potable water was due to a planned recycled water pipeline shutdown.

October demand was 10.9% above budget expectations of 147 AF. The total water production for FY 2020-21 is 6.1% above budget for the first four months.

Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each October for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2020-21.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON

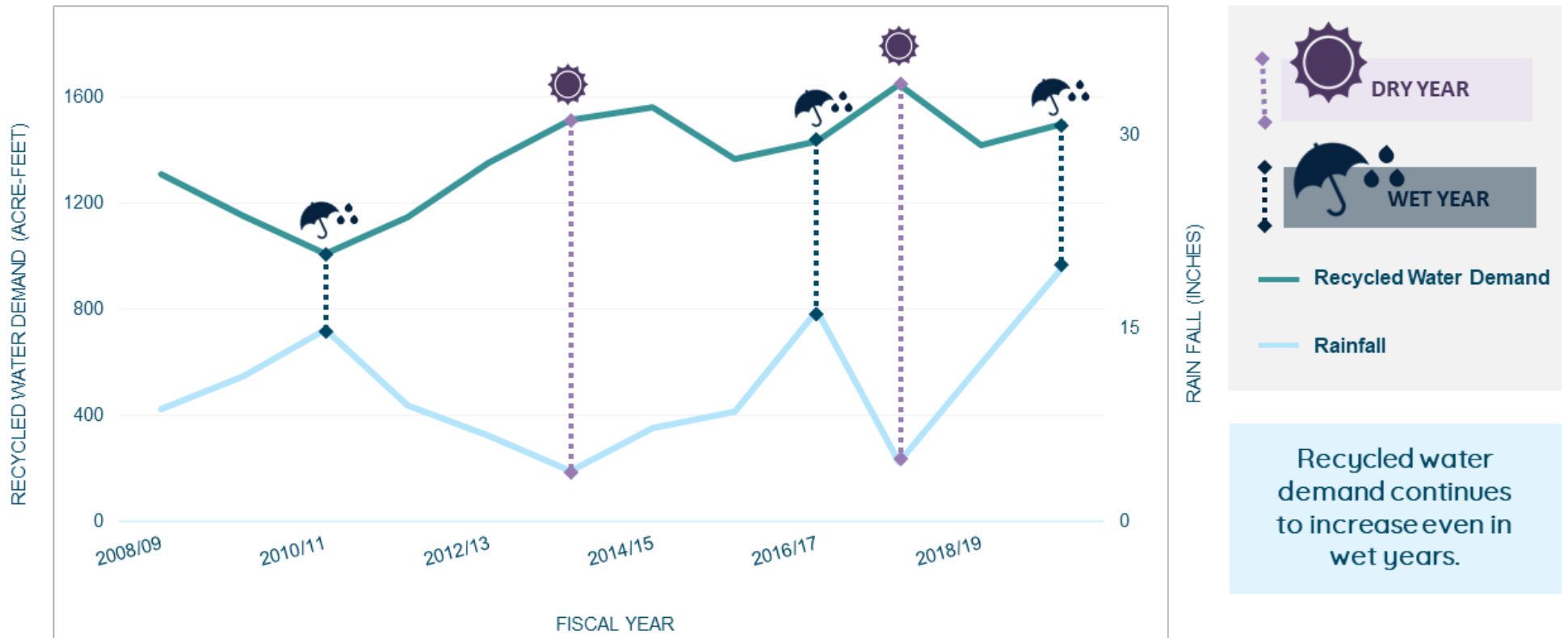


FIGURE 2: OCTOBER RECYCLED WATER DEMAND

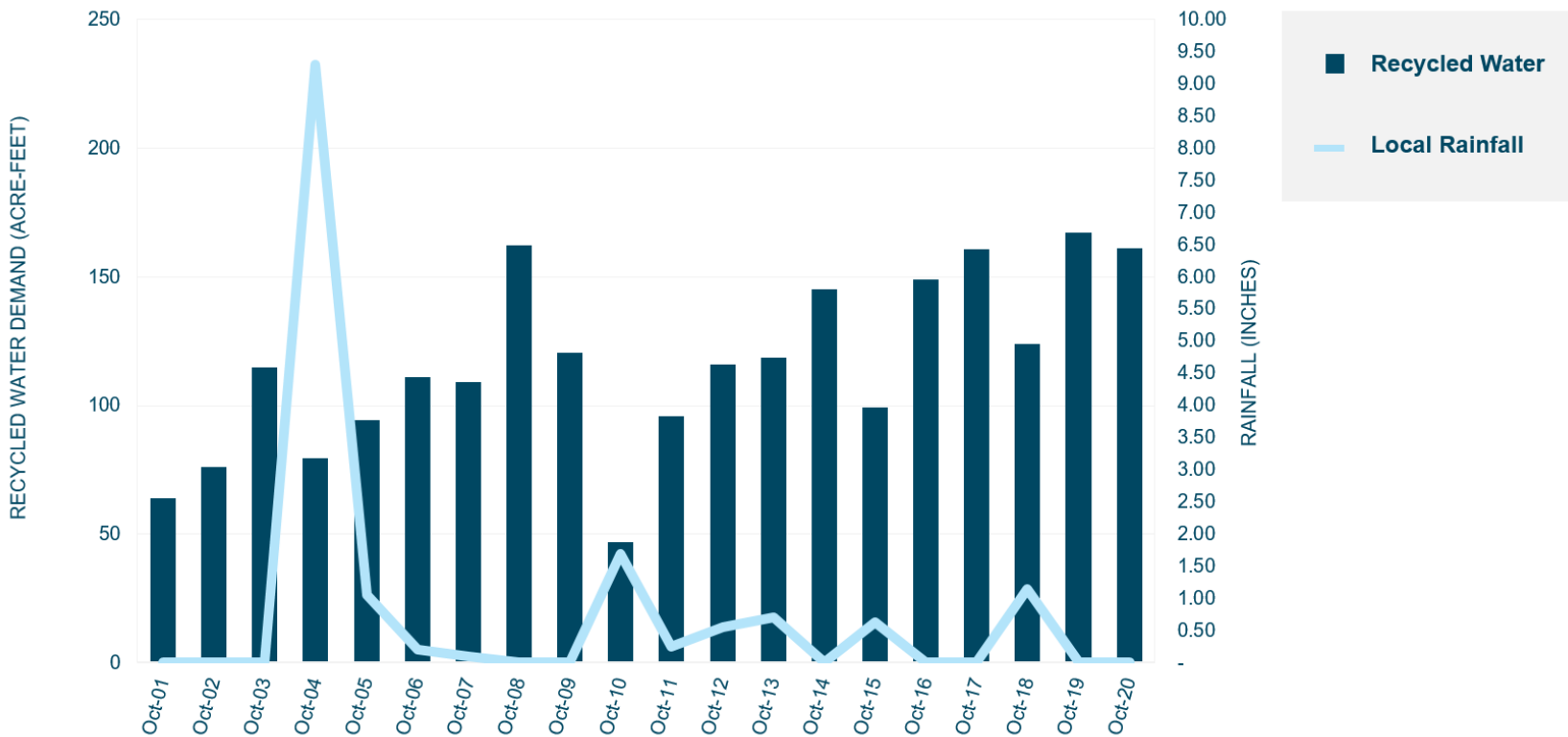
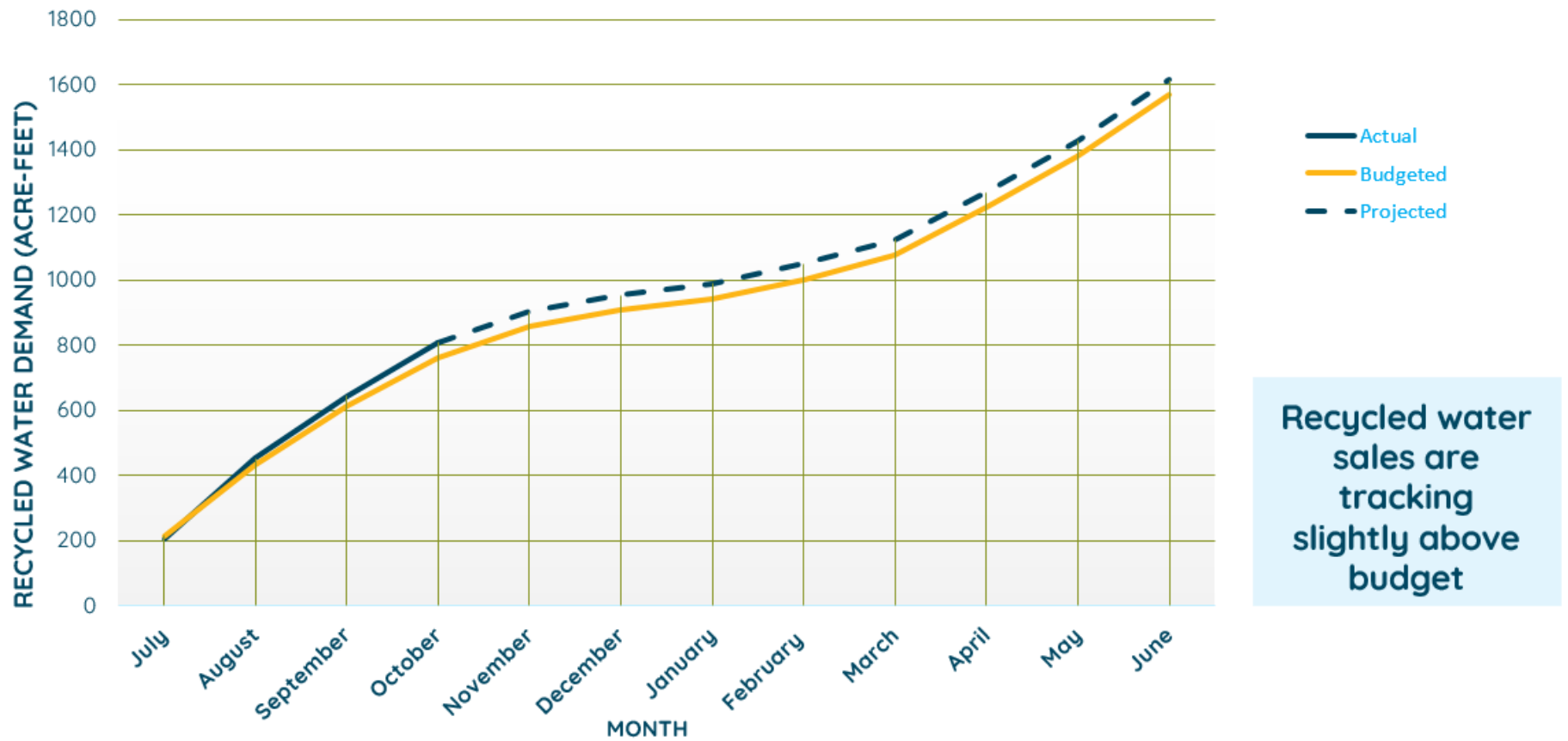


FIGURE 3: FY2020/21 CUMULATIVE DEMAND VS BUDGET



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 15, 2020

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: 2021 ELECTION OF OFFICERS AND BOARD MEETING SCHEDULE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Appoint Chairperson and Vice Chairperson for the 2021 SEJPA Board of Directors;
2. Select regular meeting place and time for 2021; and
3. Discuss and take action as appropriate.

DISCUSSION

In accordance with Article 3 of the San Elijo Joint Powers Authority (SEJPA) formation agreement, the SEJPA Board is required to appoint a chairperson and vice-chairperson and establish the time and place for its regular meeting by the second meeting of each calendar year. SEJPA's regular meeting schedule has been generally set as 8:30 a.m. on the third Tuesday of each month, with no meeting in August. For calendar year 2021, a similar schedule is proposed.

Should this be acceptable, the proposed listing of scheduled meetings for 2021 is attached.

It is therefore recommended that the Board of Directors:

1. Appoint Chairperson and Vice Chairperson for the 2021 SEJPA Board of Directors;
2. Select regular meeting place and time for 2021; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton
General Manager

Attachment 1: Proposed 2021 Board Meeting Schedule



BOARD OF DIRECTORS

San Elijo Joint Powers Authority

PROPOSED 2021 BOARD MEETING DATES

January 19
February 16
March 16
April 20
May 18
June 15
July 20
August – No Meeting
September 21
October 19
November 16
December 21

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 15, 2020

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: APPROVAL OF SOLAR PHOTOVOLTAIC POWER PURCHASE AGREEMENT
AND CONSTRUCTION SUPPORT SERVICES AGREEMENT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Resolution 2021-02 of the Board of Directors of the San Elijo Joint Powers Authority authorizing execution of a solar Power Purchase Agreement with REC Solar Commercial Corporation pursuant to Government Code § 4217.12;
2. Authorize the General Manager to execute a solar Power Purchase Agreement with REC Solar Commercial Corporation in a form substantially similar to the draft attached to Resolution 2021-02, subject to final negotiations by the General Manager and final approval of terms by General Counsel;
3. Authorize the General Manager to execute a professional services agreement with Sage Energy Consulting, Inc. for design and construction support for \$53,600; and
4. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) is considering the construction of a solar photovoltaic (PV) system to stabilize future energy costs, increase the use of renewable energy, and to improve climate change resiliency at the San Elijo Water Campus. The Water Campus uses a substantial quantity of electricity (approximately 3,300 megawatt-hours annually) to treat wastewater, produce and distribute recycled water, and for other onsite operational needs.

The solar PV project that staff is recommending will produce approximately 610 kilowatts (kW) of solar power, or approximately 25% of the average daily demand of the Campus. The project includes a combination of rooftop, carport, and ground-mounted solar arrays (Figure 1) for an

estimated capital cost of \$2.0 million. To fund the project, staff recommends a third-party construction and financing project delivery method known as a Power Purchase Agreement (PPA). This procurement method provides tax benefits to the financier and lowers costs to the agency to implement renewable energy technology. The solar PV project will be integrated into the ongoing Water Campus Improvements project in order to minimize plant disruptions and reduce construction costs.

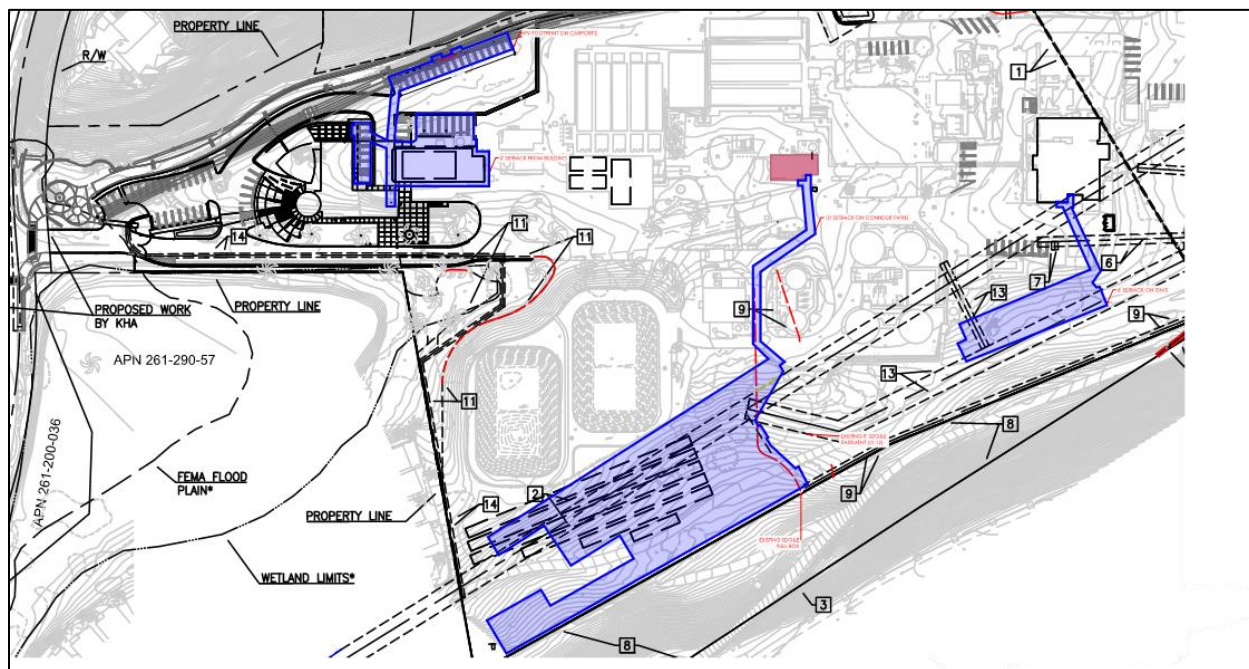


Figure 1. Proposed Solar PV Layout

According to the National Renewable Energy Laboratory, PPA is a financing mechanism that state and local government entities can use to acquire clean, renewable energy. The PPA financing model is a “third-party” ownership model, which requires a separate, taxable entity (“system owner”) to procure, install, and operate the solar PV system on a consumer’s premises (i.e., the government agency). The government agency enters into a long-term contract (typically referred to as the PPA) to purchase 100% of the electricity generated by the system from the system owner. The system owner is often a third-party investor (“tax investor”) who provides investment capital to the project in return for tax benefits. For our proposed project, PPA financing benefits include:

1. Lower up-front costs
2. Ability for the tax-exempt entity to benefit from federal tax incentives through lower rates
3. A predictable cost of electricity during the PPA term
4. Simplified design and permitting process
5. No maintenance responsibilities for the term of the PPA

This project would also further SEJPA, and its Member Agencies’ stated environmental and climate action goals. Like its Member Agencies, SEJPA is dedicated to protecting and enhancing the local environment and increasing sustainability efforts. SEJPA strives to be a leader in clean energy, energy recovery, energy efficiency, and energy reuse. The inclusion of solar carports on

new surface parking lots (among other areas throughout the campus) serves to mitigate heat absorption and increase shaded areas and provides greenhouse gas – reducing co-benefits by increasing distributed solar generation. Including a solar PV project into overall campus improvement efforts aligns SEJPA and its Member Agency’s environmental policy goals.

Government Code Section 4217.10 et seq. provides authority to public agencies to select and contract with qualified energy services companies, to develop and construct energy efficiency, conservation, and alternative energy projects under a single contract. Contracts may be awarded on the basis of the experience of the Contractor, the type of technology employed by the Contractor, the cost to the local agency, and any other relevant considerations, provided that the project delivers net cost savings to the public agency. This legislation was created to remove economic barriers to the adoption of energy conservation measures and alternative energy projects by public agencies.

DISCUSSION

Staff implemented a competitive solar PV provider selection process that considered the following factors:

- System design and flexibility
- Financing and procurement options
- Ability to meet SEJPA engineering, materials, and site requirements
- Quality and relevance of past work
- Local presence, coastal installation history, and references

As part of the selection process, staff hosted site walks, conducted team interviews, responded to information requests, and gathered proposals from interested firms. After consideration of qualifications and project approach, staff selected IGS Solar, LLC to finance and construct the PV project utilizing a PPA. However, after developing the final PPA documents with IGS Solar, the company elected not to pursue the project as it did not meet the company’s financial metrics.

Upon IGS Solar’s withdrawal, REC Solar offered to finance and build the project using the same contractor that had teamed with IGS Solar. Staff was able to reach initial agreement with REC Solar to provide a PPA for the project with the same scope and similar terms and conditions (Attachment 1). The parties have negotiated a near-final draft of the contract, which is the PPA attached to Resolution 2021-02 in draft form. This version of the contract has been reviewed and exchanged twice by both SEJPA and REC’s attorneys and is still currently being negotiated and finalized by the parties and their respective legal counsels. Insurance, indemnity, liquidated damages and change in law provisions are among the terms that are still being negotiated. Staff anticipates there will be minor revisions made to the draft PPA in the final exchanges between the parties, but no revision will cause the PPA to deviate substantially from the draft form currently before the Board. If the parties propose to revise any material terms, Staff will bring this contract back to the Board for an update and a second approval.

Developing the project in accordance with Government Code Section 4217.10 et seq., requires the following steps, which are fulfilled upon staff report approval:

1. Provide a 2-week public notice in advance of a regularly scheduled meeting to inform the public that the Board is considering a PPA (posted on November 30, 2020)
2. Make a “best interests” and “cost benefit” finding in a Resolution (Attachment 1)
3. Authorize staff to execute a PPA, once final, and proceed with project implementation. (Attachment 1).

In order to ensure the solar PV system is constructed according to our agreement with REC Solar and coordinated with the overall Water Campus Improvements project, staff recommends a professional services agreement with Sage Energy Consulting, Inc. (Sage) to provide design review, construction support, and system commissioning.

FINANCIAL IMPACT

The project construction cost, valued at approximately \$2.0 million, will be borne by REC Solar and reimbursed through tax incentives and SEJPA energy purchases over the term of the PPA. Per the agreement, SEJPA’s fixed cost for solar electricity will be \$0.1399 per kwh for the first year of the agreement and then escalate 1.5% annually. Projected 30-year electrical energy savings are conservatively estimated at \$563,000 (see Figure 2). The PPA also provides an option to buy out the solar PV system at year 10 (purchase cost \$1,511,152), 20 (purchase cost \$1,156,641), and 25 (purchase cost \$767,653), providing flexibility should the agency choose to own the system in the future.

The proposed cost for Sage design and construction support services is \$53,600, or approximately 3% of construction costs, and funds are currently available in the SEJPA supplies and services budget.

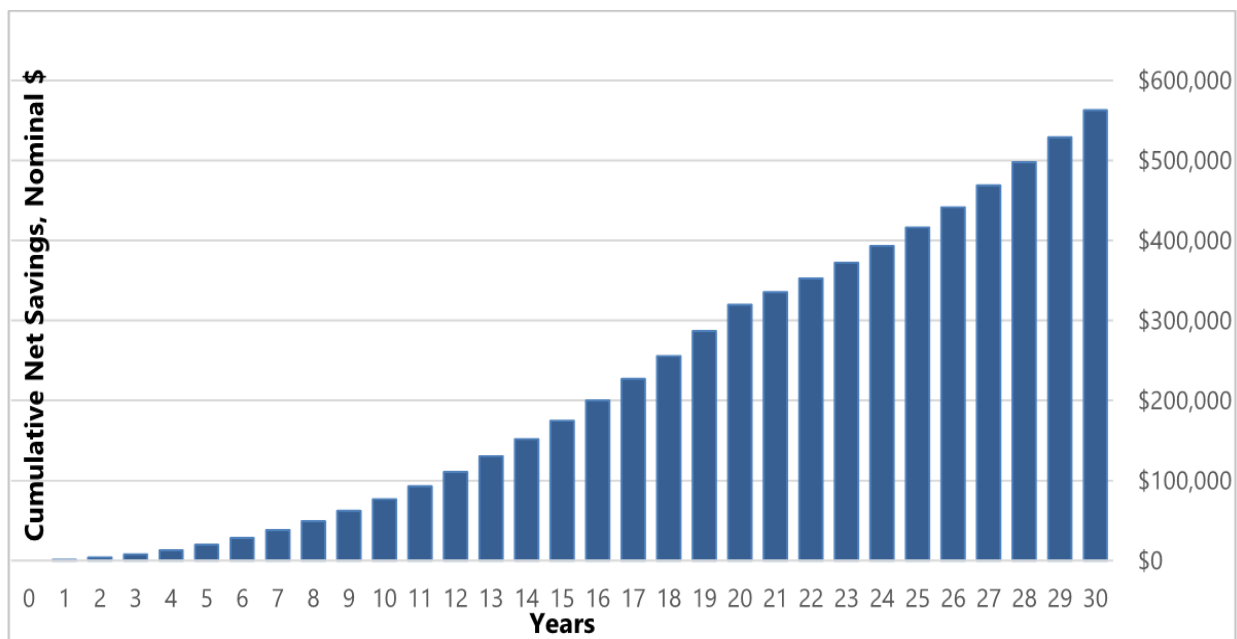


Figure 2. Projected electrical energy savings

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Resolution 2021-02 of the Board of Directors of the San Elijo Joint Powers Authority authorizing execution of a solar power purchase agreement with REC Solar Commercial Corporation pursuant to Government Code § 4217.12; and
2. Authorize the General Manager to execute a solar Power Purchase Agreement with REC Solar Commercial Corporation in a form substantially similar to the draft attached to Resolution 2021-02, subject to final negotiations by the General Manager and final approval of terms by General Counsel;
3. Authorize the General Manager to execute a professional services agreement with Sage Energy Consulting, Inc. for design and construction support for \$53,600; and
4. Discuss and take action as appropriate.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Thornton', written over a horizontal line.

Michael T. Thornton, P.E.
General Manager

Attachment 1: Resolution 2021-02 with REC Power Purchase Agreement

Attachment 2: Sage Energy Consulting - Support Services Proposal

RESOLUTION NO. 2021-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN ELIJO JOINT POWERS
AUTHORITY AUTHORIZING EXECUTION OF A SOLAR POWER PURCHASE
AGREEMENT PURSUANT TO GOVERNMENT CODE § 4217.12**

WHEREAS, San Elijo Joint Powers Authority ("SEJPA") owns and controls real property upon which SEJPA desires to enter into a solar site license and other easement agreements with a third party to install, operate, and maintain in good repair a solar photovoltaic system, including solar panels ("License Agreement"); and

WHEREAS, SEJPA desires to purchase the output from the solar photovoltaic system installed by a third party at a negotiated fixed rate pursuant to a power purchase agreement ("Power Purchase Agreement"); and

WHEREAS, therefore, pursuant to Government Code § 4217.16, SEJPA solicited and received proposals from qualified persons relating to these desires, and after evaluating the proposals, selected REC Solar Commercial Corporation as the preferred contractor to provide these services based on the experience of the contractor, the type of technology employed by the contractor, the cost to the SEJPA, and other relevant considerations such as those identified in the SEJPA staff report presented concurrently with this Resolution;

WHEREAS, the proposed grant of a license and certain easements, and the purchase of energy from REC Solar Commercial Corporation would decrease SEJPA's energy costs and further SEJPA's environmental goals by decreasing SEJPA's dependence on fossil fuel electric generating resources, and promote greenhouse gas-reducing co-benefits by increasing the generation of electricity from solar photovoltaic facilities; and

WHEREAS, Government Code § 4217 *et seq.* provides that public agencies may enter into agreements under which the public agency may purchase the energy generated from the facilities constructed on the public agency's property under an agreement so long as certain findings are made by the agency's governing body; and

WHEREAS, pursuant to Government Code § 4217.12, as a condition of entering into an energy purchase agreement, the governing body must make a finding that the anticipated cost to the entity for electrical energy services will be less than the anticipated marginal cost to the entity of electrical or other energy that would have been consumed by the entity in the absence of those purchases; and

WHEREAS, Government Code § 4217.12 requires the governing body of a public entity to also find that the difference, if any, between the fair rental value for the real property subject to the facility ground lease – or, in this case, license agreement and easements – and the agreed rent payment is anticipated to be offset by below-market energy purchases or other benefits provided under the energy services contract.

NOW, THEREFORE, the SEJPA Board of Directors does hereby resolve as follows, and makes the following findings:

1. The recitals above are true and correct.
2. Pursuant to Government Code § 4217.12(a), the SEJPA Board of Directors has reviewed and evaluated the terms of the Power Purchase Agreement plus exhibits attached to this Resolution at **Attachment 1**, and hereby determines that approval of these agreements are in the best interest of SEJPA.
3. Pursuant to Government Code § 4217.12(a)(1), the SEJPA Board of Directors hereby finds and declares that the anticipated cost to SEJPA for thermal or electrical energy or conservation services provided by the energy conservation facilities under the proposed Power Purchase Agreement will be less than the anticipated marginal cost to SEJPA of thermal, electrical or other energy that would have been consumed by SEJPA in the absence of those purchases, as more fully set forth and identified in the SEJPA staff report presented concurrently with this Resolution. Generally, the proposed Power Purchase Agreement has identified savings consistent with the savings summary below:

Estimated Savings	
30 Year PPA, 26% ITC	
Savings Summary	
Year 1 Savings	\$1,292
15 Year Cumulative Savings	\$174,983
30 Year Cumulative Savings	\$562,787

4. Pursuant to Government Code § 4217.12(a)(2), the SEJPA Board of Directors hereby finds and declares that that the difference between the fair rental value for the real property subject to the license agreement and easements, and the agreed-upon rent, is anticipated to be offset by below-market energy purchases and other benefits provided under the Power Purchase Agreement, as more fully set forth and identified in the SEJPA staff report presented concurrently with this Resolution.
5. The Board of Directors of the SEJPA does hereby approve the Power Purchase Agreement plus exhibits attached in draft form as Attachment 1, subject to final negotiations and approval by both the SEJPA General Manager and SEJPA General Counsel, and agrees to the material terms contained therein. The Board of Directors hereby directs the General Manager to replace Attachment 1 with the final and executed version of the Power Purchase Agreement once negotiations are complete.

6. The General Manager, or designee, is hereby authorized to take any subsequent actions necessary to implement and effectuate the Power Purchase Agreement.
7. The Board Chair shall sign this Resolution and the Secretary of the Board shall attest thereto, and this Resolution shall take effect and be in force on the date of its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 15th day of December, 2020 by the following roll call vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

Board members:
Board members:
Board members:
Board members:

ATTEST:

Jody Hubbard
Board Chair

Michael T. Thornton, P.E.
Secretary

a. SOLAR POWER PURCHASE AGREEMENT

DATE: _____

This **Solar Power Purchase Agreement** (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, this “**SPPA**”) is entered into as of the date set forth above (the “**Effective Date**”) by Customer and Seller identified below. This SPPA consists of this Cover Page and the following Exhibits:

Exhibit A	Assumptions; Description of System
Exhibit B	Defined Terms; General Terms and Conditions
Exhibit C	Scope of Work
Exhibit D	Purchase Option Schedule
Exhibit E	System Production Guaranty
Exhibit F	Form of Confirmation of Tenant’s Ownership of the Energy System
Exhibit G	Form of Construction Commencement Notice
Exhibit H	License Agreement
Exhibit I	Form of Installation Schedule
Exhibit J	Form of Payment Bond and Form of Performance Bond
Exhibit K	Reserved
Exhibit L	Reserved
Exhibit M	Reserved

Purpose: Under and subject to the terms of this SPPA, Seller shall design, engineer, install, construct, commission, own, operate, maintain and repair the photovoltaic solar power electric generation system described in **Exhibit A** (collectively, the “**System**”). Customer shall purchase from Seller, and Seller shall sell to Customer, all of the electric energy, measured in kWh, as well as certain other attributes, generated by the System during the Initial Term and any Additional Term for the Contract Price. In furtherance of the foregoing, Customer shall also grant to Seller a non-exclusive license to access the Site to install, construct, operate, maintain and repair the System on Customer’s real property during the term of this SPPA, through termination and removal of the System and restoration of Customer’s property to its original condition in accordance with this SPPA, and grant to Seller certain Easements on and over certain real property upon which the System will be located.

Terms and Conditions: Certain of the principal terms of this SPPA are set forth on this cover page (this “**Cover Page**”). The remainder of the terms and conditions are contained in **Exhibit A** through **Exhibit K**, which are incorporated by reference and made a part of this SPPA.

Definitions: Capitalized terms used in this SPPA shall have the meanings ascribed to them in **Exhibit B**. Unless otherwise expressly set forth herein, section references contained in this SPPA shall refer to the provisions of the General Terms and Conditions contained in

Exhibit B.

Effective Date; Term: This SPPA shall become effective as of the Effective Date. The term of this SPPA shall commence on the Effective Date and shall continue until the end of an initial delivery term of 30 Contract Years from the COD, unless terminated earlier in accordance with the terms of this SPPA (the “**Initial Term**”). The Parties may agree to one (1) additional term of five (5) years, beginning as of the expiration of the Initial Term (an “**Additional Term**” and, together with the Initial Term, the “**Term**”).

