



**AGENDA
REGULAR MEETING
CITY COUNCIL OF THE TOWN OF COLMA
Wednesday, May 22, 2024
7:00 PM**

The City Council meeting will be held in person in the City Council Chambers. The Town will only accept public comments from the public attending in person and will not accept public comments via Zoom.

As a courtesy and technology permitting, the meeting can also be viewed via Zoom Video Conference, but no public comment will be allowed or accepted by the Town via Zoom. The Town cannot guarantee that the public's access to Zoom will be uninterrupted, and technical difficulties may occur from time to time. In those instances, so long as the public may still attend the meeting in person, the meeting will continue, even if the public is unable to view the meeting via Zoom.

To attend the meeting in person:

Town Hall, Council Chamber, 1198 El Camino Real, Colma CA 94014

To view the meeting via Zoom Video Conference:

View Zoom Meeting:

<https://us02web.zoom.us/j/81289976261>

Passcode: 074407

Meeting ID: 812 8997 6261

Dial by your location:

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To provide Public Comment:

Members of the public wishing to provide public comment are required to attend the meeting in person and are requested to complete a yellow speaker card and submit it to the City Clerk. Comments should be kept to three minutes or less. If there appears to be a large number of speakers, time may be reduced to no less than one minute each, at the discretion of the Mayor.

The City Council Meeting Agenda Packet and supporting documents are available for review on the Town's website www.colma.ca.gov or at Colma Town Hall, 1198 El Camino Real, Colma, CA. Persons interested in obtaining an agenda via e-mail should call 650-997-8300 or email a request to citymanager@colma.ca.gov.

Reasonable Accommodation

Upon request, this publication will be made available in appropriate alternative formats to persons with disabilities, as required by the Americans with Disabilities Act of 1990. Any person with a disability, who requires a modification or accommodation to view the agenda, should direct such a request to Juan Rumayor, ADA Coordinator, at 650-997-8300 or jrumayor@colma.ca.gov. Please allow two business days for your request to be processed.

PLEDGE OF ALLEGIANCE AND ROLL CALL

ADOPTION OF AGENDA

PRESENTATIONS

- Introduction of New Recreation Staff
- Proclamation in honor of Public Works Week

PUBLIC COMMENTS

Comments on the Consent Calendar and Non-Agenda Items will be heard at this time.
Comments on Agenda Items will be heard when the item is called.

CONSENT CALENDAR

1. Motion to Accept the Minutes from the May 8, 2024 Regular Meeting.
2. Motion to Accept Informational Report on Recreation Department Programs, Activities, Events, and Trips for the First Quarter of 2024
3. Motion to Adopt a Resolution Approving and Authorizing the City Manager to Execute Power Purchase Agreement for Solar Installation at the Police Department Pursuant to CEQA Guidelines 15301 and 15303.

STUDY SESSION

4. FY 2024-25 PROPOSED BUDGET

This item is for discussion only; no action will be taken at this meeting.

5. TOWN FLAG POLICY

This item is for discussion only; no action will be taken at this meeting.

REPORTS

Mayor/City Council

City Manager

ADJOURNMENT

**MINUTES
REGULAR MEETING**

City Council of the Town of Colma
Town Hall Council Chamber
1198 El Camino Real, Colma CA
Also viewable via Zoom.us
Wednesday, May 8, 2024
7:00 PM

PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor Goodwin called the meeting to order at 7:00 p.m.

Council Present – Mayor John Irish Goodwin, Vice Mayor Ken Gonzalez, and Council Members Carrie Slaughter and Helen Fisicaro were present. Council Member Joanne F. del Rosario was absent.

Staff Present – City Manager Daniel Barros, City Attorney Christopher Diaz, Chief of Police John Munsey, Director of Planning and Public Works Brad Donohue, City Planner Farhad Mortazavi, Interim Administrative Services Director Stuart Schillinger, Interim City Clerk Abigail Dometita, Assistant Planner Emma Goldsmith, and Administrative Technician Shelby Wright were in attendance.

The Mayor announced, "Regarding Public Comment: Members of the public who are here in person are requested to complete a yellow speaker card and submit it to the City Clerk. Comments should be kept to three minutes or less. If there appears to be a large number of speakers, time may be reduced to no less than one minute each, at my discretion."

ADOPTION OF THE AGENDA

Mayor Goodwin asked if there were any changes to the agenda. Council Member Fisicaro requested to pull item #1. The Mayor asked for a motion to adopt the agenda with the requested changes.

Action: Council Member Fisicaro moved to adopt the agenda with the requested changes; the motion was seconded by Council Member Slaughter and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
John Irish Goodwin, Mayor	✓				
Ken Gonzalez	✓				
Carrie Slaughter	✓				
Helen Fisicaro	✓				
Joanne F. del Rosario					✓
	4	0			

PRESENTATIONS

- The Mayor recognized Elizabeth Aurora Jenson who was in attendance. She was presented with a certificate in honor of her efforts in uniting her fellow residents; Ms. Jenson made a few remarks.

- City Planner Farhad Mortazavi introduced new Assistant Planner Emma Goldsmith.
- The Mayor read a proclamation in recognition of Mental Health Month and invited Sofia Recalde, Behavioral Health & Recovery Services Management Analyst in the Office of Diversity and Equity from San Mateo County Health, to accept the proclamation. She made a few remarks at the podium.

PUBLIC COMMENTS

Mayor Goodwin opened the public comment period at 7:14 p.m. Rowena Meafua of Pacific Islands Together made a comment. He closed the public comment period at 7:20 p.m.

CONSENT CALENDAR

1. [Pulled from Consent Calendar]
2. Motion to Approve Report of Checks Paid for April 2024.
3. Motion to Adopt an Ordinance Amending the Colma Municipal Code to Add a New Subchapter 1.19, Relating to the Town Seal/Logo, Pursuant to CEQA Guideline 15378 (second reading).
4. Motion to Approve the 2023-24 Town of Colma Capital Improvement Project List to Include the Colma Creek Trash Capture Project Pursuant to CEQA Guideline 15378 and 15306.
1. Motion to Accept the Minutes from the April 24, 2024 Regular Meeting.

Council Member Fiscaro requested a name correction on Item #1 and proposed to the Mayor to approve all consent calendar items together with the requested change; the Mayor agreed.

Action: Council Member Fiscaro moved to approve consent calendar items #1 through 4 with the requested change; the motion was seconded by Council Member Slaughter and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
John Irish Goodwin, Mayor	✓			Item #4 Only	
Ken Gonzalez	✓				
Carrie Slaughter	✓				
Helen Fiscaro	✓				
Joanne F. del Rosario					✓
	4	0			

NEW BUSINESS

2. FY 2024-25 WATER CONSERVATION INCENTIVE PROGRAM

Director of Planning and Public Works Brad Donohue presented the staff report. The Mayor opened the public comment period at 7:30 p.m. and seeing no one request to speak, he closed the public comment period. Council discussion followed.

Action: Council Member Fiscaro moved to Adopt A Resolution Establishing the Authorized Subsidy at \$34,448.30, with a \$2,000 Contingency, for a Total of \$36,448.30, for the Water Conservation Incentive Program in Fiscal Year 2024-25 Pursuant to CEQA Guideline 15378, 15307, and 15308; the motion was seconded by Vice Mayor Gonzalez and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
John Irish Goodwin, Mayor	✓				
Ken Gonzalez	✓				
Carrie Slaughter	✓				
Helen Fisicaro	✓				
Joanne F. del Rosario					✓
	4	0			

STUDY SESSION

3. TOWN FLAG POLICY

City Manager Daniel Barros presented the staff report. The Mayor opened the public comment period at 7:34 p.m. A member of the public made a comment. The Mayor closed the public comment period at 7:36 p.m. Council discussion followed.

This item was for discussion only; no action was taken at this meeting.

COUNCIL CALENDARING

The next Regular Meeting will be on Wednesday, May 22, 2024 at 7:00 p.m.

REPORTS

City Manager Daniel Barros gave an update on the following topics:

- Home Depot parking structure was issued a temporary occupancy permit issued two months ago with approximately four months remaining. Town is waiting for property owner to submit plans for a permanent fix.
- CalWater finished installing new water main on D St. and are in the process of testing the pressure and water quality. Following clearance of testing, lateral installation work will resume.
- In partnership with the Office of Diversity and Equity, San Mateo County Health, Town Hall will be lit in green lights for the month of May to support Mental Health Month.
- Streets Alive Family Field Day – May 11 from 11-2pm.
- Senior Prom Luncheon – May 15 from 11-1pm.
- Team building, ethics training, and City Manager review closed session is scheduled for May 16.

ADJOURNMENT

Mayor Goodwin adjourned the meeting at 8:08 p.m.

Respectfully submitted,

Abigail Dometita
Interim City Clerk





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Angelika Abellana, Recreation Manager
 VIA: Daniel Barros, City Manager
 MEETING DATE: May 22, 2024
 SUBJECT: Recreation Services Department Quarterly Review, January - March 2024

RECOMMENDATION

Staff recommends that the City Council adopt:

MOTION TO ACCEPT INFORMATIONAL REPORT ON RECREATION DEPARTMENT PROGRAMS, ACTIVITIES, EVENTS, AND TRIPS FOR THE FIRST QUARTER OF 2024.

EXECUTIVE SUMMARY

In the first quarter of 2024, a total of 895 participants attended 44 programs. This represents a increase of 389 participants from the first quarter of 2023. Staff attributes the increase due to a rise of interest in the Afterschool Program and senior programs. In addition, the return of Adult and Youth Cook Classes attracted more residents to participate. The increase in marketing for the Colma Cab Connect, almost doubled its participation from the fourth quarter of 2023.

Staff estimates that 32 percent of the population had a current Colma I.D. during the first quarter of 2024.

There was a total of 68 rentals, which is an increase of 13 rentals from the first quarter of 2023.

The Recreation Department continues to offer the community with a wide range of programs for all ages. This quarter, staff offered Youth and Adult Cooking Classes in the evening as requested through the recreation surveys. Staff offered more local trips to attract residents who were not able to attend trips that were further in distance and time.

As we move into summer, staff will increase the number of children for day camp field trips and offer more low cost/free Community Events.

BACKGROUND

Participation

The Recreation Services Department offered programs, activities, events and trips for all age groups during the past quarter. Below is a summary of participation levels by demographic:

- A total of 207 adults and seniors participated in enrichment programs. This represents an increase of 82 participants from the first quarter of 2023. Staff attributes the increase in participation in program such as Breakfast and Bingo, Ladies Social, Adult Cooking Class and Community & Coffee.
- A total of 116 adults and seniors participated in trips and events. This represents a decrease of 5 participants from the first quarter of 2023. Staff attributes the decrease in participation to the “pick-up” portion of our Hybrid Senior Luncheon and cancellation of Painting & Pinot.
- A total of 134 youth and teens participated in Enrichment Programs. This represents an increase of 70 participants from the first quarter of 2023. Staff attribute the increase to the rise in registration for the Afterschool Program, Winter Camp and the Youth Cooking Class.
- A total of 139 youth and teens participated in events and trips. This represents an increase of 139 participants from the first quarter of 2023. Staff attributes the increase due to the family’s interest in Parents Night Out, and Eggstravaganza being scheduled in the first quarter of 2024.
- A total of 299 youth, adults and seniors participated in Community Programs. This represents an increase of 103 participants from the first quarter of 2023. Staff attributes the increase due to the Colma Family Game Night, and the rise in registrations for Colma Cab Connect.

The attachment contains a detailed breakdown of participation by program.

Rental Activity

The Colma Community Center was rented for 54 different events:

- Resident Rental (2 Funeral and 19 social events)
- Colma Non-Profit (1 Meeting, 1 Fundraiser)
- Non-Resident Rental (2 Funeral, 1 Meeting, 3 Social events)
- Non-Resident Non-Profit (2 Meetings, 2 Fundraisers)
- In House Reservations (6 Police Department Training/Meeting)
- Non-Resident Non-Profit Kitchen only (19 reservations)

The Sterling Park Recreation Center was rented for 10 different events:

- Sterling Park Resident Rental Reservations (10 social events)

ATTACHMENTS

- A. 2024 Recreation Services Department Quarterly Review – Participation Detail

**Recreation Services Department Quarterly Review
January - March 2024
Participation Detail**

Adult/Senior Enrichment Programs

Program	Registered	Sessions	New or Existing Program
Arm Chair Travel	8	1	Existing
Boot Camp Fitness	8	1	Existing
Breakfast and Bingo	50	1	Existing
Friday Films	17	1	Existing
Ladies Social	37	1	Existing
Let's Get Crafty	Cancelled	1	Existing
Mixtiso Happy Chair Yoga	6	1	Existing
Zumba - Evening	8	1	<i>NEW</i>
Zumba Gold	12	1	<i>NEW</i>
Zumba Toning	14	2	Existing
Adult Cooking Class	24	2	<i>NEW</i>
Coffee and Community	19		
Pickleball and Pastry	4		

Adult & Senior Trips & Events

Program	Registered	Sessions	New or Existing Program
Colma Historical Museum Field Trip	16	1	<i>NEW</i>
Senior Luncheon	89	3	Existing
Corn Hole Tournament	Cancelled	1	<i>NEW</i>
Day at the Movies	11	1	<i>NEW</i>
Painting & Pinot	Cancelled	1	Existing

Youth & Teen Enrichment Programs

Program	Registered	Sessions	New or Existing Program
Duo Dance - Ballet	1	2	Existing
Duo Dance – Combo Any Level	0	2	Existing
Duo Dance – Intro to Latin	0	2	<i>NEW</i>
	0	2	<i>NEW</i>
Duo Dance – Lyrical	0	2	Existing
Duo Dance – Pop Tots	0	2	Existing
Duo Dance – Pop Tweens	0	2	Existing
Youth Cooking Class	20	2	Existing
Kid's Club After School Program	45	6	Existing
Kumon Math Tutoring	17	3	Existing
Kumon Reading Tutoring	16	3	Existing
Presidents Week Camp	14	1	Existing
		1	Existing
		2	Existing
		2	Existing
Winter Camp – Session 2	21	1	Existing

Youth and Teen Events & Trips

Program	Registered	Sessions	New or Existing Program
Dessert and Arts & Crafts	2	1	Existing
Eggstravaganza	114	1	<i>NEW</i>
Alcatraz Night Tour – Teen Trip	Cancelled	1	Existing
Open Teen Center	Cancelled	1	Existing
Parents Night Out	23	3	Existing
Queen of Colma Tea Party	Cancelled	1	Existing
Escape the Trunk	Cancelled	1	<i>NEW</i>
Ice Skating – Teen Trip			

Community Programs

Program	Registered	Sessions	New or Existing Program
Colma Game Night	37	1	Existing
Food Pantry Delivery Program		3	Existing
Get Fit Bingo!	7	1	<i>NEW</i>
Learning Wheels for All	25	3	
Colma Cab Connect			
Centennial Coloring Contest			



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Kathleen Gallagher, Sustainability Manager
 VIA: Dan Barros, City Manager
 MEETING DATE: May 22, 2024
 SUBJECT: Approval of Solar Power Purchase Agreement for the Police Department

RECOMMENDATION

Staff recommends the City Council adopt the following:

RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE
 POWER PURCHASE AGREEMENT FOR SOLAR INSTALLATION AT THE POLICE
 DEPARTMENT PURSUANT TO CEQA GUIDELINES 15301 AND 15303

EXECUTIVE SUMMARY

On April 24, 2024, City Council heard a presentation regarding potential solar installations at the Police Department and Town Hall which detailed the advantages of these projects, the specifics of the power purchase agreement (PPA), and suggestions for minimizing the visual impact of the solar arrays at Town Hall. After hearing the presentation, the City Council provided feedback to staff and emphasized the need for additional changes to mitigate the visual impact of the solar arrays at Town Hall. The Council also asked questions about energy consumption at Town Hall, including usage related to the EV Go stations. Staff is currently researching these items about Town Hall and will report back to the City Council with findings along with proposed modifications to the solar arrays at Town Hall.

Therefore, staff recommends postponing the Town Hall PPA decision and recommends the Council approve the Police Department PPA to allow the Town to achieve cost savings, meet a 2030 Climate Action Plan program by generating renewable energy, and meet a deadline to get the significantly more favorable economics under the net energy metering 2 (NEM2) system. Meeting this deadline is crucial because this project is grandfathered under the NEM2 and allows the Town to benefit from the more favorable economics and /cost savings of NEM2. If there is a delay in approval of the Police Department PPA, the project would then be subject to the net billing tariff (NBT) metering system which is significantly less economically favorable and likely result in no cost savings or added cost for the Town. Additional benefits of the solar project at the Police Department include the carports provide cover and protection from rain, sun, and other elements for the police department staff cars, and for staff as they enter and exit their vehicles. Staff also noted they liked the protection for their cars to keep the clean from the elements.

ENVIRONMENTAL

The City Council's action in authorizing the PPA is exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines 15301 and 15301. With regard to 15301, the addition of solar panels and solar carports would be considered a minor alteration of an existing public facility involving negligible or no expansion of use as the panels and carport would be installed at existing government buildings in Town. With regard to 15303, the addition of solar panels and carports would also be considered the installation of small structures for which CEQA acknowledges can be exempt under that guideline.

