

**AUBURN AREA RECREATION AND PARK DISTRICT  
MEETING OF THE BOARD OF DIRECTORS AGENDA**

**6:00 PM**

**THURSDAY, NOVEMBER 19, 2020  
CANYON VIEW COMMUNITY CENTER, FOOTHILLS ROOM  
471 MAIDU DRIVE, AUBURN, CA 95603**

**Materials related to an item on this Agenda submitted to the District after distribution of the agenda packet are available for public inspection by contacting the District Administrator at [kmuscott@auburnrec.com](mailto:kmuscott@auburnrec.com) or by calling (530) 537-2186 (M-F).**

**The public may participate in the meeting in-person or through Zoom. The link for this meeting is <https://zoom.us/j/95046852286>. The public can use this link and/or call 1 669 900 6833 Webinar ID: 950 4685 2286 to participate.**

**People using the Zoom website will be able to see and hear the Board, and the Board will be able to hear the public. The Board will not receive any visual/video from the public. This is done to avoid inappropriate visual content at the meeting.**

**Questions and comments can be sent via email to the District Administrator no later than one hour before the meeting. These emails will be read aloud at the meeting and responded to accordingly. Emails can be sent during the meeting, and staff will work to ensure that all are read, however the best way to have your comment heard is through the Zoom meeting or the associated phone number.**

**If you are a person with a disability and need an accommodation to participate in the District's programs, services, activities and meetings, contact Kahl Muscott at (530) 537-2186 or [kmuscott@auburnrec.com](mailto:kmuscott@auburnrec.com) at least 48 hours in advance to request an auxiliary aid or accommodation.**

**1.0 CALL TO ORDER**

**(PLEDGE TO THE FLAG)**

The Board of Directors of the Auburn Area Recreation and Park District welcomes you to its meetings. Regular meetings are scheduled at 6 p.m. the last Thursday of each month. The November and December Board meetings will be scheduled in consideration of recognized holidays. Your attendance and interest is encouraged and appreciated. Special accommodations may be made upon request to the District Administrator 72 hours in advance of the meeting.

**Roll Call**

Holbrook \_\_\_\_ Gray \_\_\_\_ Ainsleigh \_\_\_\_ Ferris \_\_\_\_ Lynch \_\_\_\_

**2.0 INTRODUCTIONS, PRESENTATIONS AND ANNOUNCEMENTS**

Presentation from Youth Services Coordinator Amy Oddo to Interim Site Director of Youth Services Caleb Porter as Employee of the Month for November, 2020.

**3.0 AGENDA REVIEW, CHANGES, AND APPROVAL**

Motion by \_\_\_\_\_ Second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_  
Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

**4.0 PUBLIC COMMENT** – This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Board of Directors. If you have a public comment, please use the “Raise your hand” feature through Zoom. You will be un-muted after you are recognized by the Board Chairperson. People only calling in should press #9 to telephonically raise your hand. Please state your name, and address for the record (optional). There is a time limitation of three minutes.

**5.0 CONSENT ITEMS** – (roll call vote). All matters listed under the Consent Calendar are to be considered routine by the Board of Directors and will be enacted by one motion in the form listed. There will be no separate discussion of these items unless, before the Board votes on the motion to adopt, a member or members of the Board, staff or the public requests a specific item to be removed from the Consent Calendar for separate discussion and action.

\_\_\_\_\_ **5.1 Review and approval of Minutes of the Board of Directors from October 29, 2020 (Pages 7 – 12)**

Review and approval of Minutes of the Board of Directors from September 24, 2020

\_\_\_\_\_ **5.2 Review of Cash Requirements for October, 2020 (Standing Finance Committee) (Pages 13 – 15)**

This item was reviewed and approved by the Standing Finance Committee and forwarded to the Consent Calendar for review and approval.

Motion by \_\_\_\_\_ second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_  
Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

**6.0 ADMINISTRATOR’S AND DEPARTMENTAL REPORTS (Pages 16 – 33)**

Please see board reports, vandalism reports, and project activity report under item 6.0.

\_\_\_ 7.0 UNFINISHED BUSINESS

\_\_\_ 7.1 Public Hearing – Resolution Number 2020-31 Approving an Energy Services Contract Between ARD and Centrica Business Solutions, Inc. Per California Government Code Sections 4217 (Pages 34 – 84)

**PUBLIC HEARING**

**OPEN PUBLIC HEARING**

**STAFF PRESENTATION**

**PUBLIC COMMENT**

**BOARD DISCUSSION/ACTION**

**CLOSE PUBLIC HEARING**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors hold a Public Hearing to present its findings and adopt Resolution Number 2020-31, approving an Energy Service Contract with Centrica Business Solutions (Centrica)?

Motion by \_\_\_\_\_ second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_

Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

\_\_\_ 7.2 Financing for the Centrica Energy Savings Contract (Pages 85 – 93)

Shall the Auburn Area Recreation and Park District (ARD) move forward with a broker to seek out our best options for financing for the Centrica Energy Savings Contract?

Motion by \_\_\_\_\_ second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_

Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

\_\_\_\_\_ 7.3 **ARD Encroachment Policy (Program, Personnel, Policy, Fee & Legal Review Committee) (Pages 94 – 95)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors create a policy that addresses residents encroaching on District property?

Motion by \_\_\_\_\_ second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_

Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

\_\_\_\_\_ 8.0 **NEW BUSINESS**

\_\_\_\_\_ 8.1 **UAL CalPERS Pension Prefunding (Standing Finance Committee) (Pages 96 – 104)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors prefund to pay down the future CalPERS liability?

Motion by \_\_\_\_\_ second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_

Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

\_\_\_\_\_ 8.2 **ARD's Medical Family Benefit Policy (Program, Personnel, Policy, Fee & Legal Review Committee) (Pages 105 – 114)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors approve changes to the Personnel Policy for an annual 50/50 adjustment based on new premiums in District benefits for the CalPERS medical coverage for employees?

Motion by \_\_\_\_\_ second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_

Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

\_\_\_\_\_ **8.3 Amending 2020/2021 Project List and CIP (Acquisition & Development Committee)**  
**(Pages 115 -121)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors amend the existing 2020/2021 Project List and Capital Improvement Project List (CIP) to coincide with the FY 20/21 Budget Revision?

Motion by \_\_\_\_\_ second by \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_

Holbrook \_\_\_\_\_ Gray \_\_\_\_\_ Ainsleigh \_\_\_\_\_ Ferris \_\_\_\_\_ Lynch \_\_\_\_\_

**Roll Call Vote**

\_\_\_\_\_ **9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS (Pages 122 – 124)**

1. Five-Year History of Volunteer and Work Release Hours – see attachment.
2. County Mitigation Fund, current balance \$792,000.

\_\_\_\_\_ **10.0 BRIEF ANNOUNCEMENTS AND REPORTS FROM BOARD MEMBERS**

No action will be taken at this time on any item announced or reported by a Board Member. The Board or a member of the Board may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter so reported, or take action to direct staff to place a matter of business on a future agenda.

\_\_\_\_\_ **11.0 CORRESPONDENCE/COMMUNICATIONS AND INFORMATIONAL**

None.

\_\_\_\_\_ **12.0 PUBLIC COMMENT** – This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Board of Directors. If you have a public comment, please use the “Raise your hand” feature through Zoom. You will be unmuted after you are recognized by the Board Chairperson. People only calling in should press #9 to telephonically raise your hand. Please state your name, and address for the record (optional). There is a time limitation of three minutes.

\_\_\_\_\_ **13.0 CLOSED SESSION**

**13.1 Public Employee Performance Evaluation (Gov Code 54954.5, subd. (e), 54947.)**

**Title: District Administrator**

\_\_\_\_\_ **14.0 OPEN SESSION – REPORT/ACTION ON OR ABOUT CLOSED SESSION**

**ADJOURNMENT**

**AUBURN AREA RECREATION AND PARK DISTRICT**  
This agenda is hereby certified to have been posted as follows:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Time

\_\_\_\_\_  
Clerk to the Board

**SECTION: 5.0**

**ITEM: 5.1 REVIEW AND APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS FROM OCTOBER 29, 2020**

**INFORMATION: SEE ATTACHED MINUTES**

**STAFF RECOMMENDATION: BOARD OF DIRECTORS REVIEW & APPROVE MINUTES**

**FISCAL IMPACT: NONE**

**Auburn Area Recreation and Park District  
Minutes of the Meeting of the Board of Directors  
Thursday, October 29, 2020, 6:00 p.m.**

**Board Members**

**Present:** Chairman Scott Holbrook  
Director Jim Gray  
Director Jim Ferris  
Director Mike Lynch  
Director H. Gordon Ainsleigh

**Board Members**

**Absent:** None.

**Staff Present:**

Kahl Muscott, District Administrator  
Veona Galbraith, Administrative Services Manager  
Jesse Williams, Facilities & Grounds Manager  
Manouch Shirvanioun, Customer Service/Marketing Manager  
Mark Brunner, Recreation/Youth Services Manager  
Mike Scheele, Landscape Architect/Project Manager  
Pat Larson, Recording Secretary

**1.0 CALL TO ORDER**

The Meeting of the Board of Directors was called to order at 6:02 p.m. by Chairman Holbrook.

**2.0 INTRODUCTIONS, PRESENTATIONS AND ANNOUNCEMENTS**

None.

**3.0 AGENDA REVIEW, CHANGES AND APPROVAL**

A motion was made by Director Holbrook and seconded by Director Ainsleigh to approve the agenda as written with item 9.1 being moved to after item 6.0.

**Roll Call Vote**

Director Holbrook – Yes  
Director Gray – Absent  
Director Ainsleigh – Yes  
Director Ferris – Absent  
Director Lynch – Yes

3 – 0 Motion carries.

**4.0 PUBLIC COMMENT**

None.



**Director Ferris arrived at 6:04 p.m.**

**5.0 CONSENT ITEMS**

- 5.1 Review and Approval of Minutes of the Board of Directors Meeting from September 24, 2020**
- 5.2 Review of Cash Requirements for September, 2020 (Standing Finance Committee)**
- 5.3 Review and Approval of Financials for September, 2020 (Standing Finance Committee)**
- 5.4 Resolution Number 2020-28: Approval of Application for Statewide Park Development and Community Revitalization Program (SPP) Grant Funds (Acquisition & Development Committee)**
- 5.5 Resolution Number 2020-30: A Resolution of the Governing Board of Directors of the Auburn Area Recreation and Park District Adopting the Fiscal Year 2020/2021 GANN Appropriation Limit (Standing Finance Committee)**

A motion was made by Director Holbrook and seconded by Director Ainsleigh to approve the Consent Calendar as written with a change to the September 24, 2020 Board Meeting Minutes on page 9., item 8.1, a typographical error was corrected from \$5,000 to \$3,000.

**Roll Call Vote**

Director Holbrook – Yes  
Director Gray – Absent  
Director Ainsleigh – Yes  
Director Ferris – Yes  
Director Lynch – Yes

4 – 0 Motion carries.

**Director Gray arrived at 6:09 p.m.**

**6.0 ADMINISTRATOR’S AND DEPARTMENTAL REPORTS**

Board reports, fee waiver log, and project activity report were provided to the Board under separate cover.

Discussion Item 9.1 became Item 6.1 – Review of Projects/Improvements for Energy Savings Performance Contract (Standing Finance Committee)

A presentation on an Energy Savings Performance Contract was made to the Board of Directors by Brooklyn Stewart of Centrica.

The Board of Directors forwarded this item to the November 2020 Standing Finance Committee meeting and the November 2020 Board of Directors meeting for consideration. Any further questions from the Board of Directors should be directed to District Administrator Kahl Muscott or Brooklyn Stewart.

**7.0 UNFINISHED BUSINESS**

**7.1 2020 California Association for Park and Recreation Indemnity (CAPRI) Board of Directors Election – CAPRI Election Ballot**

A motion was made by Director Lynch and seconded by Director Gray to vote for Director Scott Holbrook for the CAPRI Board of Directors.

**Roll Call Vote**

Director Holbrook – Yes  
Director Gray – Yes  
Director Ainsleigh – Yes  
Director Ferris – Yes  
Director Lynch – Yes

5 – 0 Motion carries.

**7.2 Rock Creek Mobile Home Park Encroachments at Regional Park (Program, Personnel, Policy, Fee & Legal Review Committee)**

A motion was made by Director Lynch and seconded by Director Gray approve the Memo of Understanding Regarding Permissive Continuation of Encroachment on District Property with changes to the language under item 5. of the Memo of Understanding as discussed.

**Roll Call Vote**

Director Holbrook – Yes  
Director Gray – Yes  
Director Ainsleigh – Yes  
Director Ferris – Yes  
Director Lynch – Yes

5 – 0 Motion carries.

**7.3 ARD Encroachment Policy (Program, Personnel, Policy, Fee & Legal Review Committee)**

A motion was made by Director Lynch and seconded by Director Gray to approve the ARD encroachment policy as proposed by the Program, Personnel, Policy, Fee & Legal Review Committee with ARD staff to develop a fuel reduction modification program that is sufficient with the ARD Board of Directors.

**Roll Call Vote**

Director Holbrook – Yes  
Director Gray – Yes  
Director Ainsleigh – Yes  
Director Ferris – Yes  
Director Lynch – Yes

5 - 0 Motion carries.

**8.0 NEW BUSINESS**

**8.1 Mid-Year Update of Obsolescence List (Standing Finance Committee)**

A motion was made by Director Gray and seconded by Director Ainsleigh to approve the Mid-Year Update of the Obsolescence List.

**Roll Call Vote**

Director Holbrook – Yes  
Director Gray – Yes  
Director Ainsleigh – Yes  
Director Ferris – No  
Director Lynch – Yes

4 - 1 Motion carries.

**8.2 Resolution Number 2020-29: Mid-Year Budget Revision for Fiscal Year 2020-2021 (Standing Finance Committee)**

A motion was made by Director Lynch and seconded by Director Ainsleigh to adopt the Mid-Year Budget Revision for Fiscal Year 2020-2021.

**Roll Call Vote**

Director Holbrook – No  
Director Gray – Yes  
Director Ainsleigh – Yes  
Director Ferris – Yes  
Director Lynch – Yes

4 - 1 Motion carries.

**9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS**

1. A review of Projects/Improvements for Energy Savings Performance Contract (Standing Finance Committee) This item was moved to item 6.1.
2. Five-Year History of Volunteer and Work Release Hours – see attachment. (Standing Finance Committee) This item was reviewed by the Board of Directors with a request for a more in-depth report separating the work release from the volunteers. This item was forwarded to the November 2020 Standing Finance Committee meeting.
3. Bike Park – see attachment. (Acquisition & Development Committee) This item was reviewed by the Board of Directors.
4. Proposed Board and Committee Meeting Schedule for November and December, 2020 – see attachment. (All Committee Meetings) This item was reviewed by the Board of Directors.
5. County Mitigation Fund, current balance \$792,000.

**10.0 BRIEF ANNOUNCEMENTS AND REPORTS FROM BOARD MEMBERS**

No action will be taken at this time on any item announced or reported by a Board Member. The Board or a member of the Board may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent Meeting concerning any matter so reported, or take action to direct staff to place a matter of business on a future agenda.

None.

**11.0 CORRESPONDENCE/COMMUNICATIONS AND INFORMATIONAL**

None.

**12.0 PUBLIC COMMENT**

Sandy Amara of the City Council recognized Director Jim Ferris for his work with the Auburn Ravine Creek Pollution Committee.

**13.0 CLOSED SESSION – Closed Session was cancelled.**

**ADJOURNMENT** - As there was no further business, the meeting was adjourned at 7:38 p.m. by Chairman Holbrook.

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Board Secretary

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Date

**SECTION: 5.0**

**ITEM: 5.2 REVIEW AND APPROVAL OF CASH  
REQUIREMENTS FOR OCTOBER, 2020**

**DESCRIPTION: ACCOUNTS PAYABLE**

**INFORMATION: SEE ATTACHED INFORMATION**

**STAFF  
RECOMMENDATION: THIS ITEM WAS REVIEWED BY THE STANDING  
FINANCE COMMITTEE AND FORWARDED TO  
THE BOARD OF DIRECTORS FOR REVIEW AND  
APPROVAL**

**FISCAL IMPACT: \$89,774.48**

Ranges: From: To:  
 Check Number First Last  
 Vendor ID First Last  
 Vendor Name First Last  
 Check Date From: To:  
 Checkbook ID COMM 1ST COMM 1ST