Contract Price:

CY	\$/kWh	CY	\$/kWh	CY	\$/kWh
1		11		21	
2		12		22	
3		13		23	
4		14		24	
5		15		25	
6		16		26	
7		17		27	
8		18		28	
9		19		29	
10		20		30	

Additional Term Contract Price:

CY	\$/kWh
31	
32	
33	
34	
35	

Customer: San Elijo Joint Powers Authority By: _____ Name: _____ Title: _____ Address: _____ Phone: _____ E-mail: _____ Attention: _____	Seller: REC Solar Commercial Corporation By: _____ Name: _____ Title: _____ Address: 3450 Broad St., Ste 105 San Luis Obispo, CA 93401 Phone: (844) 732-7652 E-mail: legal@recsolar.com Attention: Contracts Administration

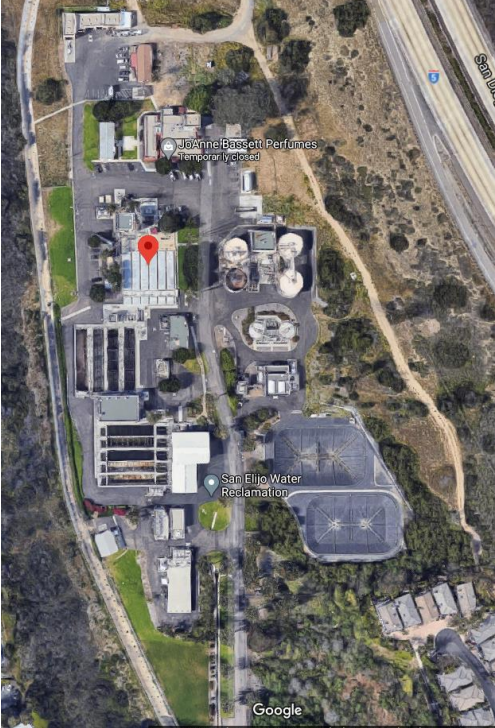
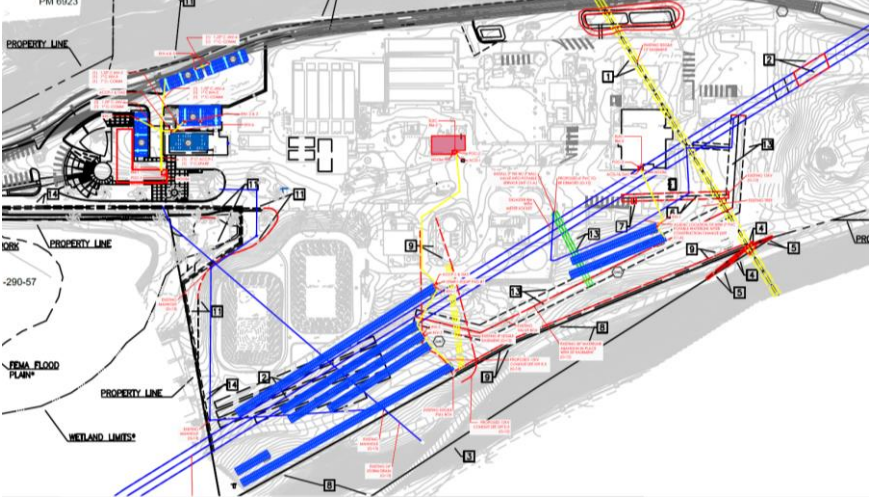
Exhibit A

Assumptions; Description of System

The following is a general description of the System that Seller will design, engineer, install, commission, own, operate, maintain, repair and construct pursuant to this SPPA:

Premises: <i>Address and legal description of the real property upon which the System shall be located:</i>	
Facility: <i>Building(s) or site on which the System is located</i>	San Elijo Water Reclamation Facility_____ _____ _____ _____
Site: <i>Portions of Customer's real property upon which Seller may install, access, maintain and repair the System under this SPPA.</i>	The previously undeveloped land along the eastern property line lying between the currently developed facility grounds and Interstate 5 Freeway. The rooftop of the concrete tank north of the administration building, and the paved areas west and north of that building.
Site Ownership:	Customer represents and warrants that it owns the Site to be utilized by Seller .
Approximate System Size (DC):	607kWDC solar installation on Customer's Site/ Premises. Final, actual System size to be determined after engineering review and design are complete. If the final size of the System increases or decreases by less than 2%, such change shall be reflected in the final As-Built to be delivered by Seller, and the System Production Guaranty shall be automatically adjusted to account for such change. If the final size of the System increases or decreases by more than 2%, such change (and any conforming changes) shall be reflected in an amendment to this SPPA (each, an "SPPA Amendment").
Seller-owned Attributes	<input type="checkbox"/> Environmental Attributes <input checked="" type="checkbox"/> Environmental Incentives <input checked="" type="checkbox"/> Tax Credits <input checked="" type="checkbox"/> Capacity Rights
Customer-owned Attributes	<input checked="" type="checkbox"/> Environmental Attributes <input type="checkbox"/> Environmental Incentives <input type="checkbox"/> Tax Credits <input type="checkbox"/> Capacity Rights
Expected System Structure:	<input checked="" type="checkbox"/> Ground Mount <input checked="" type="checkbox"/> Canopy <input checked="" type="checkbox"/> Rooftop
Extended Term of SPPA:	Seller shall have the right to access the Site for a period of 180 days beyond the operation of the System for the purposes of removal and restoration of the Site to its former condition under the terms of the License.

Customer Parent Guaranty Required: <i>If yes, Name/Address of Customer Parent: See <u>Section 7(a)(ii)</u></i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Name: _____ Address: _____ Phone: _____ E-mail: _____ Attention: _____
Outside Construction Commencement Date	Means the date that is three-hundred sixty five (365) days after the Effective Date, as may be extended in accordance with <u>Section 7(b)</u> of Exhibit B.
Commercial Operation Date (COD)	Within 246 days of Construction Commencement
Construction Completion	Within 60 calendar days of COD.
Utility:	San Diego Gas and Electric (SDG&E)
Facility Contact:	Name: _____ Address: _____ Phone: _____ E-mail: _____
Payment and Billing Contact:	Name: _____ Address: _____ Phone: _____ E-mail: _____
Customer Notice Contact:	Name: _____ Address: _____ Phone: _____ E-mail: _____

<p>Aerial Image of Premises</p>	
<p>Conceptual System Layout: <i>(Final System size and layout to be determined based on final engineering and will be depicted in an SPPA Amendment that also denotes any correlating changes to the output of the System)</i></p>	
<p>Description of Access Points: <i>(Showing access to Site, Facility, and System)</i></p>	<p>Main facility entrance off Manchester Ave.</p>
<p>Delivery Point(s):</p>	<p>There are three delivery points with the following meters:</p> <ol style="list-style-type: none"> 1. Meter 6697549 2. Meter 6699074 3. New meter to be provided by Customer
<p>Contract Price Assumptions:</p>	<p>The Contract Price is based on the following assumptions (subject to the provisions of <u>Section 8(e)</u> of Exhibit B):</p> <p>b. A payment and performance bond during the period between</p>

	<p>Commencement of Construction and the occurrence of the Commercial Operation Date is <input checked="" type="checkbox"/> is not <input type="checkbox"/> being issued to Customer under this SPPA.</p> <p>c. Interconnection costs for the System will not exceed \$4,000 in the aggregate.</p> <p>d. Statutory prevailing wage rates (e.g., Davis-Bacon) do <input checked="" type="checkbox"/> do not <input type="checkbox"/> apply.</p> <p>e. A System Production Guaranty is <input checked="" type="checkbox"/> is not <input type="checkbox"/> being provided.</p> <p>f. The prices in this SPPA are calculated based on an upfront rebate in the amount of \$0.00.</p> <p>g. Contractor shall perform the Work (as defined in the Scope of Work attached in <u>Exhibit C</u>). Unless otherwise agreed to in writing by Seller and Customer pursuant to an SPPA Amendment, the Contract Price only includes the Work as defined in <u>Exhibit C</u>.</p> <p>h. The Contract Price is inclusive of Seller's Taxes (as defined in <u>Section 5(c)(ii) of Exhibit B</u>) at the rates in effect as of the Effective Date (to the extent that such rates are known or knowable by Seller on the Effective Date); provided that, if, during the Term, Seller's Taxes increase by a material amount, the Parties shall negotiate in good faith for twenty (20) Business Days following such increase to mutually agree on a new Contract Price in light of such increase, and if the Parties cannot agree on a new Contract Price, within such period, Seller shall have the right to terminate this SPPA and Customer shall pay Seller the applicable Termination Payment.</p> <p>i. There is no savings guarantee</p> <p>j. Interconnection to existing main switch gear is included for existing meters; new dedicated PV breaker to be provided by Customer for the new meter prior to System commissioning.</p> <p>k. Seller will coordinate via prior written notice to Customer a shutdown of the main power distribution switchboard(s). Customer shall provide reasonable accommodation and shall bear the cost of any provisions needed for facility operations during the shutdown</p> <p>l. Soil conditions to allow carport piles to be augured; IBC Class IV soil (2000 psf vertical and 150 psf/ft lateral bearing capacity minimum)</p> <p>m. XX' clear height assumed for all carport structures</p>
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	n. Seller shall not charge any additional amounts to ensure that metering can produce all reports necessary to secure Renewable Energy Certificates.
Contract Price Exclusions:	Unless Seller and Customer have agreed otherwise in writing in an SPPA Amendment, and except as otherwise provided in <u>Section 3</u> of <u>Exhibit B</u> , the Contract Price excludes the items specifically designated as excluded items in <u>Exhibit C</u> .
Battery Storage Option	The System does <input type="checkbox"/> does not <input checked="" type="checkbox"/> include a Storage System

Exhibit B
Defined Terms; General Terms and Conditions

1. Defined Terms.

“Access Rights” has the meaning set forth in Section 9(a) of **Exhibit B**.

“ACH” means Automated Clearing House.

“Additional Term” has the meaning set forth on the Cover Page.

“Adjusted Energy Production Amount” has the meaning set forth in **Exhibit E**.

“Affiliate” means, with regard to any Person, (a) any Person, directly or indirectly, controlled by, under common control of, or controlling such Person; (b) any Person, directly or indirectly, in which such Person holds, of record or beneficially, fifty percent (50%) or more of the equity or voting securities; (c) any Person that holds, of record or beneficially, any equity or voting securities of such Person; (d) any Person that, through Contract, relationship or otherwise, exerts a substantial influence on the management of such Person’s affairs; (e) any Person that, through Contract, relationship or otherwise, is influenced substantially in the management of its affairs by such Person; or (f) any director, officer, partner or individual holding a similar position in respect of such Person.

“AHJ” means the Governmental Authority that will review all System construction design plans as may be required and, upon approval thereof, will issue any required construction permit for Seller to commence construction of the System.

“Business Days” means business days which occur on weekdays, excluding Federal holidays.

“Capacity Rights” means the rights, whether in existence as of the Effective Date or arising thereafter during the Term, to capacity, resource adequacy, attributes associated with the foregoing, excluding Environmental Attributes, or reserves associated with the electric generating capability of the System, including the right to resell such rights, and any payments or compensation related to the System's participation in any utility grid services program which utilizes the solar components of the System.

“Change in Law” has the meaning set forth in Section 10(a) of **Exhibit B**.

“Claim” has the meaning set forth in Section 17(b) of **Exhibit B**.

“Clearance Easement” has the meaning set forth in Section 9(a) of **Exhibit B**.

“Closeout Site Cleanup” has the meaning set forth in Section 8(l)(i)(B).

“Commencement of Construction” means the date upon which Seller has mobilized to the Site and commences construction of the System, which date shall be set forth in the Commencement of Construction Notice.

“Commencement of Construction Notice” has the meaning set forth in Section 7(d) of **Exhibit B**.

“Commercial Operation Date” or **“COD”** means the date Seller gives Customer written notice that (a) the System is mechanically complete and capable of providing electric energy to the Delivery Point, (b) all applicable material zoning, land use, electrical, and building permits required to construct, install, and operate the System have been obtained, and (c) any agreements or approvals from the Utility necessary in order to interconnect the System to the Facility electrical system and to the Utility’s electric distribution system are in place.

“Compensatory Payments” has the meaning set forth in Section 9(d) of Exhibit B.

“Confidential Information” means (a) confidential information, including business plans, strategies, financial information; (b) proprietary, patented, licensed, copyrighted or trademarked information, and (c) technical information regarding the design, operation and maintenance of the System, or with respect to Customer, Customer’s business.

“Construction Agreement” means an agreement between Seller and any contractor, or subcontractor, providing for the installation of the System. The parties anticipate that REC Solar Commercial Corporation or its affiliate will be the contractor.

“Construction Closeout” means the date after COD when construction has been completed, inclusive of all punch lists being closed, all permits signed-off, all energy systems successfully commissioned and Customer has certified completion.

“Contract Price” means the \$/kWh price set forth on the Cover Page for the respective Contract Year.

“Contract Year” or **“CY”** means (a) a twelve (12)-month period commencing on the first day of the first full month after COD and (b) each succeeding twelve (12)-month period thereafter through the Initial Term and any Additional Term.

“Cover Page” has the meaning set forth on the Cover Page.

“Customer” means the party identified as Customer on the Cover Page.

“Customer-Directed System Change” has the meaning set forth in Section 8(b)

“Customer Lay-Out Approval” has the meaning set forth in Section 7(c) of Exhibit B.

“Default Event” has the meaning set forth in Section 13(a) of Exhibit B.

“Defaulting Party” has the meaning set forth in Section 13(a) of Exhibit B.

“Depreciation Benefit” means any reduction in income taxes as a result of tax deductions directly attributable to ownership of the System.

“Early Termination” has the meaning set forth in Section 13(b) of Exhibit B.

“License” has the meaning set forth in Section 9(a) of Exhibit B.

“Effective Date” has the meaning set forth on the Cover Page.

“Energy” means the electric energy generated by the System.

“Energy Production Surplus” has the meaning set forth in Exhibit E.

“Emergency Condition” has the meaning set forth in Section 9(i) of Exhibit B.

“Environmental Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, that are created or otherwise arise from the System, the production of electric energy from the System and its displacement of conventional energy generation during the Term, including: (a) any avoided emissions of pollutants to the air, soil or water including sulfur oxides (SOx), nitrogen oxides (NOx), mercury (Hg), carbon monoxide (CO), or other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (c) the reporting rights related to these avoided emissions, such as Green Tag Reporting Rights and Renewable Energy Credits. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Environmental Incentives and Tax Credits. Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, emissions allowances, green tags tradable renewable credits, and Green-e® products.

“Environmental Incentives” means any and all credits, rebates, subsidies, payments, or other incentives that relate to onsite or self-generation of electricity, the use of the System or any technology incorporated into the System, environmental benefits of using the System, or other similar programs that are available during the Term from the Utility, any other regulated entity, the manufacturer of any part of the System, or any Governmental Authority. Without limiting the generality of the foregoing, Environmental Incentives include California’s Low Carbon Fuel Standard (LCFS) incentives.

“Estimated Guaranty Period Production” has the meaning set forth in Exhibit E.

“Extension Request” has the meaning set forth in Section 4(b) of Exhibit B.

“Facility” means the building, parking structure, and other improvements now or hereafter located on the Premises, as described in Exhibit A.

“Fair Market Value” has the meaning set forth in Exhibit D.

“Financing Party” or **“Financing Parties”** means a person providing construction, interim or long-term financing or refinancing (which may be in the form of a tax equity financing or debt financing) in connection with designing, engineering, installing, constructing, commissioning, owning, operating, or maintaining of the System, or, if Seller obtains a tax equity financing with an inverted lease structure, any person to whom Seller has transferred the ownership interest in

the System and its interest in this SPPA and related contracts as part of a leaseback of the System and such contracts from such person.

“Force Majeure” has the meaning set forth in Section 18(a) of **Exhibit B**.

“General Terms and Conditions” means the terms and conditions contained in **Exhibit B**.

“Governmental Authority” means any national, state, or local government (whether domestic or foreign), any political subdivision thereof, or any other governmental, quasi-governmental, judicial, public, or statutory instrumentality, authority, body, agency, bureau, or entity (including the Federal Energy Regulatory Commission and any state utilities commission), or any arbitrator with authority to bind a party at law.

“Guaranty Period” has the meaning set forth in **Exhibit E**.

“Term” has the meaning set forth in **Exhibit E**.

“Hazardous Substance” has the meaning set forth in Section 17(c) of **Exhibit B**.

“Indemnified Parties” has the meaning set forth in Section 17(a) of **Exhibit B**.

“Indemnifying Party” has the meaning set forth in Section 17(a) of **Exhibit B**.

“Initial Term” means the term set forth on the Cover Page.

“Insolation” means solar radiation reaching the System.

“Installation Schedule” means a schedule that provides the key milestone dates for installation of the System, which shall be set forth in Seller’s notice of the Commencement of Construction substantially in the form of **Exhibit L**.

“ITC” has the meaning set forth in the definition of “Tax Credits.”

“JAMS” means the private alternative dispute resolution provider named JAMS.

“kWh” means kilowatt hours.

“Lay-Out” has the meaning set forth in Section 7(c) of **Exhibit B**.

“License Term” has the meaning set forth in Section 9(a) of **Exhibit B**.

“Liabilities” has the meaning set forth in Section 17(a) of **Exhibit B**.

“Lien” means any mortgage, pledge, lien, charge, security interest, encumbrance, hypothecation or other claim of any nature.

“Lien Waiver” has the meaning set forth in Section 7(a)(vi).

“License Agreement” means a License to use the Site including access rights and Easements granted herein substantially in the form attached hereto as **Exhibit H**.

“Minimum Production Threshold” has the meaning set forth in Exhibit E.

“Non-Defaulting Party” has the meaning set forth in Section 13(a) of Exhibit B.

“Option Exercise Notice” has the meaning set forth in Section 16(b)(i) of Exhibit B.

“Option Purchase Date” has the meaning set forth in Section 16(b)(i) of Exhibit B.

“Outside Construction Commencement Date” has the meaning set forth on the Cover Page.

“Party” means any of Customer and Seller.

“Parties” means Customer and Seller.

“Payment Default” has the meaning set forth in Section 13(a)(i) of Exhibit B.

“Person” means any corporation, partnership, joint venture, limited liability company, organization, entity, governmental authority or natural person.

“Premises” means the real property on which the System will be installed, as described in Exhibit A, including the Site and any areas over which the License is located.

“Purchase Price” has the meaning set forth in Exhibit D.

“Release” has the meaning set forth in Section 17(c) of Exhibit B.

“Removal Deadline” has the meaning set forth in Section 11 of Exhibit B.

“Representative” has the meaning set forth in Section 20(a) of Exhibit B.

“Scheduled Outage” has the meaning set forth in Section 9(e) of Exhibit B.

“Seller” means Amply Power, Inc., or any party to whom it assigns this SPPA in accordance with Section 19 of Exhibit B.

“Seller Excused Energy Amount” has the meaning set forth in Exhibit E.

“Seller Meter” has the meaning set forth in Section 12.

“Seller-owned Attributes” means Tax Credits, and, if such matters are specified in Exhibit A as being for the account of Seller, the Environmental Attributes, Capacity Rights and Environmental Incentives.

“Seller’s Taxes” has the meaning set forth in Section 5(c)(ii) of Exhibit B.

“Shortfall” has the meaning set forth in Exhibit E.

“Shortfall Payment” has the meaning set forth in Exhibit E.

“Site” means the area licensed to Seller as depicted in Exhibit A.

“Solar Development License” has the meaning set forth in Section 9(a) of Exhibit B.

“SPPA” has the meaning set forth on the Cover Page.

“SPPA Amendment” has the meaning set forth on the Cover Page.

“Successor Provider” means successor provider of operation and maintenance services with respect to the System and/or the other obligations of Seller with respect to this SPPA as provided in Section 19(e) of Exhibit B.

“System” has the meaning set forth on the Cover Page.

“Tax Credits” means any and all (a) investment tax credits (“ITC”), (b) production tax credits, and (c) similar tax credits or grants under federal, state, or local law relating to the design, installation, construction, commissioning, ownership, maintenance or repair of the System or the price or production of electric energy from the System all of which shall be calculated on a post-tax, fully grossed-up tax basis.

“Taxes” means any federal, state, and local ad valorem, occupation, generation, privilege, sales, use, consumption, excise, transaction, and other taxes, regulatory fees, surcharges or other similar charges, but excludes any income taxes or similar taxes imposed on Seller’s revenues due to the sale of electric energy under this SPPA, which shall be Seller’s responsibility

“Tax Loss” has the meaning set forth in Section 17(d) of Exhibit B.

“Term” means the term of this SPPA, commencing on the Effective Date and continuing through the Initial Term and any Additional Term.

“Termination Payment” has the meaning set forth in Schedule 1 to this Exhibit B.

“Test Energy” has the meaning set forth in Section 3 of Exhibit B.

“Transmission Easement” has the meaning set forth in Section 9(a) of Exhibit B.

“Unforeseen Conditions” means unknown or unforeseen Site conditions that require any variance from the Work as set forth in Exhibit C, which were not discovered through Seller’s commercially reasonable and diligent inspection of the Site or that were not disclosed in any report or other written information provided to Seller with respect to the Site.

“Utility” means the local electric utility designated in Exhibit A of this SPPA.

“Work” means the work to be performed by Seller or its contractors or subcontractors as further defined in Exhibit C.

2. Interpretation.

Unless otherwise defined or required by the context in which any term appears: (a) the singular includes the plural and vice versa; (b) the words “herein,” “hereof,” and “hereunder” refer to this SPPA as a whole and not to any particular section or subsection of this SPPA; (c) references to any agreement, document, or instrument mean such agreement, document, or instrument as amended,

modified, supplemented, or replaced from time to time; (d) the word “day” means calendar days, unless Business Days are specified; and (e) the words “include,” “includes,” and “including” mean include, includes, and “including without limitation.” The captions or headings in this SPPA are strictly for convenience and shall not be considered in interpreting this SPPA. Section references contained in this SPPA shall refer to the provisions of the General Terms and Conditions.

3. Purchase and Sale of Electricity.

Customer shall purchase from Seller, and Seller shall sell to Customer, all of the Energy generated by the System, measured in kWh, during the Term, for the Contract Price. For the avoidance of doubt, Seller will not invoice Customer for energy produced prior to COD (“Test Energy”). Neither Party shall have any obligation to the other Party with respect to purchase or delivery of such Test Energy. All Energy generated by the System will be delivered to Customer at the Delivery Point identified above in **Exhibit A**. Customer shall take title to the Energy at the Delivery Point, and risk of loss will pass from Seller to Customer at the Delivery Point. Customer may purchase electrical energy to power the Facility with respect to any Guaranty Period from other sources so long as Customer's electric requirements to power the Facility for such Guaranty Period exceed the expected output of the System (excluding the Minimum Production Threshold for such Guaranty Period).

4. Term and Termination.

- (a) **Initial Term.** The Initial Term of this SPPA shall commence on the Effective Date and continue for the Initial Term specified above in the Cover Page, unless earlier terminated as provided for in this SPPA. Upon Customer's request, Seller will give Customer copies of certificates of completion in a form prepared by Seller's contractor, and the interconnection (or similar) agreement with Utility. This SPPA is effective as of the Effective Date.
- (b) **Additional Term.** Prior to the end of the Initial Term (if Customer has not exercised its option to purchase the System as described in Section 16(b)), subject to the terms of this SPPA, either Party may give the other Party written notice of its desire (an “**Extension Request**”) to extend this SPPA on the terms and conditions set forth herein for the number and length of additional periods specified above on the Cover Page. Such Extension Request shall be given, if at all, not more than one-hundred twenty (120) days, and not less than sixty (60) days, prior to the last day of the Initial Term. The Party receiving an Extension Request shall respond in writing within twenty (20) Business Days following receipt of such Extension Request either accepting or rejecting such Additional Term. Failure to respond within such twenty (20)-Business Day period shall be deemed a *rejection* of such Extension Request. If both Parties agree to an Additional Term, the Additional Term shall begin immediately upon the conclusion of the Initial Term or the then-current Additional Term on the same terms and conditions as set forth in this SPPA (unless otherwise mutually agreed upon by the Parties in writing). If the Party receiving such Extension Request for an Additional Term rejects, or is deemed to have rejected, the other Party's Extension Request, this SPPA shall terminate as of the last day of the Initial Term (if the same has not been extended), unless terminated earlier in accordance with the terms of this SPPA.

5. Billing and Payment.

- (a) **Monthly Charges.** Customer shall pay Seller monthly for the Energy delivered to the Delivery Point, as measured by the System meter, at the \$/kWh rate shown on the Cover Page. The monthly payment for such energy will be equal to the applicable Contract Price multiplied by the

number of kWh of electric energy generated during the applicable month. Test Energy, if invoiced by Seller, shall be billed at the Year 1 Contract Price.

- (b) **Monthly Invoices.** Seller shall invoice Customer monthly, and Customer shall pay Seller within the time period specified herein. Such monthly invoices shall state: (i) the Energy delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Customer under this SPPA, (iii) any Taxes that Customer is responsible for reimbursing as provided in clause (c) below; provided that such Taxes, at Seller's election, may be included on one invoice on an annual basis rather than on monthly invoices and (iv) the total amount due from Customer.

(c) **Taxes.**

- (i) **Customer Taxes.** Customer shall either pay or reimburse Seller for: (A) any and all Taxes assessed on the generation, sale, delivery, or consumption of the Energy or the interconnection of the System to the Utility's electric distribution system; provided, however, Customer will not be required to pay or reimburse Seller for any Taxes during periods when Seller fails to deliver electric energy to Customer for reasons other than (a) Force Majeure, (b) Customer's acts or omissions, (c) Customer's breach or default hereunder, (d) Customer's failure to accept delivered electric energy, (e) curtailments by the interconnecting utility, (f) maintenance or repair (so long as Seller provides advanced notice to Customer of such repair or maintenance if Seller has advanced notice thereof) or (g) outages to the local transmission or distribution system that impact the System's ability to delivery electric energy to the Delivery Point; and (B) all real property taxes, levies, charges and assessments against the Premises, including any increases in the assessed value of the Premises for tax purposes as a result of the installation, construction, improvement, replacement, repair or maintenance of the System.

- (ii) **Seller's Taxes.** Seller is responsible for: (A) payment of income taxes or similar taxes imposed on Seller's revenues due to the sale of electricity under this SPPA; and (B) all personal property taxes imposed on the System ("**Seller's Taxes**").

- (d) **Payment Terms.** All amounts due under this SPPA shall be due and payable net thirty (30) days from receipt of invoice. Any undisputed portion of the invoice amount not paid within the fifteen (15)-day period shall accrue interest at the annual rate of 1.5% over the prime rate, as published in *The Wall Street Journal* (but not to exceed the maximum rate permitted by law). Seller shall charge no additional fees for standard payment methods such as check, ACH or credit card payments.

6. **Environmental Attributes and Environmental Incentives.** Customer shall cooperate with Seller in obtaining, securing, and transferring all of the Environmental Attributes and/or Environmental Incentives including by using the Energy in a manner necessary to qualify for such available Environmental Attributes and/or Environmental Incentives. Customer shall not be obligated to incur any out-of-pocket costs or expenses in connection with such actions unless such costs and expenses (to the extent reasonable) are reimbursed by Seller within thirty (30) days following receipt of an invoice from Customer. If any of the Seller-owned Attributes (as designated on the Cover Page) are paid directly, or otherwise transferred, to Customer, Customer shall immediately pay such amounts (or otherwise transfer such rights) over to Seller. To avoid any conflicts with fair trade rules regarding claims of solar or renewable energy use, Customer, if engaged in commerce and/or trade,

shall submit to Seller for approval any press releases regarding Customer's use of solar or renewable energy and shall not submit for publication any such releases without the prior written approval of Seller. Approval shall not be unreasonably withheld, and Seller's review and approval shall be made in a timely manner to permit Customer's timely publication. Customer and Seller shall file all tax returns in a manner consistent with Section 5. Seller shall provide to Buyer Green-E replacement RECs equal in quantity to those generated by the System.

7. Conditions to Seller's Obligations.

(a) **Seller's Diligence Conditions.** Seller's obligations under this SPPA are conditioned upon the completion or waiver by Seller of each of the following conditions to Seller's reasonable satisfaction prior to Commencement of Construction:

- (i) Completion of a physical inspection of the Facility and the Premises by Seller or its designees including, if applicable, completion of satisfactory geotechnical work and real estate due diligence (including a Phase I environmental report with respect to potential Hazardous Substances located on and around the Premises), in order to confirm the suitability of the Facility and the Premises for the System;
- (ii) Approval by Seller's Financing Parties of (A) this SPPA, (B) the Construction Agreement (if any) for the System, and (C) the credit quality of Customer;
- (iii) If required by applicable law, regulations, rules, or ordinances, a confirmation that Seller will be able to obtain all applicable Tax Credits (as specified in **Exhibit A**);
- (iv) With the assistance of Customer in accordance with Section 9(b), receipt of all necessary zoning, land use, electrical, and building permits for the System, including any permit required to be issued by the AHJ(s) in connection with the construction of the System;
- (v) Execution of all agreements, including interconnect applications and shutdown/inspection coordination, with the Utility necessary for interconnection of the System to the Facility electrical system and the Utility's electric distribution system, as applicable;
- (vi) With respect to Liens, Seller has received satisfactory results of a recent search of Customer's jurisdiction of all real property records and effective UCC filings, and such search shows that there are no Liens on any property or assets of Customer (other than (i) Liens in favor of a person who has duly executed a lien waiver in form and substance satisfactory to Seller ("**Lien Waiver**") and (ii) Liens that could not reasonably be expected to materially and adversely impact the transactions contemplated by this SPPA); and
- (vii) With respect to any existing mortgage, deed of trust, or similar security instrument encumbering all or any portion of the Facility or the Premises, Customer has delivered to Seller a recordable confirmation in the form attached as **Exhibit F** hereto acknowledging, among other things, Seller's right to enter upon and access the Premises and the Facility in order to remove the System.

(b) **Failure to Satisfy Seller's Diligence Conditions.** If any of the conditions listed in Section 7(a) above are not (and are not reasonably likely to be) satisfied at any time prior to the Outside

Construction Commencement Date, the Parties will attempt in good faith to negotiate new dates for the satisfaction of the failed conditions. If the Parties are unable to negotiate new dates within ten (10) Business Days following the Outside Construction Commencement Date, then Seller may, in its sole discretion, terminate this SPPA upon ten (10) Business Days' written notice to Customer, which termination shall be a no-fault termination, and thereafter neither Party shall have any liability for costs or damages to the other Party.