FISCAL IMPACT

Approval of the PPA results in a cost savings estimate of **\$356,600** over the 20-year PPA term. Because PCE staff manages the solar procurement, design, installation, operation, and system maintenance on behalf of the Town, the Town realizes cost savings due to significantly reduced need for Town staff resources who would be required to manage a solitary solar procurement process, vet solar contractors, etc. to install solar at these Town facilities. With this program there are minimal staff resources needed with costs estimated at \$10,000 for staff oversight for construction management, inspection, and administration for this project.

BACKGROUND AND ANALYSIS

Benefits of the Town's approval of the PPA for the Police Department include the following:

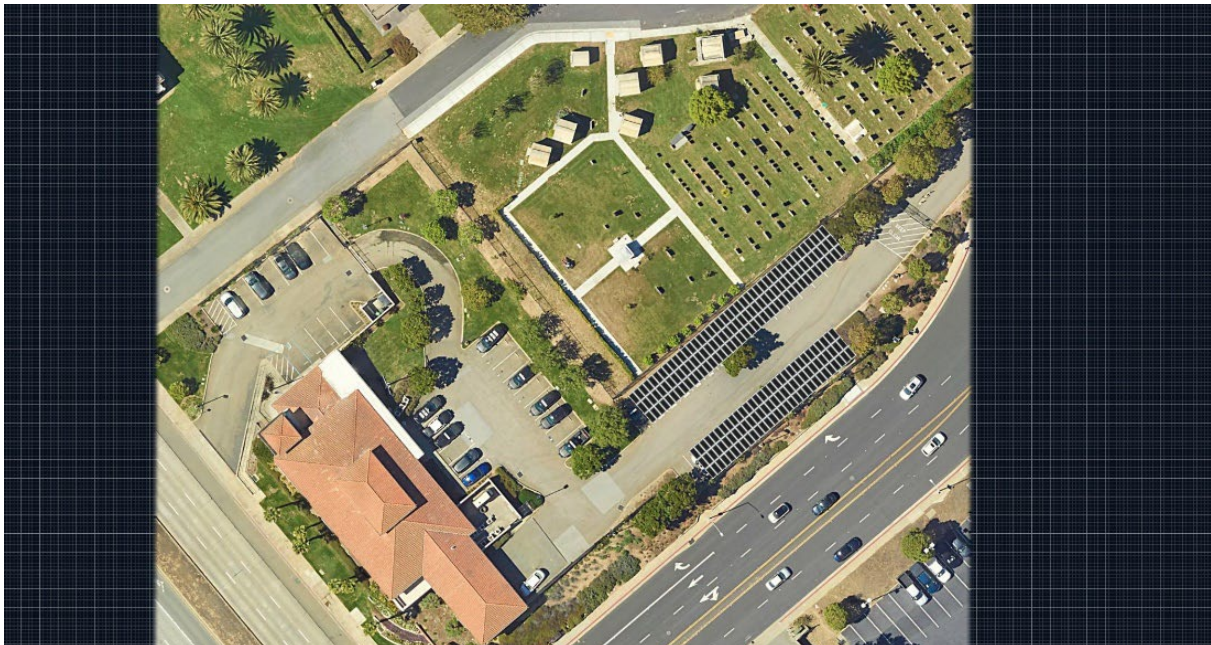
- The Town achieves **\$356,600** estimated cost savings over the 20-year PPA term. The PPA pricing and cost savings detail are included in the Attachment.
- The PPA price does not increase over the 20-year term.
- Because the PPA price does not increase it provides the Town with price protection against rising energy costs. This is important because PG&E rates have increased 14% from 2020-2024 and in January 2024 alone all commercial energy rates for PG&E increased 24%. While these PG&E rates increase, the Town's price will not increase.
- The Town has no upfront costs to install solar with exception of minimum staff resource costs to monitor the project from start to finish.
- The solar carports also provide cover and protection from rain, sun, and other elements for the police department staff cars and staff as they enter and exit their vehicles. Staff also noted they liked the protection for their cars to keep the clean from the elements.
- The selected solar providers (IME and McMillan) are local and union and have significant experience and success in solar installations.
- The Town collaborating with partner, PCE, and their experienced solar contractors who have already had success in the first solar procurement process.
- The current PPA for the Police Department are virtually the same document as the prior PPA which was reviewed/approved by BBK, and all San Mateo County jurisdictions have the same PPA.
- The Town would lead by example in generating renewable energy and implementing one of the Climate Action Plan programs approved in Town's CAP 2030.

- The Town saves on staff resources, solar contractors, structural engineers, and consultant time which would have been required if the Town choose to pursue solar installations outside of PCE’s procurement process.

Prior to the April 24, 2024, City Council presentation noted earlier, the City Council also heard a presentation on November 8, 2023, regarding the solar procurement program and potential solar installations at the Police Department and Town Hall. Staff and Peninsula Clean Energy (PCE) presented the process where PCE manages a solar procurement process, collaborates with staff regarding solar array layout, and completes design, installation, and maintenance through the Power Purchase Agreement (PPA). At that meeting the presentation showed the \$2.1 million cost savings over the PPA term for both projects and noted the Town would lead by example in generating renewable energy and meeting one of the Town’s Climate Action Plan programs. Specifically, the Town’s CAP stated the Town would install and or expand solar installations on Town facilities so Town leads by example for community, and leverage programs and resources with regional partners such as Peninsula Clean Energy (PCE). The City Council approved the resolution on November 8th for participation and directed staff to return to City Council in April with the final Power Purchase Agreements.

The Town’s existing Code exempts solar and solar carports from design review in the DR(S) Zone and from the Spanish Mediterranean requirement per CMC 5.03.153, and the P Zone section of the Code confirmed there is nothing in the P Zone regulations requiring design review for solar carports.

The following image shows the aerial view of Police Department and illustrates that the solar arrays are not visible from El Camino Real.



Council Adopted Values

The adoption of the Resolution is consistent with the Council value of *vision* and *responsibility* because it enables the Town to lead by example in generating renewable energy, meeting one of the Town's Climate Action Plan 2030 programs and saves the Town over **\$356,000** over the PPA term.

Sustainability Impact

Adoption of the Resolution will improve the Town's sustainability by generating renewable energy from the Police Department and assist the Town in meeting one of the Climate Action Plan 2030 programs approved by City Council.

ATTACHMENTS

- A. Resolution
- B. Power Purchase Agreement Pricing and Cost Savings Estimate Police Department
- C. Power Purchase Agreement for Police Department

RESOLUTION 2024-__
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE
POWER PURCHASE AGREEMENT FOR SOLAR INSTALLATION AT THE POLICE
DEPARTMENT PURSUANT TO CEQA GUIDELINES 15301 AND 15303**

1. Background.

(a) The Town of Colma has demonstrated its commitment to a sustainable and resilient future through adoption of its Climate Action Plan 2030 and original Climate Action Plan in 2013 and has implemented some energy efficiency, renewable energy, and water conservation programs. The Town needs to continue implementation of sustainable programs that include adding solar installations to generate renewable energy to meet aggressive greenhouse gas reductions targets in the Town's Climate Action Plan 2030.

(b) The Town has worked collaboratively with Peninsula Clean Energy (PCE) by participating in regional programs that assist the Town in meeting greenhouse gas reduction targets.

(c) The Town participated in the first solar collaborative procurement process for solar installation at the Colma Community Center over \$600,000 in cost savings over the twenty-year PPA term, generate renewable energy and implement one of its CAP 2030 programs to increase local renewable generation and reduce energy costs.

(d) A Community Choice Aggregation program such as Peninsula Clean Energy (PCE) is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with local commercial energy purveyors and owners of transmission and distribution facilities, which in the case of San Mateo County is Pacific Gas & Electric Co.

(e) The Town heard a presentation on April 24, 2024, and November 8, 2023, and approved participation in the PCE Solar Program and requested staff return with the final Power Purchase Agreement at a subsequent meeting.

(f) The Town reviewed the Power Purchase Agreement (PPA) for solar installation at the Police Department and will participate in the program because of the benefits of cost savings, meeting one of its CAP 2030 programs to generate local renewable energy, protection against rising energy rates and reducing energy costs.

2. Order

(a) The City Council hereby approves and authorizes the City Manager to execute the Power Purchase Agreement for the Police Department.

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Certification of Adoption

I certify that the foregoing Resolution No. 2024-XX was duly adopted at a regular meeting of City Council of the Town of Colma held on May 22, 2024 by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
John Irish Goodwin, Mayor					
Ken Gonzalez					
Carrie Slaughter					
Helen Fisicaro					
Joanne F. del Rosario					
<i>Voting Tally</i>					

Dated _____

John Irish Goodwin, Mayor

Attest: _____
Abigail Dometita, Interim City Clerk

**Peninsula Clean Energy Solar for Public Buildings Pilot Portfolio
Power Purchase Agreement (PPA) Pricing and Savings Estimate**

**Attachment B
REVISED
5/20/24**

SUMMARY		
Facility	Colma Police Department	
Total Solar System Size	104	kW DC
SOLAR PPA RATE	\$0.274	\$/kWh

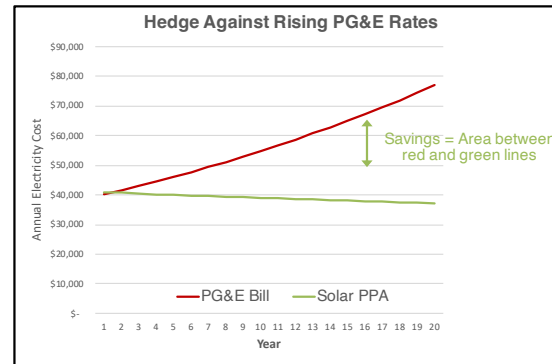
Current Electric Tariff	B10	Rate
Current Effective Facility Energy Rate	\$0.27	\$/kWh
PPA Escalation	0%	%/yr
Solar Production Year 1	148,980	kWh/yr 1
Estimated 20-Year Energy Savings (simple)	\$356,600	\$/20-yrs
Estimated 20-Year NPV at 3% discount rate	\$234,600	\$/20-yrs

ADDITIONAL POTENTIAL VALUE POST INITIAL TERM	
Years 21 - 25 Savings (Simple)	\$ 244,600
Years 21 - 25 Savings (at 3%)	\$ 116,822

Would require either purchase of system at Fair Market Value at end of initial term or mutual agreement to extend PPA.
PV calc takes Present Value of Year 21 - 25 Savings at Year 25 at specified discount rate

Assumptions:		
Regular utility bill escalation (\$/kWh component)		4% per year
PPA escalation		0% per year
Discount rate		3% per year
Solar Module Degradation		0.50% per year

Demand Charges	
Include Demand Charge Reduction Estimate?	No
Assumed Additional Demand Charge Savings	2% %/year



Year-->	1	2	3	4	5	6	7	8	9	10
Solar Generation (kWh/year)	148,980	148,235	147,494	146,757	146,023	145,293	144,566	143,843	143,124	142,409
Cost if solar generation purchased from grid	\$ 40,231	\$ 41,631	\$ 43,080	\$ 44,579	\$ 46,130	\$ 47,736	\$ 49,397	\$ 51,116	\$ 52,895	\$ 54,735
Cost of mitigated demand charges	Not including	Not including	Not including	Not including	Not including	Not including	Not including	Not including	Not including	Not including
Total cost if purchased from grid	\$ 40,231	\$ 41,631	\$ 43,080	\$ 44,579	\$ 46,130	\$ 47,736	\$ 49,397	\$ 51,116	\$ 52,895	\$ 54,735
PPA Cost	\$ 40,821	\$ 40,816	\$ 40,413	\$ 40,211	\$ 40,010	\$ 39,810	\$ 39,611	\$ 39,413	\$ 39,216	\$ 39,020
Net Savings	(\$590)	\$1,015	\$2,666	\$4,368	\$6,120	\$7,926	\$9,786	\$11,703	\$13,679	\$15,716

Year-->	11	12	13	14	15	16	17	18	19	20
Solar Generation (kWh/year)	141,697	140,988	140,283	139,582	138,884	138,189	137,498	136,811	136,127	135,446
Cost if solar generation purchased from grid	\$ 56,640	\$ 58,611	\$ 60,651	\$ 62,762	\$ 64,946	\$ 67,206	\$ 69,545	\$ 71,965	\$ 74,469	\$ 77,061
Cost of mitigated demand charges	Not including	Not including	Not including	Not including	Not including	Not including	Not including	Not including	Not including	Not including
Total cost if purchased from grid	\$ 56,640	\$ 58,611	\$ 60,651	\$ 62,762	\$ 64,946	\$ 67,206	\$ 69,545	\$ 71,965	\$ 74,469	\$ 77,061
PPA Cost	\$ 38,825	\$ 38,631	\$ 38,438	\$ 38,245	\$ 38,054	\$ 37,864	\$ 37,675	\$ 37,486	\$ 37,299	\$ 37,112
Net Savings	\$17,815	\$19,981	\$22,213	\$24,516	\$26,892	\$29,342	\$31,870	\$34,479	\$37,170	\$39,948

Year-->	21	22	23	24	25
Solar Generation (kWh/year)	134,769	134,095	133,425	132,758	132,094
Cost if solar generation purchased from grid	\$ 79,742	\$ 82,518	\$ 85,389	\$ 88,361	\$ 91,436
Cost of mitigated demand charges	Not including	Not including	Not including	Not including	Not including
Total cost if purchased from grid	\$ 79,742	\$ 82,518	\$ 85,389	\$ 88,361	\$ 91,436
PPA Cost	\$ 36,927	\$ 36,742	\$ 36,558	\$ 36,376	\$ 36,194
Net Savings	\$42,816	\$45,775	\$48,831	\$51,985	\$55,242



Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of _____, 2024 (the “**Effective Date**”).

Purchaser:		Seller:	
Name and Address	Town of Colma 1198 El Camino Real Colma, CA 94014 Attention: _Daniel Barros _____	Name and Address	Peninsula Clean Energy Authority 2075 Woodside Rd. Redwood City, CA 94061 Attention: Rafael Reyes, Director of Programs
Phone		Phone	(650) 260-0087
E-mail		E-mail	rreyes@peninsulacleanenergy.com
Premises Ownership	Purchaser owns the Premises.		
Tax Status			System Owner
Project Name	Colma Police Department		

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electricity from the solar panel system described in **Exhibit 2** (the “**System**”) and installed on the real property comprising Purchaser’s premises described or depicted in **Schedule A to Exhibit 2** (the “**Premises**”), including any buildings and other improvements on the Premises other than the System (the “**Improvements**”).

The System shall initially be owned by Seller. “**System Owner**” means Seller or a subsequent owner of the System in the event that Seller transfers title to the System.

The exhibits listed below are incorporated by reference and made part of this Agreement.

<u>Exhibit 1</u>	Pricing
<u>Exhibit 2</u>	System Description, Delivery Point and Premises
<u>Exhibit 3</u>	General Terms and Conditions
<u>Exhibit 4</u>	Performance Guaranty

Purchaser: Town of Colma

Seller: Peninsula Clean Energy Authority

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: Shawn Marshall

Title: Chief Executive Officer

Date: _____

Exhibit 1

Pricing

1. **Initial Term:** Twenty (20) years, beginning on the date that Commercial Operation is achieved (such date, the “**Commercial Operation Date**” and such term, the “**Initial Term**”). “**Commercial Operation**” means that the System is mechanically complete, commences regular, daily operation, complies with all applicable law, has undergone successful system testing, is providing electricity to the Delivery Point at the System Size specified in Exhibit 2 and has obtained all necessary Approvals (as defined in Section 5(b) of Exhibit 3), including permission to operate from the Utility and Seller.
2. **Additional Terms:** Upon mutual written agreement, the Parties may extend the Initial Term for up to two (2) additional terms of up to five (5) years each beginning on the expiration of the Initial Term or on the expiration of the first Additional Term, as applicable (each, an “**Additional Term**”).
3. **Contract Price:** \$0.274 per kilowatt-hour (“**kWh**”) AC at the Delivery Point specified in Exhibit 2.
4. **Contract Price Assumptions.** The Contract Price is based on the following assumptions:
 - a. Statutory prevailing wage rates (e.g., Davis-Bacon) do apply.
 - b. A Performance Guaranty is being provided.
5. **Contract Price Exclusions.** Unless Seller and Purchaser have agreed otherwise in writing, and except as otherwise provided in Section 2(c) of Exhibit 3, the Contract Price excludes the following:
 - a. Groundwork (including excavation and circumvention of underground obstacles) that is unforeseen despite reasonable efforts to assess existing site conditions. Upgrades or repair to Purchaser or Utility electrical infrastructure (including Purchaser or Utility service, transformers, substations, poles, breakers, reclosers, and disconnects). “**Utility**” means the electric distribution utility serving Purchaser.
 - b. Tree removal, tree trimming, mowing and any landscape improvements.
 - c. Decorative fencing and/or any visual screening materials, decorative enhancements to solar support structures (including painting, paint matching, masonry/stone work, and any lighting not required to meet the minimum code compliance).
 - d. Removal of existing lighting, light poles, or concrete light post bases.
 - e. Roof membrane maintenance or reroofing work.
 - f. Structural upgrades to the Improvements, including Americans with Disabilities Act (“**ADA**”) upgrades.
 - g. Installation of public information screen or kiosk (including accompanying Internet connection, power supply, technical support and ADA access).
 - h. Changes in System design caused by any inaccuracy in information provided by Purchaser, including information regarding Purchaser’s energy use, the Premises and the Improvements, including building plans and specifications.