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
20840	A0170	AT&T Acct 088-034-5818-655	10/2/2020	COMM 1ST	PMCHK00002690	\$90.95
20841	S1007	Stationary Engineers, Local 39	10/2/2020	COMM 1ST	PMCHK00002690	\$460.40
20842	U0033	United States Treasury	10/2/2020	COMM 1ST	PMCHK00002690	\$75.00
20844	U0019	US Bank	10/9/2020	COMM 1ST	PMCHK00002691	\$6,057.81
20846	1099-271	Kelpro Security	10/9/2020	COMM 1ST	PMCHK00002692	\$2,250.00
20847	1099-313	Alison Lloyd	10/9/2020	COMM 1ST	PMCHK00002692	\$312.00
20848	A0014	AT&T	10/9/2020	COMM 1ST	PMCHK00002692	\$313.54
20849	A0051	Anderson's Sierra Pipe Co.	10/9/2020	COMM 1ST	PMCHK00002692	\$405.18
20850	A0134	Advanced Intregrated Pest Mana	10/9/2020	COMM 1ST	PMCHK00002692	\$717.00
20851	A1010	Advantage Martketing and Print	10/9/2020	COMM 1ST	PMCHK00002692	\$319.61
20852	B0069	Bidwell Water	10/9/2020	COMM 1ST	PMCHK00002692	\$247.50
20853	C0061	California Computer Services	10/9/2020	COMM 1ST	PMCHK00002692	\$2,352.00
20854	C0072	CIT Technology Fin. Serv., Inc	10/9/2020	COMM 1ST	PMCHK00002692	\$470.75
20855	C0094	Curt Schlenker	10/9/2020	COMM 1ST	PMCHK00002692	\$500.00
20856	D0015	Department of Social Services	10/9/2020	COMM 1ST	PMCHK00002692	\$242.00
20857	D0025	Dawson Oil Company	10/9/2020	COMM 1ST	PMCHK00002692	\$3,076.08
20858	E0008	Eving Irrigation Products, Inc	10/9/2020	COMM 1ST	PMCHK00002692	\$121.08
20859	G0021	Veona Galbraith	10/9/2020	COMM 1ST	PMCHK00002692	\$27.03
20860	H0002	Harris Industrial Gases	10/9/2020	COMM 1ST	PMCHK00002692	\$90.00
20861	H0062	Home Depot Pro	10/9/2020	COMM 1ST	PMCHK00002692	\$51.09
20862	M0078	Mark Marterne	10/9/2020	COMM 1ST	PMCHK00002692	\$600.00
20863	M0098	Meadow Vista County Water Dist	10/9/2020	COMM 1ST	PMCHK00002692	\$2,656.88
20864	M0099	George Eric Menig	10/9/2020	COMM 1ST	PMCHK00002692	\$5,375.00
20865	N0048	Normac, Inc.	10/9/2020	COMM 1ST	PMCHK00002692	\$897.91
20866	P0007	Pacific Gas & Electric Company	10/9/2020	COMM 1ST	PMCHK00002692	\$650.12
20867	P0023	PG&E	10/9/2020	COMM 1ST	PMCHK00002692	\$88.53
20868	S0009	Sierra Saw Sales And Service	10/9/2020	COMM 1ST	PMCHK00002692	\$436.60
20869	S0094	Manouch Shirvanioun	10/9/2020	COMM 1ST	PMCHK00002692	\$17.25
20870	S0162	Auburn Senior Center	10/9/2020	COMM 1ST	PMCHK00002692	\$67.30
20871	S1003	Sutter Medical Foundation	10/9/2020	COMM 1ST	PMCHK00002692	\$236.00
20872	T1000	Transamerica Life Insurance	10/9/2020	COMM 1ST	PMCHK00002692	\$480.00
20873	TEMPA	Joe Angone	10/9/2020	COMM 1ST	PMCHK00002692	\$165.00
20874	TEMPB	Jenny Benoit	10/9/2020	COMM 1ST	PMCHK00002692	\$115.00
20875	TEMPR	Jamie Ross	10/9/2020	COMM 1ST	PMCHK00002692	\$200.00
20876	TEMPS	Gerald Shefke, Jr	10/9/2020	COMM 1ST	PMCHK00002692	\$500.00
20877	VO007	Verizon Wireless	10/9/2020	COMM 1ST	PMCHK00002692	\$847.06
20878	VO010	Vermont Systems, Inc.	10/9/2020	COMM 1ST	PMCHK00002692	\$3,795.00
20879	W0001	Walker's Office Supplies, Inc.	10/9/2020	COMM 1ST	PMCHK00002692	\$1,315.58
20880	W0003	Warehouse Paint Incorporated	10/9/2020	COMM 1ST	PMCHK00002692	\$356.92
20881	W0010	Waxie Sanitary Supply	10/9/2020	COMM 1ST	PMCHK00002692	\$164.16
20882	W0044	Wave	10/9/2020	COMM 1ST	PMCHK00002692	\$989.72
20884	1099-50	Scott Holbrook	10/16/2020	COMM 1ST	PMCHK00002693	\$16.96
20885	S1007	Stationary Engineers, Local 39	10/16/2020	COMM 1ST	PMCHK00002693	\$409.03
20886	U0033	United States Treasury	10/16/2020	COMM 1ST	PMCHK00002693	\$75.00
20887	1099-16	Skyhawks Sports	10/23/2020	COMM 1ST	PMCHK00002694	\$920.35
20888	1099-256	Healing Pastures, Inc.	10/23/2020	COMM 1ST	PMCHK00002694	\$60.00
20889	1099-269	Deborah Lynn	10/23/2020	COMM 1ST	PMCHK00002694	\$58.50
20890	1099-271	Kelpro Security	10/23/2020	COMM 1ST	PMCHK00002694	\$308.00
20891	1099-277	Foothill Karate Do	10/23/2020	COMM 1ST	PMCHK00002694	\$22.75
20892	1099-374	Sarah Violet	10/23/2020	COMM 1ST	PMCHK00002694	\$198.00
20893	A0001	Recology Auburn Placer	10/23/2020	COMM 1ST	PMCHK00002694	\$852.66
20894	A0013	AT&T	10/23/2020	COMM 1ST	PMCHK00002694	\$64.20
20895	A0027	Recology Auburn Placer	10/23/2020	COMM 1ST	PMCHK00002694	\$593.50
20896	A0051	Anderson's Sierra Pipe Co.	10/23/2020	COMM 1ST	PMCHK00002694	\$147.68
20897	A0139	Auburn Ford	10/23/2020	COMM 1ST	PMCHK00002694	\$184.88
20898	A0169	AT&T Acct 303817271	10/23/2020	COMM 1ST	PMCHK00002694	\$42.80
20899	B0020	BSN Sports, Inc.	10/23/2020	COMM 1ST	PMCHK00002694	\$220.39
20900	B0062	BareBones WorkWear	10/23/2020	COMM 1ST	PMCHK00002694	\$93.30
20901	C0044	CSDA Member Services	10/23/2020	COMM 1ST	PMCHK00002694	\$7,253.00
20902	C0061	California Computer Services	10/23/2020	COMM 1ST	PMCHK00002694	\$485.50
20903	C0113	Cooks Portable Toilets & Septi	10/23/2020	COMM 1ST	PMCHK00002694	\$1,717.63
20904	C0130	Cirrus Group LLC	10/23/2020	COMM 1ST	PMCHK00002694	\$488.50
20905	C0133	California Smog	10/23/2020	COMM 1ST	PMCHK00002694	\$35.00
20906	D0066	De Lage Landen Financial Servi	10/23/2020	COMM 1ST	PMCHK00002694	\$332.48
20907	D0077	Dudek	10/23/2020	COMM 1ST	PMCHK00002694	\$6,002.50
20908	E0030	Ecografx, Inc.	10/23/2020	COMM 1ST	PMCHK00002694	\$600.00
20909	H0056	Humana Dental Ins. Co	10/23/2020	COMM 1ST	PMCHK00002694	\$2,406.66

Auburn Rec & Park  
 VENDOR CHECK REGISTER REPORT  
 Payables Management

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
20910	H0060	HercRentals Inc.	10/23/2020	COMM 1ST	PMCHK00002694	\$281.17
20911	L0021	Lifeguard, Inc. OLD ACCT	10/23/2020	COMM 1ST	PMCHK00002694	\$1,085.53
20912	M0013	Meadow Vista Hardware	10/23/2020	COMM 1ST	PMCHK00002694	\$172.70
20913	M0019	Kahl Muscott	10/23/2020	COMM 1ST	PMCHK00002694	\$169.63
20914	N0048	Normac, Inc.	10/23/2020	COMM 1ST	PMCHK00002694	\$1,124.41
20915	P0005	Placer County Water Agency	10/23/2020	COMM 1ST	PMCHK00002694	\$5,205.72
20916	P0007	Pacific Gas & Electric Company	10/23/2020	COMM 1ST	PMCHK00002694	\$11,451.76
20917	R0035	Reliable Auto Glass	10/23/2020	COMM 1ST	PMCHK00002694	\$180.44
20918	R0073	Riebes Auto Parts	10/23/2020	COMM 1ST	PMCHK00002694	\$96.24
20919	S0009	Sierra Saw Sales And Service	10/23/2020	COMM 1ST	PMCHK00002694	\$133.61
20920	S0025	Sierra Pacific Turf Supply, In	10/23/2020	COMM 1ST	PMCHK00002694	\$995.44
20921	S0050	Sierra Safety	10/23/2020	COMM 1ST	PMCHK00002694	\$72.74
20922	S0067	Superfast Copy	10/23/2020	COMM 1ST	PMCHK00002694	\$12.66
20923	S0145	SCP Pool Distributors LLC	10/23/2020	COMM 1ST	PMCHK00002694	\$229.53
20924	S1000	State Of California/DOJ	10/23/2020	COMM 1ST	PMCHK00002694	\$148.00
20925	TEMPA	Vanessa Aparicio	10/23/2020	COMM 1ST	PMCHK00002694	\$260.00
20926	TEMPB	Kurt Barton	10/23/2020	COMM 1ST	PMCHK00002694	\$500.00
20927	TEMPD	Serena Davidson	10/23/2020	COMM 1ST	PMCHK00002694	\$250.00
20928	TEMPF	Lisa Frederiksen	10/23/2020	COMM 1ST	PMCHK00002694	\$1,350.00
20929	TEMPS	Schreiber, Trish	10/23/2020	COMM 1ST	PMCHK00002694	\$250.00
20930	TEMPW	Tom Wilson	10/23/2020	COMM 1ST	PMCHK00002694	\$500.00
20931	W0001	Walker's Office Supplies, Inc.	10/23/2020	COMM 1ST	PMCHK00002694	\$552.14
20932	W0010	Waxie Sanitary Supply	10/23/2020	COMM 1ST	PMCHK00002694	\$508.26
20933	W0044	Wave	10/23/2020	COMM 1ST	PMCHK00002694	\$479.46
20934	W0050	Randy Warren	10/23/2020	COMM 1ST	PMCHK00002694	\$1,500.00
20935	Y0002	Yuba Lock & Safe	10/23/2020	COMM 1ST	PMCHK00002694	\$160.72
20936	TEMPB	Jason Burger	10/30/2020	COMM 1ST	PMCHK00002695	\$140.00
20937	TEMPP	Rhodaline Padpad	10/30/2020	COMM 1ST	PMCHK00002695	\$137.00
20938	TEMPW	Tracey Walker	10/30/2020	COMM 1ST	PMCHK00002695	\$30.00
20939	U0033	United States Treasury	10/30/2020	COMM 1ST	PMCHK00002695	\$75.00

Total Checks: 97

Total Amount of Checks: \$89,774.48

**SECTION: 6.0**

**BOARD REPORTS, VANDALISM REPORTS, AND THE PROJECT ACTIVITY REPORT ARE ATTACHED.**



10/30/2020

OCTOBER 2020 VANDALISM REPORT

	VANDALISM	LABOR COSTS	MATERIAL COSTS
10/9/2020	Shade structure repair at the Skate Park	\$62.00	\$28.78
10/23/2020	Graffiti at Railhead Park	\$4.93	\$18.00

Total labor	\$66.93	Total material	\$46.78
Total for year	\$2,535.43	Total for year	\$9,170.68

9/30/2020

SEPTEMBER 2020 VANDALISM REPORT

VANDALISM LABOR COSTS MATERIAL COSTS

9/11/2020

Broken basketball hoop at  
Christian Valley Park

\$26.00

\$583.82

Total labor	\$26.00	Total material	\$583.82
Total for year	\$2,468.50	Total for year	\$9,123.90

8/17/2020

AUGUST 2020 VANDALISM REPORT

VANDALISM

8/14/2020 burn holes & cracks on playground equip.  
Regional Park

MATERIAL COSTS  
\$3,430.00

LABOR COSTS  
\$2,072.00

8/14/2020 graffiti at Overlook Park

\$186.00

\$52.00

8/28/2020 lower restrooms burned & broken sinks  
Regional Park

\$4,223.50

\$166.40

Total labor	\$2,290.40	Total material	\$7,839.50
Total for year	\$2,442.51	Total for year	\$8,540.08

7/30/2020

JULY 2020 VANDALISM REPORT

VANDALISM

7/10/2020 Meadow Vista Park Graffiti  
 Throughout the park  
 7/10/2020 Ashford Pa PARK Graffiti  
 Restrooms

LABOR COSTS \$18.00  
 MATERIAL COSTS \$8.97  
 \$17.00 \$29.27

Total labor	\$35.11	Total material	\$38.24
Total for year	\$152.11	Total for year	\$700.58

6/30/2020		JUNE 2020 Vandalism Report			
DATE	LOCATION	DESCRIPTION	LABOR COSTS	MATERIAL COSTS	
6/8/2020	CVCC	VANDALISM Stolen sign - repalced	\$26.00	\$24.61	
6/8/2020	REGIONAL PARK Restroom	Broken lights - replaced	\$13.00	\$106.90	
6/8/2020	ASHFORD PARK	Door & Padlock - replaced Destroyed	\$26.00	\$263.82	
6/19/2020	REGIONAL PLAYGROUND	Snap rings - replaced Broken	\$26.00	\$3.19	
6/19/2020	ASHFORD PARK	Toilet paper holders replaced Stolen from men's & women's restrooms	\$26.00	\$263.82	
<b>Total labor</b>			<b>\$117.00</b>	<b>\$662.34</b>	
<b>Total material</b>					

**Kahl Muscott**  
**District Administrator**  
**Report to the Board of Directors**  
**November, 2020**

- As of the writing of this report, the following is true about ARD facilities and amenities:

Currently OPEN, with appropriate restrictions (social distancing, members of the same household, etc.):

- General park areas and walking pathways
- Pickleball courts
- Tennis courts
- Disc golf
- Ashley Memorial Dog Park
- Basketball courts
- Skate Park
- All parking lots
- Ballfields
- Individual picnic tables
- Sierra Pool
- Buildings
- Playgrounds

Currently CLOSED, per order of the State/County:

- Picnic areas (gatherings limited to 3 or less households)

Should Placer County go back in to the Purple (Widespread) Tier, we will no longer be able to offer any of the indoor recreation classes that we have been offering, such as karate, tai chi, yoga, pilates and fencing. Those activities are allowed under the guidance for gyms/fitness centers, however the Purple Tier does not allow for any indoor activities in gyms/fitness centers.

- We had an un-official walk-through of the Recreation Park Community Center from the Auburn Fire Dept. today. We scheduled this walk-through to make sure we are compliant for a) general safety and b) can meet the licensing requirements for running child care/day camp from that building. It has been quite a few years since the last inspection, as AFD did not have anyone on staff for that work until recently. They were very helpful, and all of the things that we need to improve are very doable - a few more fire extinguishers, a few more smoke detectors and whole bunch more signs.
- The shaded fuel break work is done in this area, and it is very impressive in its scope. It has transformed the landscape. This includes work in the “triangle area”, just north of the Bike Park.
- A walker on the MV Park pathway tripped on a piece of lifted concrete, injuring her knee, breast and hand. This section of the pathway has been repaired.
- Mike Scheele will be presenting our funding requests to the Placer County Parks Commission on November 19<sup>th</sup>. Mike is presenting as I will be at the ARD Board meeting. The requests are for the wheelchair swing, new James OF turf and Recreation Field IF renovation.

- The deadline for the Prop 68 Statewide Park Program grant has been pushed back to March 12<sup>th</sup> (it was December 14). This is the grant that we are applying for to improve the 24 Acre property.

Meetings and events attended or scheduled to attend

11/3: Meddlers re: presentation on how ARD is dealing with COVID  
 11/3: Rotary  
 11/5: Webinar; ADA Roles and Responsibilities  
 11/5: Bill Poindexter, Auburn Journal re: murals at Regional Park  
 11/5: Energy Performance Financing meeting  
 11/6: Auburn Fire walk-through at Recreation Park Community Center  
 11/10: Policy Committee  
 11/10: Finance Committee  
 11/12: A&D Committee  
 11/16: Sheryl Petersen, Nina Ashford re: events in 2021  
 11/17: Rotary  
 11/17: Meeting with GoInvest re: labor and pension UAL software  
 11/18: Auburn Journal re: interview about ARD, etc.  
 11/19: Safety Meeting  
 11/24: Rotary

**Veona Galbraith**

**Administrative Services Manager**

**Report to the Board of Directors**

**November, 2020**

*Appointments to Note for November:*

- Meeting with Brooklyn, Centrica and Jeff Land, Broker of Oppenheimer & Co. Inc., regarding financing for the energy savings contract
- Calls with Patti Moore, Partner President of RealLease regarding financing for the energy savings contract.
- GovInvest meeting on analyzing our Unfunded Accrued Liability
- 

**Jesse Williams**

**Facilities & Grounds Manager**

**Report to the Board of Directors**

**November, 2020**

American River Canyon Overlook Park, Ashford Park, Atwood Park, Canyon View Community Center, Christian Valley Park, Meadow Vista Park, Mt. Vernon Park, Placer Hills Park, Railhead Park, Recreation Park, Regional Park, Placer Hills Park, Shockley Woods Park, Sugar Pine Ridge Park:

- Menig Weed Control performed weed control services for the diligent control of annual grasses and broadleaf weeds (labels and safety data sheets available upon request).

American River Canyon Overlook Park, Ashford Park, Canyon View Community Center, Christian Valley Community Center, Meadow Vista Park, Placer Hills Park, Recreation Park, Regional Park, Placer Hills Park:

- Installed evacuation route signs inside our buildings to provide quick directions to the nearest evacuation route.

American River Canyon Overlook Park Modular, Canyon View Community Center, Recreation Park Community Center, Regional Park Community Center:

- AC thermostats have been set to 74 degrees Fahrenheit between the hours of 7:00 am to 10:00 pm seven days a week. After 10:00 pm thermostats have been set to 85 degrees Fahrenheit. This represents an approximately 14% savings on cooling costs. Furnace thermostats have been set to 68 degrees Fahrenheit between the hours of 7:00 am to 10:00 pm seven days a week. After 10:00 pm thermostats have been set to 60 degrees Fahrenheit. Three to five percent more energy is used for each degree our furnaces go above 68 F. Thermostat lockbox covers have been placed on all thermostats, outside of most staff offices, to prevent tampering.

American River Canyon Overlook Park, Ashford Park, Canyon View Community Center, Meadow Vista Park, Railhead Park, Recreation Park, Regional Park, Placer Hills Park, Shockley Woods Park:

- Continued installing the necessary hardware to our swing gates to comply with the memorandum from the United States Bureau of Reclamation which we have adopted as a District wide standard.

Christian Valley Park, Recreation Park, Regional Park:

- Applied Yara 21-0-0 fertilizer to Christian Valley Softball Field, Recreation Field, Bill Bean Field, Regional B Field and C Field. Yara 21-0-0 is a quick acting form of water-soluble nitrogen that stimulates vegetative growth and produces a deep green color. In addition, the high sulfur content (24%) enhances the decomposition of thatch through stimulation of soil micro-organisms, improves color and density of turf.

Recreation Park, Regional Park:

- Applied Yara 0-0-50 fertilizer to Recreation Field, Beggs Field, James infield and Bill Bean Field. Yara 0-0-50 strengthens plants by making them less susceptible to disease and adverse conditions such as winter and corrects potassium deficiencies.

Ashford Park:

- Serviced the #15 truck.
- Applied Qrop KN 12-0-46 complex prilled fertilizer to the Ashley Memorial Dog Park. This fertilizer has enriched potassium nitrate which is a high-quality source of both potassium and nitrogen, two essential macronutrients (primary nutrients) for turf.
- Yuba Safe and Lock rekeyed the lock on the shop to our new tiered lock system.

Meadow Vista Park:

- Painted the picnic tables.



#### Placer Hills Park

- Yuba Safe and Lock finished rekeying the locks to our new tiered lock system.
- Advanced IPM treated a yellow jacket nest in the ground in the turf.

#### Railhead Park:

- Applied Cal-CM Plus concentrated minerals, a certified organic plant nutrient and soil amendment, to improve the calcium and sulfur deficiencies in the soil on Railhead Field A and B which are essential for cellular strength and turf grass vigor. Cal-CM Plus also has the potential to make up to 96% more water available to the turfgrass while simultaneously improving drainage through particle flocculation. This in turn reduces excessive runoff.

#### Recreation Park:

- Serviced the #28, #29 and #31 truck.
- Performed smog check on the #31 truck.
- Continued re-staining the pergolas the sixth annual Auburn Community Service Day participants had started staining.
- Advanced IPM performed their bimonthly maintenance service around the buildings (labels and safety data sheets available upon request).

#### Regional Park:

- Serviced the Grasshopper.
- Advanced IPM performed their bimonthly maintenance service around the buildings.
- Advanced IPM treated a yellow jacket nest in the ground on the Disc Golf Course.

#### Shockley Woods Park:

- The residents who live at 210 Mulberry Street had a tree from our property come down on their fence. We removed the fallen tree.

#### Sugar Pine Ridge Park

- Replaced the tennis net on the court.

#### **Manouch Shirvanioun**

#### **Marketing & Customer Service**

#### **Report to the Board of Directors**

#### **November, 2020**

The following youth groups continue to use our fields:

- Auburn Aces Volleyball using Regional C field once a week
- Old School Baseball using James twice a week
- Stings Baseball using James field twice a week
- Team Hustle using James field three times a week
- 49er United

Working on sponsorships for our upcoming Santa's Chest/Christmas activity

Attended Leadership Auburn graduation and committee meetings

Attended Chamber Ambassador visit

**Mark Brunner**  
**Recreation/Youth Services Manager**  
**Report to the Board of Directors**  
**November, 2020**

**Discovery Club:**

- Youth Services is starting to transition our programming to match the local school district's upcoming re-opening models. We are currently operating our full-day Discovery Club at Canyon View Community Center on a daily basis. We manage and negotiate nearly 80 student's individual schedules and workload. In addition, our after-school programs are open at Skyridge, Auburn Elementary and Newcastle Elementary School. We also provide before school care at Skyridge and Auburn Elementary School.

A new subsidized food program will begin in January and we will be reimbursed for small meals served at the sites. The program allows for locally sourced produce and donations from the community as well as allowing for a plant-based food service. Staff is also looking at reusable food baskets with compostable paper liners to serve snack and ordering reusable water bottles for all students in the program. This will cut back on plasticware usage and encourage reusable products for the students. Staff is renovating the modulars at Rec Park and doing a very overdue deep clean. These rooms will be simplified and will be able to be used/rented to groups and organizations throughout the year when they are unused by Day Camp.

**Give Thanks Feast**

- On November 22, the District will host our first ever Give Thanks Feast presented by Carol's Market. This free event will take place at Regional Park next to the Lakeside Room, in hope that we will be able to attract more families from the Green's neighborhood. Carol's Market has generously donated 350 prepackaged Thanksgiving style meals to the community. The meals will be distributed to the first 350 people that attend the event. Food will be served from 12-3pm.