- (c) **Customer Lay-Out Approval.** Prior to the Commencement of Construction or the procurement of major materials and equipment, Seller shall prepare Construction Documents, encompassing a complete design package for the System, including array lay-out, electrical equipment lay-out, design for point of interconnection, complete electrical and lighting design, structural design, all required engineering stamps and a detailed construction schedule. The (the "**Lay-Out**") is subject to the review and approval of Customer (the "**Customer Lay-Out Approval**") in accordance with the terms of this clause (c). Customer shall either provide the Customer Lay-Out Approval, or provide Seller with reasonable comments, within fifteen (15) Business Days following receipt of the lay-out proposed by Seller. If Customer fails to respond within such fifteen (15) Business Day period, any affected deadlines under this Agreement shall be extended accordingly. If the Lay-Out proposed by Seller following the conclusion of Seller's diligence, or that would be required by Customer in order to provide the Customer Lay-Out Approval, would in either case differ materially from the Conceptual System Layout depicted in **Exhibit A**, or cause the Contract Price to be uneconomic for either Party, the Parties shall negotiate for a period of ten (10) Business Days to agree on a Lay-Out satisfactory to both Parties and a Contract Price that is satisfactory to both Parties in light of such Lay-Out, and, if the Parties are unable to agree upon a Lay-Out and new Contract Price, Seller may, in its sole discretion, terminate this SPPA upon ten (10) Business Days' written notice to Customer. In the event of termination under this Section 7(c), Customer shall pay Seller, within thirty (30) Days of the termination date, for all completed Work and any equipment and materials ordered through the effective date of such termination (plus 15% markup for overhead and profit) and other verifiable out-of-pocket costs, including reasonable and verifiable termination fees of vendors and contractors. Seller shall provide copies of supporting documentation upon Customer's request. Seller shall use commercially reasonable efforts to return or redistribute any materials procured by its contractors and credit Customer accordingly.
- (d) **Commencement of Construction.** Following receipt of the Customer Lay-Out Approval, Seller shall prepare submittals for review and approval by the AHJ(s) in order for the AHJ(s) to issue necessary permits for the System. Following the completion or satisfaction of, or waiver by Seller of, each of the conditions in Section 7(a), including the receipt of such AHJ permits, Seller shall deliver to Customer a notice of Commencement of Construction. Such notice shall (x) be in the form attached as **Exhibit G**, (y) denote the final System size and Lay-Out, and (z) be delivered not less than ten (10) Business Days prior to the date upon which Seller mobilizes to the Site to begin installation of the System (the "**Commencement of Construction Notice**").
- (e) **Working Hours.** All on site work is to be performed Monday through Friday between the hours of 7:30 a.m. and 5:00 p.m. In the event these working hours conflict with a local ordinance affecting the City of Encinitas, Seller shall ensure that all work under this Agreement is performed in compliance with such ordinance. At the start of each workday Seller or its subcontractors will register all contract personnel on site for/or during that workday at the Administration Building. Seller or its agents/representatives will also notify Purchaser's designated representative of any change in its work schedule. Any change in the defined

working times must have prior written approval from Customer's General Manager or his designee.

- (f) **Prevailing Wage.** Customer is a public agency subject to public contracting laws. Seller shall comply with the all State of California requirements with respect to any installation, repair, maintenance or other work constituting a public works under California Labor Code sections 1720 et seq. and 1770 et seq., and California Code of Regulations, title 8, section 16000 et seq. (collectively, "Prevailing Wage Laws"). Seller agrees to comply with and require its subcontractors to comply with the requirements of Prevailing Wage Laws and any additional applicable California Labor Code provisions related to such work including without limitation payroll recordkeeping requirements. Seller and its subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the Department of Industrial Relations ("DIR") for all services described in this Agreement and as required by the Prevailing Wage Laws. Seller shall defend, indemnify and hold Customer, its Member Agencies (to include the City of Solana Beach and the City of Encinitas) and each of their respective officials, officers, directors, employees, agents and volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged failure of Seller or its subcontractors to comply with Prevailing Wage Laws.

8. Seller's Rights and Obligations.

- (a) **Construction; Permits and Approvals.** Seller shall use commercially reasonable efforts to obtain any zoning, land use, electrical, and building permits required by the AHJ to design, construct, install, operate, own, maintain and repair the System. Seller shall use commercially reasonable efforts to obtain any agreements and approvals from the Utility necessary to interconnect the System to the Facility electrical system and/or the Utility's electric distribution system.
- (b) **Customer-Directed Changes.** If at any time Customer, or its insurance carrier, requests any amendments, changes or modifications to the System or the Work (including to System size, design, location, equipment, point of interconnection, conduit paths, specifications, or project phasing, as applicable, but excluding the Customer Lay-Out Approval) (such change, a "**Customer-Directed System Change**"), then Seller shall promptly deliver to Customer with a written proposal to modify the Installation Schedule and the Contract Price, as applicable, as required to account for such amendments, changes or modifications. If a customer requested change results in an updated solar yield (1590kWh/kWp) that is either less than or greater than 0.5% than the originally forecast yield, the Contract Price Adjustment will be adjusted in order to maintain the economic bargain between the parties. If Customer fails to agree within ten (10) Business Days to all or any portion of the proposal, Seller may, in its discretion, either (i) continue to design, engineer, install, commission, own, operate, maintain and repair the System per the Customer Lay-Out Approval without such Customer-Directed System Change, or (ii) terminate this SPPA, in which case Customer shall pay Seller the Contract Year 1 Termination Payment within twenty (20) business Days following Customer's receipt of invoice of such payment.
- (c) **Allowances.** The Contract Price is based on the following allowances for the Work to be performed hereunder:

Project Construction Cost:

Category	Allowance (ITC-Eligible)	Contract Price Adjustment
Utility Interconnection Fees	\$0.00	\$25k in an increase or decrease is \$0.XXX/kWh of increase or decrease as applicable.
Customer-Directed Changes	\$0	
Permitting Fees	\$12,000	
Special inspection fees (not permitting fees)	\$8,000	

Category	Allowance (Non-ITC-Eligible)	Contract Price Adjustment
Utility Interconnection Fees	\$0	\$25k in an increase or decrease is \$0.XXX/kWh of increase or decrease as applicable.
Customer-Directed Changes	\$0	
[Other]	\$0	

If the cost of the Work associated with any category set forth above either exceeds, or is less than, the applicable allowance amount set forth above, the Contract Price shall be automatically increased or decreased, as applicable, based on the documented costs incurred by Seller and the Contract Price Adjustment parameters set forth above.

- (d) **Unforeseen Conditions.** If at any time Seller encounters Unforeseen Conditions that will require a change to the Installation Schedule, Contract Price, or any other material term of this SPPA or the performance of the Work, Seller shall notify Customer promptly following discovery of such Unforeseen Conditions, including a written proposal to modify the Installation Schedule and the Contract Price, as applicable, as required to account for such Unforeseen Conditions. Seller and Customer shall negotiate in good faith to reach a mutually-agreeable solution with respect to the Installation Schedule and Contract Price. If to the Parties are unable to agree within ten (10) Business Days to all or any portion of the proposal, Seller may, in its discretion, terminate this SPPA, in which case Customer shall pay Seller the Contract Year 1 Termination Payment within twenty (20) Business Days following the receipt of an invoice therefor from Seller.
- (e) **Changes to Contract Price.** Any change to the Contract Price permitted or required in accordance with this SPPA shall be reflected in a written SPPA Amendment between the Parties. To the extent requested by Customer, in lieu of an adjustment to the Contract Price, Customer may elect to pay Seller directly for the additional costs incurred by Seller. If Customer elects to pay Seller directly, Seller shall deliver an invoice to Customer and Customer shall pay Seller for such amounts within twenty (20) Business Days following receipt thereof.
- (f) **Maintenance and Repairs.** During the Term, Seller will operate and perform all routine and emergency repairs to, and maintenance of, the System and the Site at its sole cost and expense, except for any repairs or maintenance resulting from Customer's breach of this SPPA or the sole negligence or willful misconduct of Customer, its affiliates or its or their Indemnified Parties, to the extent such repairs or maintenance are attributable to such Customer breach, sole

negligence or willful misconduct. Operations and maintenance of the System shall be adequate to maintain the warranty, any performance guarantee, safe operating condition of the System, and all balance of system and ancillary improvements installed under this SPPA. Seller shall notify Customer within twenty-four (24) hours following Seller's discovery of any material malfunction in the operation of the System. Seller shall not be responsible for any work done by others on any part of the System or the Site unless Seller authorizes that work in advance in writing. Seller shall not be responsible for any loss (including failure to meet Minimum Production Threshold specified in **Exhibit E**), damage, cost, or expense arising out of or resulting from improper environmental controls or improper operation or maintenance of the System or the Site by anyone other than Seller or Seller's contractors acting within the scope of their contract with Seller. If the System requires repairs, or Seller incurs costs or expenses, for such losses, damages, or other improper controls or operation caused by anyone other than Seller or such contractors, Customer shall pay Seller for diagnosing and correcting the problem, including any repairs and replacements, at Seller or Seller's contractors' then current standard rates. Customer shall pay the amounts owed to Seller under this clause (f) within twenty (20) Business Days following receipt of an invoice from Seller. Seller shall provide Customer with reasonable notice prior to accessing the Facility to make standard repairs.

- (g) **Seller-detected System Anomaly Notice.** Seller shall notify Customer within two (2) Business Days following Seller's discovery of (i) any material malfunction in the operation of the System, or (ii) a material interruption in the supply of the Energy for a period of ten (10) Business Days. Customer and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, 24 hours per day, including weekends, and holidays. Customer shall notify Seller immediately upon the discovery of an emergency condition affecting the System.
- (h) **Suspension.** Notwithstanding anything to the contrary herein, Seller shall be entitled to suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System and such suspension of service shall not constitute a breach of this SPPA; provided, that Seller shall use commercially reasonable efforts to minimize any interruption in service to Customer.
- (i) **Use of Contractors and Subcontractors.** Seller shall be permitted to use contractors and subcontractors to perform its obligations under this SPPA; provided, however, that such contractors and subcontractors shall be duly licensed, pursuant to applicable law, and shall provide any work in accordance in all material respects with applicable industry standards. Notwithstanding the foregoing, Seller shall continue to be responsible for the quality of the work performed by its contractors and subcontractors.
- (j) **Payment of Contractors and Suppliers.** Seller shall pay when due all valid and undisputed charges from all contractors, subcontractors, and suppliers supplying goods or services to Seller under this SPPA and keep the Facility free and clear of any Liens on Seller's right, title and interest in the Facility related to such valid and undisputed charges. Seller shall indemnify Customer for all claims, losses, damages, liabilities, and expenses resulting from any such Liens that are filed against the Facility or the Premises in connection with such charges; provided, however, that (x) Seller shall have the right to contest any such Lien, so long as, within sixty (60) days following the date Seller becomes aware of such Lien, with respect to any material Lien, it provides a statutory bond or other reasonable assurances of payment that either remove such Lien from title to the Facility and the Premises or that assure that any adverse judgment with

respect to such Lien will be paid without affecting title to the Facility and the Premises and (y) Seller shall not indemnify Customer for any such Lien that is being contested in accordance with clause (x) during the period when such Lien is contested.

- (k) **No Warranty; Sole and Exclusive Remedies.** EXCEPT AS OTHERWISE SET FORTH IN THIS SPPA, NO WARRANTY OR REMEDY, WHETHER STATUTORY, ORAL, OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, SHALL APPLY WITH RESPECT TO THE SYSTEM OR THE SERVICES TO BE PROVIDED BY SELLER HEREUNDER. The remedies set forth in this SPPA shall be Customer's sole and exclusive remedies for any claim or liability arising out of or in connection with this SPPA, whether arising in contract, tort (including negligence), strict liability, or otherwise.

(l) **Construction Closeout Delay Liquidated Damages.**

- (i) Seller acknowledges that time is of the essence in this Agreement. Failure of Seller to perform any covenant or condition contained in this Agreement within the time period specified shall constitute a material breach of this Agreement. Customer will be entitled to terminate this Agreement unless Seller applies for, and receives, an extension of time in accordance with the procedures set forth in this Agreement. Failure of Customer to insist upon the performance of any covenant or condition within the time period specified in this Agreement shall not constitute a waiver of Seller's duty to complete performance within the designated periods unless the waiver is in writing. Customer's agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of any other time provisions contained in this Agreement.

(ii) SELLER ACKNOWLEDGES THAT IF SELLER FAILS TO (A) REMOVE ALL DEBRIS, WASTE, EQUIPMENT, OR OTHER MATERIALS THAT WOULD IMPEDE CUSTOMER FROM USE OF THE SITE, INCLUDING THE UNAVAILABILITY OF ELECTRICAL ENERGY ("CLOSEOUT SITE CLEANUP"), WITHIN THIRTY (30) DAYS FROM THE COMMERCIAL OPERATION DATE, OR (B) ACHIEVE CONSTRUCTION CLOSEOUT WITHIN SIXTY (60) DAYS FROM THE COMMERCIAL OPERATION DATE, (EACH, A "CONSTRUCTION CLOSEOUT DEADLINE" AND TOGETHER "THE CONSTRUCTION CLOSEOUT DEADLINES"), THE DAMAGES CUSTOMER WOULD SUFFER WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN.

- (1) **DAILY LIQUIDATED DAMAGES.** SELLER SHALL PAY CUSTOMER, UPON WRITTEN DEMAND, LIQUIDATED DAMAGES IN THE AMOUNT OF \$200.00 PER DAY FOR EACH DAY EXCEEDING A CONSTRUCTION CLOSEOUT DEADLINE UNTIL SELLER ACHIEVES CLOSEOUT SITE CLEANUP OR CONSTRUCTION CLOSEOUT, RESPECTIVELY.
- (ii) EACH CONSTRUCTION CLOSEOUT DEADLINE SHALL BE EXTENDED ON A DAY FOR DAY BASIS FOR EACH DAY SELLER IS DELAYED IN ACHIEVING THE CONSTRUCTION CLOSEOUT DEADLINE DUE TO AN ACT OR OMISSION FROM CUSTOMER OR A FORCE MAJEURE EVENT. SELLER SHALL PROVIDE WRITTEN NOTICE TO CUSTOMER WITHIN THREE (3) BUSINESS DAYS OF SELLER BECOMING AWARE OF AN OCCURRENCE OF ANY SUCH DELAY, AND SELLER SHALL BE ENTITLED TO AN EQUITABLE EXTENSION OF THE CONSTRUCTION CLOSEOUT DEADLINE FOR THE DELAYS ENCOUNTERED DUE TO SUCH CUSTOMER ACTS OR OMISSIONS, OR FORCE MAJEURE EVENT.

- (iii) SELLER ACKNOWLEDGES THAT SUCH LIQUIDATED DAMAGES ARE A FAIR AND REASONABLE APPROXIMATION OF THE DAMAGES CUSTOMER WOULD SUFFER DUE TO SELLER'S FAILURE TO COMPLETE CLOSEOUT SITE CLEANUP OR THE CONSTRUCTION CLOSEOUT BY THE RESPECTIVE CONSTRUCTION CLOSEOUT DEADLINE BASED UPON THE THEN PRESENTLY KNOWN FACTS AND CIRCUMSTANCES. THE PARTIES AGREE THAT SELLER'S PAYMENT OF SUCH LIQUIDATED DAMAGES SHALL BE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY DELAY IN SELLER'S COMPLETION OF THE CLOSEOUT SITE CLEANUP OR CONSTRUCTION CLOSEOUT.

9. Grant of License and Access Rights to Site; Customer's Obligations.

- (a) **License Agreement; Easement; Access Rights.** Customer hereby grants to Seller and to Seller's agents, employees, contractors and subcontractors and assignees an irrevocable non-exclusive license running with the Site for the purposes of installing, constructing, operating, owning, maintaining, accessing, removing, repairing and replacing the System, and Customer grants to Seller the exclusive right to use the Site for such purposes (the "**License**"). At the request of Seller, Customer shall execute a License Agreement which shall be in form and substance similar to that set forth in Exhibit H or other form agreed to by the parties. Customer further grants to Seller: (i) a non-exclusive easement and right on, about, over, and across the Premises and Facility (including the raceways and risers of the Facility and the electrical and utility rooms of the Facility), to install, construct, use, and maintain electrical lines and equipment, including conduits, collector lines, inverters and meters necessary to interconnect the System to Customer's electric system at the Facility, to the Utility's electric distribution system, if any, as reasonably necessary for the construction, installation, operation, maintenance, or repair of the System ("**Transmission Easement**"); together with (ii) a non-exclusive right of access to the Site, the Transmission Easement, and the System across, over, or through the Premises and any portion of the Facility, which is necessary or convenient to gain access to the Site, the Transmission Easement, and/or the System ("**Access Rights**"); (iii) the sole and exclusive license and right to evaluate, develop, capture, use, and convert all solar energy resources found on, about, over, across, and at the Site or portions of the Premises necessary for such use of the Site, including the sole and exclusive right to the free and unobstructed insolation and flow of solar energy resources on, about, over, and across the System ("**Solar Development License**"); and (iv) a non-exclusive easement wherein Seller may, but is not required to, trim, cut down, and remove and otherwise control, using Environmental Protection Agency-approved chemicals or other means, all vegetation, or remove fire and electrical hazards, equipment, improvements, or other obstructions, now or hereafter existing in or encroaching upon the Site and/or the Transmission Easement (the "**Clearance Easement**" and together with the Transmission Easement, the Access Rights, and the Solar Development License, the "**Easements**"); and (v) the right to use Customer's electric service on the Premises for construction, installation, repairs, and maintenance work on the System, and Customer's water service reasonably necessary for installing and cleaning the System. The term of the License and Easements shall commence on the Effective Date and continue until the date that is one-hundred eighty (180) days following the end of the Term (the "**License and Easement Term**"). Customer shall execute and deliver a signed and notarized original of the License Agreement and Easements in the form of **Exhibit H**, which Seller may, at its sole cost and expense, record with the appropriate land registry or recorder's office.

- (b) **Permitting Assistance and Cooperation.** Customer will cooperate with Seller's reasonable requests to assist Seller in the process of obtaining required agreements, permits, and approvals. The Parties anticipate that such cooperation may include the execution and submission of applications to the applicable permitting authority and/or the Utility. Customer shall from and after the Effective Date (i) provide Seller, its affiliates and its and their Representatives with reasonable access to the Facility and the Premises for the purpose of designing, installing, constructing, operating, maintaining and repairing the System, including conducting related inspections and studies, and accessing relevant documents, materials, and records of Customer in conjunction with such activities, and (ii) cooperate with Seller's reasonable requests for information and access to the Facility and the Premises for purposes of designing and installing the System and otherwise performing its obligations hereunder.
- (c) **Maintenance of Premises; Facility.** Customer shall, at its sole cost and expense, repair, maintain and replace the Premises (other than the Site), including all structural components of the Premises, in good condition and repair to the extent necessary to allow Seller to perform its obligations under this SPPA, including the continued operation of the System. Seller is aware of Customer's Water Campus Improvement Project work being performed on the Premises and agrees to coordinate and cooperate in good faith with Customer's Water Campus Improvement Project Contractor if Seller becomes aware of any conditions on the Premises arising from the Water Campus Improvement Project which are problematic for Seller. Customer shall ensure that the Facility remains interconnected to the Utility's electric distribution system at all times and shall not cause cessation of electric service to the Facility from the Utility. Customer shall maintain and repair the Facility's electrical system and of all of Customer's equipment that utilizes the System's outputs and shall carry out such maintenance and repairs in a manner that minimizes the impact on the System. Customer's failure to maintain the Premises or the Facility's electrical system shall not excuse Customer from its obligation to purchase the electric energy produced by the System, or that would have been produced by the System absent a failure to maintain or a failure in the Facility's electrical system (in accordance with the procedures in Section 9(d) as if a relocation had occurred). Customer shall promptly notify Seller of any matters of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- (d) **Alteration of Premises or Facility.** Customer shall not make any alterations or repairs to the Premises or to the Facility that could adversely affect the performance, operation and maintenance of the System (including Energy production therefrom) without Seller's prior written consent. If Customer wishes to make such alterations or repairs, Customer shall give prior written notice to Seller, setting forth the work to be undertaken (except for emergency repairs, for which notice may be given by telephone, followed by a written confirmation), and shall provide Seller with the opportunity to advise Customer in making such alterations or repairs in a manner that avoids damage and adverse effects to the System. Notwithstanding any advice provided by Seller, Customer shall be responsible for any and all damage to the System caused by Customer, its affiliates and its or their respective employees, contractors, agents, invitees, tenants or subcontractors. To the extent that disconnection or removal of the System is necessary to perform such alterations or repairs, such work and any replacement of the System after completion of Customer's alterations and repairs, shall be done by Seller or its contractors at Customer's sole cost and expense. In addition, Customer shall pay Seller an amount equal to the sum of (i) payments that Customer would have made to Seller hereunder for Energy that would have been produced by the System during such disconnection or removal;

(ii) revenues that Seller would have received under any incentive or assistance program with respect to Energy that would have been produced by the System during such disconnection or removal; (iii) revenues from Environmental Attributes (so long as they are for the account of Seller) that Seller would have received with respect to Energy that would have been produced by the System during such disconnection or removal; and (iv) Tax Credits that Seller (or, if Seller is a pass-through entity for tax purposes, Seller's owners) would have received with respect to electric energy that would have been produced by the System during such disconnection or removal (collectively, "Compensatory Payments"). Determination of the amount of Energy that would have been produced during any disconnection or removal shall be in accordance with the procedures in Section 12 as if a relocation had occurred. All of Customer's alterations and repairs will be done in a good and workmanlike manner and in compliance with all applicable laws, codes and permits.

- (e) **Outages.** Other than an alteration or repair arising under Section 7(d) above, Customer shall be permitted to be off line for a total of twenty-four (24) daylight hours, as defined by the United States National Weather Service in the area where the System is located (each, a "**Scheduled Outage**") per Contract Year during the Term, during which hours Customer shall not be obligated to accept or pay for Energy from the System; provided, however, that Customer must notify Seller in writing of each such Scheduled Outage at least forty-eight (48) hours in advance of the commencement of a Scheduled Outage. In the event that Scheduled Outages exceed a total of twenty-four (24) daylight hours per Contract Year, or if there are any unscheduled outages, in each case for a reason other than due to a Force Majeure Event, Customer shall pay Seller Compensatory Payments in respect of Energy that would have been produced by the System during the outage. Determination of the amount of electric energy that would have been produced during the removal or disconnection shall be in accordance with the procedures in Section 12.
- (f) **Liens.** Customer shall not directly or indirectly cause, create, incur, assume, or allow to exist any Lien on or with respect to the System or the Site or any interest therein. Customer shall immediately notify Seller in writing of the existence of any such Lien, shall promptly cause the same to be discharged and released of record without cost to Seller, and shall indemnify and, if applicable, reimburse Seller against and for all costs and expenses (including reasonable attorneys' fees) incurred in discharging and releasing any such Lien. Notwithstanding anything else herein to the contrary, pursuant to Section 19(a), Seller may grant a Lien on the System and may assign, mortgage, pledge, or otherwise collaterally assign its interests in this SPPA and the System to any Financing Party.
- (g) **Security.** Customer shall be responsible for maintaining the physical security of the Facility and the System against risks known or that should have been known by Customer. Customer will not conduct activities on, in or about the Site, the Premises or the Facility that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Seller shall be responsible for securing the Site.
- (h) **Access to Sunlight.** Customer acknowledges that Insolation is essential to Seller's performance of its obligations and a material term of this SPPA. Customer shall not in any way cause and, where possible, shall not in any way permit any interference with the System's Insolation other than interference from fixed structures, lease and easements on or over the Premises existing at the time of installation of the System. Customer shall cooperate with Seller exercising its rights under the Solar Development License and Clearance Easement. Without limiting the rights

granted to Seller pursuant to the Clearance Easement granted herein, if Customer becomes aware of any activity or condition that could diminish the System's Insolation (other than such interference described in the immediately preceding sentence), Customer shall notify Seller immediately and shall cooperate with Seller in preserving the System's existing Insolation levels. The Parties agree that reducing Insolation would irreparably injure Seller, that such injury may not be adequately compensated by an award of money damages, and that Seller is entitled to seek specific enforcement of this Section 9(h) against Customer and in enforcing the Solar Development Easement and Clearance Easement.

- (i) **Data Line.** Seller shall utilize cellular data at Seller's cost for all data.
- (j) **Customer-detected System Anomaly Notice.** Customer shall notify Seller *within 24 hours* following the discovery of any material malfunction in the operation of the System, or any occurrences that could reasonably be expected to adversely affect the System. Customer shall notify Seller *immediately* upon an interruption in the supply of Energy, or the discovery of any condition that poses an immediate threat to property or endangers the health or safety of people ("**Emergency Condition**") respecting the System. Customer and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, 24 hours per day, including weekends and holidays.
- (k) **Annual Audit.** After accepted by its Board of Directors, Customer shall deliver a copy of its annual audit to Seller on an annual basis during the Term. The minimum requirements of the audit shall be prescribed by law and shall conform to GAAP and generally accepted auditing standards required by law.

10. Change in Law.

- (a) **Defined.** The term "**Change in Law**" means, after the Effective Date, (i) the enactment, adoption, promulgation, modification, repeal or material change in interpretation by a Governmental Authority, of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority or (iv) any governmental-imposed tariff, minimum price, quota or other economic levy imposed upon Seller's approved equipment supplier(s), which in the case of any of the foregoing, establishes requirements affecting the ownership, supply, construction, installation, operation or maintenance of the System, or other performance of Seller's obligations hereunder, including to render Seller's performance impossible or illegal, or which has a material adverse effect on the cost to Seller of performing such obligations.
- (b) **Implications.** If any Change in Law occurs that has a material adverse effect on the cost to Seller of performing its obligations under this SPPA, then the Parties shall, within twenty (20) Business Days following receipt by Customer from Seller of notice of such Change in Law, meet and attempt in good faith to negotiate amendments to this SPPA as are reasonably necessary to preserve the economic value of this SPPA to both Parties set forth in an SPPA Amendment. If the Parties are unable to agree upon such amendments within such twenty (20) Business Day period, then Seller, at its sole discretion shall have the right thereafter to either terminate this

SPPA without further liability to either Party (except with respect to (i) payment by Customer to Seller of any and all amounts accrued prior to termination, and (ii) Seller shall remove the System at the cost of Customer as set forth in Section 11), or shall direct the Parties to utilize the dispute resolution procedures set forth in Section 22(b) to reach an equitable solution.

11. Removal of System.

Upon the expiration or earlier termination of this SPPA, including a termination by Seller due to a Change in Law, and provided that Customer does not exercise its purchase option pursuant to Section 17(b), Seller shall, in its discretion, either (a) at its expense, remove Seller's tangible property constituting the System from the Premises and the Facility within one-hundred eighty (180) days of such expiration or termination date (the "**Removal Deadline**"), or (b) transfer title of the System to Customer at no additional cost to Customer. If Seller removes the System, the Premises and the Facility shall be returned to its original condition (ordinary wear and tear excepted) including the removal of System mounting pads or other support structures and including foundations removed to grade and surfaces repaired to match surrounding areas (but excluding foundation removal below grade and any buried or underground conduit and conductors) and Seller shall leave the Premises and the Facility in neat and clean condition. If Seller fails to remove or commence substantial efforts to remove the System by the Removal Deadline and fails to transfer title thereof to Customer, Customer shall have the right, at its option, (i) to remove the System and restore the Premises and the Facility to its original condition as provided above (ordinary wear and tear excepted) at Seller's cost or (ii) treat the System as abandoned by Seller, in which case, upon Customer's notice to Seller, Seller shall be obligated to transfer title to the System to Customer at no additional cost to Seller. If Seller removes the System as specified above, Customer shall provide sufficient space for the temporary storage and staging of tools, materials, and equipment, and for the parking of construction crew vehicles and temporary construction trailers, and such other facilities to the extent reasonably necessary during System removal.

12. Energy Measurement.

- (a) Seller shall install one or more meters, as Seller deems appropriate, between the combined inverter(s) and the point of interconnection to measure the output of the System ("Seller Meter"). Such meter shall be in accordance with ANSI-C12.20, or the required standard of the Utility. Seller shall maintain the meters in accordance with industry standards. Seller, at no expense to Customer, shall inspect and test the Seller Meter upon installation and at least annually thereafter. Upon reasonable request by Customer, Seller shall perform additional inspections or tests of any Seller's Meter. The actual expense of any such requested additional inspection or testing shall be borne by Seller, except that if a test performed by Seller at Customer's request demonstrates that a Seller Meter is registering accurately plus or minus two percent (+/- 2.0%), Customer shall reimburse Seller for the direct costs and expenses of such test. If the Seller Meter fails to register, or if the measurement made by the Seller Meter is found upon testing to be inaccurate by more than plus or minus two percent (+/- 2.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Seller Meter for both the amount of the inaccuracy and the period of the inaccuracy. The adjustment will be in an amount which reasonably corrects the error if the error is measurable by calibration, tests or mathematical calculation. If such error is not measurable, then such amount shall be estimated on the basis of deliveries during periods under similar conditions when the Seller Meter was measuring accurately. The adjustment period shall be as far back as can be reasonably ascertained by Seller from the best available data. If the period of the inaccuracy

cannot be ascertained reasonably, any such adjustment shall be for a period equal to one-third of the time elapsed since the preceding test of the Seller Meter. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Customer, Customer shall use the corrected measurements to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by Customer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Customer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Customer. Payment of such difference by the owing Party shall be made not later than twenty (20) Business Days after the owing Party receives notice of the amount due, unless Customer elects payment via an offset. Payments of the difference by the owing Party, including via offset, shall include interest at the rate of one percent (1.50%) per month from the date of such overpayment or underpayment, or the maximum amount of interest permitted by law, whichever is lesser.

- i. Customer shall have access to the metered energy output data via the monitoring system installed and maintained by Seller as part of the System. The monitoring system will have, at a minimum, the following:
- ii. Meter, meter maintenance, and data provision shall include the following for the full Term:
 - 1. 15-minute interval datalogging for lifetime of the system, with all data readily available for term of the contract. Data shall provide sufficient detail for Customer to verify billing and performance of PV system and any energy storage system.
 - 2. Cellular data connection or other data connection maintained by the Seller. System may not use Customer's internet connection without express written consent from Customer. In the event Seller uses Customer's internet connection, Customer shall not be responsible for any loss of ability to transmit data.
 - 3. Internet-based monitoring and reporting portal with full data access to Customer, including weather parameters and battery performance metrics where included. Where satellite data is utilized in assessing performance, satellite data shall be readily available. Monitoring platform shall include data API that makes all data readily available for access by the Customer or Customer's representative.
 - 4. Synchronized clock intervals for all site meters, including production and consumption meters. Clock intervals shall be synchronized with utility meters where feasible.
 - 5. Maintenance and calibration in accordance with manufacturer requirements.

13. Default, Remedies, and Damages.

- (a) **Default.** Either Party that fails to perform under this SPPA in the manner listed below or experiences any of the circumstances listed below (subject to expiration of any applicable cure periods) shall be deemed to be the "**Defaulting Party**", the other Party shall be deemed to be the "**Non-Defaulting Party**", and each event of default (subject to expiration of applicable cure periods) shall be a "**Default Event**":

- (i) failure of a Party to pay any amount due and payable under this SPPA, other than an amount that is subject to a good faith dispute, within thirty (30) Business Days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");
- (ii) failure of a Party to substantially perform any other material obligation under this SPPA within twenty (20) Business Days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that such twenty (20)-Business Day cure period shall be extended (but not beyond ninety (90) days (unless otherwise agreed to in writing by the Parties) if and to the extent reasonably necessary to cure the Default Event, if (A) the Defaulting Party initiates such cure within the twenty (20)-Business Day period and diligently continues such cure to completion, and (B) there is no material adverse effect on the Non-Defaulting Party resulting from the failure to cure the Default Event;
- (iii) if any representation or warranty of a Party proves at any time to have been incorrect in any material respect when made and is material to the transactions contemplated hereby, if the effect of such incorrectness is not cured within twenty (20) Business Days following receipt of written notice from the Non-Defaulting Party demanding such cure;
- (iv) Customer loses its rights to occupy and enjoy the Premises and/or the Facility at any time during the Term;
- (v) a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect, and, if any such bankruptcy or other proceedings were initiated by a third party, if such proceedings have not been dismissed within sixty (60) days following receipt of a written notice from the Non-Defaulting Party demanding such cure; or
- (vi) Customer ceases to conduct business operations at the Facility unless Customer and Seller agree on terms of a relocation of the System pursuant to Section 11;
- (vii) Customer, via breach of the License Agreement or otherwise, fails to provide Seller with access to, on, over, under, and across the Facility for the purposes of, or otherwise prevents Seller from, (A) engineering, installing, constructing, commissioning, owning, operating, maintaining and repairing the System, or (B) otherwise performing in a way that prevents the delivery of Energy as contemplated under this SPPA, unless Seller is in default itself (subject to expiration of applicable cure periods) and is not attempting to cure such default. Such Default Event shall not excuse Customer's obligations to make payments that otherwise would have been due under this SPPA, including, without limitation, payments for any amount of Energy that would have been provided absent such Default Event, the amount of which shall be determined in accordance with the method set forth in the last sentence of Section 12 above.