If such excluded costs will result in an increase to the Contract Price, Seller shall deliver notice to Purchaser of such increase to the Contract Price not less than sixty (60) days prior to commencement of the installation of the System (“**Commencement of Installation**” and such notice, the “**Excluded Costs Notice**”). If excluded costs will result in an increase to the Contract Price such that the revised Contract Price would increase by no more than five percent (5%), Purchaser shall be responsible for such increased Contract Price and the Contract Price shall be amended to reflect the new Contract Price included in the Excluded Costs Notice. If such excluded costs will result in an increase to the Contract Price, such that the revised Contract Price would increase by more than five percent (5%), Purchaser shall have a right to terminate this Agreement without penalty by providing notice of such termination within thirty (30) days of delivery of the Excluded Costs Notice.

6. Termination Payment Schedule:

Contract Year	Termination Payment (\$)
1	\$633,952
2	\$606,155
3	\$578,402
4	\$550,694
5	\$523,033
6	\$495,420
7	\$467,856
8	\$440,343
9	\$412,882
10	\$385,475
11	\$358,124
12	\$330,830
13	\$303,595
14	\$276,421
15	\$249,309
16	\$222,262
17	\$195,281
18	\$168,369
19	\$141,527
20	\$114,757

“**Contract Year**” means the year commencing on the Commercial Operation Date and each subsequent year commencing on the anniversary of the Commercial Operation Date.

Exhibit 2

System Description, Delivery Point and Premises

1. System Location: 1199 El Camino Real, Colma, CA 94014
2. System Size (DC kW): 103.79 (AC kW): 100.0
3. System Description (Expected Structure, etc.): Carport
4. Delivery Point and Premises: **Schedule A** to this Exhibit 2 contains one or more drawings or images depicting:
 - a. Premises, including the Improvements (as applicable);
 - b. Proposed System location at the Premises;
 - c. Delivery point for electricity generated by the System (the “**Delivery Point**”);
 - d. Access points needed for Seller to cause the System to be installed and serviced (building access, electrical room, stairs, etc.); and
 - e. Construction assumptions (if any).

Schedule A

1. Physical building address: 1199 El Camino Real, Colma, CA 94014
2. Number of Stories: 2
3. Total Square Footage: 14,000
4. Year Built: 2006
5. Year of any mechanical/electrical updates: No updates just repairs and some HVAC new equipment/ replacement
6. Type of Construction, (example; wood frame, masonry, steel): Steel, concrete and wood
7. Description/ Type of roof structure/system: Terra cotta tile
8. Confirm whether the building is sprinklered: Yes
9. Describe any additional security measures, (example: video surveillance, etc.): Video Surveillance, Access Control system that controls ingress and egress

A Site Plan and Single Line Diagram are attached at the end of this **Schedule A** labeled “Attachment 1 to **Schedule A** of Exhibit 2”.

Attachment 1 to **Schedule A** of **Exhibit 2**
[attachment follows]

Exhibit 3

General Terms and Conditions

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Exhibit 3

General Terms and Conditions

1. **Purchase and Sale of Electricity.** Subject to the terms and conditions of this Agreement, Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electricity generated by the System during the Term (as defined in Section 2(a)). Electricity generated by the System shall be delivered to Purchaser at the Delivery Point. Title to and risk of loss for the electricity generated by the System passes to Purchaser from Seller at the Delivery Point. Seller warrants that it will deliver the electricity to Purchaser at the Delivery Point free and clear of all liens, security interests, claims, and other encumbrances.

2. **Term and Termination.**
 - a. **Effective Date; Term.** This Agreement is effective as of the Effective Date. The electricity supply period under this Agreement commences on the Commercial Operation Date (as defined in Section 1 of Exhibit 1) and continues for the duration of the Initial Term and any Additional Terms, unless earlier terminated as provided for in this Agreement (collectively, the “**Term**”).
 - b. **Additional Terms.** The Parties may agree in writing to extend this Agreement for up to two (2) Additional Terms at a Contract Price to be negotiated by the Parties prior to the expiration of the Initial Term or the first Additional Term, as applicable.
 - c. **Termination Due to Contract Price Adjustments or Lack of Project Viability.** If, at any time after the Effective Date and prior to Commencement of Installation, (i) Purchaser terminates this Agreement pursuant to Section 5 of Exhibit 1, or (ii) Seller determines that the installation of the System will not be viable for any reason, then either Party may terminate this Agreement by providing ten (10) days’ prior written notice to the other Party. Neither Party shall be liable for any damages in connection with such termination. After Commencement of Installation, the Contract Price shall not be subject to further adjustment pursuant to Section 5 of Exhibit 1 or otherwise.
 - d. **Termination by Purchaser for Delay.** If Commencement of Installation has not occurred within three hundred and sixty-five (365) days after the Effective Date, Purchaser may terminate this Agreement by providing thirty (30) days’ prior written notice to Seller; provided that this Agreement will not terminate pursuant to this Section 2(d) if Seller causes to be achieved Commencement of Installation on or before the end of such thirty (30) day notice period or if Commencement of Installation is delayed due to a Force Majeure Event. Purchaser shall not be liable for any damages in connection with such termination. For the avoidance of doubt, such event shall not be deemed a Default Event by Seller and Purchaser’s only remedy shall be the reimbursement by Seller of direct costs reasonably incurred by Purchaser by reason of the termination.

3. **Billing and Payment; Taxes.**
 - a. **Monthly Charges.** Purchaser shall pay Seller monthly for the electricity generated by the System and delivered to the Delivery Point at the \$/kWh rate shown in Exhibit 1 as adjusted by Section 5 of Exhibit 1, if applicable (the “**Contract Price**”). The monthly payment for such energy will be equal to the applicable \$/kWh rate multiplied by the number of kWh of electricity generated during the applicable month, as measured by the Meter (as defined in Section 10). Additional costs for items differing from the assumptions in Exhibit 1, Section 4 are Purchaser’s responsibility.
 - b. **Monthly Invoices.** Seller shall invoice Purchaser monthly for amounts owed by Purchaser hereunder. Such monthly invoices shall state (i) the amount of electricity produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement, and (iii) the total amount due from Purchaser.
 - c. **Payment Terms.** All amounts due under this Agreement are due and payable within thirty (30) days following receipt of invoice. Any undisputed portion of the invoice amount not paid within such thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) above the Prime Rate (but not to exceed the maximum rate permitted by law). All payments shall be made in U.S. dollars. “**Prime Rate**” shall mean the annual prime rate of interest published in the Wall Street Journal for the applicable period during which interest is incurred pursuant to the terms of the Agreement.

d. **Taxes.**

- i. **Purchaser's Taxes.** Purchaser is responsible for: (A) payment of, or reimbursement of Seller for, all taxes assessed on the generation, sale, delivery or consumption of electricity produced by the System or the interconnection of the System to the Utility's electricity distribution system; (B) real property taxes; and (C) any sales or use taxes as a result of exercising the options to purchase the System in Section 14(b).
- 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 Agreement; and (B) personal property taxes imposed on the System ("**Seller's Taxes**").

- e. **Budgeting for Contract Price.** Upon execution of this Agreement and prior to the commencement of each subsequent budgetary cycle of Purchaser during the Initial Term (and Additional Term, if any), Purchaser shall take all necessary action to obtain all necessary budgetary approvals and certifications for payment of all of its obligations under this Agreement for such budgetary cycle, including, but not limited to including the maximum amount of its annual payment obligations under this Agreement in its budget submitted to Purchaser's City Council for each year of that budget cycle.

4. **RECs and Incentives.**

a. **Definitions.**

"**Governmental Authority**" means any foreign, federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, court, tribunal, arbitrating body or other governmental authority having jurisdiction or effective control over a Party.

"**Incentives**" means (i) a payment paid by a utility or state or local Governmental Authority based in whole or in part on the cost or size of the System such as a rebate, (ii) a performance-based incentive paid as a stream of periodic payments by a utility, state or Governmental Authority based on the production of the System, (iii) investment tax credits, production tax credits, and similar tax credits, grants or other tax benefits under federal, state or local law, including, but not limited to, the election to receive a payment with respect to investment tax credits or production tax credits pursuant to Code Section 6417, and (iv) any other attributes, commodity, revenue stream or payment in connection with the System (such as ancillary or capacity revenue), in each case of (i) through (iv) relating to the construction, ownership, use or production of energy from the System, provided that Incentives shall not include RECs.

"**REC**" means a renewable energy credit or certificate under any state renewable portfolio, standard or federal renewable energy standard, voluntary renewable energy credit certified by a non-governmental organization, pollution allowance, carbon credit and any similar environmental allowance or credit and green tag or other reporting right 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, in each case relating to the construction, ownership, use or production of energy from the System, provided that RECs shall not include Incentives.

- b. **RECs.** The Parties hereby agree that Seller is entitled to the benefit of, and will retain all ownership interests in, the RECs. Seller shall not sell, assign or otherwise transfer the RECs to a third party. If necessary, Purchaser shall cooperate with Seller in obtaining, securing and transferring any and all RECs. Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. Purchaser shall not make any filing or statements inconsistent with Seller's ownership interests in the RECs, nor shall Purchaser attempt to sell, assign or transfer such RECs. If any RECs are delivered directly to Purchaser, Purchaser shall immediately deliver such items or amounts to Seller.

- c. **Incentives.** The Parties hereby agree that Seller or a subsequent System Owner, if applicable, and not Purchaser, is entitled to the benefit of, and will retain all ownership interests in, the Incentives. If necessary, Purchaser shall cooperate with Seller and any such third-party System Owner in obtaining, securing and transferring any and all Incentives, including cooperating, as requested by Seller, with respect to any challenges as to Seller obtaining any portion or amount of the Incentives. Without limiting the foregoing, Purchaser acknowledges that Seller intends to qualify for the elective payment incentive (the "**Elective Pay Incentive**") and make the elective payment election in Section 6417 of the Internal Revenue Code of 1986, as amended (the "**Code**") with respect to the federal income tax credits (the "**Applicable Credits**") under either Code Sections 45 or 48. Purchaser agrees to cooperate with Seller to the extent requested by Seller, so that Seller can (i) qualify for the Applicable Credits in the context of the Elective Pay Incentive, (ii) make the elective payment election and obtain a payment of applicable proceeds with respect to the Elective Pay Incentive, (iii) avoid a disallowance, recapture, or reduction of the proceeds with respect to the Elective Pay Incentive,

and (iv) prevent an excessive payment as set forth in Code Section 6417(d)(6). Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller or any such System Owner. Purchaser shall not make any filing or statements inconsistent with Seller's or System Owner's ownership interests in the Incentives, nor shall Purchaser attempt to sell, assign or transfer such Incentives. If any Incentives are delivered directly to Purchaser, Purchaser shall immediately deliver such items or amounts to Seller.

5. Project Completion.

- a. **Project Development.** Seller shall use reasonable efforts to pursue or cause to be pursued the development and installation of the System, subject to Section 2(c) and the remaining provisions of this Section 5.
- b. **Permits and Approvals.** Seller shall use reasonable efforts to cause to be obtained the following at its sole cost and expense (each, an "Approval"):
 - i. any zoning, land use and building permits required for Seller to cause the System to be constructed, installed and operated; and
 - ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Utility's electric distribution system.

Purchaser shall reasonably cooperate with Seller's reasonable requests to assist Seller in expeditiously obtaining such Approvals, including, without limitation, the execution of documents required to be provided by Purchaser to the Utility. The Parties acknowledge and agree that Purchaser does not have authority or jurisdiction over any other public agency's ability to grant Approvals or ability to impose limitations that may affect the System, provided, that such acknowledgment and agreement does not apply to joint powers authorities or related agencies over which Purchaser asserts authority.

c. Force Majeure.

- i. **Force Majeure Event.** If either Party is unable to timely perform any of its obligations (other than payment obligations) under this Agreement in whole or in part due to a Force Majeure Event, that Party will be excused from performing such obligations for the duration of the time that such Party remains affected by the Force Majeure Event; provided, that such Party uses reasonable efforts to mitigate the impact of the Force Majeure Event and resumes performance of its affected obligations as soon as reasonably practical. The Party affected by the Force Majeure Event shall notify the other Party as soon as reasonably practical after the affected Party becomes aware that it is or will be affected by a Force Majeure Event. If the Force Majeure Event occurs during the Term and impacts the ability of the System to deliver electricity to the Delivery Point, the Term will be extended day for day for each day delivery is suspended due to the Force Majeure Event, up to a maximum of two (2) years.
- ii. **Extended Force Majeure.** If a Force Majeure Event notified by either Party under paragraph (i) above continues for a consecutive period of three hundred sixty-five (365) days or more, then either Party may elect to terminate this Agreement without either Party having further liability under this Agreement except: (A) liabilities accrued prior to termination, (B) Seller's obligation to cause the System to be removed as required under Section 9 (but Purchaser shall reimburse Seller for Seller's removal costs if the Force Majeure Event affects Purchaser and Purchaser elects to terminate the Agreement) and (C) if Purchaser elects to terminate the Agreement in accordance with this Section, Purchaser shall pay Seller a termination payment equal to the amount set forth in Section 6 of Exhibit 1. Notwithstanding the foregoing, if the Force Majeure Event can be corrected through repair or restoration of the System or other actions by Seller and, prior to expiration of the three hundred sixty-five (365) day period, Seller provides written evidence to Purchaser that it is diligently pursuing such actions, then Purchaser shall not have the right to terminate this Agreement so long as Seller continues to diligently pursue such actions.
- iii. **Definition of "Force Majeure Event."** "Force Majeure Event" means any event or circumstance beyond the reasonable control of and without the fault or negligence of Seller or Purchaser, including, without limitation: an act of God; war (declared or undeclared); sabotage; piracy; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction, tariff or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; tsunami; storm; tornado; blizzard; heatwave; hurricane; flood; lightning; hail; wind; drought; animals; epidemic; pandemic; action or the failure to act by a Governmental Authority or the Utility, including, but not limited to, a moratorium on any activities related to this Agreement or the delay or a lack of a final Approval based on the California Environmental Quality Act ("CEQA") or other applicable law, provided that the delay in decision-making is not attributable to the Party claiming a Force Majeure Event and that

such Party has exercised its reasonable efforts to cause such Approval to be obtained; delays in interconnection, provided that the delay in obtaining interconnection is not attributable to the Party claiming a Force Majeure Event or its agents; unavailability of electricity from the Utility grid; and failure or unavailability of equipment, supplies or products outside of Seller's control or due to a Force Majeure Event. For purposes of the definition of "Force Majeure Event," a Party shall not be considered a Governmental Authority if such Party is claiming the presence of a Force Majeure Event as an excuse for its failure to timely perform its obligations under this Agreement.

- d. **Extension of Time**. If Seller is delayed in causing the achievement of Commencement of Installation due to a Force Majeure Event, the time for achievement of Commencement of Installation will be automatically extended to account for the impact of the delay.
- e. **Commercial Operation**. Seller shall notify Purchaser in writing at least one week prior to the Commercial Operation Date. Upon Purchaser's reasonable request, Seller shall provide Purchaser with the "Final Completion Certificate" as executed by the contractor to Seller responsible for installing the System and the "Final Completion Notification" as executed by Seller to evidence that the System is ready to begin Commercial Operation. Purchaser may not turn on, electrify or otherwise operate the System in the absence of prior, written permission from Seller.

6. **Installation, Operation and Maintenance**.