**Open Santa's Chest**

- One of our newest events this holiday season is called Open Santa's Chest. The event will take place over the course of three days from December 21-23. Each day, staff will hide 50 keys in a designated park. Only one of those hidden keys will be able to open a special chest at Recreation Park. Inside that chest will be donated prizes and toys from local sponsors and vendors. Every day we will put out a new chest full of goodies. Staff will do this fun scavenger hunt each day over the three-day period. Thus, giving us three different winners for the event. The announcement for what park the keys will be hidden at will be announced each morning on our district website and social media platforms at 7:30am.

**Preschool:**

**6/1/2020**

**VANDALISM REPORT**

**THERE WAS NO VANDALISM FOR THE MONTH OF MAY 2020.**

5/21/2020

VANDALISM REPORT

THERE WAS NO VANDALISM FROM THE MONTH OF APRIL 2020.

**Subtotal By:** Period Segments  
**Sorted By:** Warehouse Paint Incorporated  
**Includes:** Posting, Unit  
**Beginning Balance:** \$1,498.03

Date	Jrnl No.	Orig. Audit Trail	Description	Orig. Master Number	Orig. Master Name	March	Subtotals:	Ending Balance	Debit	Credit
2020	194,191	PMTR000004177	Paint Lines, 3 pk Rokers Sikatek	A0628422	Warehouse Paint Incorporated		Net Change	\$4,768.24	\$18.70	
2020	194,460	PMTR000004178	Smoked Recepcia Wall mount	ULINE 3/17 JW	US Bank		Net Change	\$209.41	\$250.05	
<b>Totals:</b>								\$4,768.24	\$209.41	\$0.00
<b>Grand Totals:</b>								<u>Ending Balance</u>	<u>Debit</u>	<u>Credit</u>
							1	\$4,498.83	\$269.41	\$0.00

**Accounts** 1  
**Beginning Balance** \$4,498.83  
**Net Change** \$209.41  
**Ending Balance** \$4,768.24

*3/27 → Groff's - Skodopuk sound wall*  
*3/31 → Smashed the car cigarette container - Oulock*

Vandalism Report  
 March 2020

2/21/2020

VANDALISM REPORT

THERE WAS NO VANDALISM FOR THE MONTH OF FEBRUARY, 2020.

1/24/2020

12/6/2019 Rec. Park Women's restroom

12/6/2019 Rec. Park Women's restroom

12/20/2019 Meadow Vista Park

**VANDALISM REPORT**

**VANDALISM**

	<b>LABOR COSTS</b>	<b>MATERIAL COSTS</b>
Stolen items - replaced	\$21.00	\$25.15
Broken toilet paper dispenser & sanitary box	\$43.00	\$12.10
Graffiti	\$17.00	\$8.14
<b>Total Labor</b>	<b>\$79.00</b>	<b>\$45.39</b>
	<b>Total</b>	<b>Material</b>

<b>2020/2021 PROJECT ACTIVITY REPORT</b>		<b>UPDATED 11/06/20</b>	
<b>PROJECT</b>	<b>EST. COST</b>	<b>NOTES</b>	<b>EST. COMPLETED</b>
<b>RECREATION PARK</b>			
James Ballfield-Outfield Bermudagrass Conversion Project (2019)	42,000.00	Staff has been able to get one preliminary quote for converting the outfield from Rye/Bluegrass to Hybrid Bermuda (\$22,080.00 for conversion & \$19,136.00 for 3 month grow-in+maintenance). It was determined however at the 5/28 Board meeting that due to Covid-19 budget and staff impacts this work will be postponed to next year.	SEPTEMBER 2021
<b>PLACER HILLS POOL</b>			
<b>ASHFORD PARK</b>			
	16,500.00	The existing Ashford Park irrigation system filter has been clogging repeatedly causing a significant drain of maintenance staff time. Staff researched replacements and went out to informal bid to replace the filter in July. Five pump/irrigation companies were invited to bid and one bid was received. BWD construction (contractor that installed the Regional Park Pump) was awarded the contract and the replacement filter has been put on order. With a 7-9 week lead time the work is expected to occur in December and should only take 2-3 days.	DECEMBER 2020
<b>OVERLOOK PARK</b>			
<b>24 ACRE PROPERTY</b>			
Statewide Park Development and Community Revitalization Program (SPP) Grant Round 4 (2018/2019)	190,000.00	The two concept alternative plans have been finalized for public input, the postcard mailer has gone out to residences within a 1 mile radius of the site (6,605 addresses) and the on-line public input survey is going live on Friday, November 6th. The survey link will be featured on the ARD home web page and Facebook page. CEQA process is underway. The State of Ca has extended the SPP Grant deadline three months to March 12, 2020.	2020/2021



<b>CVCC</b> Bike Park - Construction (2015/2016)	320,000.00	Small bike park signs should be ready for installation by mid-November. Designs for the big, main bike park trail map and rules sign panels has been finalized and staff is now working on getting a quote to fabricate the sign mounting backboard, clamps and posts. Latest update on the soil to be donated for the phase 2 jump area is that the project started on 10/20. Staff is still awaiting pricing from Habitat Restoration Group regarding the bike park trail watering plan designs. Pump track watering has been cut back as the weather has cooled.	ONGOING
Maidu Drive Repair (2018/2019)	0.00	No updates had been received on the road project from BOR since early February 2020 and the road condition is getting worse now that the bike park is open. On June 30th, the District received word from the Bureau of Reclamation that they are submitting a funding request to repair Maidu Drive(!). It is called a FLTP (Federal Lands Transportation Program) request and the amount they are requesting is \$463,000.00. This request is in competition for funding by other federal projects. Staff was given an opportunity to review and comment on the application and will keep the Board apprised of any updates. The Districts previous offers of 50k, then 25k towards this work were rescinded last year and Staff reminded the Bureau of this.	TBD
<b>MEADOW VISTA PARK</b>		Staff is taking inventory of the main asphalt path conditions at the park and putting together a bid package to get quotes and have repairs made.	2021
<b>MULTI-PARK ITEMS</b> Carry over projects from 2018/2019 list in YELLOW			
<b>Fiscal Year Projects Total:</b>	526,500.00		

**Item 7.1 Cover sheet: Public Hearing - Resolution #2020-31 Approving an Energy Services Contract Between ARD and Centrica Business Solutions, Inc. Per CA Govt. Code §4217**

**Auburn Area Recreation and Park District Board of Directors Meeting November 19, 2020**

**The Issue:**

Shall the Auburn Area Recreation and Park District (ARD) hold a Public Hearing to present its findings and adopt Resolution # 2020-31, approving an Energy Service Contract with Centrica Business Solutions (Centrica)?

**Background and Findings:**

In November of 2019 staff presented to the Board of Directors a Preliminary Feasibility Assessment (PFA), produced by Centrica. This study provided a way to optimize and upgrade energy systems in a manner that is budget-neutral to agencies and businesses, per California Government Code §4217. The Board of Directors requested staff to produce a Request for Qualifications (RFQ), to select the most qualified respondent to generate a budget neutral Energy Savings Performance Contract. Two respondents replied, and Centrica was selected.

In April of 2020, the ARD Board of Directors approved a resolution authorizing Centrica to perform an Investment Grade Audit (IGA) of the District. The IGA identified energy saving measures and equipment replacement at ARD facilities and parks. The IGA was conducted at no cost to ARD.

After review and discussions with staff, ARD standing committees and the ARD Board, it was determined that cost to ARD to implement the energy related improvements will be less than the anticipated marginal cost to ARD of thermal, electrical and other energy that would have been consumed by ARD in absence of purchasing the energy improvements.

As such, ARD provided notice for a Public Hearing to approve an Energy Services Contract between the Auburn Area Recreation and Park District and Centrica Business Solutions.

**Recommendation:**

Hold a Public Hearing, consider all findings, hear public comment and adopt Resolution #2020-31, approving an Energy Services Contract between the Auburn Area Recreation and Park District and Centrica Business Solutions.

**Fiscal Impact:**

As currently laid out, the cost for the improvements is \$2,133,890, however the fiscal impact is \$0 as the energy savings will pay for the improvements

**Attachments**

Resolution #2020-31

Energy Services Contract between ARD and Centrica Business Solutions

Related documents to the contract

**Note:** in the interest of space and agenda size, not all related documents are included. All documents can be obtained by contacting the District Administrator before the meeting at (530) 537-2186 or [kmuscott@auburnrec.com](mailto:kmuscott@auburnrec.com)

**RESOLUTION #2020-31**

**A RESOLUTION ADOPTING REQUIRED FINDINGS AND AUTHORIZING THE DISTRICT ADMINISTRATOR OF THE AUBURN AREA RECREATION AND PARK DISTRICT TO ENTER IN TO AN ENERGY SERVICES CONTRACT WITH CENTRICA BUSINESS SOLUTION SERVICES, PER CA GOVERNMENT CODE §4217**

**WHEREAS**, California Government Code Section 4217.10 to 4217.18, authorizes the Auburn Area Recreation and Park District (District) to enter into an Energy Services Contract for the implementation of energy related improvements if the Board of Directors finds that it is in the best interest of the District to enter into such Energy Service Contract and that the anticipated cost to the District for thermal or electrical energy or conservation services provided by Centrica Business Solutions Services, Inc. under the contract will be less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in absence of those purchases; and

**WHEREAS**, the proposed Energy Service Contract by and between the District and Centrica Business Solutions Services, Inc. for the implementation of certain energy measures whose cost to the District such as for thermal or electrical energy or conservation services provided under the Energy Service Contract will be less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in absence of the implementation of the improvements under the Energy Service Contract.

**NOW THEREFORE**, the Auburn Area Recreation and Park District finds and adopts the following:

The Auburn Area Recreation and Park District hereby declares its intention to enter into proposed agreement with Centrica Business Solutions Services, Inc. for energy conservation services for District facilities as defined by the Energy Services Contract.

**APPROVED, PASSED, AND ADOPTED ON November 19, 2020 by the following roll call vote:**

**Ayes:**

**Noes:**

**Absent:**

**Abstain:**

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**Scott Holbrook**

**Chairman of the Governing Board**

**ATTEST:**

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**Clerk to the Board**

## DESIGN-BUILD ENERGY SERVICES AGREEMENT

**THIS DESIGN-BUILD ENERGY SERVICES AGREEMENT** (this "Agreement") is made and effective \_\_\_\_\_ (the "Effective Date"), by and between **AUBURN AREA RECREATION AND PARK DISTRICT** ("Owner"), with an address at 471 Maidu Dr, Auburn, CA 95603, and **CENTRICA BUSINESS SOLUTIONS SERVICES, INC.** ("Centrica Business Solutions"), with an address at 3 Rosell Drive, Ballston Lake, New York 12019. Owner and Centrica Business Solutions Services, Inc. are sometimes referred to herein, individually, as a "Party", and, collectively, as the "Parties".

### RECITALS

- A. Owner is a Special District incorporated under the laws of the State of California and is a Public Agency within the meaning of the California Government Code 4217.10 et seq. ("4217 Code")
- B. Owner owns and operates certain facilities described on the attached Schedule 1 (the "Facilities"), and desires to procure long-term energy cost savings and reduce related expenses in the operation of such Facilities.
- C. Centrica Business Solutions is a New York business corporation and is duly authorized to do business in the State of California, and is a Qualified Provider within the meaning of the 4217 Code, engaged in the business of and having experience and capabilities in providing energy efficiency services, including Energy Conservation Measures ("ECMs"), as defined in the 4217 Code.
- D. Pursuant to Auburn Area Recreation and Park District Resolution No. 2020-12, Centrica Business Solutions and Owner entered into an Investment Grade Audit Agreement, pursuant to which Centrica Business Solutions conducted an investment grade audit and delivered to Owner a detailed proposal that specifically identifies the ECMs that are recommended to be installed and/or implemented at the Facilities as described later in this document in Schedules 1-6B.
- E. The Owner Governing Board has determined, in its lawful discretion, prior to approval or ratification of this Agreement, that this Agreement meets all criteria required pursuant to California Government Code 4217.10 et seq.
- F. Owner now desires to enter into this Agreement with Centrica Business Solutions as a Design-Build Energy Services Agreement for the installation and implementation of the ECMs at the Facilities (the "Project").

NOW, THEREFORE, the Parties agree as follows:

**ARTICLE I**  
**PRELIMINARY MATTERS**

**1.1 INCORPORATION.** The Recitals set forth above are hereby incorporated into the body of this Agreement and made a binding part hereof.

**1.2 CONTRACT DOCUMENTS.** The entire agreement of the Parties with respect to the Project is contained in the "Contract Documents", which consist of: 1) this Agreement ii) any Change Orders or other amendments to this Agreement, and iii) the following Exhibits and Schedules:

Exhibit A: Certificate of Substantial Completion  
Exhibit B: Savings Reconciliation Report

Schedule 1: The Facilities  
Schedule 2A: Scope of ECM Work  
Schedule 2B: Scope of MM&V Services  
Schedule 3: ECM Work Schedule  
Schedule 4: As-Built Drawings Requirements  
Schedule 5: Energy Savings Schedule  
Schedule 6A: ECM Work Schedule of Values  
Schedule 6B: MM&V Services Schedule of Values

The provisions of this Agreement shall control in the event of any conflict between its terms and those contained in any of the Exhibits or Schedules

**ARTICLE II**  
**SCOPE AND TERM**

**2.1 SCOPE OF THE PROJECT.** The Project shall consist of two phases: 1) the "Construction & Installation Phase", in which the Equipment (as hereinafter defined) will be designed, constructed and/or installed into the Facilities and the ECMs shall be otherwise implemented (the "ECM Work"), and 2) the "MM&V Services Phase", in which Centrica Business Solutions will provide ongoing energy savings monitoring and reporting services, and management and/or modification of the Equipment (the "MM&V Services"). The full scope of the ECM Work and the MM&V Services are set forth and detailed, respectively, on the "Scope of ECM Work" attached as Schedule 2A, and the "Scope of MM&V Services" attached as Schedule 2B. Centrica Business Solutions shall be responsible for the professional and technical accuracy of the ECM Work and the MM&V Services, whether performed by Centrica Business Solutions or by subcontractors or others on its behalf.

**2.2 TERM.** The term of this Agreement (the "Term") shall commence on the Effective Date, and, unless sooner terminated in accordance with the terms hereof, shall continue for a period of ten (10) years from the MM&V Services Commencement Date (as hereinafter defined), but subject to the termination rights provided in Sections 2.2.1.

**2.2.1 RIGHT TO PARTIAL TERMINATION.** At any time following the first (1<sup>st</sup>) anniversary of the MM&V Services Commencement Date, and upon at least sixty (60) days' prior written notice to Centrica Business Solutions, Owner shall have the right to terminate non-required MM&V Services set forth on Schedule 2B. If Owner so elects to partially terminate, all of the then-applicable terms and provisions of this Agreement shall continue in full force and effect, except that the MM&V Services Fee shall be equitably adjusted by the Parties in a manner consistent with Schedule 6B.

### **ARTICLE III** **THE ECM WORK**

**3.1 CONSTRUCTION AND INSTALLATION OF THE ECM WORK.** Subject to the other provisions of this Agreement, Centrica Business Solutions will act as a turn-key design-builder assuming total responsibility for the design, procurement of labor and materials for the improvements to the Facilities, and the installation and start-up of the energy efficiency equipment (the "Equipment"), as set forth in and in accordance with the Scope of ECM Work.

**3.1.1 CONSTRUCTION SCHEDULE.** The Construction and Installation Phase will commence upon either the issuance by Owner of a written notice to proceed or the written agreement of the Parties fixing such commencement date. The performance of the ECM Work shall be carried out and proceed in accordance with the schedule (the "ECM Work Schedule") attached as Schedule 3. The ECM Work Schedule may be amended from time to time by the Parties due to changes in the ECM Work or other events affecting the completion of the ECM Work.

**3.1.2 STATUTORY COMPLIANCE.** In the performance of the ECM Work, including the installation of the Equipment, Centrica Business Solutions shall, and shall require all of its contractors, subcontractors, and all subcontractors under them to, as applicable, comply with the requirements of all applicable statutes and regulations. Without limiting the foregoing, Centrica Business Solutions shall otherwise give all notices and comply with all laws and ordinances legally enacted at the date of execution of the Agreement that govern the proper performance of the ECM Work.

**3.1.3 CALIFORNIA CONTRACTORS' LICENSE.** At all times during performance of Construction Services, Contractor shall be duly licensed and in good standing by the California Contractors State License Board under License #947569.

**3.1.4 CONTRACTOR/SUBCONTRACTOR REGISTRATION.** Pursuant to Labor Code Section 1771.1, "A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5." Contractor's public works contractor registration number, issued by the Department of Industrial Relations is 1000661242.

**3.1.5 PERMITS AND APPROVALS.** Centrica Business Solutions shall be responsible for obtaining all necessary permits and approvals for the ECM Work, including the installation of the Equipment, and shall pay any and all permit fees. Owner shall use its best efforts to assist Centrica Business Solutions in obtaining all such necessary permits and approvals. The Equipment and the operation of the Equipment by Centrica Business Solutions shall conform to all federal, state and local code requirements in effect at the time of installation. Before Centrica Business Solutions commences any portion of the ECM Work that requires a permit or license, Centrica Business Solutions shall furnish copies of each such permit or license to Owner.

**3.1.6 PERFORMANCE.** Owner and Centrica Business Solutions shall coordinate the activities associated with the installation of the Equipment by Centrica Business Solutions with any ECM Work or installations of Owner, its employees and agents. Centrica Business Solutions shall not commit or permit any act that will materially interfere with the performance of business activities conducted by Owner or its employees without the prior written approval of Owner, which shall not be unreasonably withheld, and provided that the ECM Work Schedule shall be modified if Owner requires Centrica Business Solutions to delay or re-sequence the ECM Work in order to accommodate Owner's operations. Centrica Business Solutions shall perform all of the ECM Work in such a manner so as not to harm the structural integrity of the Facilities or their operating systems. Centrica Business Solutions shall repair and restore to its original condition any area of damage caused by Centrica Business Solutions' performance under this Agreement. Owner reserves the right to review the ECM Work and to direct Centrica Business Solutions to take corrective action if, in the reasonable opinion of Owner, the structural integrity of the Facilities or its systems is or will be harmed. All costs associated with such corrective action to damage caused by Centrica Business Solutions' performance of the ECM Work shall be borne by Centrica Business Solutions. In addition, Centrica Business Solutions shall be responsible for the professional and technical accuracy of all ECM Work performed, whether by its own forces or by its subcontractors or others on its behalf. Centrica Business Solutions is responsible for general broom cleaning, and shall, to the fullest extent practicable, at all times keep the Facilities clean and free of debris, rubbish and dust. At the completion of the ECM Work, Centrica Business Solutions shall remove from the worksite all construction equipment, tools, surplus materials, waste materials and debris.

**3.2 DESIGN AND CONSTRUCTION DOCUMENTS.** Drawings, specifications, and other documents, including those in electronic form, furnished or utilized by Centrica Business Solutions are instruments of service (the "Instruments of Service"). Centrica Business Solutions shall retain all common law, statutory and other reserved rights, including copyrights in the Instruments of Service. Drawings, specifications, and other documents and materials and electronic data are furnished for use solely with respect to the Project.

**3.2.1** Centrica Business Solutions grants to Owner a non-exclusive license to reproduce and use the Instruments of Service solely in connection with the Project, provided that Owner shall comply with all obligations, including prompt payment of sums when due. Owner shall not assign or transfer any license herein to another party without prior written



agreement of Centrica Business Solutions Any unauthorized reproduction or use of the Instruments of Service by Owner or others shall be at Owner's sole risk and expense without liability to Centrica Business Solutions, and its design professionals. Termination of this Agreement due to the default of Owner shall terminate this license. If this Agreement is terminated for any reason other than the default of Owner, Owner shall have a non-exclusive license to use the Instruments of Service for the completion, use and maintenance of the Project. Submission or distribution of Centrica Business Solutions' documents to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the rights reserved here.

**3.2.2** Centrica Business Solutions shall pay all royalties and license fees that may be due on the inclusion of any patented or copyrighted materials, methods or systems selected by Centrica Business Solutions and incorporated in the ECM Work. Centrica Business Solutions shall defend, indemnify and hold Owner harmless from all suits or claims for infringement of any patent rights or copyrights arising out of such selection. Owner agrees to defend, indemnify and hold Centrica Business Solutions harmless from all suits or claims of infringement of any patent rights or copyrights arising out of any patented or copyrighted materials, methods or systems specified by Owner.