(b) **Remedies.**

- (i) Remedies for Payment Default. If a Payment Default occurs, the Non-Defaulting Party may suspend performance of its obligations under this SPPA, which suspension right

shall include, without limitation, the right for Seller (if it is the Non-Defaulting Party) to either (x) disconnect the System and suspend delivery of Energy to Customer therefrom until receipt by Seller of the applicable overdue payment or (y) continue for the remainder of the Term to deliver Energy to the grid for Seller's benefit, in which case Customer shall make Seller whole for any positive difference between the market price for the wholesale Energy delivered by Seller and the Contract Price, as reasonably determined by Seller. In addition to the overdue payment amount, if Seller temporarily suspends delivery of Energy as described in the immediately preceding sentence, then Customer shall also pay Seller for any amount of Energy that would have been provided absent such Payment Default determination of which shall be made in accordance with the method set forth in the last sentence of Section 12 above. Further, the Non-Defaulting Party may (A) at any time during the continuation of any Payment Default, terminate this SPPA upon three (3) Business Days prior written notice to the Defaulting Party, and (B) pursue any remedy under this SPPA, at law or in equity, including an action for damages.

- (ii) Remedy for Default Due to Bankruptcy or Insolvency. If a Default Event occurs as a result of the Seller's bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect, and, if such proceedings have not been dismissed within sixty (60) days following receipt of a written notice from the Non-Defaulting Party demanding such cure, then, the Customer shall have the option, as an alternative to the remedies set forth below, to purchase the System from Seller under the terms set forth in Section 16(b) below (using the next Option Purchase Date after the date of the Default Event, or as may be negotiated by the Parties at the time, or by the Customer and the trustee or successor entity representing the interests of the Seller at that point in time.
- (iii) Remedies for Other Defaults. During the continuation of a Default Event other than a Payment Default, (x) the Non-Defaulting Party may terminate this SPPA or (y) in the case of a Default Event in which Customer is the Defaulting Party and Seller is Non-Defaulting Party, Seller may suspend its performance of its obligations under this SPPA, upon three (3) Business Days' prior written notice to Customer or pursue any remedy under this SPPA, at law or in equity, including an action for damages. Nothing herein shall limit either Party's right to collect damages upon the occurrence of a breach or a default by the other Party that does not become a Default Event.
- (iv) Damages Upon Termination for Default. Upon a termination of this SPPA by the Non-Defaulting Party as a result of a Default Event by the Defaulting Party, the following provisions shall apply:
 - (A) Customer. If, after COD, Customer is the Defaulting Party and Seller terminates this SPPA (an "**Early Termination**"), Customer shall within ten (10) Business Days pay to Seller, as liquidated damages and not as a penalty, the Termination Payment to Seller equal to the amount set forth in Schedule 1 to this Exhibit B opposite Contract Year in which the Early Termination occurs. The Parties agree that actual damages to Seller in the event this SPPA terminates prior to the expiration of the Term as the result of a Default Event by Customer would be difficult to ascertain,

and the applicable Termination Payment set forth in **Schedule 1** to this **Exhibit B** is a reasonable approximation of the damages suffered by Seller as a result of such Early Termination of this SPPA. Following such Early Termination, Seller shall remove the equipment constituting the System pursuant to **Section 11**.

(B) **Seller.** If Seller is the Defaulting Party and Customer terminates this SPPA, Seller shall, at its sole cost and expense, remove the equipment constituting the System in accordance with **Section 11** above.

(C) **Mitigation.** The Non-Defaulting Party shall take all commercially reasonable efforts to mitigate its damages as the result of any Default Event.

14. Representations, Warranties, and Covenants.

(a) **General Representations and Warranties.** Each Party represents and warrants to the other the following as of the Effective Date and any other date as specified therein:

- (i) Such Party is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation; the execution, delivery, and performance by such Party of this SPPA have been duly authorized by all necessary corporate, partnership, trust or limited liability company action, as applicable, and do not and shall not violate any law in any material respect; and this SPPA is a valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws now or hereafter in effect relating to creditors' rights generally).
- (ii) As of the date of delivery of the Commencement of Construction Notice and as of COD, as applicable, such Party has obtained all licenses, authorizations, consents, and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this SPPA and perform its obligations hereunder; and such Party is in compliance with all applicable laws, regulations, ordinances, rules or other government restriction in all material respects.

(b) **Customer's Representations, Warranties, and Covenants.** Customer represents and warrants to Seller the following as of the Effective Date, and covenants that throughout the Term:

- (i) **License.** Customer has the full right, power, and authority to grant the License contained in **Section 9(a)**. The grant of the License violates no applicable law, regulation, ordinance, rule, or other governmental restriction, and is not inconsistent with and will not result in a breach or default, or imposition of a Lien on the Site, the Premises or the Facility, under any agreement by which Customer is bound or that affects the Site, Premises or Facility.
- (ii) **Other Agreements.** Neither the execution and delivery of this SPPA by Customer nor the performance by Customer of any of its obligations under this SPPA conflicts with or will result in a breach or default, or imposition of a Lien on the Site, the Facility or the Premises, under any agreement or obligation to which Customer is a party or by which Customer or the Facility is bound.

- (iii) Accuracy of Information. All information provided by Customer to Seller, as it pertains to the Facility's physical configuration, Customer's planned use of the Facility, and Customer's estimated electricity requirements, is accurate in all material respects. Seller is separately responsible for due diligence of all information provided and Customer does not warrant as-builts or other information not otherwise specified in this section.
- (iv) Customer Status. Customer is a joint powers authority organized under Government Code §§ 6500 *et seq.*, and operating under the County Sanitation District Act, Health and Safety Code 4700 *et seq.*, which provides sewer and recycled water services to other local government entities; however, Customer is not a public utility or a public utility holding company that is subject to regulation by the California Public Utilities Commission or Federal Energy Regulatory Commission as a producer or provider of electrical energy or wholesale or retail electrical services.
- (v) Hazardous Substances. There are no Hazardous Substances at, on, above, below, near or otherwise affecting the Facility, the Site or the Premises.
- (vi) No Pool Use. No portion of the electricity generated by the System shall be used to heat a swimming pool.
- (vii) Liens. There are no existing Liens or use restrictions that prevent the construction, installation, operation, maintenance, ownership or repair of the System on, upon, or around the Premises and the Facility. Except with respect to any secured party that has provided (or will, prior to the Commencement of Construction, provide) a Lien Waiver pursuant to Section 7(a)(vi) above, the Premises, the Site and the Facility are free from any Liens that would prevent or materially interfere with Seller's performance of its obligations.
- (viii) Quiet Enjoyment. Seller shall peaceably hold and enjoy the Site, the Easements, and any and all other rights granted by this SPPA without hindrance, interruption, suit, trouble, or interference of any kind by Customer or any other person or entity claiming (whether at law or in equity) by, through, or under Customer. Customer shall protect and defend the right, title, and interest of Seller hereunder from any other rights, interests, title, and claims. Without limiting the generality of the foregoing, Seller shall have quiet and peaceful possession and [leasehold] interest of the Site and the Easements and the right of occupancy of the Premises (including, without limitation, the exclusive right to occupy the Site and non exclusive right to occupy the portions of the Premises over which the Transmission Easement and Access Easement are located), and shall be permitted to access the Site, the Transmission Easement, and the System at all times during the [Lease] and Easement Term; provided that Seller shall make commercially reasonable efforts to prevent any unreasonable interference to Customer's use of the Premises and/or the Facility resulting from Seller's access to the Premises.

15. System and Facility Damage, Insurance, and Bonding.

(a) System and Facility Damage.

- (i) Seller's Obligations. If the System is damaged or destroyed other than by the gross negligence or willful misconduct of Customer or its affiliates or its or their

Representatives, Seller shall promptly repair and restore the System to its pre-existing condition; provided, however, that if more than fifty percent (50%) of the System is destroyed or damaged not in the ordinary course during the last five years of the Initial Term or during any Additional Term, Seller shall not be required to restore the System, but may instead terminate this SPPA, unless Customer agrees (A) to pay for the cost of such restoration of the System or (B) to purchase the System "AS-IS, WHERE-IS" at the greater of (1) the Fair Market Value and (2) the Termination Payment for the then-applicable Contract Year. If this SPPA is terminated, or if Customer agrees to purchase the System in accordance with Section 16(a), Customer shall also pay all other costs or amounts due and payable under this SPPA at such time. Subject to this Article 15 and Article 17 hereunder, if Seller negligently damages any part of the Premises or any improvement thereon, other than the Site, Seller shall repair or reimburse Customer for such damage, to the extent caused by its negligence.

- (ii) Customer's Obligations. If the Facility (but not the System) is damaged or destroyed by casualty of any kind or any other occurrence other than due to Seller's negligence or willful misconduct, such that the operation of the System and/or Customer's ability to accept the Energy are materially impaired or prevented, Customer shall promptly repair and restore the Facility to its pre-existing condition; provided, however, that if more than fifty percent (50%) of the Facility is destroyed or damaged not in the ordinary course during the last five years of the Initial Term or during any Additional Term, Customer may elect either (A) to restore the Facility, or (B) to pay the Termination Payment set forth in Schedule 1 to this Exhibit B and all other costs previously accrued but unpaid under this SPPA and thereupon terminate this SPPA.

- (b) Insurance Coverage. At all times during the Term, Seller and Customer shall maintain the following insurance:

- (i) Seller's Insurance. Seller and/or its contractors shall maintain (A) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (B) employer's liability insurance with coverage of at least \$1,000,000, (C) property coverage on the System, and (D)) workers' compensation insurance as required by law.
- (ii) Customer's Insurance. Customer shall maintain (A) property coverage on the Facility covering "All Risks" perils in an amount equal to the full replacement cost of the Facility, (B) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, and (C) worker's compensation insurance as required by law.

- (c) Certificates. Upon request, each Party shall deliver the other Party certificates of insurance evidencing the above required coverage, which shall name the other Party as an additional insured. A Party's receipt, review, or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this SPPA.

- (d) Deductibles. Each Party shall be responsible for the payment of its own deductibles and/or retentions.

- (e) **Waiver of Subrogation.** Seller and Customer each release each other and their respective Representatives, from any claims for damage or injury to any person, the System, or to the Premises, Customer's other assets that are on the Premises or to the Facility caused by, or that result from, risks insured against under any property or casualty insurance policies carried by the Parties (or required to be maintained under the terms of this SPPA or any self-insurance program) and in force at the time of any such damage or claim (or which should have been in force under the terms of this SPPA). Seller and Customer shall, and shall cause each such insurance policy obtained by them, to provide that the insurance company waives all right of recovery by way of subrogation against the other Party in connection with any claims or damage covered by any such policy, as permitted by law. Neither Party shall be liable to the other for any damage caused by fire, collapse or any of the risks insured against under any insurance coverage required by this Section 15 unless such damage results from the gross negligence or willful misconduct of such Party, its affiliates or its or their respective Representatives.
- (f) **Additional Requirements.** The following are required provisions for Seller's Insurance:
- (i) Seller's policies shall not exclude coverage for the following:
 - (1) Injury to or destruction of any property arising out of the collapse of/or structural injury to any building or structure due:
 - (2) To grading of land excavation, borrowing, filling, backfilling, tunneling, pile driving, cofferdam work, or caisson work; or
 - (3) To moving, shoring, underpinning, raising, or demolition of any building or structure, or removal or rebuilding of any structural support thereof.
 - (4) Injury to or destruction of wires, conduits, pipes, mains, sewers, or other similar property or any apparatus in connection therewith, below the surface of the ground, if such injury or destruction is caused by and occurs during the use of mechanical equipment for the purpose of grading of land, paving, excavating, drilling; or injury to or destruction of any property at any time resulting therefrom.
 - (ii) At all times during the performance of work under this Agreement, Seller shall maintain builder's risk insurance on an "all risk" completed value basis (excluding earthquake and flood) upon the entire Project which is the subject of the Agreement. Coverage shall include completed work as well as work in progress. Such insurance shall include Customer as Loss Payee.
 - (iii) Seller shall carry and maintain fire and extended coverage with an endorsement for vandalism and malicious mischief in his name and also in the name of Customer in an amount of at least fifty percent (50%) of the value of the Agreement.
 - (iv) Seller will provide additional insured insurance coverage and policy endorsements for Customer, its Member Agencies (to include the City of Solana Beach and the City of Encinitas), and each of their respective officers, officials, directors, employees, volunteers or agents (collectively referred to as the "**Insured Parties**") under the general liability and automobile liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties. General liability coverage can be provided in the form of an endorsement to Seller's insurance.

- (v) Seller's insurance shall be primary insurance as respects Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of Seller's insurance and shall not contribute to it.
- (vi) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.
- (vii) Seller's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurer's liability.
- (viii) Liability insurance shall include indemnification against loss from liability imposed by law upon, or assumed under contract by, Seller's or its subcontractors for damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting from the performance or execution of this Agreement by Seller or its subcontractors.
- (ix) Liability insurance shall cover accidents arising out of the use and operation of owned, non-owned and hired automobiles, trucks and/or other mobile equipment.
- (x) All policies shall specifically cover any contractual liability incurred hereunder.
- (xi)
- (xii) Any deductibles or self-insured retention limits must be disclosed to and approved by Customer prior to the execution of this Agreement. At the option of Customer, either: the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or Seller shall provide a financial guarantee satisfactory to Customer guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- (xiii) Seller will furnish Customer with certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by Customer. Seller shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. Seller shall, upon request of Customer at any time, deliver to Customer complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive Seller's obligation to provide them.
- (xiv) If any of the required coverages expire during the term of this Agreement, Seller shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to Customer at least ten (10) days prior to the expiration date.
- (xv) In the event that Seller employs subcontractors to perform any portion of the services to be performed pursuant to this Agreement, it shall be Seller's responsibility to require and confirm that each subcontractor meets the minimum insurance requirements specified in this Agreement.

(xvi) **Claims Made Policies.** If any of the required policies provide coverage on a claims-made basis:

- (1) The Retroactive Date must be shown and must be before the date of the Agreement or the beginning of contract work.
- (2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- (3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Seller must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

(g) **Customer Insurance Exclusions.** In the event Customer’s insurance carrier requires Seller to perform additional or alternating work (“Insurance Additional Work”) to the Work as outlined in this SPPA, that causes Seller (i) an increase in its cost or, (ii) a delay in Installation Schedule to perform the Work, such Insurance Additional Work shall be considered a Customer-Directed System Change and Exhibit B Section 8(b) shall govern.

(h) **Payment and Performance Bonds.** Before starting any construction or installation, Seller shall furnish a payment bond and a performance bond from its contractor listing Customer as an additional Obligee. Each bond shall be in an amount equal to 100 percent of the anticipated construction costs and shall be executed by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to Customer. Each payment and performance bond shall remain in full force and effect until Construction Closeout has been achieved. Seller shall provide a copy of such bonds to Customer prior to the start of any construction at the Site.

16. Ownership; Option to Purchase.

(a) **Ownership of System.** Throughout the Term, Seller or its designated assignee (as permitted in Section 19) shall be the legal and beneficial owner of the System at all times, including all, Capacity Rights (unless otherwise stated in **Exhibit A**), and the System shall remain the personal property of Seller and shall not attach to or be deemed a part of, or fixture to, the Facility or the Premises. Each of Seller and Customer agree that Seller or its designated assignee (as permitted under Section 19) is the owner of the System for tax purposes and all tax filings and reports will be filed in a manner consistent with this SPPA. Customer and Seller agree that Seller (or an assignee of Seller in accordance with Section 20) is the owner of all Tax Credits. The System shall at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code. Customer covenants that it will use commercially reasonable efforts to place all parties having an interest in, Lien on or other claim of any nature on the Facility, the Site or the Premises on notice of (x) the ownership of the System, (y) the legal status or classification of the System as personal property and (z) Seller’s valid leasehold interest in the Premises during the Term. If there is any mortgage or fixture filing against the Premises that could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Customer shall notify Seller and, within sixty (60) days of such notice, provide a duly executed disclaimer or release from such lienholder in form and substance reasonably satisfactory to Seller. Customer (1) shall notify Seller of all lien holders secured by the Premises,

the Facility, or any other assets of Customer and (2) authorizes Seller to file any and all financing statements or precautionary fixture filings to provide such notice to such lien holders. Customer consents to the filing by Seller, on behalf of Customer, of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Facility is located.

(b) **Option to Purchase.**

- (i) **Purchase Option.** At the end of the Initial Term and each Additional Term, if any, and at the end of Contract Year 10, Contract Year 20, and Contract Year 25 (each such date, an “**Option Purchase Date**”), so long as Customer is not in default under this SPPA, Customer may purchase the System from Seller on any such Option Purchase Date for the applicable Purchase Price. Customer must provide a notification to Seller (the “**Option Exercise Notice**”) of its intent to purchase at least ninety (90) days and not more than one-hundred eighty (180) days prior to the applicable Option Purchase Date, and the purchase shall be completed prior to or effective as of such Option Purchase Date. Any such purchase shall be on an “AS-IS, WHERE-IS” basis, and Seller shall not provide any warranty or other guarantee regarding the performance of the System; provided, however, that Seller shall assign to Customer any manufacturers’ warranties, workmanship warranties and any other warranties as required by the utility interconnection agreement that are in effect as of the purchase, and which are assignable pursuant to their terms.
- (ii) **Title; Assumption of Liabilities.** Upon purchase of the System, Customer will take title to the System and will assume complete responsibility for the operation and maintenance of the System and liability for the performance of the System (including all obligations of Seller hereunder relating thereto), and Seller shall have no further liabilities or obligations hereunder or under any related documents, and Customer shall execute a document in form and substance reasonably satisfactory to Seller confirming and acknowledging the foregoing.

17. Indemnification and Limitation of Liability.

- (a) **General.** Each Party (in such instance, the “Indemnifying Party”) shall defend, indemnify and hold harmless the other Party, its affiliates, and its and their respective directors, officers, Member Agencies, shareholders, partners, members, agents, contractors and employees and the respective affiliates of each (collectively, the “Indemnified Parties”), from and against all loss, damage, expense, liability, and other claims, including court costs and reasonable attorneys’ fees (collectively, “Liabilities”) resulting (i) from the inaccuracy in any material respect of any representation or warranty of such Indemnifying Party set forth in Section 14 or the breach by such Indemnifying Party of any other material provision of this SPPA, and (ii) from injury to or death of third parties, and damage to or loss of third party property, in either case to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, such Indemnifying Party (or its affiliates or its or their contractors, agents or employees) in connection with this SPPA; provided, however, that nothing herein shall require the Indemnifying Party to indemnify the Indemnified Party for any Liabilities to the extent (x) caused by or arising out of the negligent acts or omissions of, the willful misconduct of, or the material breach of this SPPA by, any Indemnified Party, (y) covered by the waiver of subrogation set forth in Section 15(e) above. This Section 17(a) shall not apply to liability arising from any

form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 17(c). This indemnify obligation shall survive any assignment by either Party.

- (b) **Notice and Participation in Third Party Claims.** The applicable Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a “Claim”), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party, or if separate counsel is reasonably required to avoid a conflict of interest. The Indemnifying Party shall pay the reasonable attorneys’ fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any third party Claim if the Indemnifying Party fails to assume the defense of such Claim within a reasonable time following notice thereof. Neither Party shall settle any Claim covered by this Section 17(c) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnifying Party shall have no liability under this Section 17(c) for any Claim for which such notice is not provided or is not provided in a timely manner if that the failure to give notice or delay in giving notice materially prejudices the Indemnifying Party.
- (c) **Environmental Indemnification.** Seller shall indemnify, defend, and hold harmless all of Customer’s Indemnified Parties from and against all Liabilities arising out of or relating to the Release by Seller or any of its contractors or agents of any Hazardous Substance at, on or below the Premises to the extent furnished or delivered, or caused to be furnished or delivered, to the Premises by Seller or any of its employees, contractors, subcontractors, or agents. Customer shall indemnify, defend, and hold harmless all of Seller’s Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below, to or near the Premises of any Hazardous Substance, except to the extent furnished or delivered and Released, or caused to be furnished or delivered and Released, by Seller or any of its employees, contractors, subcontractors, or agents. Each Party shall promptly notify the other Party if it becomes aware of the Release or suspected Release of any Hazardous Substance on, about or otherwise affecting the Premises. The term “**Hazardous Substance**” means any chemical, waste or other substance (i) which now or hereafter becomes defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollution,” “pollutants,” “regulated substances,” or words of similar import under any laws pertaining to the environment, health, safety or welfare, (ii) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (iii) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (iv) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (v) for which remediation or cleanup is required at the Premises by any Governmental Authority. “Hazardous Substance” does not include commercially reasonable amounts of such materials used in the ordinary course of installation, construction, operation, repair or maintenance of the System or Premises which are used and stored in accordance with all applicable laws in all material respects. The term “**Release**” means any release, deposit, discharge, emission, leaking,

leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances into the indoor or outdoor environment (including the movement of Hazardous Substances through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata).

- (d) **Customer Indemnity of Seller for Tax Credit Loss and Depreciation Benefits.** Customer shall defend, indemnify and hold harmless Seller, its owners if Seller is a pass-through entity and each Financing Party with respect to the System for the loss of, recapture of or failure to qualify for any Tax Credits, Depreciation Benefits, or both, as a result of the transactions contemplated herein (any such event being referred to herein as a “**Tax Loss**”), if the Tax Loss is the result of any gross negligence or willful misconduct of Customer, its affiliates or its or their employees or Representatives. Notwithstanding the foregoing, no indemnity shall be payable by Customer for any Tax Loss to the extent that such Tax Loss results from: (i) the inaccuracy in any material respect of any representation or warranty made by Seller in this SPPA; (ii) the failure of Seller to have enough income or tax liability to benefit from the Tax Credits resulting from the transactions contemplated by this SPPA; or (iii) any effect of any minimum tax or alternative minimum tax. Customer shall indemnify Seller for any Tax Loss for which Customer is required to indemnify Seller under this Section 17(d) on an “after-tax basis” and shall include a “tax gross-up amount” so as to fully reimburse Seller for any and all additional tax liability arising from the receipt of Customer’s indemnification payments within the later of (x) twenty (20) Business Days after Seller provides notice of the Tax Loss to Customer, and (y) twenty (20) Business Days after the conclusion of any contest undertaken under Section 17(e). The indemnity in this Section 17(d) does not cover any change in the corporate federal income tax rate.
- (e) **Tax Contests.** Seller may, in its sole discretion, elect to contest, and shall control the contest of, any proposed adjustment or equivalent action of any Tax Loss or of any loss of Depreciation Benefit.
- (f) **Limitations on Liability.**
- (i) **No Consequential Damages.** Except with respect to (A) indemnification for Claims pursuant to this Section 17, (B) damages that result from a breach by a Party of Section 21, (C) liquidated damages or Termination Payments explicitly provided in this SPPA, (D) damages that result from the gross negligence or willful misconduct of a Party, its affiliates or its or their Indemnified Parties and (E) to the extent not constituting direct damages (x) any Tax Credits or other tax benefits Seller must recapture as a result of a breach of this SPPA by Customer and (y) any Environmental Attributes, Environmental Incentives or Capacity Rights produced by the System to which Seller has a right and loses the benefit of as a result a breach of this SPPA by Customer, neither Party shall be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature arising out of their performance or non-performance hereunder, even if advised of such.
- (ii) **Actual Damages.** Except with respect to indemnification for Claims pursuant to Section 17(b), any indemnity for Hazardous Substances under Section 18(c), and damages that result from the gross negligence or willful misconduct of a Defaulting Party, Seller's aggregate liability under this SPPA arising out of or in connection with this SPPA shall not exceed the total payments made by Customer under this SPPA. The provisions of this Section 17(f)(ii) shall apply whether such liability arises in contract, tort (including

negligence), strict liability or otherwise. Any action against Seller must be brought within one year after the cause of action accrues. This limitation of liability shall in no way be construed to limit, affect or negate the System Production Guarantee set forth in Exhibit E.

18. Force Majeure.

- (a) **“Force Majeure”** means any event or circumstances beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure that cannot be avoided with the reasonable diligence of such Party. It shall include, without limitation, failure or interruption of the production, delivery, or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; pandemic; epidemic; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; other than a Change in Law, the binding order of any Governmental Authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any Governmental Authority (provided that such action has been timely requested and diligently pursued); unavailability of electricity from the utility grid, equipment, supplies or products (but not to the extent that any such availability of any of the foregoing results from the failure of the Party claiming Force Majeure to have exercised reasonable diligence); and failure of equipment not under the control of the Party claiming Force Majeure; provided that any event relating to or causing the inability of a Party to make a payment hereunder shall not be a Force Majeure event.
- (b) Except as otherwise expressly provided to the contrary in this SPPA, if either Party is rendered wholly or partly unable to timely perform its obligations under this SPPA because of a Force Majeure event, that Party shall be excused from the performance affected by the Force Majeure event (but only to the extent so affected) and the time for performing such excused obligations shall be extended as reasonably necessary; provided, that: (i) the Party affected by such Force Majeure event, as soon as reasonably practicable after obtaining knowledge of the occurrence of the claimed Force Majeure event, gives the other Party prompt oral notice, followed by a written notice reasonably describing the event; (ii) the suspension of or extension of time for performance is of no greater scope and of no longer duration than is required by the Force Majeure event; and (iii) the Party affected by such Force Majeure event uses all reasonable efforts to mitigate or remedy its inability to perform as soon as reasonably possible. The Term shall be extended day for day for each day performance is suspended due to a Force Majeure event.
- (c) Notwithstanding anything herein to the contrary, the obligation to make any payment due under this SPPA shall not be excused by a Force Majeure event.
- (d) If a Force Majeure event continues for a period of one-hundred eighty (180) days or more within a twelve (12)-month period and prevents a material part of the performance by a Party hereunder, then at any time following expiration of such one hundred eighty (180)-day period during the continuation of the Force Majeure event, the Party claiming the Force Majeure shall have the right to terminate this SPPA without fault or further liability to either Party (except for amounts accrued but unpaid), and Seller shall remove the System (but Customer shall reimburse Seller for Seller’s removal costs, within thirty (30) days following receipt of an invoice, if the

Customer is the sole party claiming the Force Majeure Event for such one hundred eighty (180)-day period and Customer elects to terminate the Agreement).

19. Assignment, Change of Control, and Financing.

- (a) **Assignment by Seller.** Seller may, without the prior written consent of Customer: (i) directly or indirectly assign this SPPA and the System to any Affiliate of Seller or Duke Energy Corporation, or any Financing Party, and (ii) collaterally assign, mortgage, or pledge its interests in this SPPA and the System to any Financing Party (including any assignment upon foreclosure on any such collateral assignment, mortgage, or pledge). In the event of any such assignment, except for a collateral assignment pursuant to clause (ii) above that is not a foreclosure, Seller shall be released from all of its liabilities and other obligations under this SPPA upon the assignee's express assumption of Seller's obligations hereunder. No such assignment of Seller's right and/or obligations under this SPPA shall result in any change to Customer's rights and obligations under this SPPA. Except as provided above, Seller may not assign this SPPA in whole or in part without the prior written consent of Customer, which consent shall not be unreasonably withheld, conditioned or delayed. If Seller demonstrates that a proposed assignee (x) has comparable experience in operating and maintaining photovoltaic solar systems comparable to the System and providing services comparable to those contemplated by this SPPA, or has entered into a binding contract providing the same, and (y) has the financial capability to maintain the System and provide the services contemplated by this SPPA in the manner required by this SPPA, then it shall be deemed unreasonable for Customer to withhold consent. This SPPA shall be binding on and inure to the benefit of the successors and permitted assignees.

(b) **Assignment to Third Party who is not an Affiliate of Duke Energy.**

This SPPA may not be assigned in whole or in part by Seller to a Person who is not an Affiliate of Duke Energy without the prior written consent of Customer, which consent may not be unreasonably withheld or delayed.

1. Seller shall have the right to sell or transfer of its title and interest to this SPPA, and the underlying PV assets, to another party who is not an Affiliate of Duke Energy subject to the following conditions:
 - a. Sixty (60) days' notice to the Customer of the intent to transfer ownership. Notice shall identify the party buying the asset and provide sufficient detail of the proposed owner for the Customer to evaluate the new owner. Notice shall include, but not be limited to, the following details of the Proposed Owner:
 - Experience with PPAs and current portfolio
 - Past two years of audited financial statements (if available)
 - Proof of insurance, meeting Customer requirements and naming the Customer as additional insured
 -
 - Details and example of invoicing and reporting
 - Confirmation that all existing contract terms will be upheld, documented by an assignment and assumption agreement signed by the assignee.
 - Confirmation of O&M provider and outline of O&M program. O&M provider shall, at minimum provide the scope of work outlined in Exhibit C and meet the following minimum requirements:
 - O&M provider has at least three (3) years of experience in

- owning and operating solar PV projects of a comparable class.
 - O&M provider has at least one hundred (100) MW of commercial scale solar PV projects under current management.
- (c) **Assignment by Customer.** Customer may not assign this SPPA in whole or in part without the prior written consent of Seller. If a proposed assignee (x) has, and is reasonably forecasted to maintain, a credit rating that is equal to or better than the Moody's or S&P credit rating of Customer as of the Effective Date, and (y) executes documentation in form and substance reasonably satisfactory to Seller assuming all obligations of Customer hereunder, then Seller's consent shall not be unreasonably withheld.
- (d) **Change of Control of Customer.** The sale or transfer of any shares of its capital stock or of any ownership interest in Customer to any person, persons, entity, or entities (whether in one single transaction or in multiple transactions) that results in a transfer of a majority interest in the ownership and/or the control of Customer from the person, persons, entity, or entities who hold ownership and/or control of Customer as of the date of this SPPA or prior to any such transaction, or any consolidation or merger of Customer into or with any person or entity, shall be deemed an assignment of this SPPA requiring consent as set forth in Section 19(b).
- (e) **Financing.** The Parties acknowledge that Seller may obtain construction and long-term financing or refinancing, or other credit support from one or more Financing Parties. The Parties shall in good faith consider and negotiate changes or additions to this SPPA that may be reasonably requested by the Financing Parties. In connection with an assignment to a Financing Party, Customer agrees to execute any consent, estoppel, or acknowledgement in form and substance reasonably acceptable to such Financing Parties.
- (f) **Successor Provider.** The Parties further acknowledge that in connection with any construction, System operations, maintenance or short-term or long-term financing or other credit support provided to Seller or its affiliates by Financing Parties, such Financing Parties may require that Seller or its affiliates appoint a third party to act as backup or Successor Provider. Customer agrees to accept performance from any Successor Provider so appointed so long as such Successor Provider performs in accordance with the terms of this SPPA.