- a. **Seller's General Obligations Regarding the System**. Subject to the terms and conditions of this Agreement, Seller shall use reasonable efforts to cause the System to be designed, engineered, installed, commissioned, monitored, operated and maintained, in each case in a good and workmanlike manner and in accordance with applicable law and prudent solar industry practices in the State of California. The Seller shall ensure that the System complies with all applicable law, rules, regulations and local building codes. In furtherance of the foregoing, Seller shall use reasonable efforts to enforce all of its rights under its agreement or agreements with the installer of the System and with the entity engaged to operate and maintain the System; provided, that Seller shall maintain full discretion with respect to any determinations regarding the nature of such enforcement actions and Seller shall not be obligated pursuant to this Agreement to initiate litigation or other legal process.
- b. **System Design Approval**. Seller has provided Purchaser with a copy of the System design, and Purchaser has approved such design. Should any subsequent changes to the System design be made prior to Commencement of Installation, Purchaser shall be provided with a copy of any such revised System design and any resulting changes to the Contract Price, Section 6 of Exhibit 1, any of the data on Exhibit 2 and/or Table 1.A of Exhibit 4, and Purchaser shall have ten (10) business days after receipt to approve or disapprove the revised design and any such resulting changes in writing, such approval not to be unreasonably withheld. Failure by Purchaser to respond within such ten (10) business day period shall be deemed approval of the revised System design and any such resulting changes. If Purchaser disapproves the revised System design and/or any such resulting changes, Seller may either (i) cause the design to be reverted to the original design approved by Purchaser or (ii) terminate this Agreement and such termination shall be without further liability to Purchaser. If changes to the System design or other changes, including new information regarding Purchaser's electricity needs or Seller's selection of equipment for the System, will result in a change to any of the data on Exhibit 2 (including, but not limited to the System Size), the Contract Price, Section 6 of Exhibit 1, any of the data on Exhibit 2 and/or Table 1.A of Exhibit 4, such sections and/or table of this Agreement may be revised if any such changes are approved by both Parties in writing. If changes to the System design are reasonably expected to lower the costs to Seller of engineering, constructing, installing, interconnecting, operating, maintaining, repairing and/or removing the System, Seller may, in its sole discretion, decrease the Contract Price and provide such updated Contract Price to Purchaser in an addendum to this Agreement.
- c. **System Repair and Maintenance**. Seller may cause the suspension of delivery of electricity from the System to the Delivery Point for the purpose of causing the maintenance to and repairs of the System; provided that Seller shall use reasonable efforts to minimize any interruption in service to the Purchaser and shall provide at least thirty (30) business days' advance notice to Purchaser of any scheduled maintenance and repairs. Emergency maintenance and repairs may be performed in the absence of such notice if necessary to prevent harm to persons or property. Scheduled and unscheduled maintenance and repairs shall be undertaken at Seller's sole cost and expense, except that Purchaser shall reimburse Seller for the reasonable cost of any repairs or maintenance resulting from damage caused by Purchaser, its agents, employees or contractors.
- d. **System Outage Allowance**. Upon Purchaser's written request, Seller shall cause the System to be taken off-line for a total of forty-eight (48) daylight hours (as defined by the United States National Weather Service in the area where the System is located) during each Contract Year (each event an "**Outage**" and the forty-eight (48) hour period the "**Outage Allowance**"). The Outage Allowance includes all Outage hours undertaken by Seller for maintenance or

repairs for which Purchaser is responsible pursuant to Section 6(c) or requested by Purchaser under this Section 6(d) (other than due to the fault or negligence of Seller). Purchaser's request shall be delivered at least forty-eight (48) hours in advance. Purchaser is not obligated to accept or pay for electricity that could have been delivered by the System but for an Outage up to the annual Outage Allowance. If the aggregate hours for Outages, including, but not limited to Outages resulting from a temporary disconnection or removal pursuant to Section 6(f), exceed the Outage Allowance in a given Contract Year and Purchaser has opted out of receiving retail electric generation service from Seller, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Outages and Purchaser shall pay Seller for such amount in accordance with this Agreement.

- e. **Maintenance of Premises.** Purchaser shall, at its sole cost and expense, maintain the Premises and Improvements in good condition and repair. Purchaser, to the extent within its reasonable control, (i) shall ensure that the Premises remains interconnected to the local Utility grid at all times; and (ii) shall not permit cessation of delivery of electric service to the Premises from the local Utility. Purchaser is fully responsible for, and shall properly maintain in full working order and good repair, the electrical infrastructure on the Purchaser's side of the Delivery Point, including all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall use reasonable efforts to cooperate with Seller to comply with any technical standard of the Utility providing electrical power to the Purchaser.
- f. **Alteration or Repairs to Premises.** Not less than ninety (90) days prior to making any alterations or repairs to the Premises (except for emergency repairs) or any Improvement which may adversely affect the operation and maintenance of the System, Purchaser shall inform Seller in writing and, thereafter, shall use reasonable efforts to conduct such repairs, alterations or Improvements in compliance with any reasonable request made by Seller within ten (10) days after having received such written request to mitigate any adverse effect. If any repair, alteration or Improvement result in a permanent and material adverse economic impact on the System, Purchaser may request relocation of the System under Section 8 hereof. To the extent that temporary disconnection of the System is necessary in order for Purchaser to perform such alterations or repairs, Seller shall cause to be performed such work, and any re-connection of the System, at Purchaser's cost, subject to Section 6(c), 6(d), and 6(e). To the extent that temporary removal of the System is necessary in order for Purchaser to perform such alterations or repairs, Seller shall use reasonable efforts to cause to be performed such removal work within one hundred and eighty (180) days of Seller's determination that such temporary removal is required and any such removal and re-installation work shall be at Purchaser's cost, subject to Section 6(c), 6(d), and 6(e). Purchaser shall cause to be made any alterations and repairs in a good and workmanlike manner, in compliance with all applicable laws, codes and permits.

7. **Miscellaneous Rights and Obligations of the Parties.**

- a. **Access Rights.** In consideration of and in order to effectuate the mutual covenants and terms of this Agreement, Purchaser hereby grants to Seller and to Seller's agents, employees, contractors and subcontractors and the Utility (i) a non-exclusive license running with the Premises (the "**Non-Exclusive License**") for access to, on, over, under and across the Premises from the Effective Date until the date that is one hundred and eighty (180) days following the date of expiration or earlier termination of this Agreement (the "**License Term**"), for the purposes of performing all of Seller's obligations and enforcing all of Seller's rights set forth in this Agreement and otherwise as required by Seller in order to effectuate the purposes of this Agreement, including, but not limited to design, engineering, development, construction, installation, inspection, interconnection, testing, operation, maintenance, repair, replacement and removal of the System and all incidental and related uses connected therewith. In addition to the foregoing, if the System shall be a ground-mounted System to be located within a secure, fenced area on the Premises, Purchaser hereby grants to Seller an exclusive, sub-licensable license running with the Premises (the "**Exclusive License**", and together with the Non-Exclusive License, the "**Licenses**") for purposes of the installation, operation, use and maintenance of the System on such exclusively licensed area of the Premises during the License Term. Seller shall provide at least seventy-two (72) hours advance notice to Purchaser of any access required prior to the Commercial Operation Date; after the Commercial Operation Date notice shall be provided subject to Section 6(c). Seller shall use reasonable efforts to ensure that when on the Premises during the License Term, it and its employees, agents, contractors and subcontractors comply with Purchaser's site safety and security requirements, which are to be provided to Seller in writing within sixty (60) days of the Effective Date. During the License Term, Purchaser shall preserve and protect Seller's rights under the Licenses and Seller's access to the Premises and shall not interfere, or permit any third parties under Purchaser's control to interfere, with such rights or access. Seller may record a customary memorandum of license in the land records respecting the Licenses.
- b. **OSHA Compliance.** Each Party shall comply with all Occupational Safety and Health Act ("**OSHA**") requirements and other similar applicable safety laws and codes with respect to such Party's performance under this Agreement.
- c. **Safeguarding the Premises.** Purchaser shall maintain the physical security of the Premises and Improvements in a

manner to be expected of a reasonable and prudent owner of premises and improvements similar to the Premises and Improvements in nature and location. Purchaser shall not conduct or permit activities on, in or about the Premises or the Improvements that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Purchaser shall indemnify Seller for any loss or damage to the System to the extent caused by or arising out of (i) Purchaser's breach of its obligations under this Section or (ii) the acts or omissions of Purchaser or its employees, agents, invitees or separate contractors. Without limiting the foregoing, Seller shall arrange for security of the System, equipment and tools during the construction of the System and Purchaser shall cooperate with Seller and its contractor with respect to such security measures. The obligations set forth in this Section 7(c) shall survive until the date that is one hundred and eighty (180) days following the date of expiration or earlier termination of this Agreement.

- d. **Insolation.** Purchaser acknowledges that unobstructed access to sunlight (“**Insolation**”) is essential to Seller's performance of its obligations and a material term of this Agreement. Purchaser shall not, to the extent within its reasonable control, cause or permit any interference with the System's Insolation, and shall ensure that vegetation on the Premises adjacent to the System is regularly pruned or otherwise maintained to prevent interference with the System's Insolation. If either Party discovers any activity or condition that could diminish the Insolation of the System, such Party shall immediately notify the other Party and Purchaser shall cooperate with Seller in preserving and restoring the System's Insolation levels as they existed on the Effective Date.
- e. **Use and Payment of Contractors and Subcontractors.** Seller shall use and shall cause to be used suitably qualified, experienced and licensed contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall be responsible for the quality of the work performed by such contractors and subcontractors. Seller shall pay or shall cause to be paid when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement.
- f. **Liens.**
- i. **Lien Obligations.** Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature, except such encumbrances as may be required to allow Seller access to the Premises (each a “**Lien**”) on or with respect to the System. Seller shall not directly or indirectly cause, create, incur, assume or allow to exist any Lien on or with respect to the Premises or the Improvements, other than those Liens which Seller is permitted by law to place on the Premises due to non-payment by Purchaser of amounts due under this Agreement. Each Party shall immediately notify the other Party in writing of the existence of any such Lien following such Party's discovery of same, and shall promptly (and in all events within thirty (30) days) cause the same to be discharged and released of record without cost to the other Party; provided, however, that each indemnifying Party has the right to contest any such Lien, so long as it provides a statutory bond or other reasonable assurances of payment that either removes such Lien from title to the affected property, or that assures that any adverse judgment with respect to such Lien shall be paid without affecting title to such property.
- ii. **Lien Indemnity.** Each Party shall indemnify the other Party from and against all claims, losses, damages, liabilities and expenses resulting from any Liens filed against such other Party's property as a result of the indemnifying Party's breach of its obligations under Section 7(f)(i).
8. **Relocation of System.** If, during the Term, Purchaser ceases to conduct operations at the Premises or vacates the Premises, the Premises have been destroyed, or the Purchaser is otherwise unable to continue to host the System or accept the electricity delivered by the System for any other reason (other than a Default Event by Seller), Purchaser shall propose in writing the relocation of the System, at Purchaser's cost. Such proposal shall be practically feasible and preserve the economic value of this Agreement for Seller. The Parties shall seek to negotiate in good faith an agreement for the relocation of the System. Pending agreement on relocation of the System, Purchaser shall continue to make payments to Seller pursuant to Section 11(b)(i)(C).
9. **Removal of System upon Termination or Expiration.** Upon the expiration or earlier termination of this Agreement (provided Purchaser does not purchase the System pursuant to the terms and conditions of Section 14(b)), Seller shall, at its expense (unless expressly provided otherwise in this Agreement), cause to be removed all of the tangible property comprising the System from the Premises with a targeted completion date that is no later than one hundred and eighty (180) days after the expiration of the Term. The portion of the Premises where the System is located shall be returned to substantially its original condition as is reasonably possible, except for ordinary wear and tear, including the removal of System mounting pads or other support structures, and repair and restoration of the roof and the roof membrane. Seller is required to cause to be repaired any and all damage to the Premises caused by removal of the System. Notwithstanding the foregoing, Seller shall not be obligated to remove or cause to be removed any support structures for the System which are affixed to and below the exposed surface of Purchaser's

structures or any below grade structures, including foundations and conduits, or any roads. If the System is installed on the roof of an Improvement, Seller's warranties under Section 12(c)(i) shall apply, as applicable. Purchaser must provide sufficient access, space and cooperation as reasonably necessary to facilitate System removal. Purchaser shall comply with Section 7(c) and Section 13 until removal is complete. If Seller fails to cause the removal of the System within one hundred and eighty (180) days after expiration of the Term, Purchaser may, at its option, remove the System to a public warehouse and restore the Premises to its original condition (other than ordinary wear and tear) at Seller's cost, *provided* that if Seller pays Purchaser for such costs, Seller shall not be liable to Purchaser for a Default Event by Seller.

10. Measurement.

- a. **Meter.** The System's electricity output during the Term shall be measured by Seller's meter, which shall be a revenue grade meter that meets ANSI-C12.20 standards for accuracy (the "**Meter**"). Purchaser shall have access to the metered energy output data via the monitoring system caused to be installed and maintained by Seller as part of the System.
- b. **Meter Calibration.** Seller shall cause the Meter to be calibrated in accordance with manufacturer's recommendations. Notwithstanding the foregoing, Purchaser may install, or cause to be installed, its own revenue-grade meter at the same location as the Meter. If there is a discrepancy between the data from Purchaser's meter and the data from the Meter of greater than two percent (2%) over the course of a Contract Year, then Purchaser may request that Seller calibrate the Meter at Seller's cost.
- c. **Internet Connection.** At all times during the Term, Purchaser shall maintain and make available, at Purchaser's cost:
 - i. A hard-wired ethernet port for connection to System equipment located within fifty (50) physical feet of the electrical room of the Premises; or, if such hard-wired port is not feasible, Wi-Fi available seven (7) days per week and twenty-four (24) hours per day;
 - ii. Information technology support services as needed to provide Internet connectivity via the connection described in Section 10(c)(i); and
 - iii. A dedicated IP address for System equipment.

If Purchaser does not maintain such Internet connection described above, Seller will not be able to cause the System to be monitored or provide the performance guaranty set forth on Exhibit 4. Further, if Seller is not able to monitor the System, Seller will be required to estimate the System's power production for purposes of determining the monthly payment(s) for any such month in which the required Internet connection was not available.

- d. **Meter Testing.** Purchaser may require Seller to cause the Meter to be tested once at any time during the Term at Seller's cost (an "**Initial Meter Test**"). After the Initial Meter Test, Purchaser may request that Seller cause the Meter to be tested only upon Purchaser's reasonable basis for belief that a Meter Inaccuracy (as defined below) exists, at Seller's cost (a "**Second Meter Test**"). In the absence of a Meter Inaccuracy as demonstrated by a Second Meter Test, any future Meter testing shall be at Purchaser's sole cost and expense. If any Meter test demonstrates inaccuracy of the Meter of greater than two percent (2%) over the course of a Contract Year (a "**Meter Inaccuracy**"), then Seller shall credit any overpayment by Purchaser against, or add any underpayment by Purchaser to, the next monthly invoice it provides to Purchaser. Purchaser shall have the right to witness any Meter test.

11. Default, Remedies and Damages.

- a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below is deemed a "**Defaulting Party**", the other Party is the "**Non-Defaulting Party**" and each of the following is a "**Default Event**":
 - i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");
 - ii. failure of a Party to perform any material obligation under this Agreement or an act or omission of a Party in violation of the terms and conditions of this Agreement not addressed elsewhere in this Section 11 within sixty (60) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that if the Default Event cannot reasonably be cured within sixty (60) days and the Defaulting Party has demonstrated prior to the end of that period that it is diligently pursuing such cure, the cure period will be extended for a further

reasonable period of time, not to exceed ninety (90) days;

- iii. such Party fails to provide or maintain in full force and effect any required insurance, if such failure is not remedied within ten (10) business days after receipt of written notice from the Non-Defaulting Party to the Defaulting Party;
- iv. any representation or warranty given by a Party under this Agreement was incorrect in any material respect when made and is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
- 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 (or, if any such actions are initiated by a third party, such action(s) is (are) not dismissed within sixty (60) days); or,
- vi. in the case of Purchaser as the Defaulting Party only, Purchaser (A) loses its rights to occupy and enjoy the Premises, unless the Parties agree upon a relocation under Section 8 above; (B) loses its right to provide access to the System or is otherwise in default under Section 7(a); or (C) prevents Seller from performing any material obligation under this Agreement unless such action by Purchaser is (x) permitted under this Agreement, or (y) cured within ten (10) days after written notice thereof from Seller.

b. Remedies.

- i. **Purchaser Default Event Remedies.** Upon the occurrence and during the continuation of a Default Event where the Purchaser is the Defaulting Party, including a Payment Default:
 - A. Seller may exercise any and all remedies available or granted to it pursuant to law or hereunder, including seeking by mandamus or other suit, action or proceeding at law or in equity to enforce the Seller's rights against the Purchaser, including rights to any payments due hereunder in an action for damages, and to compel the Purchaser to perform and carry out its duties and obligations under the law and its covenants and agreements with the Seller as provided herein.
 - B. Seller may suspend performance of its obligations under this Agreement, including, but not limited to, turning off the System, until the earlier to occur of (x) the date that Purchaser cures the Default Event in full, including making payment in full as provided in Section 11(b)(i)(C), or (y) the termination date of this Agreement. Seller's rights under this Section 11(b)(i)(B) are in addition to any other remedies available to it under this Agreement, at law or in equity.
 - C. Except as otherwise provided herein, this Agreement shall not terminate as a result of such Default Event and shall continue in full force and effect, and Purchaser shall continue to pay, and Seller shall be entitled to recover payment for: (x) all electricity delivered by Seller pursuant to Section 3 of this Exhibit 3, and (y) all electricity that Seller reasonably estimates it would have been able to deliver to Purchaser in accordance with this Agreement but for the Default Event by Purchaser, in each case at the Contract Price, together with (z) any other amounts due and payable pursuant to this Agreement.
- ii. **Seller Default Event Remedies.** Upon the occurrence and during the continuation of a Default Event where Seller is the Defaulting Party:
 - A. Purchaser may exercise any and all remedies available or granted to it pursuant to law or hereunder, including seeking by mandamus or other suit, action or proceeding at law or in equity to enforce the Purchaser's rights against the Seller, including rights to any payments due hereunder in an action for damages, and to compel the Seller to perform and carry out its duties and obligations under the law and its covenants and agreements with the Purchaser as provided herein.
 - B. except as otherwise provided herein, this Agreement shall not terminate as a result of such Default Event and shall continue in full force and effect, and Seller and Purchaser shall continue to pay all amounts due and payable pursuant to this Agreement.
- iii. **Optional Termination by Purchaser.** In addition to the remedies provided for in Section 11(b)(ii), upon the occurrence and during the continuation of a Default Event where Seller is the Defaulting Party, the Purchaser may terminate this Agreement as further set forth in this Section 11(b)(iii) by providing thirty (30) days prior

written notice to the Seller; provided, that, in the case of a Default Event under Section 11(a)(v) where the Seller is the Defaulting Party, no such notice period shall be required. Upon termination pursuant to this Section 11(b)(iii), Seller shall pay to Purchaser an amount equal to the sum of (A) the present value of the excess, if any, of the reasonably expected cost of electricity delivered by the Utility over the Contract Price for the reasonably expected production of the System for a period of the lesser of five (5) years or the remainder of the Initial Term or the then current Additional Term, as applicable; (B) all direct costs reasonably incurred by Purchaser by reason of the termination; and (C) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser (the “**Seller Termination Payment**”). The Seller Termination Payment determined under this Section 11(b)(iii) cannot be less than zero.