**3.2.3** Centrica Business Solutions shall prepare and submit to Owner final marked up as-built drawings to the extent and as set forth in the attached Schedule 4.

### **3.3 WARRANTIES.**

**3.3.1** Centrica Business Solutions warrants that all materials and equipment furnished under the Construction and Installation Phase of this Agreement will be new unless otherwise specified, of good quality, in conformance with the Scope of ECM Work and all documents associated therewith, and free from defective workmanship and materials. Warranties with respect to the ECM Work, or applicable portion of the ECM Work, as the case may be, shall commence on the date of Substantial Completion thereof (as hereinafter defined). Centrica Business Solutions agrees to correct all ECM Work that is defective in workmanship or materials within a period of one (1) year from the date of Substantial Completion, or such longer periods of time as may be set forth with respect to specific warranties required hereunder.

**3.3.2** Centrica Business Solutions shall collect, deliver, and, to the extent permissible, assign all manufacturers' warranties and Equipment manuals to Owner. There are no warranties that extend beyond the description on the face of any such warranty.

**3.3.3** EXCEPT AS SET FORTH IN SECTIONS 3.3.1 AND 3.3.2, ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. In addition, the warranties under this Section 3.3 shall be void and do not extend to any ECM Work that has been abused, altered, or misused, or that

has been repaired by Owner or third parties without the supervisions or prior written approval of Centrica Business Solutions

**3.4 SAFETY OF PERSONS AND PROPERTY.** Centrica Business Solutions shall endeavor to avoid injury, loss or damage to persons or property by taking reasonable steps to protect: a) its employees and other persons at the worksite, and b) and materials, supplies and equipment stored at the worksite for use in performance of the ECM Work. Centrica Business Solutions shall also oversee the safety precautions and programs of its subcontractors and suppliers at the worksite. Centrica Business Solutions' safety program shall include all actions and programs necessary for compliance with California or federally statutorily mandated workplace safety programs, including without limitation, compliance with the California Drug Free Workplace Act of 1990 (California Government Code 8350 et seq.).

### **3.5 HAZARDOUS MATERIALS.**

**3.5.1** A "Hazardous Material" is any substance or material identified now or in the future as hazardous under any federal, state or local law or regulation, or any other substance or material that may be considered hazardous or otherwise subject to statutory or regulatory requirements governing handling, disposal and/or clean-up. Centrica Business Solutions shall not be obligated to commence or continue the ECM Work until all Hazardous material discovered at the Project site has been removed, rendered or determined to be harmless by Owner as certified by an independent testing laboratory approved by the appropriate government agency.

**3.5.2** If after the commencement of the ECM Work, Hazardous Material is discovered at the Project site, Centrica Business Solutions shall be entitled to immediately stop ECM Work in the affected area. Centrica Business Solutions shall report the condition to Owner and, if required, the government agency with jurisdiction. Owner shall be responsible for retaining any independent testing laboratory to determine the nature of the materials encountered and whether it is a Hazardous Material requiring corrective measures and/or remedial action. Such measures shall be the sole responsibility of Owner, and shall be performed in a manner minimizing any adverse effects upon the ECM Work. Centrica Business Solutions shall resume ECM Work in the area affected by any Hazardous Material only upon written agreement between the Parties after the Hazardous Material has been removed or rendered harmless and only after approval, if necessary, of the governmental agency or agencies with jurisdiction.

**3.5.3** Centrica Business Solutions shall not be required to perform any ECM Work relating to or in the area of Hazardous Material without written mutual agreement.

**3.5.4** If Centrica Business Solutions incurs additional costs and/or is delayed due to the presence or remediation of Hazardous Material, Centrica Business Solutions shall be entitled to an equitable adjustment in compensation and/or the ECM Work Schedule.

**3.5.5** To the extent not caused by the negligent acts or omissions of Centrica Business Solutions, or its subcontractors or suppliers, and their agents, officers, and employees of

each of them, Owner shall defend, indemnify and hold harmless Centrica Business Solutions, its subcontractors, suppliers, and their agents, officers and employees, from and against any and all claims, damages, penalties, losses, expenses, and other liabilities, including attorney's fees, arising out of or relating to the performance of the ECM Work in any area affected by Hazardous Material.

**3.5.6** During the performance of the ECM Work, Centrica Business Solutions shall be responsible for the proper handling of all materials brought by it to the worksite. The provisions of this Section 3.5 shall also apply to the MM&V Services, and, without limiting the foregoing, on and after the MM&V Services Commencement Date, Owner shall be responsible under this Section 3.5 for materials and substances brought to the site by Centrica Business Solutions if such materials or substances are required by the Contract Documents.

**3.5.7** The terms of this Section 3.5 shall survive the completion of the ECM Work and the termination of this Agreement.

### **3.6 SYSTEMS START-UP AND TRAINING.**

**3.6.1** Upon Substantial Completion of the ECM Work, with the assistance of Owner's personnel, Centrica Business Solutions shall direct the checkout of Equipment and start-up operations, and adjusting and balancing of Equipment and for readiness. Centrica Business Solutions shall also secure required certificates of inspection, testing or approval and deliver them to Owner.

**3.6.2** Centrica Business Solutions shall conduct the training program described in Schedule 2A. The training specified in Schedule 2A shall be completed prior to Final Completion (as hereinafter defined) of the ECM Work.

### **3.7 SUBSTANTIAL COMPLETION/FINAL COMPLETION**

**3.7.1** "Substantial Completion" means that stage in the progress of the ECM Work when the ECM Work, or designated portion thereof, is sufficiently complete in accordance with this Agreement so that Owner can use or occupy the Facilities and utilize the ECM Work or designated portion thereof for its intended use. Upon Substantial Completion, the Parties shall execute a Certificate of Substantial Completion fixing the date of Substantial Completion and listing all unfinished items of ECM Work, in substantially the form attached hereto as Exhibit A.

**3.7.2** "Final Completion" means the point when all of the ECM Work is fully and finally complete in accordance with the requirements of this Agreement, and Owner has accepted the ECM Work, which acceptance shall not be unreasonably delayed or conditioned by Owner.

**ARTICLE IV**  
**THE MM&V SERVICES**

**4.1 COMMENCEMENT OF THE MM&V SERVICES.** The date of the commencement of Centrica Business Solutions' obligations under the MM&V Services Phase (the "MM&V Services Commencement Date") shall be the date that: (i) Substantial Completion has been achieved for all portions of the ECM Work, and (ii) the systems start-up and training obligations under Section 3.6 have been completed. Centrica Business Solutions' obligations under the MM&V Services Phase shall thereafter continue until the conclusion of the Term or any earlier termination of this Agreement.

**4.2 THE MM&V SERVICES.**

**4.2.1** During the MM&V Services Phase Centrica Business Solutions shall perform those MM&V Services set forth in and in accordance with the Scope of MM&V Services. Without limiting the foregoing, Centrica Business Solutions shall perform and carry out the duties and obligations set forth below in Section 4.2.2.

**4.2.2** For each year of the Term after the MM&V Services Commencement Date, within sixty (60) days of the anniversary date of the MM&V Services Commencement Date, Centrica Business Solutions shall provide Owner with an annual energy savings guarantee reconciliation report (the "Savings Reconciliation Report") in substantially the form annexed hereto as Exhibit B, that calculates annual energy savings according to the Energy Savings Methodologies defined in the "Energy Savings Schedule" attached hereto as Schedule 5. Centrica Business Solutions will provide Owner with an explanation as to any variations between annual energy savings and the Guaranteed Energy Savings (as hereinafter defined) shown in the Savings Reconciliation Report. The Savings Reconciliation Report shall initially be submitted by Centrica Business Solutions to Owner in draft form whereupon Centrica Business Solutions and Owner shall use their best efforts to resolve any discrepancies in the draft Savings Reconciliation Report as soon as possible so as to arrive at mutually acceptable Savings Reconciliation Report. Centrica Business Solutions and Owner will indicate their acceptance of the Savings Reconciliation Report by signing at the end thereof.

**4.3 GUARANTEED ENERGY SAVINGS.**

**4.3.1** Centrica Business Solutions has formulated and hereby guarantees the energy and operations savings (the "Guaranteed Energy Savings") to be achieved as a result of the installation and operation of the ECM Work and the provisions of the MM&V Services, as set forth in the Energy Savings Schedule (Schedule 5). The amount of the Guaranteed Energy Savings is subject to modification based upon i) changes in the ECM Work after the Effective Date, ii) changes in the MM&V Services after the Effective Date, and iii) Material Changes, and the Parties shall reflect all such modifications by revising accordingly the Guaranteed Energy Savings and any other applicable portions of the Energy Savings Schedule.

**4.3.2** Commencing with the first twelve (12) month period following the MM&V Services Commencement Date, and for each twelve (12) month period within the Term thereafter, where the energy savings, as calculated using the method defined in the Energy Savings Schedule, are less than the Guaranteed Energy Savings, Centrica Business Solutions agrees to pay to Owner the difference between the Guaranteed Energy Savings and the sum of the actual energy savings as calculated. Centrica Business Solutions will make any such Guaranteed Energy Savings payment within ninety (90) days of the date of Owner's acceptance of the Savings Reconciliation Report pursuant to Section 4.3.1.

#### **4.4 EQUIPMENT SERVICE AND MODIFICATION.**

**4.4.1** Owner shall not move, remove, modify, alter, or change the Equipment or any part thereof ("Alterations") in any way without the prior written approval of Centrica Business Solutions, except in the event of a *bona fide* emergency where it is not reasonably possible to notify Centrica Business Solutions before carrying out Alterations. In the event of such an emergency, Owner shall take reasonable steps to protect the Equipment from damage or injury, shall follow any instructions for emergency action provided in advance by Centrica Business Solutions, and shall notify Centrica Business Solutions within three (3) business days of such emergency. Any telephonic notice of such emergency shall be followed within one (1) business day by written notice to Centrica Business Solutions from Owner. Owner agrees to maintain the Facilities in good repair and to protect and preserve all portions thereof that may in any way affect the operation or maintenance of the Equipment.

**4.4.2** In the event that any actions of Owner, including but not limited to the carrying out of Alterations, affect the performance of the Equipment, the Guaranteed Energy Savings shall be adjusted to reflect the impact of such actions. If Owner unreasonably delays in notifying Centrica Business Solutions of changes resulting from an emergency and/or Owner does not receive written approval to carry out Alterations, all Guaranteed Energy Savings obligations of Centrica Business Solutions under Section 4.3 and elsewhere in this Agreement shall automatically cease and be of no further force or effect.

**4.4.3** At all times during the Term, Centrica Business Solutions shall have the right, subject to Owner's prior written approval, which approval shall not be unreasonably withheld, to change the Equipment or any related energy automation management systems, revise any procedures for the operation thereof, and/or implement other energy saving actions in the Facilities, provided that: (i) such modifications are necessary, in Centrica Business Solutions' reasonable judgment, to enable Centrica Business Solutions to achieve the Guaranteed Energy Savings at the Facilities, and (ii) any cost incurred relative to such modifications, additions or replacement of the Equipment, or operational changes or new procedures shall be the responsibility of Centrica Business Solutions. All such modifications, additions or replacements of the Equipment or revisions to operating or other procedures shall be described in a supplemental schedule to be provided to Owner.

**ARTICLE V**  
**OWNER'S RESPONSIBILITIES**

**5.1 GENERAL RESPONSIBILITIES.**

**5.1.1** Upon request of Centrica Business Solutions, Owner shall provide all available information in a timely manner regarding requirements for the Project, including all existing reports or studies regarding the physical characteristics of the site (such as surveys, site evaluations and existing conditions reports), legal descriptions, plans and drawings, building controls, systems, apparatus, equipment and machinery.

**5.1.2** Owner shall promptly notify Centrica Business Solutions of all known unusual or materially change operating conditions that affect any Facilities, or any condition that may affect the ECM Work or the MM&V Services.

**5.1.3** Owner shall appoint an authorized representative to facilitate Centrica Business Solutions' performance of the ECM Work and the MM&V Services. The representative shall:

- a) be fully acquainted with the ECM Work and the MM&V Services;
- b) agree to furnish the information and MM&V Services required of Owner so as not to delay Centrica Business Solutions' performance of its obligations under this Agreement; and
- c) shall have authority to bind Owner in all matters requiring Owner's approval, authorization or written notice. If Owner changes its representative or the representative's authority as listed above, Owner shall notify Centrica Business Solutions in advance.

**5.2 RESPONSIBILITIES DURING CONSTRUCTION & INSTALLATION PHASE.**

**5.2.1** Owner shall review the ECM Work Schedule as set forth in Section 3.1.1, timely approve any milestone dates set forth, and timely respond to its obligations thereunder.

**5.2.2** Owner shall provide sufficient space at the site for the performance of the EPC Work. Owner shall provide access to the site and Facilities for Centrica Business Solutions to perform any function related to this Agreement during regular business hours, and at such other reasonable times as may be requested by Centrica Business Solutions. Owner shall not unreasonably restrict Centrica Business Solutions' access to the site or Facilities to make emergency repairs or corrections as Centrica Business Solutions may determine are needed.

**5.2.3** Owner shall provide inspection and testing services during construction as required by law or as mutually agreed.

**5.2.4** Contractor shall have no responsibility for compliance with the California

Environmental Quality Act, other than as may be expressly included in the Scope of Work in order to comply with mitigation measures designated by Owner.

**5.2.5** Contractor and the Owner acknowledge that under California Government Code 4215, the Owner assumes the responsibility for the timely removal, relocation, or protection of existing main or trunkline utility facilities located on the Site which are not identified in the Drawings, Specifications or other Contract Documents. Prior to commencing any underground work on this Project, Contractor shall: take all reasonable steps to confirm the location of such utility facilities sufficient to assure itself that no conditions exist at or about the Site which would require revision to the Scope of Work, Contract Price, dates for Substantial or Final Completion, or any other material provision of this Agreement; and, contact Underground Service Alert of Northern California ("USA") and arrange to have the project area marked by USA for underground utilities. In addition, Contractor shall review the Owner's as-built drawings, survey's and other site documents produced and/or made available to Contractor to locate and verify all underground utilities or other underground obstacles or site conditions. In the event that underground utilities or other underground obstacles or site conditions are discovered by Contractor that were not reflected in the results of the USA underground service inspection or in the Owner's as-built drawings, survey's and other site documents produced to Contractor, such matters shall be deemed unforeseen circumstances and Contractor shall be entitled to a reasonable extension of time and a reasonable increase in the Contract Price based upon the time and increased costs and expenses incurred by Contractor as a result of such inaccuracies. Contractor and the Owner agree that the provisions of California Government Code 4215 requiring that the utilities be identified in the invitation for bids shall not apply to this Agreement insofar as Contractor has the responsibility for design of the Project as well as construction of the Project. Rather, Contractor and the Owner agree that the scope of Contractor's responsibilities relating to design of the Project includes review of Owner-provided existing condition information and interface with Underground Service Alert.

**5.2.6** If Owner becomes aware of any error, omission or failure to meet the requirements of this Agreement or any fault or defect in the ECM Work, Owner shall give prompt written notice to Centrica Business Solutions

### **5.3 RESPONSIBILITIES DURING THE MM&V SERVICES PHASE.**

**5.3.1** Owner shall provide Centrica Business Solutions with complete energy usage information and energy-using equipment information, as requested by Centrica Business Solutions This information will include, but not be limited to:

- a) Copies of all utility and fuel bills for the Facilities; for the two years prior to the MM&V Services Commencement Date and ongoing throughout the Term.
- b) Direct access, by telephone modem or other reasonable means installed at Centrica Business Solutions' expense, to any and all energy management systems or building automation systems installed in or used in connection with the Facilities, with permission granted to Centrica Business Solutions to

download any and all information from these systems and to store such information for the Term;

- c) Permission to install, at Centrica Business Solutions' expense, add-on devices to any and all utility and energy use meters, to enable Centrica Business Solutions to directly observe Facility utility usage, with permission granted to Centrica Business Solutions to download any and all information from these systems and to store such information for the Term;
- d) Permission, as an agent of Owner, to obtain and utilize any and all energy usage information from any and all utilities or energy suppliers providing service to the Facilities, with permission granted to Centrica Business Solutions to download any and all information from these systems and to store such information for the Term. In connection herewith, Owner agrees to execute such permission or authorization forms, which utilities or energy suppliers may from time to time require to release such information to Centrica Business Solutions; and
- e) Copies of any and all energy-using equipment repair orders or invoices for repairs or maintenance ECM Work not subject to the direct control of Centrica Business Solutions

**5.3.2** Failure by Owner to provide the information required in this Section 5.3 or otherwise comply with its obligations under this Agreement in timely fashion, will suspend the Energy Savings Guarantee described in the Energy Savings Schedule until the information is provided or other obligation is met. The failure of Owner to provide this information within ninety (90) days of the end of the applicable annual period shall be deemed a material breach of this Agreement in accordance with Section 8.2.1(d) hereof.

## **ARTICLE VI** **COMPENSATION AND PAYMENT**

### **6.1 COMPENSATION FOR THE ECM WORK.**

**6.1.1** For the performance of the ECM Work, and all obligations in connection therewith under this Agreement, Owner agrees to pay Centrica Business Solutions the following sum (the "ECM Work Price"): **two million one hundred thirty three thousand eight hundred ninety one dollars (\$2,133,891)**. A detailed "ECM Work Schedule of Values", setting forth the breakdown of the total ECM Work Price, is attached hereto as Schedule 6A.

**6.1.2** Based upon itemized applications for payment submitted to Owner by Centrica Business Solutions during the Construction and Installation Phase, Owner shall make payment to Centrica Business Solutions of the ECM Work Price as follows:



- a) The period covered by each application for payment shall be one calendar month ending on the last day of the month. Provided an application for payment is received by Owner not later than the 5<sup>th</sup> day of a month, Owner shall make payment pursuant to such application to Centrica Business Solutions not later than the 20<sup>th</sup> day of the same month. If an application for payment is received by Owner after the application date fixed above, payment shall be made by Owner not later than twenty (20) days after receipt of the application for payment.
- b) Each application for payment shall provide such detail and back-up information or data as Owner may reasonably require, and shall be based upon the ECM Work completed and materials stored on site and/or at locations approved by Owner in its reasonable discretion for the period ending on the last day of the applicable month. The ECM Work Schedule of Values shall be used in establishing percentages of completion in payment applications.
- c) Final payment, constituting the entire unpaid balance of the ECM Work Price, shall be made by Owner to Centrica Business Solutions within fifteen (15) days of the date of Final Completion.
- d) Payments due and unpaid shall bear interest from the date due at the legal rate prevailing from time to time at the place where the Project is located.

## 6.2 COMPENSATION FOR THE MM&V SERVICES.

6.2.1 For the performance of the MM&V Services during the Term, Owner agrees to pay Centrica Business Solutions the following fee (the "MM&V Services Fee"): **seven thousand one hundred sixteen dollars (\$7,116)** for year 1 MM&V Services. A detailed "MM&V Services Schedule of Values", setting forth the breakdown of the total MM&V Services Fee for each item of MM&V Services, is attached hereto as Schedule 6B.

6.2.2 The Service Fee shall be paid in arrears on the first (1<sup>st</sup>) day of the month in which the anniversary of the MM&V Services Commencement Date occurs.

## ARTICLE VII CHANGES

**7.1 CHANGE ORDERS.** Changes in the ECM Work or MM&V Services that are within the general scope of this Agreement, and that are not minor changes in the ECM Work or MM&V Services, shall be accomplished without invalidating this Agreement by a written instrument executed by both Parties in accordance with this Article VII (a "Change Order"). Centrica Business Solutions may request or Owner may order changes in the ECM Work or MM&V Services within the general scope of this Agreement consisting of adjustment to the ECM Work Price and/or MM&V Services Fee, respectively, or the ECM Work Schedule. All such changes in the ECM Work shall be authorized by applicable Change Order.