20. Confidentiality and Publicity.

- (a) **Confidentiality.** If either Party provides Confidential Information to the other or, if in the course of performing under this SPPA or otherwise in connection with this SPPA or the transactions contemplated by this SPPA, a Party learns Confidential Information regarding the facilities or plans or any other nature of the other Party, the receiving Party shall (a) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (b) refrain from using such Confidential Information, except in the negotiation and performance of this SPPA and the obtaining financing for the System. Notwithstanding the above, a Party may provide such Confidential Information to its, officers, directors, members, managers, employees, agents, contractors and consultants (collectively, "**Representatives**"), and affiliates, lenders, and potential assignees of this SPPA (provided and on condition that such persons executes a written agreement restricting use and disclosure of Confidential Information in accordance with the terms of this Section 21). Each such recipient of Confidential Information shall be informed by the Party disclosing Confidential

Information of its confidential nature and shall be directed to treat such information confidentially and shall agree to abide by these provisions. In any event, each Party shall be liable (with respect to the other Party) for any damages resulting from the improper disclosure of Confidential Information by such Party. The terms of this SPPA (but not its execution or existence) shall be considered Confidential Information for purposes of this Section 20(a), except as set forth in Section 20(b). All Confidential Information shall remain the property of the disclosing Party and shall, upon request of the disclosing Party, be returned to the disclosing Party or destroyed after the receiving Party's need for it has expired. Each Party agrees that the disclosing Party would be irreparably injured by a breach of this Section 20(a) by the receiving Party or its Representatives or other person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, in the event of a breach of the provision of this Section 20(a). To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 20(a), but shall be in addition to all other remedies available at law or in equity.

- (b) **Permitted Disclosures.** Notwithstanding any other provision in this SPPA, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through the receiving Party in violation of any confidentiality obligations it owes to the disclosing Party, (ii) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena (subject to the following sentence), (iii) is independently developed by the receiving Party, or (iv) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality. If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall cooperate with the other Party in efforts to limit the disclosure to the maximum extent permitted by law.
- (c) **Additional Customer-Permitted Disclosures.** Seller understands and acknowledges that Customer is a public agency subject to the Public Records Act (Gov. Code 6250 et seq.). If Customer receives a public record request for Confidential Information, Customer shall notify Seller and Seller shall, within five (5) Business Days, notify Customer whether it desires for the Confidential Information to be withheld, and provide a legal basis under the California Public Records Act for withholding the Confidential Information. If Customer withholds the Confidential Information pursuant to Seller's request, Seller shall indemnify and defend Customer from any and all costs or liabilities resulting from such withholding including, but not limited to, attorney fees and court costs. If Seller fails to notify Customer within the time specified or to provide a legal basis for withholding of the Confidential Information, Seller agrees that Customer shall be entitled to release and disclose the Confidential Information.

21. Goodwill and Publicity.

Neither Party shall use any name, trade name, service mark, trademark or other intellectual property or proprietary rights of the other Party without the prior written consent of such other Party. The Parties shall coordinate and cooperate with each other when making public announcements related to the execution, performance and existence of this SPPA, and each Party shall have the right to promptly review, comment upon and approve any publicity materials, press releases or other public statements by the other Party that refer to, or that describe any aspect of, this SPPA. Neither Party shall make any press release or public announcement of the specific terms

of this SPPA (except for filings or other statements or releases as may be required by applicable law) without the specific prior written consent of the other Party. Without limiting the generality of the foregoing, all public statements must accurately reflect the material rights and obligations of the Parties under this SPPA, including the ownership of Environmental Attributes, Capacity Rights and Environmental Incentives and any related reporting rights.

22. Miscellaneous Provisions.

- (a) **Choice of Law.** The law of the state in which the System is located shall govern this SPPA without giving effect to conflict of laws principles.
- (b) **Arbitration and Attorneys' Fees.** Any dispute, claim, or controversy arising out of or relating to this SPPA or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this SPPA to arbitrate, shall be determined by arbitration in a mutually agreed location in the state in which the System is located before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude either Party from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. If the Parties agree, a mediator may be consulted prior to arbitration. The Party who substantially prevails in any dispute arising out of this SPPA shall be entitled to reasonable attorneys' fees and costs. This Section 22(b) shall not be interpreted to limit any Party from seeking provisional remedies from a court of appropriate jurisdiction prior to the resolution of any dispute as provided herein.
- (c) **Independent Contractor.** Seller is for all purposes an independent contractor. Neither Seller, its employees or its subcontractors, shall be deemed to have been employees of Customer or to have been entitled to any rights or benefits as Customer employees. Seller will supervise the work and control the means for accomplishment of the services and work to be performed hereunder. Seller will be responsible for providing required and necessary protective gear for its personnel, including any subcontractor personnel, while on the job site, including safety equipment. Seller further certifies that it is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed under this Agreement. This Agreement is not exclusive, and as such Seller certifies that it is free to perform work for others during the term of this Agreement.
- (d) **Audit.** Pursuant to Government Code 8546.7, if this Agreement involves an expenditure of public funds in excess of ten thousand dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of Customer or as a part of any audit of Customer, for a period of three (3) years after final payment under the Agreement. Seller shall cooperate with Customer regarding any such audit at no extra cost to Customer.
- (e) **Forum and Venue.** The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in

the State of California, County of San Diego. Seller and Customer agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. Seller and Customer hereby submit to personal jurisdiction in the State of California for any action or proceeding arising out of or relating to this Agreement including, but not limited to, the enforcement of this Agreement, and hereby waive any and all personal rights under the law of any state, county, or other jurisdiction to object to jurisdiction within the State of California for the purposes of any legal action or proceeding arising out of or relating to this Agreement, including, but not limited to the enforcement of this Agreement, whether on grounds of inconvenient forum or otherwise.

- (f) **Notices.** All notices under this SPPA shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or three (3) Business Days after deposit in the mail. Notices shall be sent to the person identified in this SPPA at the addresses set forth in this SPPA or such other address as either party may specify in writing. Each Party shall deem a document faxed, emailed or electronically sent in PDF form to it as an original document.
- (g) **Survival.** Provisions of this SPPA that should reasonably be considered to survive termination of this SPPA shall survive. The following provisions shall survive the expiration or earlier termination of this SPPA: Section 7(a) (Seller's Diligence Conditions), Section 8(k) (No Warranty), Section 14 (Representations, Warranties, and Covenants), Section 15(b) (Insurance Coverage), Section 17 (Indemnification and Limitation of Liability), Section 20 (Confidentiality and Publicity), Section 22(a) (Choice of Law), Section 22(b)22(b) (Arbitration and Attorneys' Fees), Section 22(c) (Notices), Section 22(g) (Comparative Negligence), Section 22(h) (Non-Dedication of Facilities), Section 22(i) (Service Contract), Section 22(k) (No Partnership), Section 22(l) (Full Agreement, Modification, Invalidity, Counterparts, Captions), and Section 22(n) (No Third Party Beneficiaries).
- (h) **Further Assurances.** Each of the Parties hereto agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this SPPA and which do not involve the assumptions of obligations other than those provided for in this SPPA, to give full effect to this SPPA and to carry out the intent of this SPPA.
- (i) **Right of Waiver.** Each Party, in its sole discretion, shall have the right to waive, defer or reduce any of the requirements to which the other Party is subject under this SPPA at any time (other than with respect to and/or relating to the obligation to make any payment due under this SPPA); provided, however, that neither Party shall be deemed to have waived, deferred or reduced any such requirements unless such action is in writing and signed by the waiving Party. No waiver will be implied by any usage of trade, course of dealing or course of performance. A Party's exercise of any rights hereunder shall apply only to such requirements and on such occasions as such Party may specify and shall in no event relieve the other Party of any requirements or other obligations not so specified. No failure of either Party to enforce any term of this SPPA will be deemed to be a waiver. No exercise of any right or remedy under this SPPA by Customer or Seller shall constitute a waiver of any other right or remedy contained or provided by law. Any delay or failure of a Party to exercise, or any partial exercise of, its rights and remedies under this SPPA shall not operate to limit or otherwise affect such rights or

remedies. Any waiver of performance under this SPPA shall be limited to the specific performance waived and shall not, unless otherwise expressly stated in writing, constitute a continuous waiver or a waiver of future performance.

- (j) **Comparative Negligence.** It is the intent of the Parties that where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.
- (k) **Non-Dedication of Facilities.** Nothing herein shall be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party shall knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity, as defined under applicable state or federal law. Neither Party shall assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this SPPA. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use all reasonable efforts for a period of sixty (60) days to restructure their relationship under this SPPA in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring within such period, Seller shall have the right to terminate this SPPA without further liability, and Seller shall remove the System in accordance with Section 11 of this SPPA.
- (l) **Estoppel.** Either Party hereto, without charge, at any time and from time to time, within five (5) Business Days after receipt of a written request by the other Party hereto, shall deliver a written instrument, duly executed, certifying to such requesting party, or any other person specified by such requesting Party: (i) that this SPPA is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification; (ii) whether or not to the knowledge of any such Party there are then existing any offsets or defenses in favor of such Party against enforcement of any of the terms, covenants, and conditions of this SPPA and, if so, specifying the same and also whether or not to the knowledge of such party the other Party has observed and performed all of the terms, covenants, and conditions on its part to be observed and performed, and if not, specifying the same; and (iii) such other information as may be reasonably requested by the requesting Party. Any written instrument given hereunder may be relied upon by the recipient of such instrument, except to the extent the recipient has actual knowledge of facts contained in the certificate.
- (m) **Service Contract.** The Parties intend this SPPA to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Customer will not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.
- (n) **No Partnership.** No provision of this SPPA shall be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither shall be considered the agent of the other.
- (o) **Full Agreement, Modification, Invalidity, Counterparts, Captions.** This SPPA, together with any Exhibits, completely and exclusively states the agreement of the Parties regarding its subject

matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written, regarding its subject matter. This SPPA may be modified only by a writing signed by both Parties. If any provision of this SPPA is found unenforceable or invalid, such unenforceability or invalidity shall not render this SPPA unenforceable or invalid as a whole. In such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law. This SPPA may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall constitute the same Agreement. Counterparts may be executed and delivered via facsimile, electronic mail (including “.pdf” or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com), or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The captions or headings in this SPPA are strictly for convenience and shall not be considered in interpreting this SPPA.

- (p) **Forward Contract.** The transaction contemplated under this SPPA constitutes a “forward contract” within the meaning of the United States Bankruptcy Code, and the Parties further acknowledge and agree that each Party is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.
- (q) **No Third Party Beneficiaries.** Except for assignees, Financing Parties, Indemnified Parties under Section 18 and Successor Providers permitted under Section 19, this SPPA and all rights hereunder are intended for the sole benefit of the Parties hereto and shall not imply or create any rights on the part of, or obligations to, any other Person.

Schedule 1 to Exhibit B

Termination Payment Schedule

If Customer defaults and an Early Termination occurs, the amount of the termination payment (the “**Termination Payment**”) will be:

Contract Year	Termination Payment
1	
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For the avoidance of doubt, in the event of an Early Termination, Customer shall not be entitled to purchase or otherwise retain the System.

Exhibit C
Scope of Work

The “**Work**” consists of the engineering, procurement, construction and commissioning of the System as follows:

1. **Procurement.** The Work includes procurement of all material and components required for a complete System. All components shall be selected by Seller. This includes all modules, racking, inverters, mounting hardware, combiner boxes, junction boxes, disconnect switches, conduit, cable, wire, and all necessary associated hardware.
2. **Engineering.** Perform engineering and design services in accordance with all National Electric Code and applicable local code requirements.
3. **Due Diligence** Seller shall identify and perform all necessary due diligence to design and implement the Project. Due diligence shall include, but not be limited to: geotechnical investigations, structural investigations, surveying, underground utility location (including Ground Penetrating Radar (GPR)), potholing/hand-digging to verify critical UG constraints, utility coordination, title reports, geohazard review, electrical equipment inspection and testing, identification of Authorities Having Jurisdiction (AHJs), etc. Customer will be responsible for completing required geotechnical investigations at the carport locations.
4. **Design Review Process** Two phases of formal design submittal are required as listed below, as well as a final Construction Document (CD) set following AHJ approval. For each phase of submittal, Seller shall conduct design review meetings and maintain and distribute formal meeting minutes for each stage
 - (i) The following is an estimated schedule for each design phase submittal:

<u>Design Stage</u>	<u>Time from Contract Execution</u>
60% Design Development (DD)	within 8 weeks
90% Construction Documents (CD)	within 12 weeks
Final CD Set	Prior to NTP

- (ii) The Seller shall submit an electronic submittal package for each Design Stage including, but not limited to the items outlined in Table 1.
 - (iii) The Seller shall host formal design review meetings with the Customer and their representatives for each design stage submittal. The Seller shall submit the design stage package no less than five (5) business days prior to the design review meeting. The Customer and their representative(s) will provide formal comments for each phase of design and shall have fifteen (10) business days for review of each submittal.
 - (iv) The Seller shall address all Customer comments in writing in the Customer’s preferred format and provide their comments with the next design submittal. The Customer’s review period will not begin until a complete design package and comment responses are received.
 - (v) Customer comments shall be incorporated into each successive stage of the design review. If the Customer has substantial comments on the 90% CD submittal, a formal review of the Final CD set may be performed by the Customer and at the Customer’s discretion and at no additional

cost to the Customer. Seller shall perform subsequent revisions and comment tracking prior to acceptance and issuance of a construction NTP.

Table 1 – Design Submittal Packages

Submittal Requirement	60% Design Development (DD)	90% CD Pre-AHJ & Final CD Set
1. Cover Sheet (TOC, project details, designers of record, Equip. Summary Table ¹ , etc.)	X	X
2. PV System Sizes & Production Estimates	X	X
3. Site Plan (including array names, interconnection details, conduit routes)	X	X
4. Interconnection Equipment Assessment	X	X
5. Electrical Site Plan Drawings, incl. Balance of System	X	X
6. Electrical Single Line Diagrams w/ Utility Meter #s	X	X
7. Site Plan (including topographic survey, GPR/UG utilities, easements)	X	X
8. Demolition Plans (tree/lights first submittal, comprehensive for final submittal)	X	X
9. Trench/Conduit Routes, Vault Locations, UG/Vault Details	X	X
10. DC String Wiring Plans (with corresponding inverter locations & IDs)	X	X
11. Electrical Grounding Details	X	X
12. Signage Details	X	X
13. Monitoring System & Metering Details	X	X
14. Lighting Plan, As-Builts, Details and Photometric Plans	X	X
15. Equipment Pads, Mounting Details and Elevations	X	X
16. All specifications related to the Scope of Work	X	X
17. Construction Schedule	Prelim	Detailed
18. Interconnection Application Revision & Any Utility Coordination/Correspondence		X
19. Two-Dimensional Array Elevation Plan View		X
20. Structural Drawings and Calculations		X
21. Equipment Manufacturer's Cut Sheets and Details		X
22. Complete list of all Subcontractors, incl. specialty		X
23. Site Specific Construction Management Plan		X
24. Seller's Commissioning Protocol		X
25. Complete Design Package Sufficient for AHJ Review		X

Notes:

1. Equipment Summary Table shall include the following with details: Array No/Name, Dimensions, Azimuth, Tilt, Module Model/Count, Inverter Model/Count, Nameplate, No. of Strings, Canopy Column Count.
- (vi) The Customer will formally approve, in writing, each phase of the design upon determination that the design is progressing at or beyond the percentage completion expected at stage. The Seller shall not enter a subsequent design phase without the approval of the Customer. The Seller is solely responsible for obtaining approvals from the Customer and all other Authorities

Having Jurisdiction (AHJs), excluding CEQA, Coastal Commission, and any other environmental approvals.

- (vii) The Seller shall submit a System Size Spreadsheet showing all system sizes by site. For PV systems, size shall include modeling with year one production (kWh), and associated yields (kWh/kWp) per item 2 in Table 1. The spreadsheet shall be submitted at each phase of design as noted above and prior to construction. All final PV system designs shall be within 5% of contracted target production and must receive written approval from the Customer before submittal to the AHJ. Along with the System Size Spreadsheet, the Seller shall provide modeling software output reports, including shade analysis and 8760 production data using approved modeling software, (helioscope, and/or PV Syst) and assumptions prior to construction and post construction phase submittals.
- (viii) The Seller shall conduct an interconnection equipment assessment for each interconnection service prior to the 60% Design submittal. Any issues with existing Customer or Utility equipment that may prevent the system from interconnection to the Utility or may require unanticipated upgrades shall be identified at the time of the 60% Schematic Design submittal. The Seller shall document costs for upgrades for Customer review and approval.
- (ix) The Seller's 90% CD submittal set shall include specifications and/or details for the following items, either detailed on drawings or provided as specifications. Any deviations from bridging document specifications shall be identified and submitted as redlines with the 90% CD submittal.
 - (2) Cutting and Patching
 - (3) Subsurface Investigation limited to underground utility locations per ground penetrating radar and geotechnical investigation reports
 - (4) Concrete Forming, Reinforcing, and Finishing
 - (5) Structural Steel Framing
 - (6) Metal Fabrication Shop Drawings
 - (7) Roof Patch and Repair
 - (8) Painting and Coating
 - (9) Signage
 - (10) Testing and Commissioning
 - (11) Exterior Lighting and Controls
 - (12) Pavement Specialties
- (x) The Seller shall submit complete electronic copies of all Final Approved Permit Sets (Issued for Construction) drawings prior to Construction. This document set shall address all comments made by the Customer on the 90% submittal. Construction NTP shall not be provided until the complete document set has been provided.

5. **Construction Submittals.** The Seller shall provide the following submittals to Customer per the table below.

Construction Submittal	Submittal Schedule
1. Construction Mgt & Safety Plan	No later than 15 days prior to site mobilization.
2. Construction Schedule	- Three-week look-ahead schedule updated and submitted weekly prior to the weekly meeting. - Detailed schedule regularly maintained and provided every two weeks or as-requested.
3. Manufacturers' Installation Manuals	No later than 5 days after construction kickoff meeting.
4. Weekly Meeting minutes	No later than the day prior to the next scheduled project meeting.
5. Test Reports	As available
6. Factory Tests	As available
7. Field Tests	As available
8. Design Deviations/ Requests for Information	As-needed. All deviations shall be accurately and legibly detailed by the Seller and approved by Designer of Record, then presented to the Owner/Owner Reps in the form of an RFI. All changes shall be recorded on as-built drawings at the time of the change.
9. Proposed Change Orders	Prior to commencing any changed work. Shall be formally submitted and approved by the Customer in writing.

6. **Construction.** Work shall include furnishing all labor, tools, equipment, apparatus, and facilities and performing all operations and incidentals necessary to install, test, complete, commission, and make fully operational the System, which shall include the following:
- a. Installing temporary safety systems as required.
 - b. Layout and installing equipment including modules, combiner boxes or inverters, conduit chases, pull boxes, and all necessary associated wire and hardware.
 - c. Layout and installing DC disconnect switch, DC/AC inverter, and AC disconnect switch, and associated wiring and grounding systems and all necessary associated hardware as required by the included design.
 - d. Ground mount arrays will feed meters #6699074 & #6697549. Both points of connection will be inside the main switchboards (MSB) in each electric room. The services at these locations are 480V 3-phase 4-wire. The points of interconnection will be accomplished via line side connections provided by Seller.
 - e. The point of connection for the carports systems and rooftop system will be at the new service (provided by Purchaser) inside the new administration building. The service at this location is 480V 3-phase 4-wire. The connection will be accomplished via 400A backfed rated breaker with adjustable plug (provided by Purchaser). The adjustable plug will be determined by approved engineered drawings. Or a mutually agreed upon provision to be determined during formal engineering.

- f. All POC locations shall have sufficient space inside the electric rooms to install Sellers's main solar AC disconnects with proper clearances. Pricing is subject to change until methods of interconnection are validated by the AHJ.
- g. The inverter for the rooftop and the combing panelboard for the carports and rooftop systems are to be mounted on a standing strut rack in front of the west-facing wall of the building where the rooftop system is located. The carport inverters will be mounted on the carport columns. Location is subject to change until formal validation by engineer of record and approval by AHJ.
- h. All outdoor electrical equipment will be rated NEMA 4X and/or 4XF. The preference is 4X if available and located in direct sun. All indoor equipment will be rated NEMA 1.
- i. Providing and installing internet-based monitoring system as required by the applicable code, regulations, and or law.
- j. Provide training on use of the monitoring system and support Customer with displaying a "kiosk view" of the monitoring system on a Customer-supplied display.
- k. Installing signage as required by any Governmental Authority and the Utility.
- l. All outdoor gear and hardware for electrical equipment and module installation will be 316SS if readily commercially available.
- m. All outdoor, above ground conduit will be RGC except on lighting, communications, inter-array jumpers.
- n. Testing and commissioning of the System including wiring and grounding systems, equipment, controls, and all necessary associated hardware.
- o. Disposing of waste and sanitation facilities.
- p. Site will be left in a neat, orderly, and broom swept clean condition.
- q. All Work shall comply with the safety requirements of NFPA 70E, Standard for Electrical Safety in the Work Place; IEEE, National Electrical Safety Code; All applicable state OSHA and OSHA guidelines and regulations; Utility and Customer Site safety guidelines.
- r. All soil spoils and debris generated by Seller will be spread on site by Seller.
- s. A total of three (3) Shutdowns for interconnection will be scheduled for a minimum of 4 hours and usually take 6 – 8 hours. Temporary power generators are excluded. Interconnection is assumed to be performed on off-hours with prior written approval from Customer. Additional shutdowns may be required in order to assess physical condition of Customer's switchgear prior to interconnection at Customer's additional cost. All shutdowns will be coordinated and mutual agreed upon, in writing, a minimum of 72 hours in advance.
- t. Seller to coordinate construction activities in accordance with CEQA mitigation measures.
- u. Solar canopy Specific scope items

- i. Solar canopies will be located as indicated on the initial design documents. Changes to this layout could cause the need for additional foundations, columns, or electrical work.
 - ii. Asphalt pavement will be trenched and patched for new electrical lines. Asphalt patching shall use "T-Shape" patch including a 1-1/2" grind. These patches will be visible in the final installation.
- v. Lighting is included under the solar canopy. New lighting to be installed shall be LED type. Lighting will be dimming, w/ photocell and motion sensors. Lighting will be designed to a min average of 2 foot candles. Lighting will not be designed/installed to maintain existing photometrics and does not include lighting for areas outside of solar canopies. Light fixture color temperature to be approved by Customer.
 - i.
 - ii. Columns shall be nominally spaced at 27 feet. Spacing is subject to validation by structural engineer of record.
 - iii. Solar canopy height will be a minimum of 11 feet nominal clearance from pavement to lowest point of solar canopy. Carport C1 will have a raised minimum clear height of 13 feet.
 - iv. Canopies will follow grade.
 - v. Solar canopy will include hot rolled steel that is hot dip galvanized for all structural members and cold rolled steel that is G90.
 - vi. Connections shall be bolted or welded at Seller's discretion.
 - vii. Seller will trench and install underground conduits from the Ground Mount solar arrays to the electrical point of interconnection. All trenching will be properly compacted, and pavement will be patched back. All open trenches will be barricaded or be effectively covered with temporary measures.
 - viii. Seller will coordinate with other parties for trenching from the solar carport and rooftop arrays to the electrical point of interconnection. All trenching will be properly compacted, and pavement will be patched back. All open trenches will be barricaded or be effectively covered with temporary measures
 - ix. Trenching, backfill, and installation of the underground conduits for the PV carports and rooftop arrays will be provided and installed by 'Customer'. Underground conduits will need to be installed with pull-strings and stub up within 5" of where specified inside the electrical room, 5' within carport foundation locations, and 5' within the edge of the building for the rooftop array.
 - x. 0 trees to be removed and or trimmed
 - xi. 0 light poles to be removed. Customer to store or dispose of light poles.
 - xii. The System is to be installed in two mobilizations, with one mobilization for the ground mount and a separate mobilization for the carports and rooftop. Each

mobilization will allow for a continuous sequence of construction activities. All efforts will be made to coordinate and cooperate with existing construction schedule. Additional mobilizations can be accommodated at additional cost.

xiii. All conduits to be embedded in canopy foundations where feasible.

w. Ground Mount Specific scope items

- i. Lower edge of modules will be installed at roughly 24 inches above adjacent grade. Modules and racking will follow existing grades and topography.
- ii. Normal soil conditions are anticipated (no bedrock, large boulders, coral, corrosive soils, or ground water). Post refusal due to poor soil conditions will be subject to Change Order.
- iii. Racking designed to accommodate code required wind loading.
- iv. Cold galvanization spray will be used where field cutting of galvanization is necessary.
- v. Fasteners shall be corrosion resistant.

x. Rooftop Specific scope items

- i. The roof will be inspected by a roofing professional prior to commencement of the Work in the event that any roof penetrations or adhesives are required.
- ii. Coring, drilling, cutting, sealing, flashing, and making water tight all openings and penetrations to install all wire, cable, conduit, equipment, and all necessary associated hardware.
- iii. Installation of the System will cause soiling of the roof due to the foot traffic of the workers on the roof. The roof will be left in broom clean condition.
- iv. Contractor will coordinate execution of a roofing overburden letter as may be required by the roofing manufacturer. Client shall sign this document within 3 days to avoid delays.
- v.

7. **Seller Permits.** Seller shall pay for and obtain the following Seller permits:

- a. Building permit
- b. Seller has allocated \$12,000 for permitting fees. Unspent permit funds will be returned to SEJPA. Permit fees that exceed \$12,000 are the responsibility of SEJPA.
- c. Electrical permit

8. **Commissioning Work.** The Work shall include conducting all checks, inspections and testing required to confirm that the System is ready for operation.

- a. The Seller shall provide complete commissioning of all energy systems installed as part of this project.
- b. Commissioning protocols shall be provided in the form of a Method of Procedure (MOP)

for review and approval by the Customer for all major energy systems. Protocols shall adhere to all bridging document requirements and follow standard industry practices.

- c. Prior to commencement of commissioning tasks, the Seller shall notify the Customer and Customer representatives. The Seller shall reference the previously approved procedures and provide a schedule of all commissioning, testing and safety activities.
 - d. Seller shall provide electricians and support to Customer and Customer representative for verification of commissioning and workmanship, including providing reasonable notice prior to conducting commissioning activities so Customer representatives may observe.
 - e. A detailed and comprehensive commissioning report shall be submitted within 15 days after commissioning has been completed on a site-by-site basis.
- A. **Closeout Phase & Project Acceptance.** Seller shall deliver document submittals to the Customer per Table 3 in order to achieve each completion milestone and successfully closeout the project. A digital library will be created by the Customer, and the Seller shall upload organized and collated digital versions of closeout documentation for each of the items listed below on a site-by-site basis. The Customer will review each submittal and formally approve each item upon review and confirmation of completeness. Incomplete submittals shall be corrected by the Seller prior submittal acceptance. A formal notice by the Seller shall be provided for each milestone acknowledging this checklist and successful submission of completed and approved checklist items. The Customer shall review and formally approve the notice for each site.

Table 3 – Closeout Document Submittals & Milestones

Substantial Completion	
1	AHJ Substantial Completion Notice (As-needed for Interconnect)
2	Schedule for Project Closeout
3	Commissioning Protocol
4	Utility Interconnection Request Submitted
5	Seller Notice of Substantial Completion
Commercial Operation Date - COD (All Substantial Completion items plus:)	
6	Utility Permission-to-Operate (PTO) Notice
7	AHJ(s) Acceptance/Completion Documentation
8	Seller Commissioning Documentation
9	As-Built Plan Sets (See Item C)
10	Major Equipment Cut Sheets/Warranty Documentation
11	As-Built Performance Modeling & 8760 Data
12	DAS Login Access and Credentials & Verification of Function
13	Punchlist – Major/Safety Items Signed Off by Customer/Inspectors (See Item D)
14	O&M Manual Draft (See Item E)
15	Subcontractor Notices of Completion
16	Seller Formal Commercial Operation Notice
Final Completion/Acceptance (All COD items plus:)	
17	Punchlist – All Lists Signed Off (See Item D)
18	O&M Manual Final
19	Commissioning Inspection Completed
20	Operation and Safety Training (for Purchaser)
21	All Change Orders/Payments Finalized
22	Final Amended Executed Contracts (PPA & PeGu) (See Item F)
23	Inverter/Data Logger Serial Numbers, IDs, Locations Provided and Functional
25	Seller Notice of Final Completion

9.

10. **Known Site Conditions.**

- a. None.

11. **Project Assumptions.**

- a. All utility-owned electrical equipment serving the Site's electrical distribution system has adequate capacity to handle the System's output. No utility required electrical equipment design, upgrade or replacement is included in design package.
- b. The existing panels have provisions to accept cable connections on the primary side of the main service breaker, or adequate space and capacity for a new breaker.
- c. Existing roads and parking lots will be capable of handling all required construction equipment such as drilling rigs, concrete trucks, delivery trucks, cranes, and all other equipment necessary to complete the Work.

- d. Roof of roof top solar array is bare concrete with no additional waterproof sealants.
- e. On-Site recycled water will be available for construction with no restrictions and at no charge.
- f. All feeders are assumed to be copper THHN-2 or THWN-2.
- g. All DC wire to be copper 2kV PV wire. Price assumes free air for all DC wiring of the PV ground mount
- h. Also Energy Monitoring (Data Acquisition System) is specified for the PV monitoring only and includes cellular service for monitoring for the duration of the PPA term.
- i. Unless otherwise specified in Exhibit A of this SPPA, standard wage rates apply.
- j. No restrictions on time of material deliveries.
- k. The System will interconnect with the facility at Customer's existing panels with current capacity to accept the System in compliance with applicable electrical codes.
- l. System layout is acceptable to AHJ in terms of clearances

Solar canopy specific assumptions

- m. Pricing is based on preliminary Soils Reports Provided by Client. If any of the following conditions are experienced e.g. ground water, dewatering, sub grade rocks, or other unforeseen underground structures are encountered and there is a need to slurry and re-drill or dewater Site, then additional costs will be the responsibility of Customer.
- n. Due to the presence of groundwater discovered in the geotechnical report at 5' below grade Seller has identified a potential need to install steel casing at the carport footings. This cost is subject to validation at time of installation and not included in Seller's proposal.
- o. If groundwater is present after the drilling and the casing it will need to be pumped out at a rate of \$725.00 per hour with a 6-hour minimum. Seller has provided an allowance of \$10,000 total for SWPPP and Dewatering costs. Any amount in excess of this allowance will be the Customer's responsibility. Modifications and/or reconfiguration of the existing parking lots will not be required to accommodate installation of new solar canopies.
- p. The solar canopies will be installed in one mobilization and shall be one continuous sequence of Work requiring the area of the parking canopies to be closed for the duration of the installation.
- q. ADA changes or upgrades are excluded.
- r. All the underground for the ground mount arrays will be open trenched by Seller. Excavations though native soil will be backfilled with native soil. All the underground in

open traffic areas will be open trenched or utilize horizontal directional drilling. Excavations using open trenching through asphalt will be backfilled with 2 sack slurry. Pricing includes sawcut, demo, disposal of soils on site, and patch back of asphalt areas.

- s. While USA and GPR will be completed, some sites may not be accessible in which case it will be SEJPA's responsibility to engage a third party for utility mark out.
- t. Seller is not responsible for damage to unmarked underground utility lines that cannot be located with reasonable efforts including GPR and the execution of Due Diligence as described in Exhibit C.3.
- u. Seller has allocated \$8,000 for special inspection fees.