- iv. **Optional Termination by Seller.** In addition to the remedies provided for in Section 11(b)(i), upon the occurrence and during the continuation of a Default Event where Purchaser is the Defaulting Party, the Seller may terminate this Agreement as further set forth in this Section 11(b)(iv) by providing thirty (30) days prior written notice to the Purchaser; provided, that, in the case of a Default Event under Section 11(a)(v) where the Purchaser is the Defaulting Party, no such notice period shall be required. Upon termination pursuant to this Section 11(b)(iv), Purchaser shall pay to Seller an amount equal to the sum of (1) the applicable amount set forth in the Termination Payment Schedule of Section 6 of Exhibit 1, and (2) any other amounts previously accrued under this Agreement and then owed by Purchaser to Seller (collectively, the “**Purchaser Termination Payment**” and, together with the Seller Termination Payment, the “**Termination Payment**”). The Purchaser Termination Payment determined under this Section 11(b)(iv) cannot be less than zero.
 - v. **Severability of Remedies.** If any remedy in Section 11(b) is held by a court of competent jurisdiction to be in conflict with any statute, constitutional provision, regulation or other rule of law, or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other remedies herein contained invalid, inoperative, or unenforceable to any extent whatsoever. If any one or more of the provisions contained in Section 11(b) of this Exhibit 3 shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Section 11(b) and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Parties hereby declare that they each would have executed this Agreement and each and every other section hereof irrespective of the fact that any one or more sections of this Section 11(b) may be held illegal, invalid or unenforceable.
 - vi. **Liquidated Damages.** The Parties agree that, if Seller terminates this Agreement prior to the expiration of the Term pursuant to Section 11(b)(iv), actual damages would be difficult to ascertain, and the Purchaser Termination Payment determined in accordance with Section 11(b)(iv) is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement and is not a penalty.
- c. **Obligations Following Termination.** If a Party terminates this Agreement pursuant to Section 11(b)(iii), or Section 11(b)(iv), then following such termination, Seller shall cause and shall have the right to cause the equipment constituting the System to be removed in compliance with Section 9 at the sole cost and expense of the Defaulting Party, *provided, however* that Seller shall not be required to cause the System to be removed following the occurrence of a Default Event by Purchaser, unless Purchaser has paid the Purchaser Termination Payment to Seller or pre-pays the cost of removal and restoration reasonably estimated by Seller.
- i. **Reservation of Rights.** Except in the case of a termination under Section 11(b)(iii) or Section 11(b)(iv) and payment of a Termination Payment, if any, determined as provided therein, nothing in this Section 11 limits either Party’s right to pursue any remedy under this Agreement, at law or in equity, including with respect to the pursuit of an action for damages by reason of a breach or Default Event under this Agreement.
 - ii. **Mitigation Obligation.** Regardless of whether this Agreement is terminated for a Default Event, the Non-Defaulting Party must make reasonable efforts to mitigate its damages as the result of such Default Event; provided that such obligation shall not reduce Purchaser’s obligation to pay the full Purchaser Termination Payment set forth in Section 6 of Exhibit 1 following a Default Event by Purchaser.
 - iii. **No Limitation on Payments.** Nothing in this Section 11 excuses a Party’s obligation to make any payment when due under this Agreement, including with respect to payments for electricity that would have been delivered to Purchaser but for a Purchaser breach or Default Event.

12. **Representations and Warranties.**

a. **General Representations and Warranties.** Each Party represents and warrants to the other the following:

- 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 Agreement have been duly authorized by all necessary governmental action, and do not and will not violate any law; and this Agreement is the 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. Such Party has obtained all licenses, authorizations, consents and approvals required by applicable law and any Governmental Authority or other third-party and necessary for such Party to own its assets, carry on its business and operations and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.

b. **Purchaser's Representations and Warranties.** Purchaser represents and warrants to Seller the following:

- i. **Licenses.** (A) Purchaser has title to and is the fee owner of the Premises such that Purchaser has the full right, power and authority to enter into and perform all of its obligations under this Agreement, (B) this Agreement does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Premises and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Premises, and (C) there are no deeds of trust, mortgages or similar security instruments with a lien against the Premises.
- ii. **Other Agreements.** Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser is bound.
- iii. **Accuracy of Information.** All information provided by Purchaser to Seller, as it pertains to (A) the Premises, (B) the Improvements on which the System is to be installed, if applicable, (C) Purchaser's planned use of the Premises and any applicable Improvements, and (D) Purchaser's estimated electricity requirements, is accurate in all material respects.
- iv. **Purchaser Status.** Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
- v. **Limit on Use.** No portion of the electricity generated by the System shall be used to heat a swimming pool.

c. **Seller's Warranties.**

- i. If Seller causes to be penetrated the roof of any Improvement on which the System is installed, during System installation or any System repair, Seller shall provide for a warranty on roof damage caused by these roof penetrations and shall repair such damage at Seller's expense. Seller's roof warranty shall terminate upon the earlier of (A) five (5) years following the Commercial Operation Date and (B) the expiration of the warranty applicable to such roof provided by Purchaser's roofing contractor that is effective as of the Effective Date ("**Existing Roof Warranty**"). If there is an Existing Roof Warranty, Purchaser shall provide it to Seller, and Seller shall ensure that the construction, operation, maintenance and removal of the System conforms to the requirements of the Existing Roof Warranty to the extent such Existing Roof Warranty is in effect.
- ii. If Seller or its agents damage any other part of the Premises or any Improvement (including roof damages not covered under Section 12(c)(i) above), Seller shall repair or reimburse Purchaser for such damage, as agreed by the Parties and subject to Section 15.

d. **NO OTHER WARRANTY.** THE WARRANTIES SET FORTH IN SECTIONS 12(a) AND 12(c) OF THIS AGREEMENT ARE PURCHASER'S SOLE AND EXCLUSIVE BASIS FOR ANY CLAIM OR LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS SECTION 12, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. OTHER THAN AS EXPRESSLY SET FORTH IN SECTIONS 12(a) AND 12(c), NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING

OR USAGE OF TRADE, APPLIES UNDER THIS AGREEMENT. THE PERFORMANCE GUARANTY SET FORTH IN **EXHIBIT 4** REPRESENTS A SEPARATE CONTRACT BETWEEN PURCHASER AND THE ISSUER OF THE PERFORMANCE GUARANTY. IF THE ISSUER OF THE PERFORMANCE GUARANTY (OR ANY SUBSEQUENT ASSIGNEE) AND THE SELLER ARE NOT THE SAME PERSON, NO RIGHTS PROVIDED TO PURCHASER BY THE PERFORMANCE GUARANTY MAY BE ASSERTED UNDER THIS AGREEMENT, AND NO CLAIM UNDER THE PERFORMANCE GUARANTY WILL AFFECT PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT.

13. Insurance.

- a. Insurance Coverage.** At all times during the Term, the Parties shall maintain the following insurance, as applicable:
- i. **Seller's Insurance.** Seller shall maintain (A) property insurance on the System for the replacement cost thereof, (B) commercial general liability, employers liability and automobile liability insurance with primary coverage of at least \$1,000,000 per occurrence, an excess liability limit of \$5,000,000, for a total of \$6,000,000 in the aggregate, and (C) workers' compensation insurance as required by law. Seller's coverage may be provided as part of an enterprise insurance program.
 - ii. **Purchaser's Insurance.** Purchaser shall maintain commercial general liability insurance with coverage of at least \$2,000,000 per occurrence.
- b. Policy Provisions.** The insurance policies referenced in **Section 13(a)** shall (i) contain a provision whereby the insurer agrees to give the other Party at least thirty (30) days (ten (10) days for non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other Party.
- c. Certificates.** Upon the other Party's request, each Party shall deliver to the other Party certificates of insurance evidencing the above required coverage. 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 Agreement.
- d. Deductibles.** Each Party shall pay or cause to be paid its own insurance deductibles, except in the case of claims (i) resulting from a breach of this Agreement, in which case the breaching Party is responsible for payment of the non-breaching Party's deductible for any responding insurance, and (ii) covered by an indemnity set forth in this Agreement.

14. Ownership; Option to Purchase.

- a. Ownership of System.**
- i. **Ownership; Personal Property.** System Owner or its assignee shall be the legal and beneficial owner of the System and the System will remain the personal property of System Owner or such assignee and will not attach to or be deemed a part of, or fixture to, the Premises or any Improvement on which the System is installed. Each of the Seller and Purchaser agree that System Owner or its assignee is the tax owner of the System and all tax filings and reports shall be filed in a manner consistent with this Agreement. The System will at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code.
 - ii. **Notice to Purchaser Lienholders.** Purchaser shall use reasonable efforts to place all parties having a Lien on the Premises or any Improvement on which the System is installed on notice of the ownership of the System and the legal status or classification of the System as personal property. If any mortgage or fixture filing against the Premises could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder.
 - iii. **Fixture Disclaimer.** Purchaser consents to the filing 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 Premises are located. If, at any point after the Effective Date, Purchaser is not the fee owner of the Premises, Purchaser shall obtain such consent from such fee owner. For the avoidance of doubt, in either circumstance Seller has the right to file such disclaimer.
 - iv. **SNDA.** Upon request, Purchaser shall deliver to Seller a subordination and non-disturbance agreement in a form

mutually acceptable to Seller and Purchaser, any mortgagee with a Lien on the Premises, and other Persons holding a similar interest in the Premises.

- v. **Eviction Notice.** Purchaser hereby represents and warrants that it is the legal owner of the Premises. To the extent that Purchaser does not own the Premises or any Improvement on which the System is installed after the Effective Date, Purchaser shall provide to Seller immediate written notice of any such change in ownership and receipt of notice of eviction from the Premises or applicable Improvement or termination of Purchaser's lease of the Premises and/or Improvement.

b. Option to Purchase.

- i. **Early Purchase Option.** Commencing on the next date after the date that is the sixth (6th) anniversary of the Commercial Operation Date, and continuing for a period of two hundred and seventy (270) days (the "**Early Purchase Option Period**"), so long as Purchaser is not in default under this Agreement, Purchaser may exercise an option to purchase the System from System Owner on any such date within the Early Purchase Option Period for a purchase price equal to the greater of (A) the Fair Market Value of the System, or (B) the year six (6) Termination Payment amount set forth in Section 6 of **Exhibit 1**. Purchaser shall exercise the option in this Section 4(b)(i) by providing System Owner with written notice.
- ii. **Exercise of Option.** At the end of the Initial Term and each Additional Term, so long as Purchaser is not in default under this Agreement, Purchaser may purchase the System from System Owner on any such date for a purchase price equal to the Fair Market Value of the System applicable as of the date of the transfer of title to the System ("**End of Term Option to Purchase**"). Purchaser shall notify Seller in writing of its intent to purchase at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the Initial Term or Additional Term, as applicable, and the purchase shall be completed prior to the end of the Initial Term or Additional Term, as applicable. For the avoidance of doubt, the End of Term Option to Purchase shall not apply prior to the expiration of the full Initial Term.
- iii. **Fair Market Value.** The "**Fair Market Value**" of the System shall be determined by mutual agreement of the Parties; provided, however, if the Parties cannot agree to a Fair Market Value within thirty (30) days after Purchaser has delivered to Seller a written notice of its intent to purchase the System, the Parties shall select a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to determine the Fair Market Value of the System. Such appraiser shall act reasonably and in good faith to determine the Fair Market Value of the System on an installed basis and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser will be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by the Parties equally.
- iv. **Title Transfer; Warranties; Manuals.** If Purchaser exercises a purchase option pursuant to Sections 14(b)(i) or (ii) above, title to the System and manufacturers' warranties shall transfer to Purchaser upon System Owner's receipt of the purchase price and execution by System Owner and Purchaser of a written instrument or agreement to effect such transfer to be negotiated between System Owner and Purchaser. The System will be sold "as is, where is, with all faults." Upon purchase of the System, Purchaser shall assume complete responsibility for the operation and maintenance of the System and liability for the performance of (and risk of loss for) the System, and, except for any Seller obligations that survive termination under Section 19(d), System Owner will have no further liabilities or obligations hereunder for the System.

15. Indemnification and Limitations of Liability.

- a. **General.** Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its affiliates and the other Party's and its affiliates' respective directors, officers, shareholders, partners, members, agents and employees (collectively, the "**Indemnified Parties**"), from and against any loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from (i) any Claim (as defined in Section 15(c)) relating to the Indemnifying Party's breach of any representation or warranty set forth in Section 12 and (ii) injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein will require the Indemnifying Party to indemnify the Indemnified Parties for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, an Indemnified Party. This Section 15(a) does not apply to Liabilities arising out of or relating to any form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 15(d).

- b. **Permission to Operate Indemnification.** Purchaser shall defend, indemnify and hold harmless Seller Indemnified Parties from and against any Liabilities resulting from Purchaser's breach of Purchaser's obligations under Section 5(e).
- c. **Notice and Participation in Third-Party Claims.** The 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. 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 Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party may settle any Claim covered by this Section 15(c) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party has no liability under this Section 15(c) for any Claim for which such notice is not provided if the failure to give notice prejudices the Indemnifying Party.
- d. **Environmental Indemnification.**
- i. **Seller Indemnity.** Seller shall indemnify, defend and hold harmless all of Purchaser's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance (as defined in Section 15(d)(iii)) to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.
- ii. **Purchaser Indemnity.** Purchaser 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 or near the Premises of any Hazardous Substance, except (A) to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees or, (B) where the deposit, spill, or existence of the Hazardous Substance is not caused by Seller or any of its contractors or agents, to the extent the condition is known by Seller or any of its contractor or agents and is worsened as a result of the negligent acts or omissions, willful misconduct, or breach of this Agreement by Seller or any of its contractors, agents or employees.
- iii. **Notice.** Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance. "Hazardous Substance" means any chemical, waste or other substance (A) 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, (B) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (C) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (D) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (E) for which remediation or cleanup is required by any Governmental Authority.
- e. **Limitations on Liability.**
- i. **No Consequential Damages.** Except with respect to indemnification of third-party claims pursuant to Section 15, fraud or willful misconduct, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers will be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature (including, without limitation, lost revenues, lost profits, lost business opportunity or any business interruption) arising out of their performance or non-performance hereunder even if advised of such. Notwithstanding the previous sentence, the Termination Payment amounts set forth in Section 6 of Exhibit 1 shall be deemed to be direct, and not indirect or consequential damages for purpose of this Section 15(e)(i).
- ii. **Actual Damages.** Except with respect to indemnification of Claims pursuant to this Section 15, and except as otherwise limited in Section 12(d), Seller's aggregate liability under this Agreement arising out of or in connection with the performance or non-performance of this Agreement cannot exceed \$1,000,000. The provisions of this Section 15(e)(ii) will apply whether such liability arises in contract, tort, strict liability or otherwise.

- f. **EXCLUSIVE REMEDIES.** TO THE EXTENT THAT THIS AGREEMENT SETS FORTH SPECIFIC REMEDIES FOR ANY CLAIM OR LIABILITY, SUCH REMEDIES ARE THE AFFECTED PARTY'S SOLE AND EXCLUSIVE REMEDIES FOR SUCH CLAIM OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.
- g. **Comparative Negligence.** Where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any liability.

16. **Change in Law.**

- a. **Impacts of Change in Law.** If Seller determines that a Change in Law has occurred or will occur that has or will have a material adverse effect on Seller's rights, entitlement, obligations or costs under this Agreement, then Seller may so notify the Purchaser in writing of such Change in Law. Within thirty (30) days following receipt by the Purchaser of such notice, the Parties shall meet and attempt in good faith to negotiate such amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller may terminate this Agreement and cause the System to be removed and the Premises to be restored in accordance with Section 9 without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.
- b. **Illegality or Impossibility.** If a Change in Law renders this Agreement, or Seller's performance of this Agreement, either illegal or impossible, then Seller may terminate this Agreement immediately upon notice to Purchaser without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.
- c. **"Change in Law"** means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date (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), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority that materially alters the financial obligations of Seller under this Agreement.