**7.1.1** Owner and Centrica Business Solutions shall negotiate in good faith an appropriate adjustment, as applicable, to the ECM Work Price, MM&V Services Fee and/or the ECM Work Schedule, and shall conclude these negotiations as expeditiously as possible. Acceptance of the Change Order and any adjustment in the ECM Work Price, MM&V Services Fee and/or ECM Work Schedule shall not be unreasonably withheld. An increase or decrease in the ECM Work Price or MM&V Services Fee resulting from a change in the scope of the ECM Work or MM&V Services shall be determined by one or more of the following methods:

- a) unit prices set forth in this Agreement or as subsequently agreed;
- b) a mutually accepted, itemized lump sum; or
- c) if an increase or decrease cannot be agreed upon as set forth in this Section 7.1, the adjustment in the ECM Work Price or MM&V Services Fee shall be determined by the reasonable expense and savings of the performance of the ECM Work resulting from the change. If there is a net increase in the ECM Work Price or MM&V Services Fee, then a reasonable adjustment shall be made for Centrica Business Solutions' overhead and profit. In the case of a net decrease in cost, the amount of the decrease in the ECM Work Price or MM&V Services Fee shall not include reduction for overhead and profit.

**7.2 MINOR CHANGES IN THE ECM WORK.** Centrica Business Solutions may make minor changes in the design and construction of the ECM Work consistent with the intent of this Agreement that do not involve an adjustment in the ECM Work Price or MM&V Services Fee or the ECM Work Schedule, so long as such changes do not materially and adversely affect the ECM Work, the quality of the materials or equipment specified herein, the performance of any materials, equipment or systems specified herein, or the quality of the workmanship required by this Agreement.

**7.3 CHANGES AFFECTING THE GUARANTEED ENERGY SAVINGS.** The Parties acknowledge that changes that negatively or positively affect the scope of the ECM Work will necessarily affect the Guaranteed Energy Savings set forth in Section 4.3. Change Order

documents containing such scope changes shall also delineate the corollary Guaranteed Energy Savings adjustments.

**7.4 UNKNOWN CONDITIONS.** If in the performance of the ECM Work or the MM&V Services Centrica Business Solutions finds latent, concealed or other conditions that materially differ from the conditions Centrica Business Solutions reasonably anticipated, or if the physical conditions are different from those normally encountered and generally recognized as inherent in the kind of ECM Work or MM&V Services provided for in this Agreement, then the ECM Work Price or the MM&V Services Fee shall be equitably adjusted, and, as applicable, the ECM Work Schedule and Guaranteed Energy Savings shall be appropriately modified, by a Change Order within a reasonable time after the conditions are first observed. Centrica Business Solutions shall provide Owner with written notice of its discovery of any of the foregoing conditions as soon as practicable after such discovery.

**7.5 EMERGENCIES.** In any emergency affecting the safety of persons or property, Centrica Business Solutions shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the ECM Work Price, MM&V Services Fee or ECM Work Schedule on account of such emergency ECM Work shall be determined as provided in this Article VII.

**7.6 CHANGES IN LAW.** In the event any changes in laws or regulations affecting the performance of the ECM Work are enacted after the date of this Agreement, the ECM Work Price, the MM&V Services Fee and/or the ECM Work Schedule or Guaranteed Savings shall be equitably adjusted by Change Order.

**7.7 MATERIAL CHANGES.**

**7.7.1 Definition.** A "Material Change" is any change in or to the Facilities, whether structural, operational or otherwise in nature that reasonably can be expected, in the judgment of Owner and Centrica Business Solutions to decrease annual energy savings in accordance with the provisions and procedures set forth in the Energy Savings Schedule (Schedule 5) after adjustments for climatic variations. Actions by Owner that may result in a Material Change include, but are not limited to the following;

- a) The manner of use of the Facilities by Owner;
- b) The hours of operation for the Facilities or for any Equipment or energy using systems operating at the Facilities;
- c) Permanent changes in the comfort and service parameters set forth in Scope of ECM Work (Schedule 2A);
- d) Occupancy of the Facilities;
- e) The structure of the Facilities;
- f) The types and quantities of equipment used at the Facilities;

- g) The modification, renovation or construction at the Facilities (other than the ECM Work);
- h) Owners' failure to provide maintenance of and repairs to the Equipment; or
- i) Any other conditions other than climate affecting energy use at the Facilities.

**7.7.2 Reported Material Changes.** Owner shall use best efforts to deliver to Centrica Business Solutions a written notice describing all actual or proposed Material Changes at least thirty (30) days prior to the implementation of such Material Change, or as soon as is practicable after an emergency or other unplanned event. After Centrica Business Solutions' review of the notice, the Parties shall meet as soon as practicable to agree upon adjustments to the Energy Savings Schedule and the MM&V Services Fee, which adjustments shall be set forth in a Change Order.

## **ARTICLE VIII** **TERMINATION**

**8.1 TERMINATION BY OWNER FOR CAUSE.** Upon thirty (30) days' advance written notice to Centrica Business Solutions, Owner may terminate this Agreement for Cause (as hereinafter defined) if after giving Centrica Business Solutions written notice of such Cause, Centrica Business Solutions fails to cure the same within thirty (30) days following receipt of such notice or, if such cure cannot reasonably be effected within thirty (30) days, such cure is undertaken within such time period and is thereafter continued diligently until completion.

**8.1.1** For purposes of this Agreement, "Cause" shall mean the occurrence of any of the following:

- a) Any material failure on the part of Centrica Business Solutions to perform or comply with the terms and conditions of this Agreement; or
- b) The commencement by or on behalf of Centrica Business Solutions of any voluntary or involuntary case or matter relating to or associated with the U.S. Bankruptcy Code, or for liquidation, reorganization, or an arrangement pursuant to any other U.S. or state bankruptcy Laws, or Centrica Business Solutions being adjudicated a debtor or declared bankrupt or insolvent under the U.S. Bankruptcy Code, or any other U.S. Federal or state laws relating to bankruptcy, insolvency, winding-up, or adjustment of debts, or Centrica Business Solutions making a general assignment for the benefit of creditors, or admitting in writing its inability to pay its debts generally as they become due, and/or if a custodian, receiver, trustee or liquidator of Centrica Business Solutions, all or substantially all of the assets or business of Centrica Business Solutions or of Centrica Business Solutions' interest in this Agreement, is appointed in any proceeding.

**8.1.2** If termination occurs during the Construction and Installation Phase, Owner shall be responsible for paying for all ECM Work performed by Centrica Business Solutions through the effective date of termination, and Owner may deduct from the amount due to Centrica Business Solutions the reasonable cost to Owner of any necessary remediation required with respect to the matters resulting in such termination. In the event that Centrica Business Solutions is terminated by Owner under this provision and it is later determined that such termination was improper, Centrica Business Solutions shall be entitled to the remedies set forth in Section 8.3 below.

**8.1.3** If termination occurs during the MM&V Services Phase, Owner shall be responsible for paying for all reasonable costs and expenses incurred by Centrica Business Solutions under Section 4.4 hereof prior to the effective date of termination, but subject to Owner's right to deduct its remediation costs in the same manner as provided in Section 8.1.2.

## **8.2 TERMINATION BY CENTRICA BUSINESS SOLUTIONS SERVICES, INC.**

**8.2.1** Upon ten (10) days' advance written notice to Owner, Centrica Business Solutions may, in addition to any other rights or remedies, terminate this Agreement for any of the following reasons:

- a) If the ECM Work has been stopped for at least thirty-day period under court order or order of other governmental authorities having jurisdiction, or as a result of the declaration of a national emergency or other governmental act during which, through no fault of Centrica Business Solutions, materials, supplies, tools, and construction equipment and machinery for the ECM Work are not available;
- b) If Owner has failed to pay any compensation due to Centrica Business Solutions in accordance with this Agreement for a period of thirty (30) days or more;
- c) If the ECM Work has been suspended for any reason by Owner for a continuous period exceeding sixty (60) days;
- d) If Owner has materially hindered or delayed Centrica Business Solutions in the performance of any of its obligations, or Owner has otherwise has materially breached any covenant, agreement, warranty or representation set forth in this Agreement, and if after giving Owner written notice of thereof Owner fails to cure the same within thirty (30) days following receipt of such notice or, if such cure cannot reasonably be effected within thirty (30) days, such cure is undertaken within such time period and is thereafter continued diligently until completion.

**8.2.2** Upon such termination, Centrica Business Solutions shall be entitled to recover from Owner as provided in Section 8.3.

Upon the payment of amounts due under this Section 8.2, neither Party shall have any further liability to the other except for those obligations expressly specified in this Agreement to survive its termination.

### **8.3 TERMINATION BY OWNER WITHOUT CAUSE.**

**8.3.1** If Owner terminates this Agreement other than pursuant to Section 8.1, Centrica Business Solutions shall be entitled to recover from Owner as follows:

- a) If termination occurs during the Construction and Installation Phase, Owner shall be responsible for paying for all ECM Work performed by Centrica Business Solutions through the effective date of termination;
- b) If termination occurs during the MM&V Services Phase, Owner shall be responsible for paying for all reasonable costs and expenses incurred by Centrica Business Solutions under Section 4.2 hereof prior to the effective date of termination;
- c) Owner shall pay for all demobilization costs incurred by Centrica Business Solutions, and purchase or rental costs incurred by Centrica Business Solutions, for any equipment acquired by the Centrica Business Solutions in connection with the ECM Work and MM&V Services;

**8.3.2** In addition to the foregoing, Owner shall further assume and become liable for obligations, commitments, and unsettled claims that Centrica Business Solutions has previously undertaken or incurred in good faith on behalf of Owner in connection with the Project hereof.

**8.4 GUARANTEED ENERGY SAVINGS.** Upon the termination of this Agreement pursuant to either Section 8.2 or Section 8.3, all Guaranteed Energy Savings obligations of Centrica Business Solutions under Section 4.3 and elsewhere in this Agreement shall automatically cease and be of no further force or effect.

## **ARTICLE IX** **INDEMNIFICATION/INSURANCE/BONDING/WAIVERS**

### **9.1 INDEMNIFICATION.**

**9.1.1** Centrica Business Solutions shall indemnify and hold Owner and its employees harmless from and against all claims, losses, or damages arising from the performance of the ECM Work or the MM&V Services provided that the same are attributable to bodily injury, death and/or damage to property, but only to the extent caused by the negligent, reckless or wrongful acts or omissions of Centrica Business Solutions or anyone for whose acts Centrica Business Solutions is liable. In no event shall this indemnification apply to liability to the extent caused by the negligence or willful misconduct of the party to be indemnified or held harmless. This indemnification shall not

be limited to damages, compensation or benefits payable under insurance policies, any worker's compensation act, or other employee benefit acts.

**9.1.2** Owner shall indemnify and hold Centrica Business Solutions and its employees and subcontractors and agents harmless from and against all claims for bodily injury, death, and/or damage to property (excluding damage for which Owner assumes the risk of loss or damage to the ECM Work itself) that may arise in connection with the Project but only to the extent caused by the negligent, reckless or wrongful acts or omissions acts or omissions of Owner or anyone for whose acts Owner is liable. In no event shall this indemnification apply to liability to the extent caused by the negligence or willful misconduct of the party to be indemnified or held harmless. This indemnification shall not be limited to damages, compensation or benefits payable under insurance policies, any worker's compensation act, or other employee benefit acts..

**9.2 CENTRICA BUSINESS SOLUTIONS SERVICES, INC.'S INSURANCE.** At all times during the Term, Centrica Business Solutions shall provide and maintain the insurance set forth in this Section 9.2. All insurers shall be authorized and licensed to provide insurance in the State of California, and shall be rated as A- or better by A.M. Best

**9.2.1 Workers' Compensation.** Centrica Business Solutions shall obtain and maintain Worker's Compensation insurance with statutory limits and Employers' Liability insurance of at least \$1,000,000 per accident/occurrence.

**9.2.2 Commercial General Liability.** Centrica Business Solutions shall obtain and maintain Commercial General Liability Insurance written on an occurrence basis, including contractual liability coverage, broad form property damage including coverage for explosion, collapse and underground hazards, personal injury and advertising insurance coverage, and products and completed operations coverage (for a period of 3 years), with not less than the following limits of liability:

Each Occurrence Limit:	\$1,000,000
General Aggregate Limit:	\$2,000,000
Products/Completed Operations Aggregate Limit:	\$2,000,000
Personal and Advertising Injury Limit:	\$1,000,000
Medical Pay:	\$5,000

**9.2.3 Automobile Liability.** Centrica Business Solutions shall obtain and maintain Business Automobile Liability Insurance covering owned, non-owned, and hired automobiles, with not less than the following limits of liability:

Combined Single Limit  
Bodily Injury and  
Property Damage: \$1,000,000 Each Occurrence

**9.2.4 Professional Liability.** Centrica Business Solutions shall obtain and maintain professional liability or errors & omissions insurance for claims arising from the negligent performance of any professional MM&V Services under this Agreement, which shall be General Office Coverage, with not less than the following limits:

Per claim: \$1,000,000  
Aggregate: \$2,000,000

**9.2.5 Excess Umbrella.** All liability insurance may be arranged under a single policy for the full limits required or by a combination of primary, excess, and/or umbrella liability policies.

**9.2.6 Policy Terms.** Owner shall be named as an additional insured on all coverage obtained by Centrica Business Solutions under all liability policies except Professional Liability and Workers' Compensation, on a primary and non-contributory with respect to any liability coverage maintained by Owner. The foregoing policies shall contain a provision that coverage will not be cancelled or not renewed until at least thirty (30) days' prior written notice has been given to Owner. Certificates of Insurance showing such coverage to be in force shall be filed with Owner prior to commencement of the ECM Work and the MM&V Services.

### **9.3 OWNER'S INSURANCE.**

**9.3.1 Liability Insurance.** Owner shall obtain and maintain its own liability insurance for protection against claims arising out of the performance of this Agreement.

#### **9.3.2 Property Insurance.**

- a) Owner shall obtain and maintain Builder's Risk or equivalent property insurance in a form reasonably acceptable to Centrica Business Solutions upon the entire Project, including the Equipment and the Facilities and all other existing structures in which any of the ECM Work is to be performed, as well as all Project structures that are fully or partially owned or occupied by Owner or its affiliates, for the full cost of replacement at the time of any loss. This insurance shall include as insureds Owner, Centrica Business Solutions, Centrica Business Solutions' subcontractors, and all other subcontractors and suppliers, as their interests may appear. This insurance shall insure against loss from the perils of fire and extended coverage, and shall include "all risk" coverage including at a minimum coverage for theft, vandalism, malicious mischief, inland transit, collapse, temporary buildings, debris removal, flood, earthquake, wind, testing, and damage resulting from defective design,



workmanship, or material. Owner shall increase limits of coverage, if necessary, to reflect estimated replacement cost. Owner shall be responsible for all premiums and any co-insurance penalties, exclusions, sublimits, or deductibles.

- b) On or before the MM&V Services Commencement Date, Owner shall procure and thereafter maintain at all times during the Term, at its sole cost and expense a policy or policies of property damage insurance on all fixtures and improvements and betterments to the Facilities, including the Equipment, against any peril generally included within the classification "all risks", including, but not limited to, risks covered by fire, extended coverage, vandalism and malicious mischief, in amounts at least equal to the full replacement cost thereof (without deduction for depreciation). Such coverage shall include boiler and machinery and equipment breakdown insurance. Centrica Business Solutions shall be included as an insured or loss payee on all such policies, as its interests may appear.

**9.3.3 Policies.** Upon Centrica Business Solutions' request, Owner shall provide Centrica Business Solutions with a copy of all policies including all endorsements thereto. Centrica Business Solutions shall be given thirty (30) days' prior written notice of cancellation, non-renewal, or any endorsements restricting or reducing coverage.

**9.3.4 Loss Adjustment.** Any insured loss shall be adjusted with Owner and Centrica Business Solutions and made payable to Owner as trustee for the insureds, as their interests may appear, subject to any applicable mortgagee clause.

#### **9.4 WAIVER OF CLAIMS AND SUBROGATION.**

**9.4.1 Property Damage.** Owner and Centrica Business Solutions waive all claims and other rights they may have against each other for loss of and/or damage to (i) the Project, including the Equipment and Facilities, (ii) all materials, machinery, equipment, and other items used in accomplishing the ECM Work and/or to be incorporated into the Project, while the same are in transit, at the Project site, during erection, and otherwise, and (c) all property owned by or in the custody of Owner and its affiliates, however such loss or damage shall occur, except the rights each Party has to the proceeds of such insurance held by Owner as trustee in accordance with Section 9.3.4.

**9.4.2 Waiver of Subrogation.** Owner and Centrica Business Solutions shall have their respective insurers waive all rights of subrogation they may have against one another for claims arising thereunder. If the policies of insurance referred to in this Article IX require an endorsement to provide for continued coverage where there is a waiver of subrogation, the Parties will cause them to be so endorsed.

**9.4.3 Damages Waiver.** Except to the extent of applicable insurance coverage under insurance policies procured pursuant to this Agreement, Owner and Centrica Business Solutions agree to waive all claims against the other for all special, indirect, consequential,

remote, punitive, exemplary, or similar damages that may arise out of or relate to this Agreement. This waiver includes, but is not limited to, Owner's loss of use of the Facilities, all rental expenses incurred, loss of services of employees, or loss of reputation, and Centrica Business Solutions' loss of business, loss of financing, principal office overhead and profits, loss of profits not related to this Project, or loss of reputation. The provisions of this Section 9.4.3 shall survive the termination of this Agreement.

**9.4.4 Limitation of Liability.** The Parties have discussed the risk and rewards associated with the ECP Work, as well as Centrica Business Solutions' compensation for the MM&V Services. The Parties agree that Centrica Business Solutions shall procure and maintain insurance policies with such coverages and amounts and for such periods of time as required by this Agreement. In light of the foregoing, Owner agrees that Centrica Business Solutions' liability under this Agreement, regardless of the form of action, shall in no event exceed the amount of the compensation actually received by Centrica Business Solutions pursuant to Section 6.1 and Section 6.2 of this Agreement, unless and only to the extent that such liability is covered by a policy of insurance procured pursuant to this Agreement. The provisions of this Section 9.4.4 shall survive the termination of this Agreement.

## **9.5 BONDING.**

**9.5.1** Performance and Payment Bonds are required of Centrica Business Solutions as a condition to the commencement and performance of the ECM Work. All Bonds must be acceptable to Owner, and its reasonable discretion, and shall: i) be issued by good and sufficient sureties licensed in the State of California, ii) The Surety on any bond required under the Contract Documents shall be an Admitted Surety Insurer as that term is defined in California Code of Civil Procedure 995.120.

## **ARTICLE X** **CASUALTY AND CONDEMNATION**

### **10.1 CASUALTY.**

**10.1.1** After the MM&V Services Commencement Date, Owner assumes and shall bear the risk of damage, loss, theft, or destruction, partial or complete, of the Equipment and the Facilities (a "Casualty Loss"), however arising, except to the extent that the same may be caused by the negligent or willful acts or omissions of Centrica Business Solutions that not covered by insurance to be procured pursuant to this Agreement. If Owner fails to repair or replace any Casualty Loss within a reasonable time, and in no event more than one hundred twenty (120) days from its occurrence (except to the extent that the same is the responsibility of Centrica Business Solutions in accordance with the foregoing), Centrica Business Solutions may, at its option: (i) terminate this Agreement by delivery of a written notice to Owner, and such termination shall be deemed a termination without Cause and will be subject to the provisions of Section 8.3 hereof, or (ii) require Owner to amend this Agreement in a manner that equitably accounts for the loss of such Equipment and/or Facilities.

**10.1.2** In the event of a Casualty Loss caused by the negligent or willful acts or omissions of Centrica Business Solutions that is not covered by insurance to be procured pursuant to this Agreement, Owner may require Centrica Business Solutions to promptly repair or replace the damaged or destroyed Equipment and/or Facilities, and in the event of Centrica Business Solutions' failure to do so, Owner may, at its option: (i) repair or replace such items and recover the reasonable cost thereof from Centrica Business Solutions, or (ii) terminate this Agreement for Cause pursuant to Section 8.1 hereof.

## **10.2 CONDEMNATION.**

**10.2.1** In the event of the condemnation resulting in a taking of substantially all of the Facilities, this Agreement shall terminate upon the effective date of such taking, and such termination shall be deemed a termination without Cause in accordance with Section 8.3 hereof, provided, however, that the proceeds of such condemnation shall belong to Owner.

**10.2.2** In the event of a condemnation resulting in a taking of less than substantially all of the Facilities, the Parties shall amend this Agreement in a manner that equitably accounts for such taking.