Rooftop specific assumptions

- a. The existing roof, without structural modification, will support the proposed installation of the 100% ballasted PV System.
- b. The roof is capable of supporting the System and no upgrading of the building structures will be required to support the added live and dead loads from the installation of the System. All repairs deemed necessary shall be completed by the Customer or at the Customer's expense. Any damage caused by Seller will be repaired by Seller.
- c. The roof is in a condition that it will not be damaged by workers walking on the roof. If the roof needs repair or reinforcing to avoid being damaged by walking on it, Customer shall make said repairs.

12. **Customer Obligations.**

- a. Customer shall pay the local utility directly for any interconnection fees and or upgrades.
- b. Customer has obtained, or will obtain the following Customer permits and /or permissions prior to the commencement of construction: (CEQA, Coastal Commission, planning, and/or any additional environmental, state, or federal agencies as required)
- c. Customer to provide Seller with reasonable area for parking and staging equipment, tools and a small office trailer adjacent to the Premises.
- d. Customer to allow construction to proceed without interruption.
- e. Customer shall supply Seller with a current title report with plotted easements, encumbrances, and rights-of-way at the Premises. Customer shall be responsible for clearing any easement issues or applying for easement encroachment permits.
- f. Customer shall provide as-built drawings of the electrical room where interconnection is anticipated.
- g. Architectural and civil will be provided by the architect of record in the form of an accurately scaled site plan in CAD to be used as the basis of design.
- h. Customer shall support the design, engineering, and construction by timely (within 3 days) responding to all requests made by Seller.

- i. Should Customer employ security at the Premises, Customer shall extend those services to Seller laydown and Work area at the Premises.
- j. Customer shall allow Work to progress between the hours of 7:30 AM and 5:00 PM, Monday thru Friday.

Solar canopy specific obligations

- k. Customer shall allocate 4,000 Square feet or 12 parking spaces along with the entire area under the carport canopy for laydown/storage area.
- l. Customer shall supply Seller with as-built drawings showing all existing underground utilities, including in the area of the new structures.
- m. Customer shall identify any and all easements or encumbrances located within the area where any Work will be performed within two (2) weeks prior to the execution by Customer of this SPPA.
- n. Customer shall provide, within one (1) week following the execution of this SPPA by Customer, a copy of any geotechnical engineering reports previously completed with respect to the property, either within the area where the Work will be performed, or anywhere near or adjacent to such area.
- o. Customer shall cooperate to supply any necessary information or documentation required for incentive program filing.

Rooftop specific obligations

- p. Customer to provide Seller with accurate (i) as-built drawings of the roof area and all existing items installed within the roof area, and (ii) accurate as-built drawings of the building structure, for use by Seller to determine the structural capacity of the roof. Seller can provide surveying services to Client as an extra service.
- q. Customer warrants the roof is in reasonably good condition.
- r. Customer shall provide space for a temporary stair tower and an area adjacent to building for loading of the roof via large forklift or crane.

Ground mount specific obligations

- s. Customer shall remove any debris that would inhibit the installation of the PV System found within the Site prior to commencement of construction.

13. Exclusions to the Work.

- a. Painting of conduit, equipment or otherwise.
- b. Extended warranty on any materials or equipment
- c. Upgrades to or installation of a new meter(s) at the Site other than a Seller Meter to which the System is to be integrated.

- d. Planning approvals, renderings, SWPPP costs in excess of SWPPP and Dewatering Allowance, grading, CEQA, Phase 1 ESA permits, cultural study, biological study, flood elevation study, municipal meeting attendance.
- e. Providing a kiosk display, any extension of cellular service, integration into Building Management System (BMS)
- f. Fire alarm, CCTV, security, or communication work other than DAS
- g. Relocating any personal property belonging to any party other than Seller or its subcontractors.
- h. Relocation or reconfiguring of any part of currently installed Customer systems.
- i. Lightning protection work of any kind.
- j. Landscaping, including tree removal or trimming.
- k. Planting or reseeding or in any other way re-establishing vegetation is excluded.
- l. Topographical surveying, erosion control, grading and drainage planning.
- m. Supply of back-up generator for client power needs during System interconnection or otherwise.
- n. Circuit breaker or short-circuit coordination study.
- o. Additional Customer-side protection required by the Utility that are provided by the certified inverters.
- p. Repair to damage to existing roads or parking lots resulting from normal construction operations and activities, assuming that Seller takes reasonable precautions to protect existing infrastructure.
- q. Any changes resulting from the Utility, right of ways, easements, and/or hazards—underground or above ground—or any undocumented building upgrades.
- r. Installation or connection of smoke and fire detection or suppression systems.
- s. Fencing around switchboards, panelboards, transformers and new equipment pads. 4" diameter bollards are included only in areas where equipment is subject to daily vehicle impact.
- t. Electrical load monitoring, which may be required by the NEC for the addition of new lighting load
- u. Design, supply or installation of EV charging systems or providing any spare conduits for future EV chargers
- v. Any additional requirements from Customer's insurance carrier.
- w. Installation of gutters, under sheeting, or special aesthetic trim.
- x. Removal and/or disposal of hazardous materials

- y. Re-striping, power washing, or new slurry coat of the parking lot/hard-court areas
- z. Upgrades and/or modifications to existing POC switchgear excluded
- aa. Any grounding or bonding of the existing electrical infrastructure
- bb. Repairs of any electrical code violations at the existing facility
- cc. Painting of conduit
- dd. Casings or spread footings
- ee. Boulder removal
- ff. Bird nesting or animal prevention systems
- gg. The final design layouts will be subject to approval of local Fire Marshall for access and exclude any infrastructure or installation for fire sprinkler systems
- hh. Redesigns requested by Customer after the 100% drawing submittal to the AHJ
- ii. Any work related to the design or installation of / heat detection systems
- jj. Permanent or temporary fencing installation
- kk. Inverter enclosures including but not limited to CMU walls, permanent fencing, etc.
- ll. Underside decking or gutters
- mm. Paving and striping of parking lot
- nn. ADA design / compliance & site plans
- oo. Pedestrian & vehicle traffic control
- pp. OCAL and/or PVC coated conduit, strut, supports, and/or fittings
- qq. Explosion proof fitting and/or Hazloc specifications
- rr. CEQA costs
- ss. Security badging or LiveScan requirements
- tt. Skilled labor or workforce requirements
- uu. Power washing of roof.
- vv. Correcting, testing or remediating mold, fungus, mildew or organic pathogens, removing or repairing rot or insect infestation, correcting concealed or substandard framing or roofing are excluded.
- ww. Grading of Site. Racking/modules will follow the slope of site.
- xx. Stone roads or stone fire lanes.
- yy. Water storage, wells, pumps, tanks, etc. required for fire, irrigation, etc.

14.

Operations and Maintenance

1. Standard System Repair and Maintenance.

- A. Seller shall construct and install the System at the Facility. During the Term, Seller will operate and perform all routine and emergency repairs to, and maintenance of, the System at its sole cost and expense, except for any repairs or maintenance resulting from Customer's negligence, willful misconduct or breach of this Agreement. Seller shall (A) have the appropriate experience and ability to operate and maintain photovoltaic solar systems and the financial capability to do same (an "**Operator**"); or (B) enter into a contract with an Operator, pursuant to which (1) such Operator shall be responsible for System operation and maintenance under this Agreement and (2) Operator shall administer all rights (including access rights to the Facility) and obligations of Seller on behalf of Seller under this Agreement. Seller shall not be responsible for any work done by others on any part of the System unless Seller authorizes that work in advance in writing. Seller shall not be responsible for any loss, damage, cost or expense arising out of or resulting from improper environmental controls or improper operation or maintenance of the System by anyone other than Seller or Seller's contractors. If the System requires repairs for which Customer is responsible, Customer shall pay Seller for diagnosing and correcting the problem at Seller or Seller's contractors' then current standard rates. Seller shall provide Customer with reasonable notice prior to accessing the Facility to make standard repairs. When performing repairs to, and maintenance of, the System, Seller or Seller's contractors shall comply with all applicable statutes and Construction Provisions, including but not limited to payment of prevailing wage to the extent required by applicable law and all access protocols required by Customer. Table 1 below shows the minimum requirements for ongoing operations and maintenance activities.

Table 1. Outline of Preventative Maintenance Services Required

Service Description	Service Frequency
1. Customer Service Support: a. Provide emergency support contact (24 hours per day, 7 days per week) b. Support technicians specialized in remote troubleshooting and providing step-by-step diagnosis instructions	Continuous
2. Preventative Maintenance, Inspections & Testing: a. Array i. Inspect photovoltaic (PV) modules for damage, discoloration or de-lamination ii. Inspect PV module leads and connections for stress and deterioration iii. Inspect mounting system for damage or corrosion iv. Visually Spot check 10% of structural bolts for torque b. Inverter i. Clean all filters, heat sinks and fans. Remove all dust from cabinets. ii. Inspect inverter pad and container iii. Tighten wire terminations to manufacturer torque spec, inside inverters iv. All other preventive maintenance required by original equipment manufacturer (OEM) warranty c. Electrical Balance of System (BOS) i. Inspect ground braids, electrodes and conductors for damage ii. Perform thermo-graphic analysis of combiner boxes, inverters, transformers, and conductor connections to buses, breakers or disconnects iii. Test and record all circuits, open circuit voltage and short circuit current and repair any fault circuits iv. Inspection of all terminal connections for torque	Annual

Service Description	Service Frequency
<ul style="list-style-type: none"> v. Inspection and remedy of all enclosures for water tightness, oxidation and rodent intrusion d. Meteorological Station (if present) <ul style="list-style-type: none"> i. Inspect weather measurement equipment for damage ii. Clean pyranometers e. Site Conditions <ul style="list-style-type: none"> i. Inspect drainage conditions ii. Inspect vegetation for array shading or fire hazards iii. Inspect safety conditions and proper signage f. Maintenance Reporting <ul style="list-style-type: none"> i. Record results of all inspections and electrical tests ii. Take photographs of any damage or defects identified iii. Inform Customer and warranty providers of all deficiencies identified iv. Provide Customer with recommendations for corrective action g. Sensor Calibration <ul style="list-style-type: none"> i. Field comparison of pyranometers and reference cells to calibrated sensor ii. If found out of calibration, replace sensor or adjust field sensor to within $\pm 3\%$ of calibrated sensor and record changed parameters h. Vegetation Management without the use of any unauthorized chemical agents i. Dust Removal from all electrical equipment 	
<p>3. Module Cleaning</p> <ul style="list-style-type: none"> a. As-needed to meet Performance Guarantee b. No use of chemical agents allowed c. Surface washing of all modules with deionized water d. Pressure washer settings not to exceed 1,500 PSI or manufacturer's recommendation, whichever is less e. Before and after photographs shall be provided 	Bi-Annual/As needed
<p>4. Corrective Maintenance includes:</p> <ul style="list-style-type: none"> a. On-site troubleshooting & diagnostics of all system components, including to maintain Contractor's warranty for the system b. Inverter and Data Acquisition System resets c. Processing and administration of all original equipment manufacturer (OEM) warranty claims on behalf of Customer and verification of replaced equipment d. Full scope repair and replacement of equipment throughout the PPA term. 	As needed

- B. **Canopy Lighting Repairs.** All canopy lighting maintenance on the System is excluded from "Standard System Repair and Maintenance" per Section 1 above. Customer shall, at its sole discretion, replace canopy lighting as needed. Seller agrees to cooperate with Customer in such replacement.
- C. **Fencing Repairs.** All fencing maintenance on fencing constructed under the scope of the Project is considered part of "Standard System Repair and Maintenance" per Section 1 above. Seller (or Operator) shall repair or replace fencing when fencing fails, within thirty (30) days of notification from Customer.
- D. **Safety and Security.** Customer shall continue its standard security measures and insurance for the Properties and the Systems, which may not be sufficient for protection of damage or losses to the Systems caused by criminal acts of third parties. Customer shall not be liable for such damage or losses. Seller may at Seller's cost obtain insurance coverage to the extent Seller desires additional protection against such criminal acts.
- E. **Non-Standard System Repair and Maintenance.** If Seller incurs incremental costs to maintain the System due to conditions at the Facility or due to the inaccuracy of any information provided by Customer and relied upon by Seller, the pricing, schedule and other terms of this Agreement will be

equitably adjusted to compensate for any work in excess of normally expected work required to be performed by Seller. In such event, the Parties will negotiate such equitable adjustment in good faith.

- F. **Breakdown Notice.** Seller shall notify Customer within twenty-four (24) hours following Seller's discovery of (i) any material malfunction in the operation of the System or (ii) a significant interruption in the supply of electrical energy from the System. Customer and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays. Customer shall notify Seller immediately upon the discovery of an emergency condition affecting the System.

Exhibit D

Purchase Option Schedule

Purchase Option Schedule

If Customer elects to exercise its purchase option pursuant to Section 16(b)(i), the “**Purchase Price**” will be the greater of (i) the amount set forth in the following table:

Contract Year	Purchase Price
12	
20	
25	

or (ii) the Fair Market Value as calculated below; provided that if Customer exercises its purchase option at the end of the Initial Term or any Additional Term, the Purchase Price will be equal to the Fair Market Value.

The “**Fair Market Value**” of the System shall be determined by mutual agreement of the Parties and shall be determined on the basis of, and shall be equal to, the value which would be obtained in an arm’s length sale transaction between informed and willing parties for such a System, in use and in place for its originally intended purposes, as is; provided, that if the Parties cannot agree to a Fair Market Value within twenty (20) Business Days from the date upon which Customer notifies Seller of its intent to purchase the System, then the Parties shall jointly select a nationally-recognized independent appraiser with experience and expertise in the U.S. commercial and industrial solar energy industry to determine the Fair Market Value of the System. If the Parties cannot mutually agree on the selection of an appraiser, such appraiser shall be jointly selected by the appraiser firm proposed by Seller and the appraiser firm proposed by Customer. Such appraiser shall deliver a written opinion to the Parties setting forth its determination of the Fair Market Value. The appraiser’s valuation of the System shall be binding on the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by Customer.

Exhibit E
System Production Guaranty

1. **Guaranty.** During the Term, Seller guarantees that the Adjusted Energy Production Amount for each Guaranty Period shall be no less than the Minimum Production Threshold for such Guaranty Period set forth in Table 1 of this **Exhibit E**. The start date for the first Guaranty Period shall be COD and subsequent Guaranty Periods shall start on the corresponding anniversary of COD. If, for any Guaranty Period, the Adjusted Energy Production Amount is less than the Minimum Production Threshold (any such shortfall, measured in kWh, a “**Shortfall**”), then Seller may cure such Shortfall by paying or crediting Customer liquidated damages in the amount of the Shortfall Payment within thirty (30) business days following receipt of an invoice from Customer for the Shortfall Payment. If there is an Energy Production Surplus in any Guaranty Period during the Term, such Energy Production Surplus may be carried forward into subsequent years during a Guaranty Period, but shall not carry forward into subsequent Guaranty Periods. The System Production Guaranty shall be calculated exclusively for the System, not in aggregate with any other systems. Seller shall provide annual reporting of System performance on a site-by-site basis. Reporting shall include annual totals by site and true-up period totals clearly indicating performance under this Agreement. Report shall be delivered within thirty (30) days of the COD anniversary.
2. **Sole and Exclusive Remedy.** Except as otherwise expressly stated in Section 13 of the General Terms and Conditions and notwithstanding anything to the contrary herein, payment by Seller of the Shortfall Payment shall be Customer’s sole and exclusive remedy for Seller’s failure to produce the Minimum Production Threshold during the Term. The Parties agree that actual damages to Customer as the result of Seller’s failure to produce the Minimum Production Threshold would be difficult to ascertain, and that the Shortfall Payment is a reasonable approximation of the damages suffered by Customer as a result of Shortfall during the Term. For avoidance of doubt, the values set forth for as “**Estimated Guaranty Period Production**” in this Table 1 are estimates only, and, except as the terms are used in calculating the Minimum Production Threshold, Seller does not provide any other guarantee of production of electric energy by the System.
3. **Certain Definitions.**

“**Adjusted Energy Production Amount**” means, for each Guaranty Period, an amount, expressed in kWh, equal to the sum of (i) the total amount of electric energy delivered by Seller to the Delivery Point during such Guaranty Period (as measured by Seller’s meter at the Delivery Point), plus (ii) the Energy Production Surplus from the immediately preceding Guaranty Period, if any, plus (iii) the Seller Excused Energy Amount for such Guaranty Period.

“**Energy Production Surplus**” means, with respect to any Guaranty Period, any energy production by the System that is in excess of the gross Estimated Guaranty Period Production during such Guaranty Period.

“**Estimated Guaranty Period Production**” means, for each Guaranty Period, the gross amount of kWh set forth in Table 1 below, which reflects Seller’s estimate of the production of the System over such Guaranty Period.

“**Guaranty Period**” means (x) each successive three (3) Contract Year-periods during the Term.

“Minimum Production Threshold” means, for each respective Guaranty Period, the gross amount of kWh set forth in Table 1 below, which reflects 95% of the sum of the Estimated Guaranty Period Production in such Guaranty Period.

“Seller Excused Energy Amount” means an amount, expressed in kWh, equal to the aggregate amount of reduction(s) in delivered electric energy during any Guaranty Period during the Term that are the result of (a) actions by Customer not permitted under this SPPA that cause the System to be unable to deliver electric energy to the Delivery Point, including Section 9(e) or 9(f) of Exhibit B, (b) Customer’s breach or default hereunder, or any other failure by Customer to accept delivered electric energy, (c) Force Majeure Events, (d) curtailments by the interconnecting utility, (e) maintenance or repair of the System (so long as Seller provides advanced notice to Customer of such repair or maintenance if Seller has advanced notice thereof) or (f) outages to the local transmission or distribution system that impact the System’s ability to delivery electric energy to the Delivery Point.

“Shortfall Payment” means an amount for any Guaranty Period determined by taking the product of (i) the Shortfall for such Guaranty Period multiplied by (ii) \$0.05 per kWh. The calculation and payment of any Shortfall Payment will be done at the end of each Guaranty Period.

Table 1*

*The Estimated Guaranty Period Production and the Minimum Production Threshold may each be adjusted by Seller at the time of COD of the System to reflect the actual System size and any adjustments to the System made pursuant to this SPPA, or at any time during the Term for Force Majeure events that impact System performance or any other circumstances where performance is less than anticipated due to factors outside Seller’s control. Such adjustments shall be reflected in an update to this Table 1 as set forth in an SPPA Amendment.

Guaranty Period	Contract Years	Estimated Guaranty Period Production	Minimum Production Threshold (95%) of estimated)
1	1-3	2,853,171	2,710,512
2	4-6	2,810,587	2,670,058
3	7-9	2,768,639	2,630,207
4	10-12	2,727,316	2,590,951
5	13-15	2,686,611	2,552,280
6	16-18	2,646,513	2,514,187

7	19-21	2,607,013	2,476,663
8	22-24	2,568,103	2,439,698
9	25-27	2,529,774	2,403,285
10	28-30	2,492,017	2,367,416

Exhibit F

Form of Confirmation of Tenant's Ownership of the Energy System

[TO BE EXECUTED AND RECORDED PRIOR TO COMMENCEMENT OF CONSTRUCTION]

Recording Requested By:

When Recorded Return To:

[_____]
[_____]
[_____]
[_____]

(Space above this line for Recorder's use)

CONFIRMATION OF TENANT'S OWNERSHIP OF THE ENERGY SYSTEM

This **Confirmation of Tenant's Ownership of the Energy System** (this "**Confirmation**") is made effective as of _____, by and among [_____] a [_____] (the "**Beneficiary**"), [_____] a [_____] (the "**Landlord**"), and [_____] (the "**Tenant**" and, together with Landlord and Beneficiary, the "**Parties**").

RECITALS

A. The Landlord is the owner in fee simple of real property in the City of [_____] County of [_____] State of California (the "**Premises**"), as more particularly described on **Exhibit A** attached hereto.

B. Landlord (as Customer) and Tenant (as Seller) have entered into that certain Solar Power Purchase Agreement, dated as of [_____] (as amended from time to time, the "**Lease**"), relating to Tenant's design, installation, construction, commissioning, operation, ownership, repair and maintenance of the System (as defined in the Lease) on certain portions of the Premises.

C. The Beneficiary is the beneficiary under that certain [_____] dated as of [_____] and recorded in the Official Records of [_____] California (the "**Official Records**") on [_____] as Document No. [_____] as amended (the "**Security Document**"), executed by Landlord, as grantor, to [_____] a [_____] as trustee, encumbering Landlord's fee interest in the Premises.

D. The parties hereto now desire to enter into this Confirmation to establish certain rights and obligations with respect to their interests, and to provide for various contingencies as hereinafter set forth.

NOW, THEREFORE, in consideration of their mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Notwithstanding anything to the contrary set forth in the Lease but subject to the terms of this Confirmation, the Lease and the leasehold estate created thereby and all of Tenant's rights thereunder shall be and shall at all times remain subject, subordinate and inferior to the Security Document and the lien thereof and all rights of Beneficiary thereunder and to any and all renewals, modifications, consolidations, replacements and extensions thereof.

2. Landlord and Beneficiary do hereby acknowledge and agree that (i) as provided in the Lease, Tenant is the sole owner of all right, title and interest, in and to the System installed or placed on or about the Premises by Tenant and its affiliates or their successors or assigns, and such System shall remain the sole property of Tenant and shall be removable by Tenant at any time, (ii) notwithstanding that the System may be fixtures and regardless of the manner of installation of the System on or about the Premises, the System shall not become a part of the real property comprising the Premises, and neither Landlord nor Beneficiary shall have any ownership or security interest in the System, (iii) Landlord and Beneficiary hereby waive any statutory or common law lien that either might otherwise have in or to the System or any part thereof, and (iv) notwithstanding anything to the contrary in the Security Document, nothing contained herein or in the Security Document shall be construed to affect in any way the rights of Tenant in and to any insurance or condemnation proceeds as provided by the terms and provisions of the Lease. Landlord acknowledges and confirms the Leases and Easements granted to Tenant in Section 9(a) of Exhibit B of the SPPA.

3. In the event that, through or in lieu of the exercise by Beneficiary of any of its remedies pursuant to the Security Document or otherwise (the "**Remedies**"), Beneficiary or any other person shall become a successor-in-interest to Landlord under the Lease, Beneficiary and Tenant agree that as of the date of such succession (the "**Succession Date**"), Beneficiary hereby consents to Tenant's removal of the System from the Premises in compliance with the terms of the Lease. If Tenant shall fail to repair or cause to be repaired any material damage caused by Tenant in conjunction with such removal within twenty (20) Business Days after such removal, Beneficiary may do so and Tenant shall reimburse all of Beneficiary's costs in connection therewith upon demand therefor. The provisions of this Section 3 shall be effective and self-operative immediately upon Beneficiary succeeding to the interests of Landlord, without the execution of any further instrument.

4. All notices that may be required or otherwise provided for or contemplated under the terms of this Confirmation for any party to serve upon or give to any other shall, whether or not so stated, be in writing, and if not so in writing shall not be deemed to have been given, and be either (i) personally served, or (ii) sent by Federal Express, DHL or other commercial overnight courier that provides a receipt, or (iii) sent with return receipt requested by registered or certified mail with postage (including registration or certification charges) prepaid in a securely enclosed and sealed envelope, sent to the following addresses:

If to Landlord:

[]

[]

[]

Attn: []

If to Tenant:

[_____]
[_____]
[_____]
Attn: [_____]

If to Beneficiary:

[_____]
[_____]
[_____]
Attn: [_____]

or to such other person or at such other place as the parties may from time to time designate by written notice to the other parties in accordance with this Section 4. Any matter so served upon or sent to any party in the manner aforesaid shall be effective upon actual receipt (or the date of attempted delivery if delivery is refused).

5. This Confirmation shall not be cancelled, modified or amended orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors or assigns.

6. This Confirmation shall run with the land and shall inure to the benefit of the Parties and, their respective successors and permitted assigns including a transferee of a foreclosure on the financing provided in (x) the Security Document (or a related mortgage or loan agreement) or (y) the documents providing Tenant's financing from its financing parties. From and after the transfer of the Premises by Beneficiary pursuant to a foreclosure, a deed in lieu of foreclosure, court order or other transfer pursuant to the Security Documents, Beneficiary shall be released from any obligation under this Confirmation for any obligation arising from and after the date of such transfer, and the transferee shall be solely obligated as to such obligations arising from and after the date of such transfer.

7. Upon the full execution and delivery of this Confirmation, this Confirmation shall be recorded in the Official Records.

8. This Confirmation may be executed in any number of counterparts, all of which, together, shall constitute but one and the same agreement.

[Execution Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Confirmation to be duly executed as of the date first above set forth.

Beneficiary: [], a []

By: _____

Name: _____

Title: _____

Landlord: [], a []

By: _____

Name: _____

Title: _____

Tenant: [], a []

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

)

§

COUNTY OF

)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

WITNESS my hand and official seal.

(Affix seal here)

Signature of Notary

Exhibit A to Confirmation of Tenant's Ownership of the Energy System
(Premises Legal Description)

[TO BE ATTACHED]

Exhibit G

Form of Commencement of Construction Notice

NOTICE OF COMMENCEMENT OF CONSTRUCTION

This **Notice of Commencement of Construction** (this “**Notice**”) is issued as of _____, 20__, by [____], a [____] (“**Customer**”) to [____], a [____] (“**Seller**”).

In accordance with Section 7(d) of **Exhibit B** to that certain Solar Power Purchase Agreement dated as of [____] by and between Seller and Customer, Customer hereby notifies Seller that Commencement of Construction of the System will commence as of [____], 20__.

Should you have any questions about the foregoing, please contact me at [_____].

[CUSTOMER]

By: _____

Name: _____

Title: _____

Exhibit H

License Agreement

[TO BE EXECUTED, DELIVERED AND RECORDED PRIOR TO COMMENCEMENT OF CONSTRUCTION]

Recording Requested By:

When Recorded Return To:

[_____]
[_____]
[_____]
[_____]

(Space above this line for Recorder's use)

APN: portions of _____

TRANSFER TAX STATEMENT

The Landlord (grantor) declares:

- [X] The documentary transfer tax is \$0.00 and is computed on:
- [X] the full value of the interest or property conveyed
- No document transfer tax is payable as this is a lease with an aggregate term, with all extension rights, of less than 35 years.

The subject property is located in the County of _____.

LICENSE AGREEMENT

This **License Agreement** (this "**License**") is made effective as of _____, _____, by and among [_____] a [_____] (the "**Landlord**"), and [_____] a [_____] (the "**Tenant**").

RECITALS

A. The Landlord is the owner in fee simple of real property in the City of [_____] County of [_____] State of California (the "**Premises**"), as more particularly described on **Exhibit A** attached hereto.

B. Landlord (as Customer) and Tenant (as Seller) have entered into that certain Solar Power Purchase Agreement, dated as of [_____] (as amended from time to time, the "**Lease**"), relating to Tenant's design, engineering, installation, construction, operation, maintenance and repair of the System (as defined in the Lease) on certain portions of the Premises. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Lease.

C. This Memorandum is being executed and recorded to evidence the Lease and shall not be construed to limit, amend or modify the provisions of the Lease in any respect.

MEMORANDUM

1. Site. The premises leased by Tenant from Landlord consists of approximately ____ acres of real property in the _____ County, California, as more particularly described on **Exhibit A** hereto. The Lease grants to Tenant non-exclusive easements for pedestrian and vehicular access as more particularly described in Paragraph 2 below.

2. [Reserved]

3. Term. The Lease and Easement Term commenced on _____ and shall expire on the date that is one-hundred eighty (180) days following the expiration of the Initial Term, unless the Initial Term is extended by any Additional Term, in which case the Lease And Easement Term shall extend to the date that is one-hundred eighty (180) days following the expiration of the final exercised Additional Term.

The Initial Term is a period commencing on _____ and continuing for a period of _____ years/months thereafter.

The Lease is subject to ____ Additional Terms of ____ consecutive years/months each.

4. Ownership of System. Tenant is the sole owner of all right, title and interest, in and to the System installed or placed on or about the Premises by Tenant and its successors or assigns (whether real, personal or mixed property), and such System shall remain the sole property of Tenant and shall be removable by Tenant at any time. Notwithstanding that the System may be fixtures and regardless of the manner of installation of the System on or about the Premises, the System shall not become a part of the real property comprising the Premises, and neither Landlord nor any party claiming by, through or under Landlord, shall have any ownership or security interest in the System.

5. Effect of Memorandum. The purpose of this Memorandum is to give notice of the Lease and its respective terms, covenants and conditions to the same extent as if the Lease was fully set forth herein. This Memorandum shall not modify in any manner the terms, conditions or intent of the Lease and the parties agree that this Memorandum is not intended nor shall it be used to interpret the Lease and in the event of any conflict between the Lease and this Memorandum, the Lease shall control. This Memorandum may be executed in one or more counterparts, all of which when taken together shall constitute one and the same instrument.

[Execution Page Follows]

Landlord:

Title: _____

Title: _____

)

H-3

Exhibit A to Memorandum of Lease and Easements
(Premises Legal Description)

[TO BE ATTACHED]

Exhibit B to Memorandum of Lease and Easements
(Depiction of the Site and Transmission Easement)

[TO BE ATTACHED]

Exhibit I

Form of Installation Schedule

[To be provided]

Exhibit J

SAMPLE PERFORMANCE AND PAYMENT BOND

Bond No. _____

KNOW ALL BY THESE PRESENTS:

That we, _____, as Principal, and _____, having its principal office and place of business at _____ as Surety, are held and firmly bound unto _____, as Obligee, in the sum of _____ Dollars (_____), for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, _____ successor and assigns, jointly and severally, firmly by these presents.

WHEREAS, the said Principal entered into a contract with the Obligee dated _____ for _____ copy of which contract is by reference made a part hereof.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall faithfully perform said Contract according to its terms, covenants and conditions and shall promptly make payment to all claimants as hereinafter defined, for all labor and material supplied in the prosecution of the work provided for in the Contract, then this obligation to be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, That:

1. A claimant is defined as one having a direct contract with the Principal or with a subcontractor of the Principal for labor, material, or both, supplied in the prosecution of the work provided for in the Contract.
2. Subject to the priority of the Obligee, every claimant, as herein defined, who has not been paid in full before the expiration of ninety (90) days after the date on which the last of such claimant's work or labor were done or performed, or materials were supplied by such claimant, shall have a direct right of action under this bond.
3. No suit or action shall be commenced hereunder by any claimant
 - (a) Unless claimant, other than one having a direct contract with the Principal, shall have given written notice to any two of the following: the Principal, the Obligee or the Surety, within ninety (90) days after such claimant did or performed the last of the work or supplied the last of the material for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were supplied, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal, Obligee or Surety, at any place where an office is regularly maintained for the transaction of business or served in any manner in which legal process may be served in the state in which the Contract is located but such service need not be made by a public officer.
 - (b) After the expiration of one (1) year following the date on which Principal ceased work on

the Contract. If this limitation is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

4. In any suit or action by a claimant, as herein defined. Principal shall be made a party to such suit or action, and shall be served with process commencing the same if Principal can with reasonable diligence be found.
5. This bond shall become effective _____ for a one year term, expiring _____. It may be continued for like periods by Continuation Certificate at the sole option of the surety. In no event shall non-renewal of this bond or failure by the Principal to provide the Obligee with a substitute security constitute a loss or basis of claim under said bond, regardless of the number of successive renewal periods the bond has been in effect or the number of claimants that have a right of action against the bond.
6. The Surety's aggregate liability hereunder shall in no event exceed the amount set forth above.
7. By accepting and relying upon this bond, the obligee acknowledges that the surety's obligation hereunder does not cover the warranty period stated in the contract or in any statute. This bond will only cover the standard one year warranty.