17. **Assignment and Financing.**

- a. **Assignment.**
 - i. **Restrictions on Assignment.** Subject to the remainder of this Section 17(a), this Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. Purchaser may not withhold its consent to an assignment proposed by Seller where the proposed assignee has the financial capability and experience necessary to operate and maintain solar photovoltaic systems such as the System in accordance with prudent solar industry practices in the State of California.
 - ii. **Permitted Assignments.** Notwithstanding Section 17(a)(i), Seller may, without the prior written consent of Purchaser, assign, mortgage, pledge or otherwise directly or indirectly assign its interests in this Agreement to (A) any Financing Party (as defined in Section 17(b)), (B) any entity through which Seller is obtaining financing from a Financing Party, or (C) any affiliate of Seller or any person succeeding to all or substantially all of the assets of Seller; provided, that, the assignment does not negatively affect the terms of this Agreement or Seller's ability to perform hereunder or thereunder. Seller is not released from liability hereunder as a result of any assignment to an affiliate unless the assignee assumes Seller's obligations hereunder by binding written instrument.
 - iii. **Successors and Permitted Assignees.** This Agreement is binding on and inures to the benefit of successors and permitted assignees. The restrictions on assignment contained herein do not prohibit or otherwise limit changes in control of Seller.
- b. **Financing.** The Parties acknowledge that Seller and/or System Owner may obtain debt or equity financing or other credit support from lenders, investors or other third parties (each, a "**Financing Party**") in connection with the installation, construction, ownership, operation and maintenance of the System. In furtherance of Seller's and/or

System Owner's financing arrangements and in addition to any other rights or entitlements of Seller or System Owner under this Agreement, Purchaser shall timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller and/or System Owner or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement.

- c. **Termination Requires Consent.** Seller and Purchaser agree that any right of Seller to terminate this Agreement is subject to the prior written consent of any Financing Party.

18. Confidentiality.

- a. **Confidential Information.** To the maximum extent permitted by applicable law, if either Party provides confidential information ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information of the other Party, the receiving or learning Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation, performance, enforcement and, in the case of Seller, financing, of this Agreement.

- b. **Permitted Disclosures.** Notwithstanding Section 18(a):

- i. A Party may provide such Confidential Information to its affiliates and to its and its affiliates' respective officers, directors, members, managers, employees, agents, contractors, consultants and Financing Parties (collectively, "**Representatives**"), and potential direct or indirect assignees of this Agreement if such potential assignees are first bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information. Each Party is liable for breaches of this provision by any person to whom that Party discloses Confidential Information.
- ii. Confidential Information does not include any information that (A) becomes publicly available other than through breach of this Agreement, (B) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena, (C) is independently developed by the receiving Party, or (D) 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 reasonably cooperate with the other Party's efforts to limit the disclosure to the extent permitted by applicable law. Notwithstanding any other provision in this Agreement, Seller and its affiliates are permitted to provide Confidential Information to the Internal Revenue Service and the United States Department of Treasury with respect to Seller satisfying the requirements for and obtaining the Elective Payment Incentive.
- iii. Each Party hereto acknowledges and agrees that this Agreement and information and documentation provided in connection with this Agreement may be subject to the California Public Records Act (Government Code Section 7920.000 et seq.). Upon request or demand from any third person not a Party to this Agreement for production, inspection and/or copying of Confidential Information, the recipient of such request or demand shall, to the extent permissible, notify the other Party in writing in advance of any disclosure that the request or demand has been made and shall take all reasonably necessary and customary steps to protect Confidential Information that is the subject of any California Public Records Act request submitted by a third person to Purchaser, including, but not limited to, applicable exceptions described by Cal. Gov't Code Sections 6254 and 6255.
- iv. A Party may be required to make this Agreement or portions of this Agreement available to the public in connection with the process of seeking approval from its respective governing board of its entry into this Agreement.
- v. Confidential Information may be disclosed by either Party to any nationally recognized credit rating agency (e.g., Moody's Investors Service, Standard & Poor's, or Fitch Ratings) in connection with the issuance of a credit rating for that Party, provided that any such credit rating agency agrees in writing to maintain the confidentiality of such Confidential Information.

- c. **Miscellaneous.** All Confidential Information remains the property of the disclosing Party and will be returned to the disclosing Party or destroyed (at the receiving Party's option) after the receiving Party's need for it has expired or upon the request of the disclosing Party. Each Party acknowledges that the disclosing Party would be irreparably

injured by a breach of this Section 18 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, for breaches of this Section 18. 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 18, but will be in addition to all other remedies available at law or in equity. The obligation of confidentiality will survive termination of this Agreement for a period of two (2) years.

- d. **Goodwill and Publicity.** Neither Party may (i) make any press release or public announcement of the specific terms of this Agreement or the use of solar or renewable energy involving this Agreement (except for filings or other statements or releases as may be required by applicable law), or (ii) use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of the other Party which consent shall not be unreasonably withheld. The Parties shall coordinate and cooperate with each other when making public announcements regarding this Agreement, the System and its use, and each Party may promptly, and in any case within fourteen (14) days, review, comment upon and approve any publicity materials, press releases or other public statements before they are made. Notwithstanding the above, Seller is entitled to publish the name of Purchaser, System location, System size without obtaining the prior, written consent of Purchaser and to place signage on the Premises reflecting its association with the System.

19. **General Provisions.**

- a. **Definitions and Interpretation.** Unless otherwise defined or required by the context in which any term appears: (i) the singular includes the plural and vice versa, (ii) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not to any particular section or subsection of this Agreement, (iii) references to any agreement, document or instrument mean such agreement, document or instrument as amended, restated, modified, supplemented or replaced from time to time, and (iv) the words “include,” “includes” and “including” mean include, includes and including “without limitation.” The captions or headings in this Agreement are strictly for convenience and will not be considered in interpreting this Agreement. As used in this Agreement, “dollar” and the “\$” sign refer to United States dollars.
- b. **Choice of Law; Dispute Resolution.** This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflict of laws. In the event of a dispute, controversy, or claim arising out of or relating to this Agreement, the Parties shall confer and attempt to resolve such matter informally. If such dispute or claim cannot be resolved in this matter, then the dispute or claim shall be referred first to executive officers of the Parties for their review and resolution. If the dispute or claim still cannot be resolved by such officers, then any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California. The prevailing Party in any dispute arising out of this Agreement is entitled to reasonable attorneys’ fees and costs.
- c. **Notices.** All notices under this Agreement shall be in writing and delivered by hand, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and will be deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices must be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either Party may specify in writing.
- d. **Survival.** Section 6 of Exhibit 1, and Sections 3, 4, 5(c), 7(a), (c) and (f), 9, 11, 12(c), 14, 15, 17, 18 and 19 of this Exhibit 3 shall survive termination of this Agreement.
- e. **Further Assurances.** Each Party shall provide such information, execute and deliver any instruments and documents and to take such other actions as may be reasonably requested by the other Party to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Waivers.** No provision or right or entitlement under this Agreement may be waived or varied except in writing signed by the Party to be bound. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly provided.
- g. **Non-Dedication of Facilities.** Nothing in this Agreement may be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party may 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. Neither Party may 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 Agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use reasonable efforts to restructure their relationship under this Agreement 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, Seller may terminate this Agreement without further liability under this Agreement except with respect to liabilities accrued prior to the date of termination and remove the System in accordance with Section 9.

- h. Service Contract.** The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Code. Purchaser shall 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.
- i. No Partnership.** No provision of this Agreement may 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 may be considered the agent of the other.
- j. Entire Agreement, Modification, Invalidity, Captions.** This Agreement constitutes the entire agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written. This Agreement may be modified only by a writing signed by both Parties.
- k. Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be in conflict with any statute, constitutional provision, regulation or other rule of law, or is otherwise held by such court to be unenforceable for any reason whatsoever, such provision shall not be read to render and shall not have the effect of rendering this Agreement or the other provisions herein unenforceable, inoperative or invalid to any extent whatsoever. In such event, such provision shall be deemed severable from the remaining provisions of this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.
- l. No Third-Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto, and the Financing Parties to the extent provided herein or in any other agreement between a Financing Party and Seller or Purchaser, and do not imply or create any rights on the part of, or obligations to, any other Person.
- m. Counterparts.** This Agreement may be executed in any number of separate counterparts and each counterpart will be considered an original and together comprise the same Agreement.
- n. Electronic Signatures.** If the Parties agree, electronic signatures may be used in place of original signatures on this Agreement. Each Party intends to be bound by the signatures on the electronic document, is aware that the other Party will rely on the electronic signatures, and hereby waives any defenses to the enforcement of the terms of this Agreement based on the use of an electronic signature. After both Parties agree to the use of electronic signatures, both Parties must sign the document electronically.
- o. No Recourse to Members of Seller.** Seller is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Seller shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Purchaser shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Seller's constituent members, or the employees, directors, officers, consultants or advisors of Seller or of its constituent members, in connection with this Agreement.

End of **Exhibit 3**

Exhibit 4

Performance Guaranty

In consideration for Purchaser’s entering into the Solar Power Purchase Agreement between Peninsula Clean Energy Authority (“**Seller**”) and the Purchaser related to the System at the Premises (the “**PPA**”), this Performance Guaranty (this “**Guaranty**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Guarantor below (the “**Effective Date**”).

Purchaser:		Guarantor:	
Name and Address	Town of Colma 1198 El Camino Real Colma, CA 94014 Attention: <u>Daniel Barros</u> _____	Name and Address	Peninsula Clean Energy Authority 2075 Woodside Rd. Redwood City, CA 94061 Attention: Rafael Reyes, Director of Programs
Phone		Phone	(650) 260-0087
E-mail		E-mail	rreyes@peninsulacleanenergy.com
Project Name	Colma Police Department		

This Guaranty sets forth the terms and conditions of a guaranty provided by Guarantor in conjunction with the PPA. Capitalized terms not otherwise defined herein have the meanings given such terms in the PPA. The term of this Guaranty will be concurrent with the term of the PPA, except that it will not exceed the Initial Term. This Guaranty will be updated by Guarantor to reflect the as-built specifications of the System.

1. **Guaranty.** Guarantor guarantees that during the Initial Term of the PPA the System will generate not less than ninety five percent (95%) of the estimated generation of the System based on Helioscope or PVSyst (“**Estimated Production (Annual kWh)**”) as set forth in **Table 1.A** below (such guaranteed generation, the “**Guaranteed Production (Annual kWh)**” set forth on **Table 1.A** below); provided that the Guaranteed Production values are subject to reasonable downward adjustment for extreme weather conditions and to the extent that Purchaser exceeds the Outage Allowance set forth in Exhibit 3, Section 6(d) of the PPA.

A. Guarantor will use local weather data to adjust the System’s Guaranteed kWh, based on the following methods if available and in descending order of preference: (i) at a Typical Meteorological Year (TMY) weather station reasonably close to the facility; (ii) satellite data provided by a third-party vendor of Seller; or (iii) available data from a locally installed weather station at the Premises owned and properly maintained by Purchaser.

Table 1.A, projected production values as measured at a TMY weather station reasonably close to the facility:

Contract Year	Estimated Production (Annual kWh)	Guaranteed Production (Annual kWh)
Year 1	148,980	141,531
Year 2	148,235	140,824
Year 3	147,494	140,119
Year 4	146,757	139,419
Year 5	146,023	138,722
Year 6	145,293	138,028
Year 7	144,566	137,338
Year 8	143,843	136,651
Year 9	143,124	135,968
Year 10	142,409	135,288
Year 11	141,697	134,612
Year 12	140,988	133,939
Year 13	140,283	133,269
Year 14	139,582	132,603
Year 15	138,884	131,940

Year 16	138,189	131,280
Year 17	137,498	130,624
Year 18	136,811	129,970
Year 19	136,127	129,321
Year 20	135,446	128,674

B. If at the end of each successive Contract Year the AC electricity produced by the System as measured and recorded by Seller (the “**Actual kWh**”) is *less* than the Guaranteed kWh for that Contract Year, then Guarantor shall pay Purchaser an amount equal to (i) the difference between the Guaranteed kWh and the Actual kWh, multiplied by (ii) the Performance Guarantee Payment Rate (as defined in Section 1(E)), in each case with respect to the affected Contract Year.

C. If at the end of each successive Contract Year the AC electricity produced by the System as measured and recorded by Seller (the “**Actual kWh**”) is *more* than the Guaranteed kWh for that Contract Year, then an amount equal to (i) the difference between the Actual kWh and the Guaranteed kWh, multiplied by (ii) the Performance Guarantee Payment Rate, in each case with respect to the affected Contract Year, shall be credited against and shall reduce by such amount any payments owed by Guarantor to Purchaser in the following Contract Year pursuant to Section 1(B) of this **Exhibit 4**. The amount under Section 1(C)(i) above shall be capped at one hundred and five percent (105%) of the Guaranteed kWh for the applicable Contract Year.

D. If a payment of greater than fifty dollars (\$50) is due under Section 1(B), after subtracting any credits pursuant to Section 1(C), (i) Guarantor will deliver a statement to Purchaser detailing the Guaranteed kWh and the calculation of the payment due; and (ii) the payment shall be due within ninety (90) days after the end of the Contract Year. If no payment is due, then no statement or payment will be issued.

E. “**Performance Guarantee Payment Rate**” means the Contract Price.

2. **Exclusions.** The Guaranty set forth in Section 1 does not apply to the extent of any reduced generation from the System due to the following (including the downtime required for repair, replacement or correction):

A. a Force Majeure Event, which includes (i) destruction or damage to the System or its ability to safely produce electricity not caused by Seller or its approved service providers while servicing the System (e.g., vandalism); (ii) a power or voltage surge caused by someone other than Seller, including a grid supply voltage outside of the standard range specified by the Utility; and (iii) theft of the System; and (iv) curtailment or reduction of energy production required by the Utility or grid operator.

B. Purchaser’s failure to perform, or breach of, Purchaser’s obligations under the PPA.

3. **Liquidated Damages; Waiver of Cost Savings.** The Parties agree that the payment described in Section 1(B) is a reasonable approximation of the damages suffered by Purchaser as a result of underperformance of the System, is bargained-for by the Parties, and shall be the Purchaser’s sole and exclusive remedy hereunder for underperformance of the System. Purchaser hereby disclaims, and any beneficiary of this Guaranty hereby waives, any warranty with respect to any cost savings from using the System.

4. **Incorporation of PPA Provisions.** Section 5(c) (Force Majeure), Section 17 (Assignment and Financing) and Section 19 (General Provisions) of **Exhibit 3** of the PPA and any Sections referenced therein are incorporated into this Guaranty as if any reference therein to “Agreement” were to this Guaranty and any reference to “Parties” were to the Parties to this Guaranty.

Guarantor:

Signature:

Printed Name: Shawn Marshall

Title: Chief Executive Officer

Date:

Purchaser:

Signature:

Printed Name:

Title:

Date:





STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Stuart Schillinger, Acting Administrative Services Director
 VIA: Daniel Barros, City Manager
 MEETING DATE: May 22, 2024
 SUBJECT: FY 2024-2025 Proposed Budget

RECOMMENDATION

This item is a study session for informational purposes only. No City Council action is required; however, staff seeks City Council direction on the FY 2024-25 Operating and Capital Budget for adoption in June 2024.

EXECUTIVE SUMMARY

At tonight's City Council Meeting, the Council will receive a report that reviews the Town's overall revenues and expenditure budgets, General Fund revenues and expenditures, preliminary estimates of Town-wide reserves, and major expenditure programs.

The General Fund is anticipated to receive approximately \$21.7 million in revenues. The largest revenue source is Sales Tax at approximately \$16,000,000. The General Fund is anticipated to spend \$21.54 million. As expected, the Police Department is the single largest department. Its budget is \$9.0 million. The General Fund will also Transfer \$900,000 to the Capital Project Fund.

The anticipated ending Fund Balance for the General Fund is \$25,549,000. The largest single use of reserves is for Budget Stabilization Reserve at \$15,500,000. The Unassigned Reserve is \$7.8 million.

FISCAL IMPACT

By reviewing and providing direction on the FY 2024-25 Budget there will be no impact on the FY 2023-24 budget.

BACKGROUND

The Budget is an annual planning tool that communicates priorities and sets the Town's operating and spending policy for the year. The City Manager is responsible for submitting a proposed budget to the City Council by May 31st of each year per Colma Administrative Code Section 4.01.030. The financial objective of the budget is to ensure that there are sufficient funds to meet ongoing spending. Special projects and capital programs, where spending is generally one-time in nature, typically can utilize reserves. Operating expenditures should stay within the annual

revenue constraint to avoid depleting the Town's reserve and creating an unaddressed structural deficit.

ANALYSIS

Some of the major changes included in this year's budget are:

- **City Manager/City Clerk**
 - Election Expense – Anticipated at \$18,000
- **Recreation**
 - Part-time Salaries – Increase by \$45,000 to \$245,000 due to higher participation in programs and additional events for the community.
 - Community Services – Increase by \$5,000 to \$32,500 due to having the Centennial Parade as part of the Community Fair.
 - Picnic – Increase by \$5,000 to \$25,000 due to the Centennial Year.
 - Holiday Events – Increase by \$7,900 to \$45,900 which was reviewed and approved by the City Council on March 13, 2024
 - Cultural Events – Increase by \$500 to \$4,000 due to increase in prices for cultural shows and increased participation.
 - Sporting Events - Increase by \$500 to \$2,500 due to increase in participation.
- **Public Works**
 - Facility Ops – Town Hall Gas and Electricity - Increase by \$34,000 to \$99,900 based on actual expenditures to date. The Town continues to work with EVGO to work out a mutually acceptable solution for the use of electricity for their chargers. This increase should either be offset with additional revenues (not currently included in the budget), or ultimately removing these chargers from the Town Hall Electric system.
 - Facility Ops – Town Hall Supplies – Increase by \$3,700 to \$5,100 based on actuals to date.
 - Facility Ops – Sterling Park Heat, Ventilation, and AC – Increase by \$10,000 to \$25,000 for a new furnace unit.
 - Facility Ops – Sterling Park Building Exterior Maintenance and Repair – Increase by \$5,000 to \$35,000 for scaffolding for work on roof coopala.
- **Planning**
 - General Planning Services – Increase by \$336,500 due to increase work volume.