## **ARTICLE XI** **COMPLIANCE OBLIGATIONS**

**11.1 STATUTORY AND REGULATORY COMPLIANCE.** Centrica Business Solutions will comply with all applicable provisions of federal, state and local law when performing the ECM Work AND the MM&V Services. Where required by law, all drawings, plans, reports, and other documents delivered to Owner as part of the ECM Work must bear the stamp or seal of architects or engineers licensed by the State of California

**11.2 FAILURE TO COMPLY.** If Centrica Business Solutions performs and ECM Work or MM&V Services knowing or having reason to know that such Work or Services are contrary to applicable laws, rules and/or regulations, Centrica Business Solutions shall be responsible for payment of all reasonable costs and expenses arising therefrom.

**ARTICLE XII**  
**GENERAL PROVISIONS**

**12.1 NOTICE.** All notices required under this Agreement shall be in writing and shall be given either by: (i) personal delivery; or (ii) a nationally-recognized overnight delivery service that provides proof of delivery and addressed to the other Party at such Party's address specified below. Such address may be changed by a Party giving notice thereof in accordance with this provision.

To Owner: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To: Centrica Business Solutions Services, Inc.  
3 Rosell Drive,  
Ballston Lake, NY 12019  
Attn: Christopher Covell

**12.2 INDEPENDENT CAPACITY.** The Parties agree that Centrica Business Solutions is an independent contractor, and that Centrica Business Solutions and its employees and agents, shall act in an independent capacity in the performance of this Agreement, and shall not be construed as officers, employees, or agents of Owner. In addition, this Agreement shall not be construed as creating any partnership or joint venture between the Parties.

**12.3 FORCE MAJEURE.** If causes beyond a Party's reasonable control delay, impair or prevent the performance of any of such Party's obligations hereunder, expressly excepting, however, the payment of money, the time for such performance shall be extended for a reasonable period of time commensurate with the time and nature of the cause. Such causes shall include, but not be limited to: changes ordered in the ECM Work, acts or omissions of the other Party or others beyond the control of the Party whose performance is required, adverse weather conditions not reasonably anticipated, fire, unusual transportation delays, general labor disputes impacting the ECM Work, acts of governmental agencies, or unavoidable accidents or circumstances, Hazardous Materials or differing site conditions.

**12.4 FURTHER DOCUMENTS.** The Parties agree to execute and deliver all further documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

**12.5 GOVERNING LAW.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. The titles of the various Sections of this Agreement and elsewhere in the Contract Documents are used for convenience of reference only and are not intended to, and shall in no way, enlarge or diminish the rights or obligations of the Owner or Contractor and shall have no effect upon the construction or interpretation of the Contract Documents. The Contract Documents shall be construed as a whole in accordance with their fair meaning and not strictly for or against the Owner or Contractor.

**12.6 SEVERABILITY.** The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.

**12.7 NO WAIVER OF PERFORMANCE.** The failure of either Party to insist, in any one or more instances, on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights hereunder, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to further performance.

**12.8 INTERPRETATION.** The Parties agree that the following shall govern the interpretation of this Agreement:

**12.8.1** Headings and captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**12.8.2** The grouping of the articles in this Agreement and of specifications under the various headings is solely for the purpose of convenient organization and in no event shall the grouping of provisions, the use of paragraphs or the use of headings be construed to limit or alter the meaning of any provisions.

**12.8.3** The terms “herein,” “hereof” and “hereunder,” and words of similar import, refer to this Agreement as a whole and not to any particular Section, Subsection or Schedule or Exhibit.

**12.8.4** The Parties have participated jointly in the negotiation and drafting of this Agreement, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions hereof.

**12.9 CENTRICA BUSINESS SOLUTIONS SERVICES, INC. PROPERTY.** All property used by Centrica Business Solutions in connection with the ECM Work and the MM&V Services, including equipment, tools, drawings, designs, documentation, schematics, test equipment, software, and associated media remain the exclusive property of Centrica Business Solutions. Owner agrees not to use such property for any purpose at any time. Owner agrees to allow Centrica Business Solutions personnel to retrieve and to remove all such materials remaining after the ECM Work has been completed or at the end of the Term. Owner acknowledges that any Centrica Business Solutions software included in the ECM Work is proprietary and will be delivered only after execution of and pursuant to a Centrica Business Solutions standard licensing agreement.

**12.10 BINDING EFFECT.** This Agreement and the Contract Documents shall inure to the benefit of, and be forever binding upon, the Parties and their respective successors, legal representatives and permitted assigns.

**12.11 AMENDMENT.** This Agreement may be amended, modified or supplemented only by written agreement signed by the Parties.

**12.12 ASSIGNMENT.** Centrica Business Solutions acknowledges that Owner is induced to enter into this Agreement by, among other things, the qualifications of Centrica Business Solutions Accordingly, Centrica Business Solutions agrees that this Agreement shall not be assigned in whole or in part to another person or entity, without the prior written approval of Owner.

**12.13 ENTIRE AGREEMENT.** This Agreement, including all Schedules and Exhibits hereto, constitutes the entire agreement and understanding of the Parties and supersedes all prior agreements and understandings between the Parties with respect to the subject matter hereof. Each Party acknowledges that no Party has made any promises, representations, warranties, covenants or understandings other than those expressly set forth herein.

**12.14 EXECUTION.** This Agreement may be executed in several counterparts, each of which, when executed, shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The transmission of the signature of a Party by facsimile, email or other electronic means shall be deemed an original thereof by the Party receiving such signature.

**12.15 SUCCESSORS AND ASSIGNS.** Except as otherwise expressly provided in the Contract Documents, all terms, conditions and covenants of the Contract Documents shall be binding upon, and shall inure to the benefit of the Owner and Contractor and their respective heirs, representatives, successors-in-interest and assigns.

**12.16 CUMULATIVE RIGHTS AND REMEDIES; NO WAIVER.** Duties and obligations imposed by the Contract Documents and rights and remedies hereunder are in addition to, and not in lieu of nor a limitation of, duties, obligations, rights and remedies under law. No action or failure to act by the Owner is a waiver of a right or remedy under the Contract Documents or at law nor does the Owner's failure to act constitute approval of or acquiescence in a breach hereunder.

**12.17 GENDER AND NUMBER.** Whenever the context of the Contract Documents so require, the neuter gender includes the feminine and masculine, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular.

**12.18 INDEPENDENT CONTRACTOR STATUS.** Contractor is an independent contractor to the Owner and not an agent or employee of the Owner.

**12.19 PROVISIONS REQUIRED BY LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in the Contract Documents is deemed to be inserted herein and the Contract Documents shall be read and enforced as though such provision or clause are included herein, and if through mistake, or otherwise, any such provision or clause is not inserted or if not correctly inserted, then upon application of either party, the Contract Documents shall forthwith be physically amended to make such insertion or correction.

*[Signature Page Immediately Follows]*

**IN WITNESS WHEREOF,** the Parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

**CENTRICA BUSINESS SOLUTIONS SERVICES, INC.**

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

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

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

**AUBURN AREA RECREATION AND PARK DISTRICT**

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

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

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

**SCHEDULE 2A  
Scope of ECM Work**

The following Facility Improvement Measures (FIMs) will be completed in this project. A scope of work for each FIM follows the Table.

FIM Name
1. Install LED Lighting and Controls
2. Sports Lighting (Sports Field Lighting)
3. Carport Solar Photovoltaics
4. Replace 7 package units (43 Tons)
5. On-Site HypoChlorite Generation
6. Pool Pump VFD
7. Replace Pool Heater
8. Faucets, Urinals and toilet low flow Retrofits
9. Kitchen Equipment/ Ice Machine Efficiency
10. 44 KW Carport Solar PV
11. Restroom Heater
12. Bard Modular Heat Pump (3.5 Ton)
13. Bard Modular Heat Pump (3.5 Ton)

**FIM #1: Install LED Lighting and Controls**

Centrica Business Solutions will replace the existing fluorescent, HID, and incandescent lighting with LED lighting technology. Centrica Business Solutions will furnish and install lighting and occupancy sensors to automatically shut the lights off in certain identified areas.

The table below provides a summary of the lighting upgrades by fixture type.

Building	Qty	Fixture/ Controls Description
Ashford Park	1	Install New LED Flood Fixture
Ashford Park	6	NA
Auburn Elementary	23	Retrokit Existing Troffers to LED
Auburn Elementary	1	Install New 2 ft LED Wrap Fixture
Auburn Elementary	1	Install New LED Wrap Fixture
Auburn Elementary	2	Install New LED Wall Pack
Begg's Field	4	Install New LED Wall Pack



Building	Qty	Fixture/ Controls Description
Begg's Field	2	Install New 4 ft LED Retrokit
Begg's Field	9	Install New 4 ft LED Wrap Fixture
Begg's Field	9	NA
Begg's Field	2	Relamp with LED
Begg's Field	23	Retrokit Existing Troffers to LED
Christian Valley Park	1	Install New LED Area Light
Christian Valley Park	2	Install New LED Wrap Fixture
Christian Valley Park	9	Install New 4 ft LED Wrap Fixture
Christian Valley Park	2	Install New LED Exit Sign
Christian Valley Park	2	Install New LED Flood Fixture
Christian Valley Park	2	Relamp with LED
Community Center	74	Install New 4 ft LED Wrap Fixture
Community Center	28	Install New LED High Bay
Community Center	18	Remove Fixtures
Community Center	39	Install New LED Wrap Fixture
Community Center	27	NA
Community Center	15	Install New LED Exit Sign
Community Center	12	Install New 4 ft LED Retrokit
Community Center	4	Install New LED Flood Fixture
Community Center	3	Install New LED Area Light
Community Center	4	Install New LED Wall Pack
Community Center	12	Retrokit Existing Can Fixture to LED
Community Center	16	Relamp with LED
Community Center	3	Install New 8 ft LED Wrap Fixture
Community Center	1	Install New 2 ft LED Wrap Fixture
Field A	81	NA
Field B	81	NA
Field B	1	Install New 4 ft LED Retrokit
Field C	2	Relamp with LED
Field C	81	NA
Field C	1	Install New LED Flood Fixture
James Field	11	Retrokit Existing Troffers to LED
Main Building	26	Install New LED Wall Pack
Main Building	54	Retrokit Existing Can Fixture to LED
Main Building	36	Install New 4 ft LED Retrokit
Main Building	20	Install New LED High Bay
Main Building	7	Install New LED Exit Sign
Main Building	19	NA
Main Building	3	Install New LED Wrap Fixture

Building	Qty	Fixture/ Controls Description
Maintenance Bldg	2	Install New 4 ft LED Strip Fixture
Maintenance Bldg	13	Install New 4 ft LED Retrokit
Maintenance Bldg	4	NA
Maintenance Bldg	10	Install New 4 ft LED Wrap Fixture
Maintenance Bldg	6	Install New LED Flood Fixture
Maintenance Bldg	1	Install New LED Wrap Fixture
Meadow Vista Park	7	Install New 4 ft LED Wrap Fixture
Meadow Vista Park	1	Install New LED Area Light
Meadow Vista Park	2	Relamp with LED
Overlook Park	12	Retrokit Existing Troffers to LED
Overlook Park	1	Install New LED Wall Pack
Placer Hills Park Pool	1	Install New LED Area Light
Placer Hills Park Pool	12	Install New 4 ft LED Retrokit
Placer Hills Park Pool	4	Install New LED Flood Fixture
Placer Hills Park Pool	2	Relamp Existing LED Corncob Lamp
Placer Hills Park Pool	3	Install New 4 ft LED Wrap Fixture
Placer Hills Park Pool	1	Remove Fixtures
Placer Hills Park Pool	3	Install New LED Wall Pack
Railhead Park	2	Install New LED Flood Fixture
Railhead Park	3	NA
Recreation Field	81	NA
Recreation Park	2	Install New LED Flood Fixture
Recreation Park	6	NA
Regional Park	10	Install New LED Flood Fixture
Regional Park	9	Install New 4 ft LED Retrokit
Regional Park	15	NA
Regional Park	2	Install New LED Wall Pack
Regional Park	4	Relamp with LED
Regional Park	37	Install New LED Area Light
Regional Park	7	Rebuild Existing Incandescent Fixture to LED
Skyridge Elementary	24	Retrokit Existing Troffers to LED
Skyridge Elementary	1	Install New 2 ft LED Wrap Fixture
Skyridge Elementary	1	Install New LED Wrap Fixture
Skyridge Elementary	2	Install New LED Wall Pack
Skyridge Elementary	1	NA
Sugar Pine Park	1	Install New 8 ft LED Wrap Fixture

**FIM #2: Sports Lighting (Sports Field Lighting)**

Centrica Business Solutions will replace the existing sports lighting fixtures with LED lighting technology. Centrica Business Solutions Services will furnish and install lighting, photocells, and occupancy sensors to automatically dim and turn off the lights in certain identified areas.

The table below provides a summary of the lighting upgrades by fixture type.

<b>Building</b>	<b>Qty</b>	<b>Fixture/ Controls Description</b>
James Field	60	Remove Fixtures
James Field	55	Replace Sports Lighting with LED Fixtures
James Field	2	NA
Recreation Field	19	Remove Fixtures
Recreation Field	13	Replace Sports Lighting with LED Fixtures
Begg's Field	23	Remove Fixtures
Begg's Field	16	Replace Sports Lighting with LED Fixtures
Regional Park	24	Install New LED Flood Fixture

### **FIM #3: Carport Solar Photovoltaics**

Centrica Business Solutions will install approximately 134.7 kW DC of carport solar arrays. The site layout for the solar installation is provided in the image below:

Work will include:

- Compliance with Interconnection Requirement Rules, Regulations 21 and UL 1741-SA
- Geotechnical and structural analysis for solar carport structure
- Install carport structure to accommodate modules totaling 134.7 DC kW
- Install module on racks, run equipment ground wiring, and wire DC strings to Inverters
- Install cloud-based solar PV monitoring solution with a dashboard that can display all PV systems
- Coordination and design approval through local AHJ
- It is assumed existing electrical service is capable of being back fed and no major upgrades are required

Layouts for the proposed solar arrays are provided in the proceeding images.

## Placer Hills Pool:



## Recreation Park:

HelioScope Annual Production Report produced by Matt, Corp.

⊞ Detailed Layout

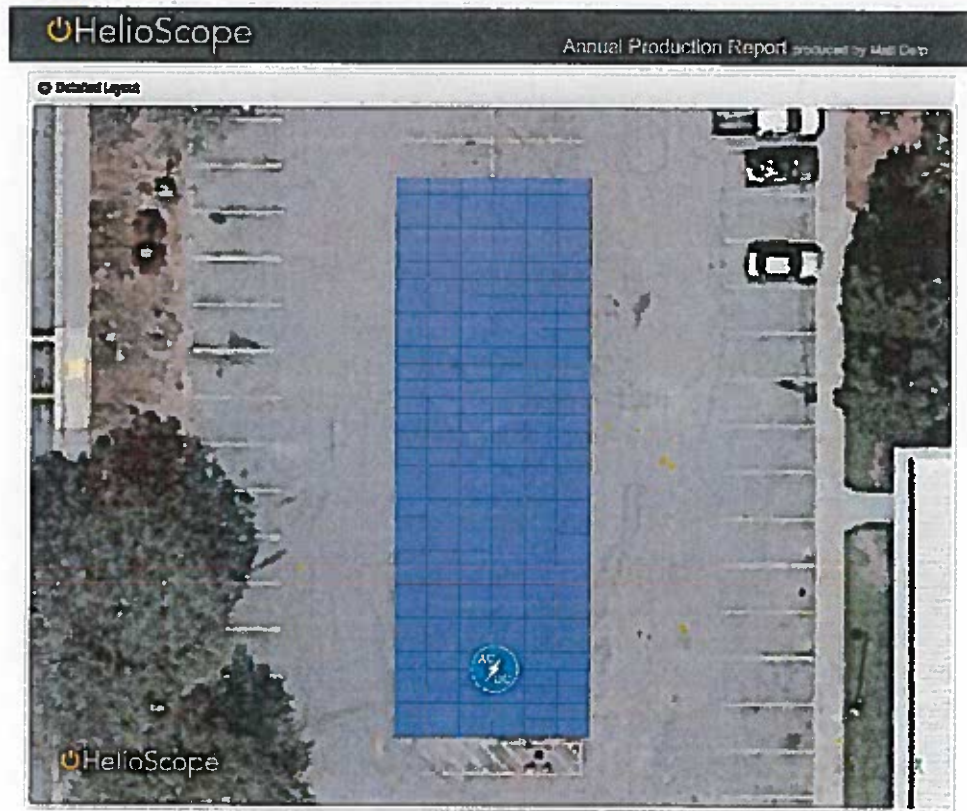


HelioScope

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This figure is an aerial satellite image of a solar farm. A large, rectangular area is overlaid with a blue grid, representing the solar panel layout. A circular logo with 'AC/DC' and a lightning bolt is centered on the grid. The surrounding terrain is arid and brown, with some buildings and parking lots visible. The image is framed by a dark header and footer containing text and a small 'HelioScope' watermark in the bottom left corner of the image area.

## Regional Park:



**FIM #4: Replace 7 package units (43 Tons)**

Centrica Business Solutions Services will replace (7) HVAC units serving Canyon View Community Center totaling 43 Tons. A summary of the HVAC Units to be replaced is provided in the table below:

Site	Make	Model	Cooling Capacity (tons)
Canyon View Community Center	York	D1HGO6ON07946EBB	5.0
Canyon View Community Center	York	DH078N10N4AAA2A	6.5
Canyon View Community Center	York	DH078N10N4AAA1A	6.5
Canyon View Community Center	York	DH090N10N4AAA2A	7.5
Canyon View Community Center	York	DH090N10B4AAC1A	7.5
Canyon View Community Center	York	DH078N10N4AAA2A	6.5
Canyon View Community Center	York	D1NH042N06546C	3.5

Work will include:

- Demo (7) existing HVAC Units and install (7) new HVAC units with same cooling and heating capacities.
- Replace/ install new p-trap and connect to existing condensate drains.
- Connect gas to new HVAC unit with new gas SOV and furnish P&T between SOV to unit.
- Replace disconnects, whips, and associated electrical components.
- Install curb adaptors for vertical discharge units where necessary.
- Inspect supply and return duct lining for damage. If necessary, repair with glue, pins, and duct sealer as required. Modify duct fitting at roof line (or duct connection for horizontally discharged units) and make airtight.



### **FIM #5: On-Site HypoChlorite Generation**

Centrica Business Solutions will install (2) chlorite generators at two sites in the District.

Work will include:

- Install (1) NEXGEN 80-R at Recreation Park pool.
- Install (1) NEXGEN 10SM-R at Placer Park pool.
- Install (2) 2" saddle connections to pool return pipe.
  - If connections are present on existing chlorinator, they will be reused.
- Penetration through nearest wall or roof for 2" PVC hydrogen vent.
  - Fire caulk, as required, if penetrating through fire wall.
- Demolition of existing chlorine system.
- Disposal of unused chemicals.
- Requires 220V, 100A electrical service to NEXGEN 80-R.
- Requires 220V, 20A electrical service to NEXGEN 10SM-R.
  - If existing chemistry controller plugs into 110V outlet, can reuse.
- Permits, as required by county or state health department.
- Install of Signet Blue-cap flow sensor, as required.

Exclusions:

- Cooling for power supply.
- Pad for mounting.
- Salt sensors, strainers, valves.
- Salt for startup.

**FIM #6: Pool Pump VFD**

Centrica Business Solutions will install (1) Variable Frequency Drive (VFD) on the main circulating pump serving the pool at Recreation Park pool.

Work will include:

- Installation of new VFD and controls equipment
- Programming of new VFD and schedule implementation
- Coordination and approval through AHJ

**FIM #7: Replace Pool Heater**

Centrica Business Solutions will replace (1) pool heater serving the pool at Placer Hills pool.

Work will include:

- Replace existing pool heater with new condensing pool heater with same output heating capacity
- Connect supply and return piping to new heater using existing piping

## **FIM #8: Faucets, Urinals and Toilet Low Flow Retrofits**

Centrica Business Solutions will retrofit faucets, urinals, toilets and flush valves at various sites in this project's scope.