SIGNED, SEALED AND DATED this ____ day of _____, 20__.

By: _____

Name

Title

4. _____

By: _____

Name

Title Attorney-in-Fact

Accepted (i)
By: _____

By: _____
Name/Title

Date: _____



Task Order Solar PPA Implementation Support

Task Order # 20018.4

This Task Order is pursuant to the Professional Services Agreement ("PSA") between Sage Energy Consulting, Inc. ("SAGE") and the San Elijo Joint Powers Authority (SEJPA) ("CLIENT") dated July 21, 2020.

This Task Order must be mutually executed before work is commenced.

Project Name Solar PPA Implementation Support

Client San Elijo Joint Powers Authority (SEJPA)

Physical Location Cardiff by the Sea, CA

Estimated Start Date January 4, 2021

Estimated End Date October 31, 2021

Estimated Fees T&M NTE \$53,600

Project Contacts

SAGE	San Elijo Joint Powers Authority (SEJPA)
Name: Ilan Fuss	Name: Mike Thornton
Title: Associate Principal	Title: General Manager
Email: ilan@sagerenew.com	Email: thorntonm@sejpa.org
Phone: 415-663-9918	Phone: 760-753-6203
Address: 101 Lucas Valley Road, Suite 302 San Rafael, CA 94903	Address: 2695 Manchester Avenue Cardiff by the Sea, CA 92007

Proposed Scope of Services

SAGE will provide project management services for the implementation phase of CLIENT's solar PV project. This task order outlines services for design review, construction support, and commissioning support and project closeout.

Tasks

Task 1 Design Review and Assistance

- 1.1 Attend design kickoff virtual meeting, to review contract requirements, existing conditions, design process, and discuss implementation logistics.
- 1.2 Review Developer site discovery scope and results. Discuss any changed conditions and coordinate design modifications with CLIENT and Developer.
- 1.3 Participate in up to eight regular design meetings via phone.
- 1.4 Provide technical review and collate CLIENT comments for up to two sets of progress designs.
- 1.5 Evaluate Developer system design, component selection and interconnection scheme for conformance with contract, utility, and industry standards.
- 1.6 Assist with siting issues such as equipment placement, shading, fire issues, future site plans, easements and utilities, local AHJ considerations, etc.
- 1.7 Ensure schedule and submittals tracking for permitting with AHJ(s).
- 1.8 Review interconnection applications and agreements with Utility as necessary.

Site visits: None, all work performed remotely

Task 2 Technical Construction Support

- 2.1 Participation in construction kickoff meeting site visit.
- 2.2 Participation in up to sixteen project meetings by phone per CLIENT needs and project construction activities.
- 2.3 Track Developer-maintained master schedule and look-aheads against milestones.
- 2.4 Review and respond to RFIs.
- 2.5 Technical review/comments/support to CLIENT Construction Manager (CM on design changes, change orders and Developer's work regarding contract and industry standards.
- 2.6 Perform one site inspection and produce inspection report for site visit.
- 2.7 As-needed support and communications with CLIENT, and CLIENT CM.

Site visits: 2 total - construction kickoff and 1 visit during active construction.

Task 3 Commissioning (Cx) Verification and Project Closeout

- 3.1 Review Developer's Cx protocol, confirm that it meets contract requirements and industry standards.
- 3.2 Inspection of systems, including:
 - 3.2.1 System component and design conformance verification
 - 3.2.2 Workmanship evaluation
 - 3.2.3 Performance verification, including IR spot testing, and inverter/system output confirmation
- 3.3 Provide review of documentation, including Developer Cx results and O&M manual.

- 3.4 Coordinate with CM to ensure all closeout tasks/submittals have been completed and provide technical assistance as-needed.
 - 3.4.1 Provide input to change order closeout and contract amendments
 - 3.4.2 Provide input to project closeout punch list and coordinate with CM/AHJ inspectors/other stakeholders to verify completion
 - 3.4.3 Ensure all required project documentation and training provided to CLIENT
- 3.5 Produce summary report of Cx verification effort with electronic library of closeout documentation including as-builts, permission-to-operate letters, inspection reports, punch list closeout, etc.

Site visits: One, for inspection and verification.

Schedule and Deliverables

Task		Start Date	End Date	Deliverables
1	Design Review	1/4/2021	3/31/2021	<ul style="list-style-type: none"> – Review/Document Comments on Progress Drawings – Updates to Performance/Financial Models as needed – Review supporting documents for Utility Interconnection Agreement
2	Technical Construction Support	5/1/2021	8/31/2021	<ul style="list-style-type: none"> – Review & Comments for Submittals/RFIs/Change Orders/Pay Apps – Input to Punchlist based on inspections
3	Commissioning Verification and Project Closeout	9/1/2021	10/31/2021	<ul style="list-style-type: none"> – Inspection and testing reports – Punch list – Project Summary Report, including electronic document reference library

Project Requirements and Assumptions

1. Travel to CLIENT sites per site visit assumptions outlined in Scope of Services. Project travel generally assumes one representative per visit unless otherwise noted. Additional travel beyond the trips listed may require additional budget.
2. Participation in design and project meetings limited to the quantities outlined in Scope of Services. Participation in additional meetings may require additional budget.
3. Assumes schedule listed. Delays or extension of the assumed schedule outside of SAGE's control may require additional budget.
4. CLIENT will provide site access for site walks, including access to electrical services at each site.
5. CEQA documentation and process management to be provided by CLIENT. CLIENT/Developer shall be responsible for any CEQA requirements during construction, with oversight by CLIENT or CLIENT's CM.
6. Design, construction, and commissioning of project will be performed by others. SAGE will provide design review, technical assistance during construction, review/oversight of Developer's commissioning, and inspections/performance assessment as noted.
7. Developer will be responsible for the interconnection process and will be responsible for interconnection with the electrical utility. SAGE will review interconnection agreements and provide comments if necessary.
8. CLIENT will self-perform or separately contract day-to-day CM and code inspection services. SAGE will be on-site during construction and commissioning as noted and will perform the tasks listed, including providing technical support to the CLIENT CM.
9. All deliverables will be provided in electronic format.

Fees and Payment Schedule

Time and Materials Fee Structure

SAGE will bill for services on a time and materials (T&M) basis, with not to exceed (NTE) limits per Task. Sage will notify the CLIENT when 50% of a task's budget has been completed and when 80% of a task's budget has been completed and will not exceed NTE limits without consent of the CLIENT.

Hourly Fee Schedule

Title	2021	2022
Managing Principal	\$260	\$275
Principal	\$245	\$265
Associate Principal	\$235	\$245
Senior Project Manager	\$230	\$235
Project Manager	\$205	\$215
Senior Engineer	\$205	\$210
Engineer	\$170	\$185
Senior Data Scientist	\$205	\$215
Data Scientist	\$170	\$185
Construction Manager	\$190	\$200
Sr. Analyst/Technician	\$180	\$185
Analyst/Technician	\$145	\$155
Energy Intern	\$110	\$115
Program Support Specialist	\$105	\$115
Project Administrator	\$85	\$90

Not To Exceed Task Limits

Task	Fee
Task 1 Design Review	\$14,500
Task 2 Technical Construction Support	\$22,500
Task 3 Commissioning Verification & Project Closeout	\$16,600
Total	\$53,600

Billing/Payment Structure

SAGE invoices on a monthly basis with terms of Net 30. For fixed fee billing, invoices are billed on percentage of task complete. SAGE will only bill for work that has been completed and does not bill

for uncompleted tasks if the Project is terminated or suspended. If schedule is extended as a result of regulatory, CLIENT, or other causes beyond SAGE's control, SAGE will consult with CLIENT on utilizing contingency funds or extending the budget as-needed.

Reimbursable Expenses

The above fees do not include any travel. Fees assume all deliverable materials for the project will be provided digitally. Printed copies of documents will be billed at cost. For time and materials fee structure projects, all reasonable and ordinary expenses are reimbursable at cost plus 5%.

Travel Costs

When air travel is required, coach class airfare will be used for domestic air travel and business class for international travel. Personnel travel time from our office to project location is billable at the full hourly rate. Meals and lodging will be billed at cost. Vehicle driving mileage will be billed at the current IRS mileage rate.

Subconsultant Fees

Subconsultant fees will be passed through at cost plus 15%. SAGE does not anticipate using subconsultants on this project. SAGE will seek and receive approval from CLIENT prior to utilizing subconsultant services.

Term of Fee Schedule

The Fee Schedule above is for project work completed through December 31, 2021.

IN WITNESS WHEREOF, authorized representatives of both SAGE and CLIENT have executed this agreement as of the date set forth above.

SAGE	San Elijo Joint Powers Authority (SEJPA)
Name: Russell Schmit	Name: Mike Thornton
Title: COO	Title: General Manager
Date:	Date:

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 15, 2020

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ACCEPT SOLIDS TREATMENT DEFINITION REPORT AND AWARD OF
ENGINEERING DESIGN SERVICES FOR PRELIMINARY DESIGN - SOLIDS
DEWATERING SYSTEM

RECOMMENDATION

It is recommended that the Board of Directors:

1. Accept and file the Solid Treatment Definition report;
2. Authorize the General Manager to execute an Engineering Agreement with Black & Veatch for Preliminary Design of the Sludge Dewatering System for an amount not to exceed \$169,369; and
3. Discuss and take action as appropriate.

BACKGROUND

As part of wastewater treatment, solid material is separated from the water through a series of chemical, biological, and physical processes. This material, which is in a thickened liquid form, is pumped to the solids treatment system for additional biological treatment to reduce organics, destroy pathogens, and minimize odors. The final step in this process is to dewater the material, now called biosolids, prior to hauling offsite for use as fertilizer. The biosolids are tested to ensure compliance with 40 CFR Part 503 (Standards for the Use or Disposal of Sewage Sludge). The San Elijo Water Campus produces approximately 300 wet tons of biosolids per month.

In 2015, SEJPA completed a facility master plan (Facility Plan) that provided a general evaluation of the wastewater treatment and ocean outfall system, providing guidance and recommendations for replacing aging infrastructure. Included in this effort were recommendations for replacing and upgrading the solids treatment infrastructure.

In 2017, staff pursued a comprehensive evaluation that would provide the basis for solids treatment for the next 30 years. The project was publicly advertised, and four firms submitted proposals, all of which exhibited a strong comprehension of project needs. The proposal that provided the best combination of qualifications, project understanding, and value-based approach was submitted by Black & Veatch. In September 2017, the SEJPA Board of Directors awarded a professional service agreement to Black & Veatch for \$190,240 for conducting the prescribed work and submitting it within a Solids Treatment Definition report. Field work and data analysis was completed in 2018 and equipment demonstrations were completed in 2019, with the final report submitted in 2020.

Key work elements of the report included:

- Detailed evaluation of solids process equipment condition
- Review of treatment production and performance
- Review of best available treatment technology
- Identifying trends in regulatory requirements that may impact future solids treatment
- Improvements to meet climate action plan goals of the SEJPA member agencies.

With the completion of the Solid Treatment Definition report, staff is prepared to commence with the preliminary design for replacing and upgrading several key solid treatment systems.

DISCUSSION

Black & Veatch completed the project definition report that provides long-term planning for the replacement and upgrading of the solids treatment facilities. The report developed an analysis of the solids treatment improvement options including estimated cost to construct and operate. The budgetary capital cost range for the six core areas of solids treatment is \$9.6 million to \$14.2 million (see Table 1).

TABLE 1 – BUDGETARY COST ESTIMATE – SOLIDS FACILITIES

ASSET MANAGEMENT / RISK MITIGATION PROJECTS			
FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS (1)	TIMING
DAF and Ancillary Facilities (Asset Management)	<ul style="list-style-type: none"> Replace the existing DAF drives Replace the existing coated steel DAF mechanism with stainless steel mechanism (both DAF Nos. 1 and 2) Replace the existing compressed air system for DAF No. 1 with a pressurization pump Replace the existing PVC pull boxes and FRP pump control panel in the TWAS pump area 	\$1,314,000 - \$1,452,000	Begin design within 1 year (work to be performed by SEJPA)
PS Thickening (Risk Mitigation)	<ul style="list-style-type: none"> Thicken PS after primary clarification with new Rotary Drum Thickeners and associated pumping system 	\$1,176,000 - \$1,300,000	Begin design within 3 year
Dewatering Feed Pumps, Dewatering Building, and Odor Control (Asset Management)	<ul style="list-style-type: none"> Install new dewatering feed pumps Rehabilitate existing Dewatering Building, including resurfacing and recoating of steel framing and other metal components (including the outdoor hopper area), and make improvements to the ventilation and odor control systems Replace exiting BFPs with new screw presses or centrifuges and install associated piping and appurtenances Demolish existing screw conveyor and associated hopper, install new screw conveyor and truck distribution conveyor with gates Full mechanical and electrical testing of MS-2 and MCC-H 	\$5,259,400 - \$5,812,000	Begin design within 1 year
Polymer Storage and Feed / Containment (Asset Management)	<ul style="list-style-type: none"> Upgrade the polymer storage and feed area with configuration suitable for a tote and fork lift access and integration of the feed pump area within the containment Replacement of the existing feeder blenders with a PLC based system 	\$652,000 - \$721,000	Begin design within 1 year
Digesters Nos. 2, 3, and 4 – Option 1 (Asset Management) (2)	<ul style="list-style-type: none"> Perform concrete surface repair and coating repair on all digesters Address corrosion of manways, gas-withdraw, and other metal components Replace the existing floating cover with new cover on Digester No. 2 	\$1,180,000 - \$1,306,000	Begin design within 5 year (3)
Digesters Nos. 2, 3 and 4 – Option 2 (Asset Management) (2)	<ul style="list-style-type: none"> Perform concrete surface repair and coating repair on digesters No. 3 and 4 Address corrosion of manways, gas-withdraw, and other metal components and Digesters No. 3 and 4 Digester No. 2 replace in kind with new 	\$3,856,000 - \$4,879,000	Begin design within 5 year (3)
TOTAL ASSET MANAGEMENT / RISK MITIGATION PROJECTS =		\$9,581,400 - \$14,164,000	

Notes:

(1) The costs were originally estimated in 2018 dollars in TM 3 (Chapter 7) then escalated to June 2020 dollars. Includes contractor overhead and profit (10%), contingency (50%), and engineering, construction management, and administration (30%).

(2) Existing Digester No.2 shall be further evaluated during the design phase to determine best value to move forward: 1) rehab or 2) replace in kind with new.

(3) Concrete repair to be performed by SEJPA as part of maintenance.

Staff has reviewed the recommendations to identify options to prioritize capital expenditures. The most critical improvements are associated with dewatering solids facilities and polymer storage and feed systems. The estimated budget range for these improvements is \$6.2 million to \$6.9 million, in mid-2022 dollars escalated annually 4%. These improvements are recommended to be commenced immediately with an anticipated implementation schedule of 30 months.

DAF and Ancillary Facilities Improvements and the rehabilitation of Digesters Nos. 2, 3, and 4 are prioritized as the next group of recommended projects. Staff has already conducted inhouse repairs to reduce the urgency of these improvements and to keep facilities operational. Beginning design of these improvements within 5 years is recommended. The collective recommended budget for these improvements is on the order of \$2.6 million to \$6.7 million (in mid-2022). The significant variance is rehabilitating Digester No. 2 verse replacing in kind with new. Preliminary indications are that Digester No. 2 is a strong candidate for rehabilitation.

Staff has also implemented process optimization improvements that has eliminated or substantially delayed the need for Primary Sludge (PS) Thickening, offsetting an estimated \$1.1 million to \$1.3 million in capital cost.

Black & Veatch has provided an engineering scope and fee proposal for the preliminary design that will provide clarity on the best treatment technology that will consider performance as well as capital and operations costs. In addition, the preliminary design will consider alternatives for integrating the improvements into the existing facilities to identify best value solutions. Below is the proposed schedule from preliminary design to startup and performance testing.

Preliminary Design	January – April 2021
Final Design & Construction Documents	May – December 2021
Public Advertising & Bidding Opening	January – March 2022
Contract Award	April 2022
Construction Completion	May 2022 – April 2023
Startup & Performance Testing	May – June 2023

FINANCIAL IMPACT

The negotiated fee for completing the preliminary design for the dewatering facility is \$169,369. The project will be funded by the Wastewater Capital Program which has a fund balance of approximately \$7.01 million.

It is therefore recommended that the Board of Directors:

1. Accept and file the Solid Treatment Definition report;
2. Authorize the General Manager to execute an Engineering Agreement with Black & Veatch for Preliminary Design of the Sludge Dewatering System for an amount not to exceed \$169,369; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Black & Veatch Solids Treatment Definition Report Executive Summary

Attachment 2: Black & Veatch Design Services Proposal

FINAL

EXECUTIVE SUMMARY – SOLIDS TREATMENT PROJECT ANALYSIS

San Elijo Water Reclamation Facility

B&V PROJECT NO. 196944

PREPARED FOR

San Elijo Joint Powers Authority

31 AUGUST 2020

Introduction

The San Elijo Joint Powers Authority (SEJPA, Agency) owns and operates the San Elijo Water Reclamation Facility (SEWRF). The *2015 Facility Plan* identified several solids related projects to enable the Agency to continue to meet goals of regulatory compliance, environmental protection, and resource recovery and reuse. Black & Veatch Corporation (Black & Veatch) performed a Solids Treatment Project Analysis (Project) to estimate current and future solids quantities, review and screen technology alternatives for needed improvements, and develop a business case analysis for future improvements.

The existing solids handling facilities at SEWRF consist of the following major components:

- Sludge Thickening – Two dissolved air floatation (DAF) tanks
- Sludge Digestion – Four anaerobic digesters (3 online) and associated equipment
- Sludge Dewatering & Conveyance – Two belt filter presses (BFPs) and one solids conveyor with a storage hopper

Currently, primary sludge (PS) is stored briefly in the primary sedimentation basin hoppers prior to being pumped to the digesters without thickening. Waste activated sludge (WAS) from the secondary sedimentation basins is sent to the DAF process for thickening prior to being pumped to the digesters.

Digester No. 1 is no longer in service, and its associated equipment has been removed. Currently the solids are processed in Digesters Nos. 3 and 4. The digested sludge is sent to Digester No. 2 for additional processing and holding. From Digester No. 2, the solids are withdrawn to feed the Sludge Dewatering Facility. Digested solids are then dewatered using two Belt Filter Presses (BFPs), and the dewatered sludge cake from the BFPs is conveyed through an inclined conveyor to a two-cell elevated storage hopper. Solids are discharged from the storage hopper to trucks and hauled to Arizona for land application. Also included in the Sludge Dewatering Facility is the polymer storage and feed facility, and odor control equipment for treating foul air from the Sludge Dewatering Building prior to discharge to atmosphere.

Several key documents were produced as part of this Project. These documents are included in various chapters, following this Executive Summary. A summary of the Chapters is shown below in Table ES-1.

Table ES-1. Summary of Chapters

CHAPTERS
<ul style="list-style-type: none"> ■ Chapter 1 - Structural & Mechanical Inspection Findings ■ Chapter 2 - Mechanical Inspection Findings ■ Chapter 3 - Electrical Inspection Findings ■ Chapter 4 - Solids Mass Balance (TM 1) ■ Chapter 5 - Task 5 Summary Tables ■ Chapter 6 - Coarse Screening/Project Development (TM 2) ■ Chapter 7 - Business Case Development (TM3)

When completed, this project will provide recommendations for system upgrades that enable SEJPA to meet a level of service reliability consistent with Board and industry expectations as well as meet current and anticipated future regulatory requirements. This Project is also intended to include improvements that will improve operational efficiency and reduce operating costs. Figure ES-1 provides an aerial view of the solids processing facilities. The results of the Project are summarized in this Executive Summary and the recommended improvements are divided into two categories: 1) Asset Management / Risk Mitigation Projects, and 2) Regulatory Required / Agency Disruptor Related Projects.

The following sections describe evaluations performed as part of this project, recommended improvements, and cost estimates for the various improvements.

Asset Management / Risk Mitigation Projects

Project components that fall under this category include those improvements needed to maintain regulatory compliance and to deliver reclaimed water to agency customers. The first category, Asset Management, refers to projects required to keep the plant reliably operational. Items under this category range from coating and lining work to equipment and tanks, to replacement of aged equipment that has exceeded its useful life.

Projects that fall under the second category, Risk Mitigation, include improvements that lower the risk of potential failure of existing treatment processes and equipment. These improvements will reduce the potential exposure to permit violations and associated fines.

The improvements in this section are grouped by the following areas: 1) Sludge Thickening, 2) Biosolids Dewatering/Conveyance, and 3) Digesters/Energy Recovery.

SLUDGE THICKENING

Options Evaluated for Sludge Thickening

Based on a detailed analysis performed to evaluate options to thicken primary sludge, a mechanical thickening system downstream of the primary sedimentation basins is recommended. Benefits will be longer hydraulic retention time in digesters, less septicity in Primary Sedimentation Basins, less heated water energy cost, and better volatile solids destruction.

Recommended Improvements and Associated Costs

A detailed evaluation of the sludge thickening system was performed and is included in Chapter 6 and Chapter 7. Recommended improvements and associated costs for the existing sludge thickening system are summarized in Table ES-2.



Figure ES-1. Key Map of Existing Solids Handling and Related Facilities

Table ES-2. Sludge Thickening System Recommended Improvements and Cost

FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS ¹
DAF and Ancillary Facilities (Asset Management)	<ul style="list-style-type: none"> Replace the existing DAF drives Replace the existing coated steel DAF mechanism with stainless steel mechanism (both DAF Nos. 1 and 2) Replace the existing compressed air system for DAF No. 1 with a pressurization pump Replace the existing PVC pull boxes and FRP pump control panel in the TWAS pump area 	\$1,314,000 - \$1,452,000
PS Thickening (Risk Mitigation)	<ul style="list-style-type: none"> Thicken PS after primary clarification with new Rotary Drum Thickeners and associated pumping system 	\$1,176,000 - \$1,300,000
TOTAL =		\$2,490,000 - \$2,752,000

1. The costs were originally estimated in 2018 dollars in TM 3 (Chapter 7) then escalated to June 2020 dollars. Includes contractor overhead and profit (10%), contingency (50%), and engineering, construction management, and administration (30%).

BIOSOLIDS DEWATERING / CONVEYANCE

Options Evaluated for Biosolids Dewatering / Conveyance

In addition to the evaluation of the overall biosolids dewatering / conveyance system, a detailed analysis was performed to evaluate three dewatering technologies, as listed below. This detailed analysis is described in Chapter 6.

- BFPs
- Centrifuges
- Screw Presses

SEJPA performed pilot testing on Centrifuge and Screw Press technologies during the development of this Project. In addition to these dewatering technologies, transporting sludge to other facilities for solids handling was evaluated. Results of this analysis are presented in TM2 (Chapter 6).

Recommended Improvements and Associated Costs

The results of the detailed evaluation of the biosolids dewatering / conveyance system are included in Chapter 6. The improvements and associated costs for the biosolids dewatering / conveyance system are summarized in Table ES-3.

Table ES- 3. Biosolids Dewatering / Conveyance System Recommended Improvements and Costs

FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS ¹
Dewatering Feed Pumps, Dewatering Building, and Odor Control (Asset Management)	<ul style="list-style-type: none"> Install new dewatering feed pumps Rehabilitate existing Dewatering Building, including resurfacing and recoating of steel framing and other metal components (including the outdoor 	\$5,259,400 - \$5,812,000

FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS ¹
	hopper area), and make improvements to the ventilation and odor control systems <ul style="list-style-type: none"> • Replace exiting BFPs with new screw presses or centrifuges and install associated piping and appurtenances • Demolish existing screw conveyor and associated storage hopper, install new screw conveyor and truck distribution conveyor with gates • Full mechanical and electrical testing of MS-2 and MCC-H 	
Polymer Storage and Feed / Containment (Asset Management)	<ul style="list-style-type: none"> • Upgrade the polymer storage and feed area with configuration suitable for a tote and fork lift access and integration of the feed pump area within the containment • Replacement of the existing feeder blenders with a PLC based system 	\$652,000 - \$721,000
TOTAL =		\$5,911,400 – \$6,533,000

1. The costs were originally estimated in 2018 dollars in TM 3 (Chapter 7) then escalated to June 2020 dollars. Includes contractor overhead and profit (10%), contingency (50%), and engineering, construction management, and administration (30%).

DIGESTER

Options Evaluated for Digestion

Advanced anaerobic digestion processes using thermophilic conditions was considered as an option to produce Class A biosolids, but it was not recommended as summarized in Chapter 7. Details of the Digester No. 2 upgrade analysis is included in Chapter 7.

Recommended Improvements and Associated Costs

The results of the detailed evaluation of the digester system is included Chapter 7. The improvements and associated costs for this system is summarized in Table ES-4. Two options are presented for the digester improvements. The first option includes rehabilitation of the Digester No. 1 tank to bring it back on line and includes installation of new mixing equipment. The second option includes a complete replacement of Digester No. 1 with a new “in-kind” concrete tank and associated mixing equipment.

Table ES- 4. Digester System Recommended Improvements and Costs

FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS ¹
Digesters Nos. 2, 3, and 4 – Option 1 (Asset Management)	<ul style="list-style-type: none"> • Perform concrete surface repair and coating repair on all digesters • Address corrosion of manways, gas-withdraw, and other metal components • Replace the existing floating cover with new cover on Digester No. 2 	\$1,180,000 - \$1,306,000

FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS ¹
Digesters Nos. 2, 3 and 4 – Option 2 (Asset Management)	<ul style="list-style-type: none"> Perform concrete surface repair and coating repair on digesters No. 3 and 4 Address corrosion of manways, gas-withdraw, and other metal components and Digesters No. 3 and 4 Digester No. 2 replace in kind with new 	\$3,856,000 - \$4,879,000
TOTAL =		\$1,180,000 – \$4,879,000

1. The costs were originally estimated in 2018 dollars in TM 3 (Chapter 7) then escalated to June 2020 dollars. Includes contractor overhead and profit (10%), contingency (50%), and engineering, construction management, and administration (30%).

Regulatory Required / Agency Disruptor Related Projects

Projects that fall under this category are driven by future regulatory changes and/or an agency disruptor which would trigger the need for improvements at the WRF. Examples of regulatory required projects include changes to current permit limits (ocean discharge or solids land application) or adoption of more rigorous goals in a Climate Action plan. Should any of these conditions be encountered, changes to the SEWRF current treatment philosophy would require changes, which may include new equipment, additional chemicals, energy for additional treatment, or additional staff to operate under these new conditions.

Examples of agency disruptors include unanticipated increases in flow to the plant or significant energy cost increases. While the existing service area for SEJPA is largely built-out and additional flow within the service area is not expected to increase significantly in the near future, partnerships with other agencies could result in increased flow to the plant, possibly to produce more recycled water for the community. Should this occur, the added flow could trigger future needed improvements at the plant to maintain permit requirements.

With the continued growth of renewable energy and with the state of California goals of being carbon neutral by 2040, the future cost of electricity is unpredictable and has the potential to increase significantly. Should the cost of electricity increase dramatically, energy recovery at the WRF will become more attractive and could trigger improvements.

The facility areas that fall under this section are further defined by three primary areas: 1) Class A Biosolids, 2) Energy Price Increases, and 3) Flow Increases, all of which are further defined below.

CLASS A BIOSOLIDS

Regulators in the State have considered changing biosolids disposal requirements to include Class A treatment, which would result in changes to the status quo. In addition to the technologies and alternatives presented in the digester section above, the following technologies to achieve Class A stabilization were evaluated and presented in Chapter 5.

- Pasteurization Prior to Anaerobic Digestion
- Advanced Anaerobic Digestion Processes using Thermophilic Conditions
- Thermal hydrolysis (pre- and post-dewatering)

- Alkaline stabilization
- Composting
- Thermal drying

Class A would potentially open-up other outlets (other than the current practice of land application in Arizona) for the biosolids product, depending on the process used to achieve the higher level of stabilization. However, all Class A options are expensive to implement. Justification for moving towards Class A stabilization would likely result from regulation changes or other external drivers, such as changes in the product value that could positively influence the return on investment and life cycle cost of such projects.

Recent legal ruling overturning the Kern County bans on biosolids application, as well as potential legislation being discussed in the California Legislature, all point to continued acceptance of Class B land application in California from a regulatory perspective. Land application of Class B biosolids in Arizona or potentially in California is considered to be a viable and cost-effective practice for the foreseeable future. Therefore, it is recommended that SEJPA continue with land application of a Class B product. It is also recommended that consideration be given to Class A stabilization when other plant improvements are made, to reserve space for those processes should new drivers be introduced to SEJPA.

ENERGY PRICE INCREASES

Existing Conditions

The existing microturbines that were installed at SEWRF in 2001 reached their useful life in 2005 due to several issues. A portion of biogas generated from the digestion process is currently utilized for fueling Boiler No. 2, and excess biogas is sent to the existing flares.

The Climate Action Plan (CAP) for the City of Encinitas has a goal of supplying municipal facilities with onsite renewable energy to achieve “Net Zero Electricity” for municipal operations. The CAP for the City of Solana Beach also has a goal to develop a “Zero Net Energy” policy for municipal-owned buildings. It also has a goal to reduce electricity and natural gas consumption at municipal facilities.

Options Evaluated for Energy Recovery

A preliminary screening of potential energy recovery alternatives was conducted under Task 5 (as summarized in Chapter 5) to narrow down the following options:

- Cogeneration using Internal Combustion (IC) Engines
- Cogeneration using Microturbines
- Cogeneration using Gas Turbines
- Cogeneration using Fuel Cells
- Gas Upgrading to Renewable Natural Gas (RNG) for On-site Fuel Use
- Gas Upgrading to RNG for Pipeline Injection

Future Recommended Improvements and Associated Costs

Based on the project drivers and options evaluated, a CHP project with IC engines could be further considered for potential implementation in the future. The capacity and quantity of engines will need to be determined during preliminary design based on the most realistic future influent flow rate and related economic factors. Future trends in air emission regulations with regards to engine generators will also need to be further assessed prior to implementation. Electricity is currently \$0.14 kWh. Should the cost of electricity increase by 50% in the coming years, the payback period for one 160 kW IC engine could change from 13 years to 7 years. If the rate doubles the payback period could drop to 4 years.

The results of the detailed evaluation of the energy recovery system is included in Chapter 6. Based on this evaluation, the following future improvements and associated costs for this system is summarized in Table ES-5.

Table ES- 5. Future Energy Recovery Recommended Improvements and Cost

FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS ¹
IC Engine (If triggered by Agency Disrupter, energy cost escalation)	<ul style="list-style-type: none"> Install one 160 kW IC engine and associated equipment 	\$952,000 - \$1,053,000
TOTAL =		\$952,000 - \$1,053,000

1. The costs were originally estimated in 2018 dollars in TM 3 (Chapter 7) then escalated to June 2020 dollars. Includes contractor overhead and profit (10%), contingency (50%), and engineering, construction management, and administration (30%).

FLOW INCREASES

Existing Conditions

As discussed in TMs 1 and 2 (Chapter 4 and 6), some of the improvement needs will depend on the anticipated future influent flow rate. Sizing of equipment and facilities could be optimized for the most likely future flow condition. Flow based “trigger points” related to each core project area are discussed below.

Options Evaluated for Flow Increases

If PS thickening is not implemented, the solids retention time (SRT) in the digesters could drop below the minimum target of 15 days once the influent flow increases above 3.30 mgd, triggering the need to increase the digester volume by rehabilitating Digester No. 1. If PS thickening (TS = ~5%) were to be implemented, there will be sufficient digester capacity at the plant rated capacity of 5.25 mgd with all three digesters on-line (Digesters Nos. 2, 3 and 4). In order to be able to take one of the digesters off-line for maintenance, Digester No.1 would need to be rehabilitated beyond flows of 4.4 mgd, even with addition of PS thickening.