Capital Projects Proposed for FY 2024-25

- Solid Waste Franchise Agreement Update - \$50,000
- Colma Creek Channel Trash Capture - \$7,040,000 Grant Funded previously approved by City Council.
- Financial Software Replacement - \$500,000
- Storm Drain Assessment Phase II - \$70,000
- Town IT Infrastructure Upgrades - \$100,000

- Facility Security - \$200,000

Reasons For the Recommended Action/Findings

Receive feedback from the City Council regarding the proposed FY 2024-25 budget.

Council Adopted Values

The Staff recommendation is consistent with the Council adopted values of:

- *Responsibility.* Making decisions after prudent consideration of their financial impact, considering the long-term financial needs of the agency, especially its financial stability.

Fairness. Support the public's right to know and promote meaningful public involvement.

RECOMMENDATION

The City Council should review the proposed 2024-25 Budget and provide direction to staff.

ATTACHMENTS

- A. City Manager Proposed FY 2024-25 Budget.



City Manager's Message

TO: Mayor and Members of the City Council
FROM: Dan Barros, City Manager
MEETING DATE: May 22, 2024
SUBJECT: FY 2024-25 Proposed Budget

Mayor Goodwin, Members of the City Council, Colma residents and visitors, I am pleased to present the FY 2024-25 Proposed Budget for the Town of Colma. The proposed budget continues the long history of the City in presenting a financial plan which meets the Town's Values while ensuring the highest level of services are provided to the community. The values which guided the preparation of the budget are:

- Treat all persons, claims and transactions in a fair and equitable manner.
- Make responsible decisions by taking the long-range consequences into consideration.
- Base decisions on, and relate to each other with honesty, integrity and respect.
- Be innovative in improving the quality of life in our business and residential communities.

These can also be found on our website at colma.ca.gov/departments/.

The Town of Colma prides itself on our dedication to maintaining and enhancing a strong sense of community and partnering with our business community to promote and encourage commerce for the betterment of our entire community.

FY 2023-24 Key Accomplishments

The City Council was presented an updated FY 2023-25 Strategic Plan on February 21, 2024.

Our Strategic Plan is divided into 5 areas **Resiliency, Operations, Economic Development, Community, and Capital.**

Resiliency

1. Presented a Study to City Council related to feasibility and public interest of a 0.5% Sales Tax increase.
2. Formation of the Employee Wellness Committee and Holiday Party Committee to promote a more robust wellness program for employees.
3. Changed our Employee Assistance Program (EAP) from Management Health Network to Aetna.

4. Worked with GovInvest to ensure the continued day-to-day functioning of the Town's Finance Department despite the resignation of the Administrative Services Director and Accounting Manager.

Operations

1. The use of Credit Cards has been implemented at City Hall.
2. The Police Department has implemented 24/7 dispatch services since July of 2023 and has hired one full-time and per diem dispatchers.
3. The Smart Corridor projects have been completed.

Economic Development

1. Adopted the Town's Housing Element Update.
2. Completed the Zoning Code Update
3. Established a Town Economic Development Committee
4. Continued working with business community with the opening of Boot Barn, DashMart, Pet Club, Good Feet, Shoe Palace. As well as the soon to be completed Raising Canes.

Community

1. Completed the Centennial Mural project on the F Street Wall.
2. Police Department started the Explorer Program.
3. Citizen recognition has been initiated at City Council meetings.
4. Colma Cab connect launched August 2023.
5. The Police Department is working with Life Moves to address various issues related to the homeless population.
6. Recreation programs returned to in-person this year and we had increasing numbers of participants in our programs.
7. The City Council and staff continue to prepare for Centennial events and celebrations.

Capital

1. Serramonte Blvd. West Bicycle and Pedestrian Improvement Project: 70% Design is continuing to be completed.
2. The El Camino Real Bicycle and Pedestrian Improvement Study Report and Project Development Support is continuing to be completed.
3. The El Camino Real landscape project will be incorporated into the ECR Bike and Pedestrian complete street program.
4. Staff has completed Phase 1 of the three phase Storm Drain System Assessment Project.
5. Historical Museum Building repairs were completed.
6. City Parking lots slurry seal and striping project completed.
7. Three vehicles were purchased for the Police Department.
8. The Police Department's Lawnet upgrade was completed.

FY 2024-25 Overview

The presented proposed budget is one which continues to meet the needs of the current community while allowing for a strong financial base to from which to make future decisions. The City's General Fund anticipates receiving approximately \$21.7 million in revenues. The largest source of revenue is Sales Tax, which is estimated at \$16 million next fiscal year, this is mainly due to an increase in automotive sales. The second largest source of revenue is Cardroom taxes at \$4.2 million. Both revenue sources show a strong rebound from the COVID impact. Another positive for our revenue picture is we have seen new retail stores open, which we did not include in our projections because we do not have enough experience with them to accurately project revenues.

General Fund expenditures are expected to be approximately \$21.2 million. This means our General Fund budget has a slight anticipated surplus of \$500,000. I recommend using this surplus to supplement the City's Budget Stabilization Reserve. As our Sales Tax revenue increases it makes sense to set additional funds aside since a recession that reduces our Sales Tax revenue will have a bigger impact on our City than with a smaller base. I would further recommend that any additional surplus from FY 2023-24 or FY 2024-25 be used to continue to increase our funding of our Pension and OPEB Trusts and set aside for one-time capital projects.

Some of the major changes included in this year's budget are:

City Manage City Clerk

Election Expense – Anticipated at \$18,000

Recreation

. Part-time Salaries – Increase by \$45,000 to \$245,000 due to higher participation in programs and additional events for the community.

Community Services – Increase by \$5,000 to \$32,500 due to having the Centennial Parade as part of the Community Fair.

Picnic – Increase by \$5,000 to \$25,000 due to the Centennial Year.

Holiday Events – Increase by \$7,900 to \$45,900 which was reviewed and approved by the City Council on March 13, 2024

Cultural Events – Increase by \$500 to \$4,000 due to increase in prices for cultural shows and increased participation.

Sporting Events - Increase by \$500 to \$2,500 due to increase in participation.

Public Works

Facility Ops – Town Hall Gas and Electricity - Increase by \$34,000 to \$99,900 based on actual expenditures to date. The Town continues to work with EVGO to work out a mutually acceptable solution for the use of electricity for their chargers. This increase should either be offset with additional revenues (not currently included in the budget), or ultimately removing these chargers from the Town Hall Electric system.

Facility Ops – Town Hall Supplies – Increase by \$3,700 to \$5,100 based on actuals to date.

Facility Ops – Sterling Park Heat, Ventilation, and AC – Increase by \$10,000 to \$25,000 for a new furnace unit.

Facility Ops – Sterling Park Building Exterior Maintenance and Repair – Increase by \$5,000 to \$35,000 for scaffolding for work on roof coopala.

Planning

General Planning Services – Increase by \$336,500 due to increase work volume.

Acknowledgements

In closing, I would like to thank the City Council for its policy leadership in a year full of challenges and changes. This document demonstrates how the difficult choices the City Council has made throughout the past several years are continuing to benefit the Town. It is a pleasure with you to implement your vision for the Town of Colma and to provide a government our community can be proud of.

A budget cannot be completed without teamwork of all involved. I would like to thank the Department Heads for working with me to put together a budget which meets the needs of our community during a time of transition in the Finance Department.

General Fund

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Revenues						
Cardroom tax	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000
Fines and forfeitures	\$ 99,472	\$ 100,467	\$ 101,471	\$ 102,486	\$ 103,511	\$ 104,546
Intergovernmental	\$ 44,286	\$ 44,286	\$ 44,286	\$ 44,286	\$ 44,286	\$ 44,286
Licenses and permits	\$ 231,114	\$ 235,736	\$ 240,451	\$ 245,260	\$ 250,165	\$ 255,169
Other Charges for Services	\$ 96,302	\$ 96,302	\$ 96,302	\$ 96,302	\$ 96,302	\$ 96,302
Other revenues	\$ 64,200	\$ 64,200	\$ 64,200	\$ 64,200	\$ 64,200	\$ 64,200
Other taxes	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000
Property taxes	\$ 676,550	\$ 720,081	\$ 734,483	\$ 749,172	\$ 764,156	\$ 779,439
Rental	\$ 111,702	\$ 111,702	\$ 111,702	\$ 111,702	\$ 111,702	\$ 111,702
Sales tax	\$ 13,600,000	\$ 16,000,000	\$ 16,320,000	\$ 16,646,400	\$ 16,979,328	\$ 17,318,915
Total Revenues	\$ 19,258,626	\$ 21,707,774	\$ 22,047,895	\$ 22,394,808	\$ 22,748,650	\$ 23,109,558

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Expenditures						
City Council	\$ 429,222	\$ 441,419	\$ 454,012	\$ 467,013	\$ 480,437	\$ 494,296
City Attorney	\$ 328,000	\$ 339,120	\$ 323,544	\$ 333,250	\$ 343,247	\$ 353,545
City Manager/City Clerk	\$ 1,700,597	\$ 1,766,237	\$ 1,797,345	\$ 1,867,048	\$ 1,900,151	\$ 1,974,169
Human Resources	\$ 350,453	\$ 361,869	\$ 372,306	\$ 383,070	\$ 394,174	\$ 405,628
Finance	\$ 892,542	\$ 918,955	\$ 946,192	\$ 974,278	\$ 1,003,240	\$ 1,033,106
General Services	\$ 1,513,419	\$ 1,555,539	\$ 1,599,344	\$ 1,644,901	\$ 1,692,280	\$ 1,741,555
Police - Admin	\$ 1,810,210	\$ 1,859,130	\$ 1,909,553	\$ 1,961,525	\$ 2,015,095	\$ 2,070,312
Police - Patrol	\$ 5,873,707	\$ 6,032,337	\$ 6,195,872	\$ 6,364,463	\$ 6,538,269	\$ 6,717,453
Police -Communications Dispatch	\$ 1,264,108	\$ 1,299,236	\$ 1,335,464	\$ 1,372,826	\$ 1,411,358	\$ 1,451,098
Community Services	\$ 57,953	\$ 59,135	\$ 60,353	\$ 61,607	\$ 62,898	\$ 64,229
PW Admin, Engineering, Buildings	\$ 972,315	\$ 970,815	\$ 970,815	\$ 970,815	\$ 970,815	\$ 970,815
PW Sewer Maintenance	\$ 1,385,061	\$ 1,413,772	\$ 1,455,505	\$ 1,498,531	\$ 1,542,890	\$ 1,588,623
Planning	\$ 493,790	\$ 527,564	\$ 543,391	\$ 559,692	\$ 576,483	\$ 593,778
Recreation	\$ 1,069,828	\$ 1,156,089	\$ 1,189,153	\$ 1,223,233	\$ 1,258,362	\$ 1,294,572
Transfer Out	\$ 1,317,584	\$ 2,122,138	\$ 1,200,137	\$ 1,244,953	\$ 2,311,675	\$ 939,456
Facility Operations	\$ 807,125	\$ 831,563	\$ 835,049	\$ 854,089	\$ 873,701	\$ 893,901
Total Expenditures	\$ 20,265,914	\$ 21,654,919	\$ 21,188,033	\$ 21,781,295	\$ 23,375,077	\$ 22,586,536
Surplus/(Deficit)	\$ (1,007,288)	\$ 52,855	\$ 859,862	\$ 613,513	\$ (626,427)	\$ 523,022

Beginning Fund Balance	\$	26,503,939	\$	25,496,651	\$	25,549,506	\$	26,409,368	\$	27,022,881	\$	26,396,454
Ending Fund Balance	\$	25,496,651	\$	25,549,506	\$	26,409,368	\$	27,022,881	\$	26,396,454	\$	26,919,476

Breakout of General Fund Reserves

Committed

Accrued Leave Payout	\$	652,833	\$	672,418	\$	692,591	\$	713,368	\$	734,769	\$	756,812
Budget Stabilization	\$	15,000,000	\$	15,500,000	\$	15,500,000	\$	16,000,000	\$	16,500,000	\$	17,000,000
Debt Reduction	\$	600,000	\$	600,000	\$	600,000	\$	600,000	\$	600,000	\$	600,000

Assigned Reserves

Litigation	\$	100,000	\$	100,000	\$	125,000	\$	125,000	\$	150,000	\$	150,000
Insurance	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000
Disaster	\$	750,000	\$	750,000	\$	800,000	\$	800,000	\$	850,000	\$	850,000
Unassigned Reserves	\$	8,293,818	\$	7,827,088	\$	8,591,778	\$	8,684,513	\$	7,461,685	\$	7,462,664

Special Gas Tax Fund

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Revenues						
Integovernmental	\$ 83,201	\$ 83,201	\$ 83,201	\$ 83,201	\$ 83,201	\$ 83,201
Total Revenues	\$ 83,201	\$ 83,201	\$ 83,201	\$ 83,201	\$ 83,201	\$ 83,201
Expenditures						
Professional & Contract Services	\$ 30,000	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765
Transfers (Out)	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000
Total Expenditures	\$ 61,000	\$ 61,000	\$ 61,900	\$ 62,827	\$ 63,782	\$ 64,765
Surplus/(Deficit)	\$ 22,201	\$ 22,201	\$ 21,301	\$ 20,374	\$ 19,419	\$ 18,436
Beginning Fund Balance						
Ending Fund Balance	\$ 22,201	\$ 22,201	\$ 21,301	\$ 20,374	\$ 19,419	\$ 18,436

Capital Improvement

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Revenues						
Intergovernmental		\$ 7,040,000				
Transfer in General Fund		\$ 920,000	\$ 455,000	\$ 455,000	\$ 1,475,000	\$ 55,000
Total Revenues		\$ 7,960,000	\$ 455,000	\$ 455,000	\$ 1,475,000	\$ 55,000
Expenditure						
CIP - Solid Waste Franchise Agreement Update		\$ 50,000				
CIP - Colma Creek Channel Trash Capture (Grant Funded)		\$ 7,040,000				
CIP - Financial Software Replacement		\$ 500,000				
CIP - Storm Drain System Assessment Phase II		\$ 70,000				
CIP - Town's IT Infrastructure Upgrades		\$ 100,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
CIP - Facility Security		\$ 200,000				
CIP - Community Center Painting				\$ 100,000		
CIP - Corp Yard Car Wash Upgrade					\$ 170,000	
CIP - HVAC System Replacement at PD					\$ 1,250,000	
CIP - Solar Panel Backup Battery Install at CCC				\$ 300,000		
CIP - Phone System Upgrade			\$ 250,000			
CIP - Sign Board			\$ 150,000			
Total Expenditures		\$ 7,960,000	\$ 455,000	\$ 455,000	\$ 1,475,000	\$ 55,000
Surplus/(Deficit)		\$ -	\$ -	\$ -	\$ -	\$ -

City Properties

		FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Revenues							
Rental		\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
Total Revenues		\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
Expenditures							
Facility Ops - Creekside Villas		\$ 116,612	\$ 120,866	\$ 124,492	\$ 128,227	\$ 132,074	\$ 136,036
Surplus/(Deficit)		\$ 63,388	\$ 59,134	\$ 55,508	\$ 51,773	\$ 47,926	\$ 43,964

POSITION TITLE (Approved FTE)	2017-18 Actual	2018-19 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Budget	2024-25 Budget
GENERAL GOVERNMENT							
Administrative Services Dir. (also see Recreation)	0.50	0.50	1.00				
Administrative Services Director				1.00	1.00	1.00	1.00
Accounting Manager						1.00	1.00
Accounting Technician	1.80	1.80	1.80	1.80	2.00	2.00	2.00
Administrative Technician I	1.00	1.00	2.00				
Administrative Technician II/III	1.00			2.00	2.00	2.00	2.00
City Clerk		1.00	1.00	1.00	1.00	1.00	1.00
City Manager		1.00	1.00	1.00	1.00	1.00	1.00
City Manager / City Clerk	1.00						
Human Resources Manager	1.00	0.80	0.45				
Human Resources Analyst				1.00	1.00	1.00	1.00
Special Projects Management Analyst							
General Government Total	6.30	6.10	7.25	7.80	8.00	9.00	9.00
PUBLIC WORKS							
Maintenance Supervisor		1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Technician I/II	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Maintenance Technician III	1.00						
Public Works Department Total	3.00	3.00	3.00	3.00	3.00	3.00	3.00
RECREATION							
Administrative Services Dir. (also see Gen'l Govt.)	0.50	0.50					
Administrative Technician II							
Part-time Facility Attendant (7 x .5)	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Part-time Recreation Leader (8 x .5)	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Recreation Coordinator	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Recreation Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Services Director							
Recreation Department Total	10.00	10.00	10.50	10.50	10.50	10.50	10.50
POLICE							
Administrative Technician III	1.00	1.00					
Executive Assistant to the Chief of Police			1.00	1.00	1.00	1.00	1.00
Community Services Officer	1.00	1.00	1.48	1.48	1.48	1.48	1.48
Detective	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Detective Sergeant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatch Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatcher	3.20	3.20	3.20	3.20	3.20	4.20	4.20
Officer	11.00	11.00	11.22	11.22	11.22	11.22	11.22
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Commander	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sergeant	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police Department Total	25.20	25.20	25.90	25.90	25.90	26.90	26.90
Total Budgeted Staffing	44.50	44.30	46.65	47.20	47.40	49.40	49.40

Contract Services:

In addition to the Town Staff positions noted above, the Town contracts for services such as: City Attorney, Finance, Information Technology, Building Inspection, Engineering and Planning. This allows for flexibility and efficient delivery of services. If the Town were to directly staff these services, additional staffing would be required.