Work will include:

- Replace existing toilet tanks with
  - (1) HET Tank Type – 0.8 GPF Niagara Stealth Design Tank Type Toilet
  - (4) HET ADA compliant Tank Type – 0.8 GPF Niagara Stealth Design Tank Type Toilet
  - (2) HET Child compliant Tank Type – 1.0 GPF Design Tank Type Toilet
  - (3) HET Tank Types will be repipe to Stainless Steel Floor Mount Flush Valve
- Install HET wall mount and floor mount toilets
  - (21) Z5615 HET Wall Mount TS Toilet (1.28 GPF)
  - (16) Z5615 HET Wall Mount RS Toilet (1.28 GPF)
  - (13) Z5655 HET Floor Mount TS Toilet (1.28 GPF)
  - (8) Z5665 HET Floor Mount ADA TS Toilet (1.28 GPF)
  - (23) Stainless Steel Wall Mount toilet in highlighted areas
- Install (58) Z6000AV-HET – 1.28 GPF Valve
- Install (69) Z5955SS-EL Elongated, standard white, open front toilet seat less cover with stainless steel check hinge
- Existing stainless seats to be replaced with stainless seats
- Install (11) Z5758-U – 1/8 GPF Ultra Low Flow Urinal China
- (11) Urinals will be retrofit will stainless steel for security purposes
- Install (23) Z5758-UV – 1/8 GPF Valves
- Install (49) NEOPERL 0.35 Vandal Proof Aerator
- Retrofit (17) Stainless Steel Lavatory Sink with New Single Handle Faucet
- Install (2) Niagara 1.25 GPM Ultra Low Flow Showerhead
- Install (2) Niagara Water Saver Handheld Shower Head, 1.5 GPM

**FIM #9: Kitchen Equipment/ Ice Machine Efficiency**

Centrica Business Solutions will retrofit and install new kitchen equipment for refrigeration, dishwashing, ice-making, and prep work.

Work will include:

- Retrofit (1) Refrigeration Heat Exchangers
- Install (2) Low Consumption 0.6 GPM Kitchen Pre-Rinse Sprayers
- Install (1) 1.5 GPM Aerator and foot flow control device
- Install (2) Vandal Proof Aerator 1.5 GPM

## **FIM #10: Carport Solar Photovoltaics**

Centrica Business Solutions will install approximately 44 kW DC of carport solar arrays at Canyon View. The site layout for the solar installation is provided in the image below:

Work will include:

- Compliance with Interconnection Requirement Rules, Regulations 21 and UL 1741-SA
- Geotechnical and structural analysis for solar carport structure
- Install carport structure to accommodate modules totaling 44 DC kW
- Install module on racks, run equipment ground wiring, and wire DC strings to Inverters
- Install cloud-based solar PV monitoring solution with a dashboard that can display all PV systems
- Coordination and design approval through local AHJ
- It is assumed existing electrical service is capable of being back fed and no major upgrades are required

Layouts for the proposed solar arrays are provided in the proceeding images.

Detailed Layout



**FIM #11: Restroom Heater**

Centrica Business Solutions will replace (1) Unit serving the Regional Park totaling 100 kbtu. A summary of the HVAC Unit to be replaced is provided in the table below:

Site	Make	Model	Heating Capacity (kbtu)
Recreation Park	Modine	WGD100SEM66	100

Work will include:

- Demo (1) existing HVAC unit and install (1) new HVAC unit with same heating capacity
- Disconnect and tag control communication wires at the unit
- Safe off and disconnect gas to the HVAC unit
- Inspect supply and return duct lining for damage
  - If necessary, repair with glue, pins, and duct sealer as required
- Replace disconnects whips and all associated components
- Install (1) new HVAC unit
- Anchor all units per structural engineering specifications



**FIM #12 Bard Modular Heat Pump (3.5 ton)**

Centrica Business Solutions will replace (1) HVAC unit serving Auburn Elementary totaling 3.5 tons. A summary of the HVAC unit to be replaced is provided in the table below:

Site	Make	Model	Cooling Capacity (tons)
Recreation Park	Bard	(X)WH432-A0ZCX4XXD	3.5

Work will include:

- Demo (1) existing HVAC unit and install (1) new HVAC unit with same cooling and heating capacities
- Replace/ install new p-trap and connect to existing condensate drains
- Connect gas to new HVAC unit with new gas SOV and furnish P&T between SOV to unit
- Install curb adaptor where necessary
- Inspect supply and return duct lining for damage
  - If necessary, repair with glue, pins, and duct sealer as required

**FIM #13: Bard Modular Heat Pump (3.5 ton)**

Centrica Business Solutions will replace (1) HVAC unit serving Recreation Park totaling 3.5 tons. A summary of the HVAC unit to be replaced is provided in the table below:

Site	Make	Model	Cooling Capacity (tons)
Auburn Elementary	Bard	WH431-R10UX4XXX	3.5

Work will include:

- Demo (1) existing HVAC unit and install (1) new HVAC unit with same cooling and heating capacities
- Replace/ install new p-trap and connect to existing condensate drains
- Connect gas to new HVAC unit with new gas SOV and furnish P&T between SOV to unit
- Install curb adaptor where necessary
- Inspect supply and return duct lining for damage
  - If necessary, repair with glue, pins, and duct sealer as required

**SCHEDULE 6A**  
**ECM Work Schedule of Values**

<b>Item</b>	<b>Work Item</b>	<b>Value</b>
<b>1</b>	<b>Project Kickoff, Mobilization, and Planning</b>	<b>\$25,046</b>
<b>2</b>	<b>Engineering Design, Submittals, and Permits</b>	<b>\$61,125</b>
<b>3</b>	<b>Interior Lighting and Controls Upgrades</b>	
4	Equipment	\$157,838
5	Installation	\$84,989
<b>6</b>	<b>Sports Lighting Upgrades</b>	
7	Equipment	\$268,122
8	Installation	\$219,372
<b>9</b>	<b>Solar Photovoltaics</b>	
10	Equipment	\$402,695
11	Installation	\$268,463
<b>12</b>	<b>HVAC Unit Replacements</b>	
13	Equipment	\$86,287
14	Installation	\$73,504
<b>15</b>	<b>On-Site HypoChlorite Generation</b>	
16	Equipment	\$133,941
17	Installation	\$123,638
<b>18</b>	<b>Pool Pump VFD</b>	
19	Equipment	\$40,023
20	Installation	\$21,551
<b>21</b>	<b>Pool Heater Replacement</b>	
22	Equipment	\$4,211
23	Installation	\$1,805
<b>24</b>	<b>Faucet, Urinal, and Toilet Retrofit</b>	
25	Equipment	\$84,943
26	Installation	\$36,404
<b>27</b>	<b>Kitchen Equipment and Ice Machine Replacement</b>	
28	Equipment	\$2,153
29	Installation	\$923
<b>30</b>	<b>As-Builts and Closeout Packs</b>	<b>\$36,859</b>
<b>Total Project Cost</b>		<b>\$2,133,891</b>

**SCHEDULE 5**  
**Energy Savings Schedule**

<b>FIM</b>	<b>Electric Usage Savings (kWh/yr)</b>	<b>Natural Gas Usage Savings (Therms/yr)</b>	<b>Propane Usage Savings (Gallons/yr)</b>	<b>Water Usage Savings (kGal/yr)</b>
1. Install LED Lighting and Controls	79,416	0	0	0
2. Sports Lighting (Sports Field Lighting)	19,643	0	0	0
3. Solar Photovoltaics	176,478	0	0	0
4. HVAC Unit Replacements	11,414	0	0	0
5. On-Site HypoChlorite Generation	0	0	0	0
6. Pool Pump VFD	41,816	0	0	0
7. Pool Heater Replacement	0	0	14	0
8. Faucet, Urinal, and Toilet Retrofit	0	0	0	1,292
9. Kitchen Equipment and Ice Machine Replacement	720	79	0	26
10. Solar Photovoltaics	61,403	0	0	0
11. Restroom Heater Replacements	0	86	0	0
12. Heat Pump Replacement	0	0	0	0
13. Heat Pump Replacement	788	0	0	0
<b>Total</b>	<b>391,678</b>	<b>165</b>	<b>14</b>	<b>1,318</b>

## **Item 7.2 Cover sheet – Financing for the Centrica Energy Savings Contract**

**Auburn Area Recreation and Park District (ARD) Board of Directors' meeting November, 2020.**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) move forward with a broker to seek out our best options for financing for the Centrica Energy Savings Contract?

### **Background**

ARD staff have been working with Brooklyn and his team with SmartWatt, now Centrica, for over a year, first submitting a Preliminary Feasibility Assessment (PFA), then a more detailed Investment Grade Audit (IGA) where actual engineers and contractors were involved in submitting comparative bids on different aspects of the project. The Board will be voting to approve the Design-Build phase and Contract this month and ARD will need to move forward on securing the financing side of the project.

**Option 1)** Staff met with Patti Moore, President of RealLease and Ross Kroll, Executive Vice President via Zoom in July of 2020. A preliminary application was submitted, Financial information given and in turn, a proposal was received by RealLease in October, 2020. At that time a fixed 2.495% lease was offered for 15 years. Should the loan extend to 16 years the interest would change to a variable rate. This lease loan has included all closing costs within the rate offered and there are no prepayment penalties or early termination fees. RealLease has 30 years' experience and dedication working with tax-exempt municipalities as well as many lending projects with SmartWatt.

**Option 2)** Staff met with Jeff Land, Executive Director with Brandis Tallman, Division of Oppenheimer & Co, Inc. in August of 2020 via Zoom. Financial information was provided at that time by staff. A proposal was received by Brandis Tallman, a Division of Oppenheimer & Co, Inc. on November 2, 2020. At that time a fixed 2.5% property loan was offered for 16 years. Brandis Tallman, Division of Oppenheimer & Co, Inc has 20 years' experience and dedication working with municipal loans. They are also currently consultants to CSDA's Finance Corporation.

Both lenders have indicated the fluctuations in the market may change any previous offers on interest rates until they are locked in. Patti Moore has updated us that her selected finance lender has increased their rate currently to 2.58% from the 2.495% offered back in October.

The Board of Directors have inquired about purchasing a guarantee through Centrica for energy savings. The cost for the guarantee energy savings on top of the initial contract is an additional \$7,000 per year. This extra charge will put the District into a 16-year contract.

**Recommendation to the Board**

Staff recommends:

- 1) Not adding the Guarantee of energy savings add-on to the contract, reducing the loan years to 15 and opening up less expensive finance options.
- 2) Staff recommends moving forward with Jeff Land, Executive Director of Brandis Tallman, Division of Oppenheimer & Co. to submit multiple RFPs to qualifying lenders for the best financial quote.

**Alternatives Available to the Board**

- 1) Retain the additional add-on energy savings guarantee and eliminate one or more improvements so the loan may be paid off in 15 years.
- 2) Choose to retain the additional add-on energy savings guarantee and seek financing for the entire package.
- 3) Move forward with Patti Moore, President of RealLease to provide financial documents for approval.

**Fiscal Impact**

The fiscal impact of moving forward would lock in the current interest rate. However, ARD is seeking a budget neutral package, so there should not be a fiscal impact until the loan is paid in full and then there will be significant savings, how much is uncertain at this time. Possibly \$200,000+ per year savings after loan is paid in full.

**Attachments**

RealLease Proposal

Brandis Tallman, Division of Oppenheimer & Co, Inc. Proposal



**BUSINESS | MUNICIPAL | ENERGY**  
129 W. Commercial Street, Ste. 7  
East Rochester, NY 14445

Phone: (585) 419-9190 / Fax: (585) 419-9110

[www.RealLease.com](http://www.RealLease.com)

November 13, 2020

Veona Galbraith  
Auburn Area Recreation and Park District  
471 Maidu Drive  
Auburn, CA 95603

RE: Energy Performance Contract

Dear Veona:

Real Lease is pleased to present the following proposal for the Auburn Area Recreation and Park District lease financing. The terms and provisions are subject to Lessor's cost and availability of funds, acceptance, and credit approval of management of Lessor and are pursuant to the following terms and conditions.

<b>LESSOR:</b>	ROC Leasing LLC dba Real Lease its affiliates, assigns or nominees
<b>LESSEE:</b>	Auburn Area Recreation and Park District
<b>EQUIPMENT:</b>	Centrica Business Solutions Energy Performance Contract ("EPC")
<b>FINANCE AMOUNT:</b>	The amount financed will be the cost of the EPC less utility incentive plus cost of issuance including legal.
<b>TERM:</b>	15 years annual payments in arrears; Interest Rate of 2.58% is fixed for 15 years.  Other payment term options are available upon request.
<b>PREPAYMENT/EARLY TERMINATION:</b>	Lessee shall have the right to pay the lease in full on any given payment date for the balance of the lease. There is no prepayment penalty.

**LEASE EXPIRATION:** At lease expiration, the Lessor will release its security interest in the equipment.

**INDEX:** The quotes provided in this Proposal are firm until December 15, 2020 unless extended in writing by Real Lease.

**NET LEASE:** This lease will be a net lease transaction with maintenance and acceptable insurance coverage the responsibility of the Lessee.

We appreciate the opportunity to provide this proposal for lease financing for the Auburn Area Recreation and Park District's Energy Performance Contract. Upon acceptance we will forward sample documents for review. If you should have any questions or would like further information, please do not hesitate to call me at (585) 419-7911.

Very truly yours,

*Patricia A. Moore*

Patricia Moore  
Partner, President

Enc.





Proposal for Placement Agent Services

Auburn Area Recreation and Park District  
Energy Efficiency Financing

**Presented By:**



**Brandis Tallman**  
A Division of Oppenheimer & Co. Inc.  
580 California Street, Suite 2300  
San Francisco, CA 94104



November 2, 2020

## INTRODUCTION

Brandis Tallman A Division of Oppenheimer & Co. Inc. ("Brandis Tallman") is a full service investment banking firm that provides bond underwriting and direct placements for California public agencies. We are consultants to the CSDA Finance Corporation, and have a specific practice area with special districts throughout the State of California.

We are active in the municipal bond market on a daily basis, providing our clients with access to the capital marketplace. We are currently involved in underwriting or privately placing real property lease, equipment lease, general fund, enterprise fund, land-secured, Successor Agency / tax allocation, multi-family housing and taxable municipal debt obligations (including POBs).

The following is a list of park and recreation districts we have served in the State of California:

Arcade Creek Recreation and Park District	McFarland Recreation and Park District
Buttonwillow Recreation and Park District	Orangevale Recreation and Park District
Cordova Recreation and Park District	Pleasant Hill Recreation and Park District
Fair Oaks Recreation and Park District	Pleasant Valley Recreation and Park District
Feather River Recreation and Park District	Soledad Recreation and Park District
Fulton-El Camino Recreation and Park District	Tehachapi Valley Recreation and Park District
Highlands Recreation District	

The following is a list of municipalities for which BTLLC has performed renewable energy related pr:

Amador County	City of Madera
Bolinas Fire Protection District	City of Marysville
Bolinas Public Utility District	City of Mill Valley
Bolinas Stinson Union School District	City of Novato
Benicia Unified School District	San Lorenzo Unified School District
Cajon Valley Union School District	City of Sebastopol
Calaveras County	Selma Kingsburg Fowler Sanitation District
Dixie School District	City of Sonoma
El Dorado Hills Community Services District	Orinda Unified School District
Town of Fairfax	City of Pismo Beach
Fulton-El Camino Recreation and Park District	Tomaes Village Community Services District
Heritage Ranch Community Services District	Whispering Palms Community Services District
Kentfield Fire Protection District	Winters Joint Unified School District
Kern County	Yuba Community College District
Marin Municipal Water District	

We can provide references or a full transaction list upon request.

## PRIVATE PLACEMENT CAPABILITIES

Brandis Tallman's extensive experience with private placements is unparalleled. The partners at Brandis Tallman have been privately placing municipal debt since 2000, long before it became a more common alternative to a bond sale. Based on statistics from the California Debt and Investment Advisory Commission ("CDIAC"), since 2015 our firm has performed the most private placements in the State of California. We have closed and funded approximately three private placements a month for the last five years.

Our close relationships with lenders have enabled us to provide our clients with the most competitive interest rates and financing terms that the market has to offer. With over 40 buyers, we have the largest portfolio of direct placement lenders of any California municipal bond underwriter.

We are in direct daily contact with our pool of lenders. While some underwriting firms depend on a national database to track lending criteria for private placement providers, Brandis Tallman gets the information directly from its lenders. We utilize this direct communication to stay current on our buyers' fluid lending parameters. Some of these parameters include rate lock capability, cost of funds fluctuations, maximum term, bank-qualified vs. non-bank-qualified pricing, and variable pricing conditions with regard to events of taxability and step-up provisions due to recent changes to the tax code. We also closely monitor each lender's appetite and pricing preference for every type of financing.

## SCOPE OF SERVICES

### General Scope of Services- Private Placement

Brandis Tallman's proposed services may include, but shall not be limited to, the following:

- Develop Financing Schedule
- Monitor the Transaction Process
- Compute Sizing and Design Structure of the Financing
- Compile/Review Disclosure Reports for Private Placement Distribution
- Prepare Lender RFP and Summarize Proposals
- Prepare Market Commentary
- Structure Financing Terms
- Review Financing Documents
- Provide Pre-Closing, Closing and Post-Closing Assistance

Specifically, Brandis Tallman will:

### **A. Develop the Financing Schedule**

Brandis Tallman shall assist the Auburn Area Recreation and Park District, (the "District") in preparing a schedule and detailed description of the interconnected responsibilities of each team member and update this schedule, with refinements, as necessary, as the work progresses.

### **B. Monitor the Transaction Process**

Brandis Tallman shall have the responsibility of working with the financing team for the successful implementation of the financing strategy and timetable that is adopted. Brandis Tallman shall coordinate (and assist, where appropriate) in the review of the legal documents and shall monitor the progress of all activities leading to the close of the proposed financing. Brandis Tallman shall prepare the timetables and work schedules necessary to achieve this end in a timely, efficient and cost-effective manner and will coordinate and monitor the activities of all parties engaged in the proposed financing.

**C. Compute Sizing and Design Structure of Debt Issue**

Brandis Tallman shall work with the District staff to design the financing to be consistent with the District's objectives, reflecting current conditions in the capital markets. Brandis Tallman will perform numerical iterations to provide examples of financing scenarios, and prepare sources and uses of funds, debt service schedules and escrow cash flow projections, as needed.

**D. Compile/Review Disclosure Reports for Private Placement Distribution**

Brandis Tallman will be responsible, as deemed appropriate by the District, to compile and review disclosure information relating to the security of the proposed financing for distribution to sophisticated investors.

**E. Prepare Lender RFP and Summarize Proposals**

Brandis Tallman shall prepare a lender RFP to be distributed to all potential private placement providers, detailing the terms of the Financing and providing background information on the District and the project. Brandis Tallman shall prepare an evaluation of each potential investor's response to the Lender RFP, taking into consideration the proposed interest rates, bank fees, rate lock ability, and prepayment provisions.

**F. Prepare Market Commentary**

Brandis Tallman will prepare market commentary, and interest rate information in order to educate the District about the current bond market conditions and interest rates.

**G. Structure Financing Terms**

Our goal is to achieve the best possible financing terms (which usually translates into the lowest cost of borrowing). These terms will be weighed and considered against what the lender will accept (and at what price) and what works best for the District. Financing terms can include final maturity, call provisions, and additional debt considerations.

**H. Review Financing Documents**

Brandis Tallman shall assist the District and any other consultants, bond counsel and/or other legal advisors in reviewing respective Financing resolutions, notices, and other legal documents. In this regard, Brandis Tallman shall monitor document preparation for a consistent and accurate presentation of the recommended business terms and Financing structure, it being specifically understood however that Brandis Tallman's services shall in no manner be construed as engaging in the practice of law.

**I. Provide Pre-Closing, Closing and Post-Closing Activities**

Brandis Tallman shall assist in arranging for the closing. Brandis Tallman shall assist bond counsel in assuming responsibility for such arrangements as they are required, including arranging for or monitoring settlement of the costs of issuance. Post-closing, Brandis Tallman will assist the District with continuing disclosure and CDIAC reporting.