Future Recommended Improvements and Associated Costs

The results of the detailed evaluation for future flow increase impacts is included in Chapter 7. Based on this evaluation, the following future improvements and associated costs for this system is summarized in Table ES-6.

Table ES- 6. Future Flow Increase Recommended Improvements and Costs

FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS
Digester No. 1 Rehabilitation (If triggered by an Agency Disrupter, plant flow increase beyond 4.4 mgd)	<ul style="list-style-type: none"> Repair concrete cracks and recoat concrete surfaces Install new mechanical equipment, including mixing system, heating water pumps, heat exchangers, gas safety equipment, and associated piping and appurtenances 	\$871,000 - \$964,000
TOTAL =		\$871,000 – \$964,000

- The costs were originally estimated in 2018 dollars in TM 3 (Chapter 7) then escalated to June 2020 dollars. Includes contractor overhead and profit (10%), contingency (50%), and engineering, construction management, and administration (30%).

Conclusion

SEJPA continues to provide reliable wastewater treatment and recycled water deliveries to the community. Continued treatment reliability is dependent on prudent investments in the plant, including the biosolids facilities. Implementing strategic, cost effective improvements will protect the local community, the environment, and the agency by lowering potential risk and improving operational efficiencies in compliance with both Member Agency Climate Action Plans and regulatory requirements.

The facility improvements are summarized in the following Table ES-7 and Figure ES-2.

Table ES- 7. Recommended Improvements

ASSET MANAGEMENT / RISK MITIGATION PROJECTS			
FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS (1)	TIMING
DAF and Ancillary Facilities (Asset Management)	<ul style="list-style-type: none"> Replace the existing DAF drives Replace the existing coated steel DAF mechanism with stainless steel mechanism (both DAF Nos. 1 and 2) Replace the existing compressed air system for DAF No. 1 with a pressurization pump Replace the existing PVC pull boxes and FRP pump control panel in the TWAS pump area 	\$1,314,000 - \$1,452,000	Begin design within 1 year (work to be performed by SEIPA)
PS Thickening (Risk Mitigation)	<ul style="list-style-type: none"> Thicken PS after primary clarification with new Rotary Drum Thickeners and associated pumping system 	\$1,176,000 - \$1,300,000	Begin design within 3 year
Dewatering Feed Pumps, Dewatering Building, and Odor Control (Asset Management)	<ul style="list-style-type: none"> Install new dewatering feed pumps Rehabilitate existing Dewatering Building, including resurfacing and recoating of steel framing and other metal components (including the outdoor hopper area), and make improvements to the ventilation and odor control systems Replace exiting BFPs with new screw presses or centrifuges and install associated piping and appurtenances Demolish existing screw conveyor and associated hopper, install new screw conveyor and truck distribution conveyor with gates Full mechanical and electrical testing of MS-2 and MCC-H 	\$5,259,400 - \$5,812,000	Begin design within 1 year
Polymer Storage and Feed / Containment (Asset Management)	<ul style="list-style-type: none"> Upgrade the polymer storage and feed area with configuration suitable for a tote and fork lift access and integration of the feed pump area within the containment Replacement of the existing feeder blenders with a PLC based system 	\$652,000 - \$721,000	Begin design within 1 year
Digesters Nos. 2, 3, and 4 – Option 1 (Asset Management) (2)	<ul style="list-style-type: none"> Perform concrete surface repair and coating repair on all digesters Address corrosion of manways, gas-withdraw, and other metal components Replace the existing floating cover with new cover on Digester No. 2 	\$1,180,000 - \$1,306,000	Begin design within 5 year (3)
Digesters Nos. 2, 3 and 4 – Option 2 (Asset Management) (2)	<ul style="list-style-type: none"> Perform concrete surface repair and coating repair on digesters No. 3 and 4 Address corrosion of manways, gas-withdraw, and other metal components and Digesters No. 3 and 4 Digester No. 2 replace in kind with new 	\$3,856,000 - \$4,879,000	Begin design within 5 year (3)
TOTAL ASSET MANAGEMENT / RISK MITIGATION PROJECTS =		\$9,581,400 - \$14,164,000	

FUTURE REGULATORY REQUIRED / AGENCY DISRUPTOR RELATED PROJECTS			
FACILITY AREA	RECOMMENDED IMPROVEMENTS	PROJECT CAPITAL COSTS	TIMING
ICE (If triggered by Agency Disrupter, energy cost escalation)	<ul style="list-style-type: none"> Install one 160 kW IC engine and associated equipment 	\$952,000 - \$1,053,000	As electrical prices approach \$0.20 kWh
Digester No. 1 Rehabilitation (If triggered by an Agency Disrupter, plant flow increase beyond 4.4 mgd)	<ul style="list-style-type: none"> Repair concrete cracks and recoat concrete surfaces Install new mechanical equipment, including mixing system, heating water pumps, heat exchangers, gas safety equipment, and associated piping and appurtenances 	\$871,000 - \$964,000	As flows approach 4.4 MGD
TOTAL FUTURE REGULATORY REQUIRED / AGENCY DISRUPTOR RELATED PROJECTS =		\$1,823,000 - \$2,017,000	

Notes:

- (1) The costs were originally estimated in 2018 dollars in TM 3 (Chapter 7) then escalated to June 2020 dollars. Includes contractor overhead and profit (10%), contingency (50%), and engineering, construction management, and administration (30%).
- (2) Existing Digester No.2 shall be further evaluated during the design phase to determine best value to move forward: 1) rehab or 2) replace in kind with new.
- (3) Concrete repair to be performed by SEJPA as part of maintenance.

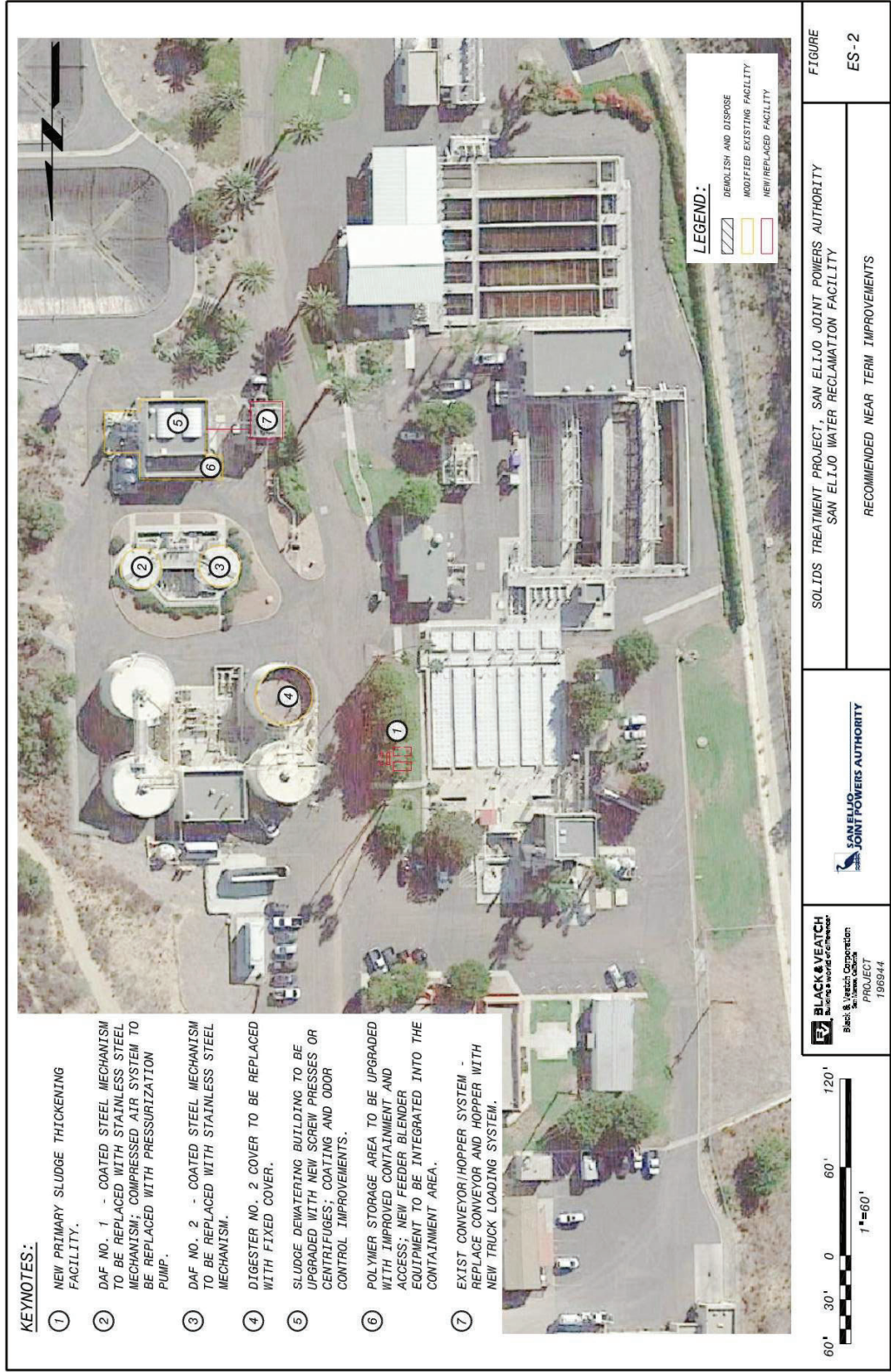


Figure ES- 2. Recommend Near Term Improvements

Scope of Services

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates the San Elijo Water Reclamation Facility (SEWRF). In 2020 Black & Veatch Corporation (Black & Veatch) completed a Project Definition Report to estimate current and future solids quantities, review and screen technology alternatives for needed improvements, and develop a business case analysis for future improvements.

The Project provided recommendations for system upgrades that enable SEJPA to meet a level of service reliability consistent with Board and industry expectations as well as meet current and anticipated future regulatory requirements. The Project also identified improvements that will enhance operational efficiency and reduce operating costs.

As shown in Executive Summary Table ES-7 of the Project, improvements to the existing dissolved air floatation (DAF), dewatering, and polymer storage and feed facilities were identified to be most critical and recommended for immediate implementation (i.e. begin design within 1 year).

The improvements to DAF and its ancillary facilities will be completed by SEJPA as part of internally completed repair and replacement projects.

Under this scope of services SEJPA will retain Black & Veatch to provide engineering services for preliminary design of the dewatering, polymer storage, and feed facilities upgrades.

The scope of services and assumptions under each task are described as follows:

TASK 1 – PROJECT MANAGEMENT, ADMINISTRATION AND MEETINGS

Task 1.1 – Project Management and Administration

Consultant will perform typical project management duties for the duration of the project, including regular correspondence with SEJPA, oversight of the project team, monitoring of the project finances and schedule, and resolution assistance. It's anticipated the duration for design phase of the project will be approximately 4 months.

The following will be performed as part of this Task.

- Project schedule – Consultant will develop a project schedule in Microsoft (MS) Project at the onset of the project; the schedule will include key deliverables, meeting/workshop dates, and SEJPA review periods (2-weeks).
- Monthly progress reports – Consultant will prepare monthly progress reports included as an attachment to the monthly billing indicating general work efforts performed.
- Project Management – Consultant shall provide overall project management to ensure all aspects of the project are proceeding as planned and keeping SEJPA abreast of the project status and execution. This effort includes providing budget updates with each monthly billing.
- Out of scope work – Consultant will notify SEJPA of any out of scope items and obtain SEJPA approval prior to proceeding with any out of scope work.

Task 1.2 – Meetings

Consultant will participate in the following meetings. All meetings are assumed to be conducted virtually, utilizing Microsoft (MS) Teams due to COVID-19 safety concerns. Should these safety concerns be addressed in the future,

meetings can be switched to in person. Consultant will prepare agendas, presentations, handouts and meeting minutes when required.

- One project kickoff meeting (2-hour duration) – Will be attended by the Project Director (PD), Project Manager (PM), Engineering Manager (EM), and Process Engineer.
- Three discipline focused workshops (process/mechanical, structural/architectural, and electrical/I&C; 2-hour duration, each) - Will be attended by the Project Manager (PM), Engineering Manager (EM), and applicable discipline leads to discuss and collaboratively develop the basis of design.
- PDR comment review meeting (2-hour duration), after submittal of the draft Preliminary Design Report – Will be attended by the PD, PM, and EM.
- Progress meetings (1 hour duration, each) – Up to two (2) progress meetings will be held to discuss/inform SEJPA of major design elements and progress. Meetings will be held to present current information and design approach and to gain SEJPA concurrence prior to proceeding. Meetings will be attended by PM, EM and other discipline leads as applicable.
- Bi-weekly progress conference calls (1/2-hour duration, each) – Black & Veatch will participate in bi-weekly conference calls with SEJPA. Calls will be held to discuss project progress, design decisions, engineering results, request items, schedule, budget and other pertinent information required to maintain design momentum. Calls are anticipated to last 30 minutes and will be attended by the PM and EM.

TASK 2 – PRELIMINARY DESIGN REPORT AND COST ESTIMATE

Black & Veatch will develop preliminary design and prepare a preliminary design report (PDR) for the dewatering, polymer storage, and feed facilities upgrades, including:

- Replacement of the exiting belt filter presses (BFPs) with new dewatering equipment. Two options to be evaluated include: 1) new BFPs or 2) new centrifuges
- Installation of piping and appurtenances associated with new dewatering equipment
- Replacement of the existing screw conveyor and associated hopper with new screw conveyor and new or rehabilitated hopper. Modifications to the truck loading area structure, if required, to accommodate the improved dewatered cake conveyance and storage system. Integrate new weight scale into the truck loading area.
- Rehabilitation and improvements to the existing Dewatering Building, including:
 - Resurfacing and recoating of steel framing and other metal components (including the outdoor hopper area)
 - Improvements to the ventilation and odor control systems
 - Architectural improvements associated with installation of the new equipment
- Installation of new dewatering feed pumps (to replace the existing pumps feeding the BFPs)
- Upgrades to the existing polymer feed and storage facilities, including:
 - A new outdoor polymer storage area with configuration suitable for a tote and safe fork lift access and integration of the feed pump area within the containment.
 - Replacement of the existing feeder blenders (for both thickening and dewatering processes) with a PLC based system

- Structural, building mechanical, electrical, instrumentation and control improvements associated with the upgrades as described above

It is assumed that mechanical and electrical testing of MS-2 and MCC-H will be completed by SEJPA outside of this project.

Items to be evaluated under each discipline to develop preliminary design are detailed under Task 2.1 below.

Task 2.1 – Preliminary Design Report

Black & Veatch will prepare a preliminary design report (PDR) that summarizes scope of improvements, assumptions, equipment recommendations, and design criteria. Preliminary drawings that will be included in the PDR are listed in Appendix A. A preliminary cost estimate will also be developed and included in the final PDR.

An outline of the PDR is as follows:

- Introduction and Background
- Existing Facilities, Scope of Proposed Improvements, and Design Criteria
 - Dewatering equipment (preliminary design for BFP and centrifuge options will be developed)
 - Dewatering feed pumps
 - Conveyance of dewatered cake for truck loading
 - Mezzanine level platform and access stairs
 - Building steel framing and other metal components and associated coating
 - Foul air treatment/odor control
 - Building ventilation and plumbing
 - Architectural features, including windows, removable skylights, louvers, doors, etc.
 - Polymer storage and feed
 - Electrical and control systems associated with the facilities listed above
 - Site civil
- Air permitting and Title 22 report requirements

At the beginning of the PDR phase, a site visit will be performed by process mechanical, odor control, structural, electrical, and I&C engineers as well as the PM and EM in order to define the scope and design approach for the proposed improvements in concert with SEJPA. The site visits will be conducted on the same day the discipline focus workshops will be held (per Task 1.2) in accordance with the current CDC COVID-19 safety recommendations (e.g. masks, 6-foot spacing, etc.).

After submission of a draft PDR, a PDR review meeting will be held (see Task 1.2) to confirm and refine the scope and design criteria. SEJPA's review comments on the draft PDR will be addressed, and the outcome of the meeting will be reflected in the final PDR. It is assumed that SEJPA will provide their review comments in one comprehensive excel spreadsheet or one pdf document with all comments combined into one set.

Prior to issuance of the draft and final PDR, Black & Veatch will perform a quality control review (QCR). QCRs will be documented and filed per Black & Veatch's internal quality management system (QMS) requirements and can be made available to SEJPA upon request. QCR comments will be incorporated into the documents prior to submittal to SEJPA.

General Description of Work by Discipline

The following includes a description of the work anticipated and assumptions associated with each discipline for the project. All assumptions are based on the knowledge obtained through preparation of the Project Definition Report.

■ General/Civil

- It is assumed that the existing yard piping between the dewatering feed pumps and the Dewatering Building will be re-utilized (i.e. no new below-grade piping to be installed).
- It is assumed that land surveying will not be required as part of the PDR.
- Temporary facilities/measures required to maintain operations of the dewatering facilities during construction will be assessed.

■ Process Mechanical

- Process mechanical improvements include the equipment, piping, valves, and appurtenances associated with the dewatering, dewatered cake conveyance, and polymer storage and feed facilities upgrades. This item also includes design of piping and piping connections.
- Preliminary design of foul air treatment/odor control system associated with the Dewatering Building and dewatering equipment will be developed. Based on review of the record drawings and condition assessment of the system to date, it is anticipated and assumed that the existing scrubber vessel will be reused, and new chemical feed pumps will be provided.
- It is assumed that new polymer feed pumps will be provided for both DAF and dewatering polymer feed systems.
- It is assumed that the polymer storage system will remain as a tote system (i.e. no new bulk tanks).
- It is assumed that SEJPA will handle air permit modifications associated with odor control modifications (i.e. permitting assistance beyond providing design information being developed under Task 2.1 will not be required). Permitting assistance could be provided as additional services, if needed.

■ Architectural

- Preliminary design of architectural improvements associated with installation of the new dewatering equipment; refurbishing dewatering building doors, windows, and facades; and upgrades to building ventilation and odor control are anticipated to include:
 - Modifications to the mezzanine level (e.g. re-location and re-configuration of the staircase associated with the new dewatering equipment, if required)
 - Potential improvements to the existing doors (e.g. replacement of a double door with a roll-up door) to facilitate installation and maintenance of new dewatering equipment
 - Potential louver modifications, if required, associated with the ventilation and odor control system upgrades
 - Replacement of the existing doors, louvers, windows and screens, as necessary, due to age, wear, corrosion, and aesthetics.
- It is assumed that the existing skylights may be replaced with a removable type, but re-configuration or relocation of the skylights will not be required.

■ Structural

- Preliminary design of structural improvements required for modifications to the mezzanine and ground levels to allow for installation of new dewatering equipment (for both BFP and centrifuge options). The PDR level assessment may include re-configuration of the staircase, handrails, and support of the new equipment loads, etc. As part of the PDR, a seismic review will also be performed for the existing Dewatering Building to assess the impacts of the potential improvements, such as enlargement of a door opening and/or relocation of the existing screw conveyor wall penetration. Conceptual level descriptions of required seismic retrofit measures, if identified, will be provided.
- It is anticipated and assumed that the existing dewatered cake truck loading structure will be re-utilized to the greatest extent practical with minimal structural modifications.
- Preliminary design of structural improvements associated with polymer storage and feed area upgrades (i.e. chemical containment)
- It is assumed that available geotechnical reports from past projects at SEWRF will provide sufficient information for structural design of the above improvements and a new geotechnical investigation will not be required.
- It is assumed that design for seismic liquefaction will not be required.

■ Building Mechanical

- Preliminary design of ventilation improvements for the existing Dewatering Building.
- Based on review of the record drawings and understanding of the proposed improvements, plumbing modifications are anticipated to be minimal. It is understood that water required for polymer feed system will be served by recycled water (to be designed under process mechanical).
- It is assumed that fire protection systems will not be required in the building.

■ Electrical

- Preliminary design of electrical improvements to provide power required for the equipment associated with the aforementioned improvements. A preliminary load study will be performed for the BFP and centrifuge options to identify required improvements to the existing electrical system, if any. Required modifications will be illustrated on the record drawings with Bluebeam markups. Based on BV's knowledge of the existing system and anticipated loads of the new equipment, it is anticipated and assumed that the existing electrical distribution equipment within the Dewatering Building will likely have sufficient capacity and physical space to accommodate all new/replacement equipment with minimal modifications (e.g. upsizing the bus-tie). The PDR will confirm and document that the electrical capacity is appropriate for any recommended equipment.
- It is assumed that the existing light fixtures, electrical outlets & switches, and electrical conduits, and associated components within the Dewatering Building will be replaced.
- The PDR will describe relocation of the existing panel VC-2 (located directly in front of Section 8 of MCC-H) to achieve the required minimum clearance in front of the existing MCC-H in accordance of the NEC.

■ Instrumentation and Controls

- Development of preliminary design level piping and instrumentation diagrams (P&ID) and related control drawings for the major equipment and ancillary items. Black & Veatch will also prepare preliminary control descriptions.
- Detailed wiring diagrams, such as loop diagrams or detailed panel wiring diagrams, will not be provided.

■ Drafting

- Existing record drawings in PDFs provided by the SEJPA supplemented with photographs will be used as backgrounds for the drawings, to illustrate the existing equipment, piping, and appurtenances to be modified or demolished. The record drawings will also be utilized to create new backgrounds in AutoCAD, representing the conditions after the completion of the demolition work, which will then be used to show the proposed improvements.

Task 2.3 – Preliminary Cost Estimate

A preliminary cost estimate, corresponding to the level of design completed at the completion of the PDR, will be prepared for the proposed improvements (by Black & Veatch’s subconsultant). The estimate will be submitted within two (2) weeks of the draft PDR.

APPENDIX A – PRELIMINARY DRAWING LIST FOR PDR

Preliminary Drawing List

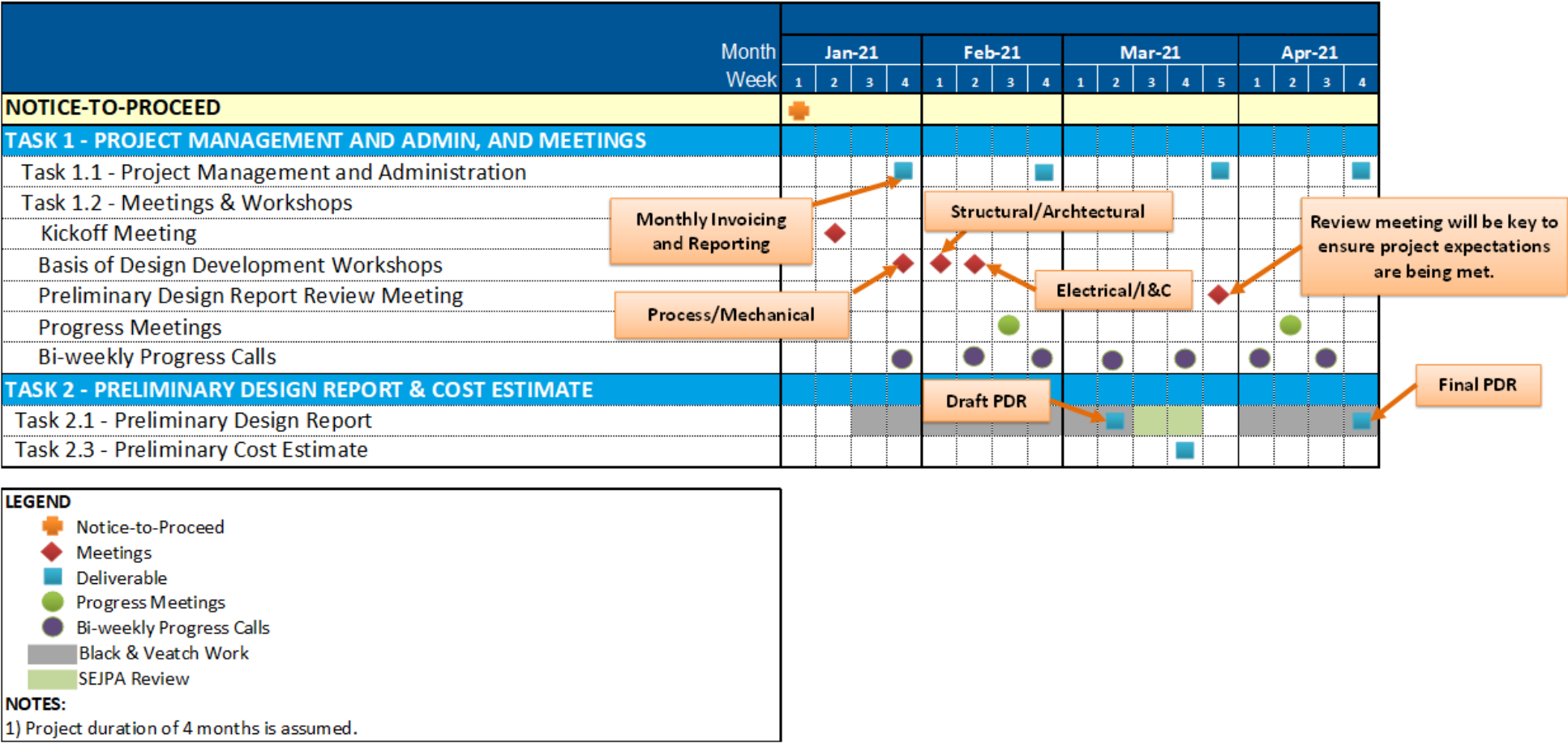
DRAWING	DESCRIPTION
C-001	Polymer Storage and Truck Loading Area
M-001	Dewatering Feed Pump Area – Plan and Sections
M-002	Dewatering Room – Mezzanine Level Plan
M-003	Dewatering Room, Polymer Room, and Odor Reduction Facility – Ground Level Plan
M-004	Dewatering Room, Polymer Room, and Odor Reduction Facility – Sections
M-006	Truck Loading Area – Upper Level Plan
M-007	Polymer Storage and Truck Loading Area – Ground Level Plan
M-008	Polymer Storage and Truck Loading Area - Sections
E-005	One-Line Diagrams
I-001	P&ID – Legend and Abbreviations
I-002	P&ID – Legend and Abbreviations
I-003	P&ID – Legend and Abbreviations
I-004	P&ID – Dewatering Feed Pumps
I-005	P&ID – Dewatering Equipment
I-006	P&ID – Dewatered Cake Conveyor and Truck Loading
I-007	P&ID – Polymer Storage
I-008	P&ID – Polymer Feed System
I-009	P&ID – Ventilation and Odor Control System
I-010	Control System Block Diagram

Fee Proposal

SAN ELIJO JOINT POWERS AUTHORITY Sludge Dewatering Facilities Upgrades				QC REVIEW	CIVIL	GEOTECH	STRUCTURAL		ARCH	BLDG. MECH.	PROCESS MECHANICAL		CHEMICAL FEED	ELEC	
		Sr. Project Manager	Engineering Manager	QC (All Disciplines)	Civil Engineer	Geotech Sr. Engineer	Structural Sr. Engineer	Structural Engineer	Architect	Bldg Mech Engineer	Proc Mech Sr. Engineer	Proc Mech Engineer	Chem Feed Engineer	Electrical Sr. Engineer	Electrical Engineer
Black & Veatch Fee Proposal															
TASK	Billing Rate	\$270	\$200	\$220	\$130	\$230	\$200	\$155	\$155	\$155	\$170	\$125	\$145	\$235	\$155
TASK 1 - PROJECT MANAGEMENT, ADMINISTRATION AND MEETINGS															
Task 1.1 - Project Management and Administration		10	8	-	-	-	-	-	-	-	-	-	-	-	-
Task 1.2 - Meetings & Workshops		24	24	-	6	-	4	-	4	4	4	-	4	4	-
TASK 1 TOTAL		34	32	-	6	-	4	-	4	4	4	-	4	4	-
TASK 2 - PRELIMINARY DESIGN REPORT & COST ESTIMATE															
Task 2.1 - Preliminary Design Report		10	56	34	78	4	28	46	21	8	40	70	48	12	20
Task 2.2 - Preliminary Cost Estimate		2	4	-	-	-	-	-	-	-	-	-	-		-
TASK 2 TOTAL		12	58	34	70	4	28	46	21	8	40	70	48	12	20
Total, Hours		46	92	34	84	4	32	46	25	12	44	70	52	16	20
Total, Billings		\$ 12,420	\$ 18,400	\$ 7,480	\$ 10,920	\$ 920	\$ 6,400	\$ 7,130	\$ 3,875	\$ 1,860	\$ 7,480	\$ 8,750	\$ 7,540	\$ 3,760	\$ 3,100

SAN ELIJO JOINT POWERS AUTHORITY Sludge Dewatering Facilities Upgrades		I&C		PROCESS		CAD		SUPPORT			SUBTOTAL		EXPENSES	SUBCONSULTANTS	TOTAL BILLINGS
		I&C Sr. Engineer	I&C Engineer	Process Specialist	Process Sr. Engineer	CAD Coordinator	CAD Technician	Finance	Project Controls	Admin	Hours	Billings	Mileage & Reproduction	Cumming (Task 2.2)	
Black & Veatch Fee Proposal															
TASK	Billing Rate	\$195	\$120	\$265	\$200	\$150	\$85	\$120	\$125	\$100					
TASK 1 - PROJECT MANAGEMENT, ADMINISTRATION AND MEETINGS															
Task 1.1 - Project Management and Administration		-	-	-	-	-	-	12	8	4	42	\$ 7,140	\$ -	\$ -	\$ 7,140
Task 1.2 - Meetings & Workshops		4	-	4	4	-	-	-	-	6	96	\$ 19,540	\$ 1,600	\$ -	\$ 21,140
TASK 1 TOTAL		4	-	4	4	-	-	12	8	10	138	\$26,680	\$1,600	-	\$28,280
TASK 2 - PRELIMINARY DESIGN REPORT & COST ESTIMATE															
Task 2.1 - Preliminary Design Report		36	73	20	48	28	154	-	-	4	838	\$ 126,465	\$ -	\$ -	\$ 126,465
Task 2.2 - Preliminary Cost Estimate		-	-	-	2	-	-	-	-	-	8	\$ 1,740	\$ -	\$ 12,884	\$ 14,624
TASK 2 TOTAL		36	73	20	50	27	148	-	-	4	829	\$126,105	-	\$12,884	\$138,989
Total, Hours		40	73	24	54	28	154	12	8	14	984				
Total, Billings		\$ 7,800	\$ 8,760	\$ 6,360	\$ 10,800	\$ 4,200	\$ 13,090	\$ 1,440	\$ 1,000	\$ 1,400		\$ 154,885	\$ 1,600	\$ 12,884	\$ 169,369

Schedule



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 15, 2020

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: 2020 YEAR IN REVIEW - RECOGNIZING AGENCY ACHIEVEMENTS AND
SUCCESSES

RECOMMENDATION

No action required. This memorandum is submitted for information only.

DISCUSSION

The San Elijo Joint Powers Authority (SEJPA) is responsible for providing wastewater treatment and disposal; recycled water production, storage, and delivery; operation and maintenance of Member Agency remote facilities; and ocean outfall management. It is the goal of the SEJPA to provide these services using the most sustainable, efficient, and cost-effective approach. The General Manager will provide a brief PowerPoint presentation highlighting notable achievements and successes by the agency for calendar year 2020.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Thornton', written over a horizontal line.

Michael T. Thornton, P.E.
General Manager