City Council

Elected Officials:

- John Irish Goodwin (Mayor)
- Ken Gonzalez (Vice Member)
- Joanne F. del Rosario (Council Member)
- Carrie Slaughter (Council Member)
- Helen Fisicaro (Council Member)

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 73,410	\$ 75,320	\$ 77,287	\$ 79,313	\$ 81,400	\$ 83,549
Benefits Total	\$ 135,812	\$ 139,500	\$ 143,327	\$ 147,301	\$ 151,425	\$ 155,706
Supplies & Services Total	\$ 220,000	\$ 226,600	\$ 233,398	\$ 240,400	\$ 247,612	\$ 255,040
Grand Total	\$ 429,222	\$ 441,419	\$ 454,012	\$ 467,013	\$ 480,437	\$ 494,296

City Attorney

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Supplies & Services Total	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478
Professional & Contract Services Total	\$ 325,000	\$ 336,030	\$ 320,361	\$ 329,972	\$ 339,871	\$ 350,067
Grand Total	\$ 328,000	\$ 339,120	\$ 323,544	\$ 333,250	\$ 343,247	\$ 353,545

City Manager/ City Clerk

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 868,010	\$ 893,942	\$ 920,653	\$ 948,164	\$ 976,501	\$ 1,005,688
Benefits Total	\$ 537,102	\$ 549,945	\$ 563,213	\$ 576,919	\$ 591,079	\$ 605,708
Supplies & Services Total	\$ 45,040	\$ 46,391	\$ 47,783	\$ 49,216	\$ 50,693	\$ 52,214
ISF Allocation Total	\$ 11,645	\$ 11,994	\$ 12,354	\$ 12,725	\$ 13,107	\$ 13,500
Supplies & Services Total	\$ 5,000	\$ 23,150	\$ 5,305	\$ 24,544	\$ 5,628	\$ 26,021
Professional & Contract Services Total	\$ 228,800	\$ 235,664	\$ 242,734	\$ 250,016	\$ 257,516	\$ 265,242
Capital outlay Total	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796
Grand Total	\$ 1,700,597	\$ 1,766,237	\$ 1,797,345	\$ 1,867,048	\$ 1,900,151	\$ 1,974,169

Goals and Objectives for FY 2024-2025

- Economic Development
- Council Support, Calendaring, Elections
- Website content management
- Centralized information management (PIO)
- Records retention

Human Resources

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025- 26 Forecast	FY 2026- 27 Forecast	FY 2027- 28 Forecast	FY 2028- 29 Forecast
Salaries, wages Total	\$ 181,940	\$ 187,398	\$ 193,020	\$ 198,811	\$ 204,775	\$ 210,918
Benefits Total	\$ 96,536	\$ 98,998	\$ 101,548	\$ 104,190	\$ 106,928	\$ 109,764
Supplies & Services Total	\$ 39,782	\$ 42,312	\$ 43,582	\$ 44,889	\$ 46,236	\$ 47,623
Professional & Contract Services Total	\$ 32,195	\$ 33,161	\$ 34,156	\$ 35,180	\$ 36,236	\$ 37,323
Grand Total	\$ 350,453	\$ 361,869	\$ 372,306	\$ 383,070	\$ 394,174	\$ 405,628

Goals and Objectives for FY 2024-2025

- In collaboration with the Finance Department, research and implement a new software Enterprise Resource Platform that will increase operational efficiency and digitize employee records.
- Conduct an employee engagement survey to identify programs that will increase employee retention.
- Organize wellness events throughout the year to promote employee mental and physical wellness, including Pickle Ball Tournaments and building a gym at Town Hall.
- Utilize NeoGov software to expand recruiting capabilities.

Finance

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025- 26 Forecast	FY 2026- 27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 476,520	\$ 490,816	\$ 505,540	\$ 520,706	\$ 536,327	\$ 552,417
Benefits Total	\$ 175,310	\$ 180,206	\$ 185,281	\$ 190,539	\$ 195,989	\$ 201,637
Supplies & Services Total	\$ 91,087	\$ 93,820	\$ 96,634	\$ 99,533	\$ 102,519	\$ 105,595
Professional & Contract Services Total	\$ 149,625	\$ 154,114	\$ 158,737	\$ 163,499	\$ 168,404	\$ 173,456
Grand Total	\$ 892,542	\$ 918,955	\$ 946,192	\$ 974,278	\$ 1,003,240	\$ 1,033,106

Goals and Objectives for FY 2024-2025

- Replace Enterprise Resource Platform (ERP) System, Eden, with new, modernized technology.
- Explore new revenue via altering the Town’s Business License Tax.

General Services

The General Services Department is part of the General Government Function, and its main funding source is the General Fund.

The General Services budget includes expenditures shared by all departments, such as the telephone system, cellular telephones, utilities and insurance. This Activity also includes the cost of funding Town-wide communications support (basic cable television) for residents.

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Supplies & Services Total	\$ 250,400	\$ 250,400	\$ 250,400	\$ 250,400	\$ 250,400	\$ 250,400
Professional & Contract Services Total	\$ 210,019	\$ 210,019	\$ 210,019	\$ 210,019	\$ 210,019	\$ 210,019
Insurance (Liability / Property) Total	\$ 1,053,000	\$ 1,095,120	\$ 1,138,925	\$ 1,184,482	\$ 1,231,861	\$ 1,281,136
Grand Total	\$ 1,513,419	\$ 1,555,539	\$ 1,599,344	\$ 1,644,901	\$ 1,692,280	\$ 1,741,555

Goals and Objectives for FY 2024-2025

- Townwide Phone System Replacement

Police Administration

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 731,448	\$ 753,294	\$ 775,795	\$ 798,972	\$ 822,843	\$ 847,431
Benefits Total	\$ 709,669	\$ 727,079	\$ 745,046	\$ 763,589	\$ 782,727	\$ 802,480
Supplies & Services Total	\$ 157,418	\$ 162,141	\$ 167,005	\$ 172,015	\$ 177,175	\$ 182,491
ISF Allocation Total	\$ 46,951	\$ 46,951	\$ 46,951	\$ 46,951	\$ 46,951	\$ 46,951
Supplies & Services Total	\$ 46,070	\$ 47,452	\$ 48,876	\$ 50,342	\$ 51,852	\$ 53,408
Professional & Contract Services Total	\$ 117,154	\$ 120,669	\$ 124,289	\$ 128,017	\$ 131,858	\$ 135,814
Capital outlay Total	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739
Grand Total	\$ 1,810,210	\$ 1,859,130	\$ 1,909,553	\$ 1,961,525	\$ 2,015,095	\$ 2,070,312

Police Patrol

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 3,048,171	\$ 3,139,616	\$ 3,233,805	\$ 3,330,819	\$ 3,430,743	\$ 3,533,666
Benefits Total	\$ 2,532,463	\$ 2,594,338	\$ 2,658,215	\$ 2,724,159	\$ 2,792,238	\$ 2,862,523
Supplies & Services Total	\$ 137,000	\$ 141,110	\$ 145,343	\$ 149,704	\$ 154,195	\$ 158,821
ISF Allocation Total	\$ 116,073	\$ 116,073	\$ 116,073	\$ 116,073	\$ 116,073	\$ 116,073
Supplies & Services Total	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371
Grand Total	\$ 5,873,707	\$ 6,032,337	\$ 6,195,872	\$ 6,364,463	\$ 6,538,269	\$ 6,717,453

Police Dispatch and Communications

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 711,082	\$ 731,968	\$ 753,480	\$ 775,638	\$ 798,460	\$ 821,967
Benefits Total	\$ 400,126	\$ 409,781	\$ 419,772	\$ 430,110	\$ 440,808	\$ 451,878
Supplies & Services Total	\$ 95,400	\$ 98,262	\$ 101,210	\$ 104,246	\$ 107,374	\$ 110,595
Professional & Contract Services Total	\$ 57,000	\$ 58,710	\$ 60,471	\$ 62,285	\$ 64,154	\$ 66,079
Capital outlay Total	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	\$ 580
Grand Total	\$ 1,264,108	\$ 1,299,236	\$ 1,335,464	\$ 1,372,826	\$ 1,411,358	\$ 1,451,098

Community Services CSO

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 2,115	\$ 2,178	\$ 2,244	\$ 2,311	\$ 2,380	\$ 2,452
Benefits Total	\$ 55,838	\$ 56,957	\$ 58,109	\$ 59,295	\$ 60,518	\$ 61,777
Grand Total	\$ 57,953	\$ 59,135	\$ 60,353	\$ 61,607	\$ 62,898	\$ 64,229

Public Works—Administration, Engineering, and Buildings

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025- 26 Forecast	FY 2026- 27 Forecast	FY 2027- 28 Forecast	FY 2028- 29 Forecast
Supplies & Services Total	\$ 9,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Professional & Contract Services Total	\$ 963,315	\$ 963,315	\$ 963,315	\$ 963,315	\$ 963,315	\$ 963,315
Grand Total	\$ 972,315	\$ 970,815	\$ 970,815	\$ 970,815	\$ 970,815	\$ 970,815

Goals and Objectives for FY 2024-2025

- Sidewalk hazard mitigation
- Urban Tree Management Plan

Planning

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Supplies & Services Total	\$ 6,615	\$ 6,813	\$ 7,018	\$ 7,228	\$ 7,445	\$ 7,669
Professional & Contract Services Total	\$ 487,175	\$ 520,750	\$ 536,373	\$ 552,464	\$ 569,038	\$ 586,109
Grand Total	\$ 493,790	\$ 527,564	\$ 543,391	\$ 559,692	\$ 576,483	\$ 593,778

Goals and Objectives for FY 2024-2025

- Land Use
- Development projects that drive Economic Development

Recreation

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 518,946	\$ 534,514	\$ 550,550	\$ 567,066	\$ 584,078	\$ 601,601
Benefits Total	\$ 209,919	\$ 214,573	\$ 219,391	\$ 224,379	\$ 229,542	\$ 234,888
Supplies & Services Total	\$ 59,380	\$ 61,161	\$ 62,996	\$ 64,886	\$ 66,833	\$ 68,838
ISF Allocation Total	\$ 13,475	\$ 13,879	\$ 14,296	\$ 14,724	\$ 15,166	\$ 15,621
Supplies & Services Total	\$ 198,108	\$ 220,221	\$ 226,828	\$ 233,633	\$ 240,642	\$ 247,861
Professional & Contract Services Total	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556
Capital outlay Total	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593
Grand Total	\$ 1,069,828	\$ 1,116,449	\$ 1,148,324	\$ 1,181,179	\$ 1,215,047	\$ 1,249,957

Goals and Objectives for FY 2024-2025

- Enhance Social Media and Marketing
- “Colma Beyond Borders” Concept
- Grow, expand, enhance all programs, classes, and events
- Mentorship and Coaching with Recreation Consultant
- Community Partnerships for new Recreational Opportunities

Facility Operations

Division	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Facility Ops - Town Hall Total	\$ 200,370	\$ 200,370	\$ 200,370	\$ 200,370	\$ 200,370	\$ 200,370
Facility Ops - Sterling Park Total	\$ 127,595	\$ 146,244	\$ 135,181	\$ 139,236	\$ 143,414	\$ 147,716
Facility Ops - Museum Total	\$ 61,334	\$ 63,401	\$ 65,303	\$ 67,262	\$ 69,280	\$ 71,358
Facility Ops - Community Center Total	\$ 151,146	\$ 156,803	\$ 161,507	\$ 166,353	\$ 171,343	\$ 176,483
Facility Ops - Police Station Total	\$ 213,072	\$ 209,033	\$ 215,304	\$ 221,763	\$ 228,416	\$ 235,268
Facility Ops - Corp Yard Total	\$ 42,173	\$ 43,814	\$ 45,128	\$ 46,482	\$ 47,876	\$ 49,312
Facility Ops - Bark Park Total	\$ 7,665	\$ 7,973	\$ 8,212	\$ 8,459	\$ 8,713	\$ 8,974
Facility Ops - Gun Range Total	\$ 3,770	\$ 3,926	\$ 4,044	\$ 4,165	\$ 4,290	\$ 4,419
Grand Total	\$ 807,125	\$ 831,563	\$ 835,049	\$ 854,089	\$ 873,701	\$ 893,901

Goals and Objectives for FY 2024-2025

- Commissioning building management systems to their optimal performance.
- Facility Security Enhancements

Public Works Sewer Maintenance

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast
Salaries, wages Total	\$ 373,070	\$ 384,262	\$ 395,790	\$ 407,664	\$ 419,894	\$ 432,490
Benefits Total	\$ 355,583	\$ 365,532	\$ 375,818	\$ 386,453	\$ 397,449	\$ 408,820
Supplies & Services Total	\$ 32,000	\$ 27,510	\$ 28,335	\$ 29,185	\$ 30,061	\$ 30,963
ISF Allocation Total	\$ 61,856	\$ 63,712	\$ 65,623	\$ 67,592	\$ 69,619	\$ 71,708
Supplies & Services Total	\$ 300	\$ 300	\$ 309	\$ 318	\$ 328	\$ 338
Professional & Contract Services Total	\$ 552,252	\$ 562,457	\$ 579,330	\$ 596,710	\$ 614,611	\$ 633,050
Capital outlay Total	\$ 10,000	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255
Grand Total	\$ 1,385,061	\$ 1,413,772	\$ 1,455,505	\$ 1,498,531	\$ 1,542,890	\$ 1,588,623



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Dan Barros, City Manager
 MEETING DATE: May 22, 2024
 SUBJECT: Study Session: Town Flag Policy and Resolution Directing the Flying of Certain Flags in 2024

RECOMMENDATION

NONE. THIS ITEM IS A STUDY SESSION. COUNCIL IS BEING ASKED TO PROVIDE STAFF WITH COMMENTS, QUESTIONS, FEEDBACK, AND DIRECTION.

EXECUTIVE SUMMARY

On June 26, 2019, the City Council of the Town of Colma adopted a new flag policy, codified as Subchapter 1.18 of the Colma Administrative Code, which states that Council may by resolution direct Town staff to fly "commemorative flags" in lieu of the Town of Colma flag on the flagpole located at Town Hall or at the Colma Community Center. "Commemorative Flag" under the policy, means any flag which identifies with a specific date, historical event, cause, nation, or group of people, whereby the Town honors or commemorates the date, event, cause, nation, or people by flying the flag.

Following the adoption of the new flag policy, staff would prepare an annual resolution each January with the upcoming annual proposed Commemorative Flag Schedule for Council to adopt. At the request of Mayor Goodwin, the Town's Flag Policy and the resolution adopted in January 2024 directing the flying of certain flags is before you for discussion.

FISCAL IMPACT

None at this time.

ANALYSIS

On June 26, 2019, the City Council adopted a new flag policy as an expression of the Town's official sentiments, consistent with the Town's vision, mission, and guiding principles, incorporating themes of diversity, equity, social justice, and inclusion.

The adoption of a new flag policy initially lead to flying flags representing social causes, most notably the flying of the LGBTQ flag in the month of June. Since 2019, the City Council has authorized the flying of additional flags as part of the annual flag schedule adopted each January. The current flag schedule for this calendar year is as follows:

Flag	Occasion	Duration
Israeli Flag	Israeli Independence Day	May 14, 2024 until sundown
Philippine Flag	Philippine Independence Day	June 12, 2024 to June 19, 2024
LGBT/Pride Flag	Pride Month	June 26, 2024 to July 3, 2024
Armenian Flag	Armenian Independence Day	September 11, 2024 to September 18, 2024
Italian Flag	Italian Heritage and Culture Month	October 9, 2024 to October 16, 2024

At the April 24, 2024 City Council meeting, a councilmember requested the opportunity to speak with fellow councilmembers regarding the existing flag policy and the resolution adopted in January directing staff to fly certain flags in 2024. Per that request, this item was brought before the City Council for a study session on May 8, 2024 for discussion of any potential direction that the City Council would like to provide to staff on changes to the existing policy or changes to the existing resolution that includes the annual flag schedule above. No action was taken during the May 8 study session and Council directed staff to bring the item back at the next Council meeting for a follow-up study session and discussion.

Council Adopted Values

The City Council’s action in discussing the existing flag policy and the resolution adopted in January directing staff to fly certain flags in 2024 is consistent with the value of *Vision* as it is looking to the future.

Alternatives

The City Council could choose not to discuss the existing flag policy or the resolution adopted in January directing staff to fly certain flags in 2024. Doing so is not recommended, however, as a councilmember specifically requested that this item be brought back so that the councilmember could discuss this item with fellow councilmembers.

ENVIRONMENTAL

The City Council’s discussion of the existing flag policy and the resolution adopted in January directing staff to fly certain flags in 2024 is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 15378 as it would constitute discussion regarding an organizational or administrative task that does not result in direct or indirect changes in the environment.

CONCLUSION

Per the councilmember request, the City Council should discuss the existing flag policy and the resolution adopted in January directing staff to fly certain flags in 2024 and provide any direction to staff.