## **PROPOSED FINANCING**

Based on indicative pricing Brandis Tallman was able to obtain in the market as of November 2, 2020, the fixed tax-exempt interest rate is 2.50% for a 16 year financing term. This pricing is tied to current market conditions and will fluctuate until an interest rate lock is obtained following the selection of a lender. A lender is selected through a lender RFP process that is implemented by Brandis Tallman. For a project fund of \$2,272,943, and an interest rate of 2.50%, the average annual debt service would be \$179,216, total debt service over the entire life of the financing would be \$2,854,519. This includes all costs of issuance that are financed with the project.

## **Item 7.3 Cover sheet – ARD Encroachment Policy**

**Auburn Recreation District Policy Committee meeting September, 2020; Board of Directors meeting September 2020; Policy Committee October, 2020; Board of Directors meeting October, 2020; November, 2020**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) create a policy that addresses residents encroaching on District property? Director Lynch requested that this item be considered.

### **Background**

From the discussions about the existing encroachments at Regional Park came a discussion about creating a policy regarding encroachments on to any ARD property.

The Board discussed this proposed policy at the September Board of Directors meeting and sent it back to the Policy Committee for further review and recommendation.

The Policy Committee reviewed this item at the October Committee meeting and made several changes. The Policy Committee's proposed changes are included in the attached document.

**The Board approved the following Policy at the October Board of Directors meeting:**

**Effective November 1, 2020, neighbors on the boundary of District property shall not make or maintain any improvements, structures, landscaping, or leave any unattended personal property on ARD property. With appropriate permission and permits, neighbors may participate in fuels and fire reduction programs.**

**The Board asked staff to create a Fuels and Fire Reduction Program and return to the Board for review. That document is attached.**

### **Recommendation for the Board of Directors**

**The Policy Committee recommends approval of the attached Fuels and Fire Reduction Program.**

**Staff recommends the same.**

### **Fiscal Impact**

N/A

### **Attachments**

**DRAFT Fuels and Fire Reduction Program**

## **Auburn Area Recreation and Park District Fuels and Fire Reduction Program**

This program allows a process for homeowners whose lands are adjacent to properties managed by the Auburn Area Recreation and Park District (ARD) to perform fuel reduction/modification work on ARD lands in an effort to reduce the risk of wildfire damage to improved property(s). This program consists of an application process, approval process, site inspection prior to and after completed projects under the direction of ARD staff.

Components of this program include:

- a. An application must be submitted to ARD for consideration and approval
- b. All applications must be approved prior to any work being performed
- c. Approvals will be based on the need to achieve Defensible Space or implement and or maintain a Shaded Fuel Break
- d. A minimum of 100 feet of Defensible Space must be provided from applicant home prior to approval of application (Areas within the 100' on ARD land must be included in the application to achieve the full 100' of defensible space as part of the approval process)
- e. It is recommended that neighboring private property owners join together and submit larger area projects rather than single parcel submittals
- f. Site visits by ARD and/or local fire agencies will be conducted to: verify need for work, mark and identify areas of work, discuss methods of treatment/prescriptions/compliance, review safety practices, and review all requirements and conditions
- g. All fuel reduction/modification activities and costs are the responsibility of the applicant; there is no obligation of ARD for project costs or reimbursement
- h. The applicant will be responsible for any costs associated with damage to ARD lands, violation of conditions of approval, and remediation of associated damages/violations
- i. An agreement and release of liability must be signed upon project approval and prior to start of work
- j. All work performed will follow established fuel reduction/modification prescriptions such as: defensible space; Public Resources Code (PRC), Placer County Code, Auburn Municipal Code (AMC), and the American River Canyon Shaded Fuel Break prescription
- k. All work must be in compliance with environmental requirements that may be subject to mitigation measures by the applicant
- l. All applicants receiving project approval must ensure safe equipment use and fire safety practices at all times
- m. If required, any additional requirements, conditions, and specifications will be outlined in the approved application, and must be adhered to
- n. ARD has the right to terminate this agreement at any time

Applications will be processed in a timely manner as resource availability permits. There may be limitations placed on work projects during certain periods of the year due to weather, endangered species nesting periods, and events using ARD lands.

For additional information about this program contact:  
The Auburn Area Recreation and Park District (530) 885-8461 ext. 102

## **Item 8.1 Cover sheet – UAL CalPERS Pension Prefunding**

**Auburn Area Recreation and Park District Finance Committee, November 2020; Board of Directors meeting, November 2020.**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) prefund to pay down the future CalPERS liability?

### **Background**

ARD District Policy states the following regarding funding for the CalPERS Pension Reserve:

*Unfunded CalPERS Pension Reserve Funding GASB 68: Contributions to this fund may occur at any time but will be included in the budget each fiscal year at an amount that represents at least 10% of the known unfunded liability per the current GASB68 report and shall be funded at a minimum of 50% of the entire known liability.*

ARD is billed for and pays CalPERS extra money each year towards this unfunded liability. This extra payment rarely keeps up with the rise of unfunded liability. ARD's CalPERS Reserve was established to try and bridge the gap (to half of the liability).

For fiscal year 2020/2021, ARD has an Unfunded Liability Reserve balance of \$241,000, of which \$57,800 was transferred this fiscal year. ARD also contributed \$70,049, per CalPERS invoice for their catch-up method.

CalMuni Advisors contacted ARD and provided an informative presentation on possibly prefunding the CalPERS Liability to ultimately save the District in interest liability that CalPERS is charging ARD annually on the UAL (Unfunded Accrued Liability). The interest being charged by CalPERS is currently 7%.

ARD is currently at 80% of future funded pension liability within CalPERS. It is an optimal position to be at 80% or above, per Andrew Sisk, CPA (Auditor-Controller) of Placer County.

Mr. Sisk shared that Placer County's goal is to reach 80%; this would be their optimal position. They are allocating funds into a Section 115 Trust account to prefund their UAL, which gives them some flexibility. As long as the funds within the trust is spent for UAL, it can be accessed at any time. So, during adverse financial times, the funds within the trust can be utilized to pay CalPERS payments if needed. In comparison, prefunding directly into CalPERS can not be accessed once submitted unless it is from a Section 115 Trust. CalPERS also administers a Section 115 Trust for Pensions.

CalPERS assumes a 7% discount rate of return on the funds within its investment portfolio. It also charges the District the 7% on the UAL. So, when the CalPERS investments fall short of the 7% return, our UAL increases and the UAL is also charged 7% interest on top of the new allocation. Should CalPERS returns earn more than 7%, our UAL will likewise decrease.



CalPERS estimates that the District will top out in 2032 with an approximate extra \$142,000 payment before ARD's UAL begins to decline.

It is in ARD's best interest to lower that max payback payment to below \$100,000. Payments above \$100,000 are not sustainable for ARD.

**Recommendation:**

- 1) The Finance Committee recommends prefunding the UAL, by remitting \$280,000 to CalPERS from ARD's Unfunded Liability Reserve (\$241,000) and the Equipment Reserves (\$39,000), to reduce the interest being incurred by CalPERS.
- 2) The Finance Committee also recommends doing more research on the alternatives available moving forward and how it will impact ARD long term. (Impact on the ability to finance equipment, options of financing to pay off debt as well as further analysis) Bring further research back before the Finance Committee for review.

**Alternatives available**

- 1) Prefund the entire UAL, by remitting the \$280,000 and borrow the remaining balance with a 15-year loan. The payment would be approximately \$98,000 per year.
- 2) Prefund the entire UAL, by remitting the \$280,000 and borrow the remaining balance with a 30-year loan. The payment would be approximately \$83,000 per year.
- 3) Prefund some or all of the \$280,000 to a Section 115 PARS or CalPERS Pension Trust Fund.
- 4) Prefund the entire UAL with available ARD reserves. This would save the District approximately \$1,000,000. in interest payments over the next 20 years, however it would leave us vulnerable to unexpected costs and unable to fund many projects.

**Fiscal Impact**

\$240,000 - \$1,000,000 potential savings over 20 years

**Attachments**

CalMuni Advisors Proposal  
Section 115 Prefunding Trust Program



## TECHNICAL MEMORANDUM

To: Mr. Kahl Muscott, *Auburn Area Recreation and Park District*  
Ms. Veona Galbraith, *Auburn Area Recreation and Park District*

From: Dmitry Semenov, *California Municipal Advisors LLC*

Date: September 17, 2020

Re: Potential UAL Optimization Options

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Per your request, we have analyzed two options for the optimization of the Unfunded Accrued Liability (UAL) of the Auburn Area Recreation and Park District. This Technical Memorandum summarizes the results of our analysis.

The following options were analyzed:

- **Option A:** Prepay approximately \$280,000 of the UAL with cash and leave all remaining UAL Amortization Bases outstanding.
- **Option B:** Prepay approximately \$280,000 of the UAL with cash and refinance the rest of the UAL balance (approximately \$998,000) over a 15-year term.
- **Option C:** Prepay approximately \$280,000 of the UAL with cash and refinance the rest of the UAL balance (approximately \$998,000) over a 20-year term.

For Option A, we selected several UAL Amortization Bases to match the targeted prepayment amount and estimate the approximate interest savings amount. The final selection of the bases will have direct correlation to the actual interest savings amount.

Under Options B and C, we utilized the following assumptions:

- Only the Miscellaneous Plan UAL was analyzed. The outstanding balance of the PEPR Miscellaneous Plan UAL could also be included in the refunding strategy to generate additional cash flow / financing cost savings.
- 4.25% and 4.50% interest rates were used, respectively. These rates are higher than the current market, but we are utilizing the higher rates in order to remain conservative in our analysis and expectations. If you would like for us to model different interest rates, let us know. The actual interest rates would be determined through a competitive bidding process at the time of the refunding.

- We assumed private placement financing (bank loan) and estimated total costs of issuance of \$85,000. The costs of issuance are estimates only and will vary depending on the financing team selection, method of debt issuance, and financing structure.
- No assumptions were made for the forgone interest earnings that could be realized by the District on investing its cash reserves rather than using them to pay down the UAL.
- Semi-annual principal and interest payments.
- Level annual debt service.

The attached **Table 1** summarizes the results of the analysis of optimization options. The attached **Graph 1** shows the overlay of the options over the current UAL payment schedule. Note that all calculations are based on the District's 2019 Actuarial Valuation Report and does not incorporate any changes that have taken place since that report or any changes that CalPERS will make in the future.

As our analysis shows under Option A, if the District prepays \$280,000 of the UAL balance, it would save approximately **\$240,000** in interest paid to CalPERS over the next 20 years and will recoup this cash payment in form of lower UAL payments by FY2031. The highest payment amount on the remaining outstanding bases would be reduced from approximately \$142,000 to approximately \$109,000. Note that the actual amount of interest savings and the annual payment amounts can vary and will depend on the timing of the payment and the UAL amortization bases that the payment will be applied to.

Under Options B and C, combining the \$280,000 cash payment with a refunding of the remaining UAL balance, the District could realize financing cost savings of approximately **\$385,000** (Option C) to **\$560,000** (Option B), depending on the refinancing term. Note that the savings calculation includes only financing costs savings – it does not count your cash prepayment amount as savings. Under the refinancing scenarios, the District will have a level annual debt service cost of approximately \$83,000 (Option C) or \$98,000 (Option B). The District will be able to recover the amount of the cash prepayment through the lower UAL payments by 2030-33, depending on the term of the refinancing. Finally, under the refinancing options, the District will fully pay off the current UAL balances by the end of the financing term.

Please, refer to the 08/10/2020 Preliminary Pension Liability Assessment presentation for discussion of risks associated with the refunding of the UAL. Note that the refunding scenarios are based on the market conditions as of today. Actual interest rates and availability of capital at the time of refunding can vary on daily basis and are likely to differ from those shown in the table.

Cc: Cameron Weist and Lloyd Hedenland, Jr., *The Weist Law Firm*

**Table 1**  
**Auburn Area Recreation and Park District**  
**UAL Optimization Analysis - Misc Plan**

Description	Option A - Prepay Only	Option B - Prepay + 15-yr Refi	Option C - Prepay + 20-yr Refi
Cash Prepayment	\$280,091	\$280,091	\$280,091
Refunding	\$0	\$998,221	\$998,221
Remaining Bases	\$998,221	\$0	\$0
<b>Total UAL</b>	<b>\$1,278,312</b>	<b>\$1,278,312</b>	<b>\$1,278,312</b>

**Financing Cost Savings Analysis Summary**

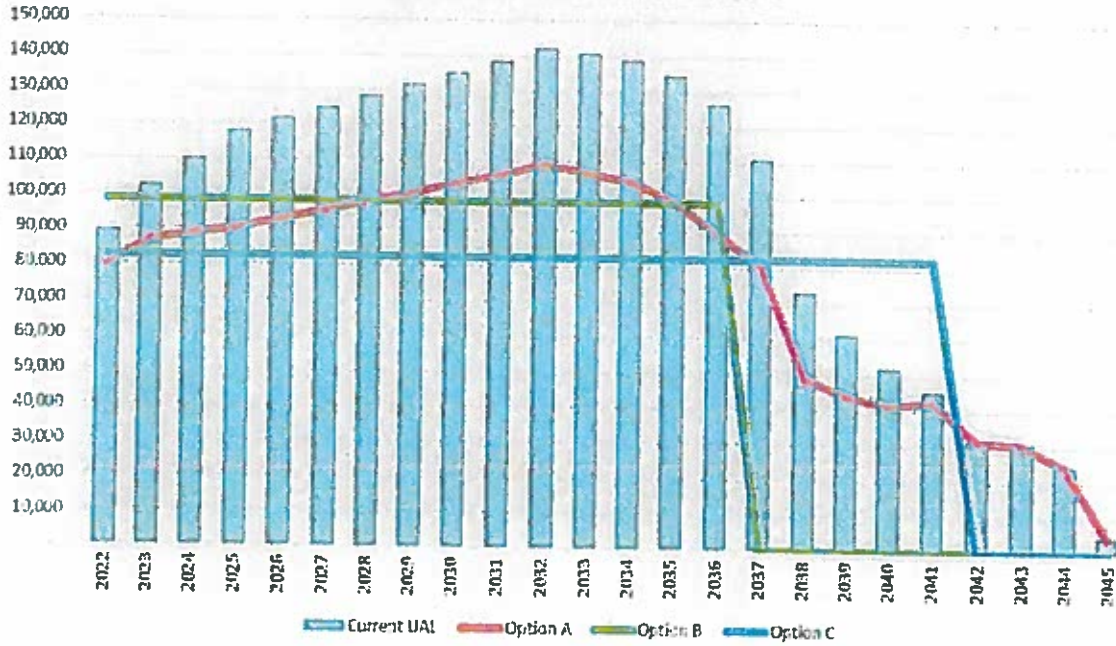
Total Financing Cost - CalPERS	\$1,041,644	\$1,041,644	\$1,041,644
Annual Debt Service Amount	\$0	\$98,402	\$82,709
Max Current Residual UAL Payment [1]	\$109,095	\$0	\$0
Max Current Annual UAL Cost [1]	\$109,095	\$98,402	\$82,709
Total Interest Cost	\$0	\$392,808	\$570,961
Costs of Issuance [2]	\$0	\$85,000	\$85,000
<b>Total Financing Cost</b>	<b>\$0</b>	<b>\$477,808</b>	<b>\$655,961</b>
<b>Total Financing Cost Savings [3]</b>	<b>\$237,565</b>	<b>\$563,836</b>	<b>\$385,683</b>
Year to Recoup Cash Prepayment	2032	2033	2030

[1] Maximum Annual UAL cost is estimated based on the level debt service refunding of the UAL balance shown in the 06/30/2019 CalPERS Actuarial Valuation Report and does not include any additional future bases that will be added by CalPERS.

[2] Costs of issuance are estimates for private placement and will vary.

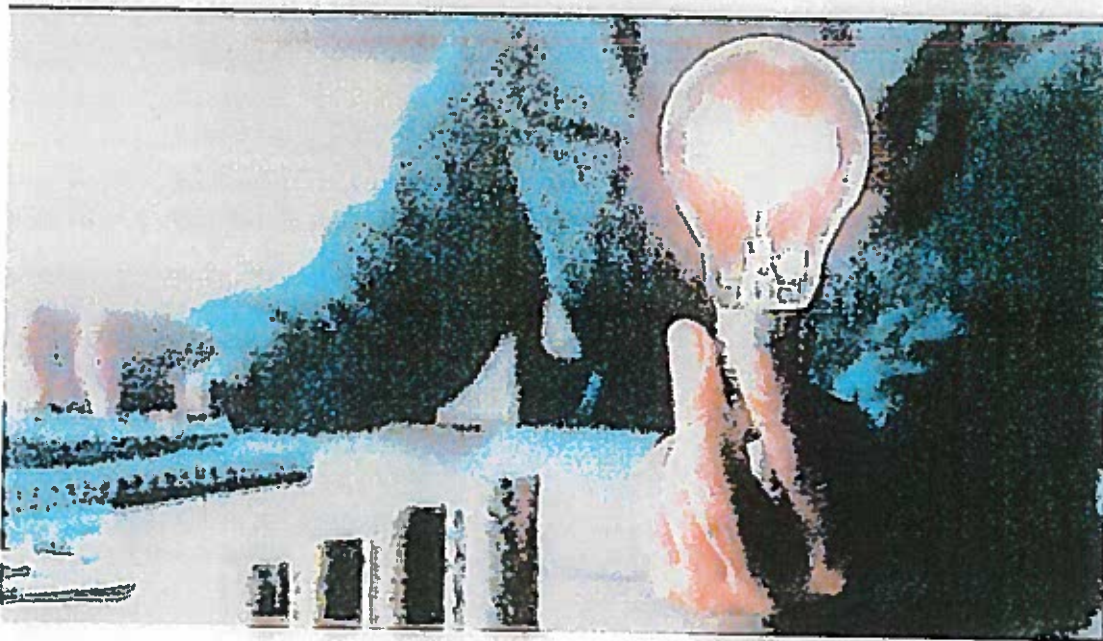
[3] Total Financing Cost Savings include interest savings only (cash prepayment is NOT included in this calculation) and do not take into consideration interest that could be earned on cash reserves.

**Graph 1**  
**Auburn Area Recreation and Park District**  
**Potential UAL Optimization Options**





## Bright Idea: Allocating FYE Surplus Toward Prefunding Liabilities



The start of the new fiscal year brings with it new goals and new ideas, but as you close out last fiscal year, your agency may indeed find potential surplus and/or reserve funds to help plan for the new year.

We highly recommend you consider putting those available funds into a 115 Trust account, a concept known as prefunding. This will give you local control including determining the risk tolerance level of your investment. With pension costs rising every year, agencies need a

fiscal tool to help them combat the inevitable. With the opportunity to earn a greater rate of return than your general fund, this will help to stabilize rates in the future and give you a source of funds if needed in an emergency. We call this our **Pension Rate Stabilization Program (PRSP)** and over 230 agencies have adopted this plan to get ahead of what's coming.

***Remember, prefunding can help to:***

- Smooth out pension rate increases
- Diversify investments and potentially achieve higher returns than your general fund
- Serve as a rainy day fund during adverse financial times
- Improve your agency's overall balance sheet with this important asset
- Protect funds from diversion towards other less important projects

With the PARS PRSP, contributions or reimbursements can be made at any time, so there is complete flexibility. There is no time like the present to take advantage of available funds to protect your agency's financial health and prepare for the future!

---

***For more information, please contact:***

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**Item 8.2 Cover Sheet for ARD's Medical Family Benefit Policy**

Auburn Area Recreation and Park District Program, Personnel, Policy, Fee & Legal Review Committee Meeting, November, 2020; Board of Directors meeting, November, 2020.

**The Issue:** Shall the Auburn Area Recreation and Park District Board of Directors approve changes to the Personnel Policy for an annual 50/50 adjustment based on new premiums in District benefits for the CalPERS medical coverage for employees?

**Background:** The Board of Directors approved July 2020; CalPERS Health Insurance coverage for Union Represented employees as well as all employees hired after April 1, 2017 the following ARD Benefit:

\$530 for an employee only  
\$1000 for an employee and dependent  
\$1300 for a family plan  
\$397.50 for a part time employee

The Board of Directors approved January 2020; CalPERS Health Insurance coverage for Non-Union employees hired prior to April 1, 2017 the following ARD Benefit:

\$605 for an employee only  
\$1210 for an employee and dependent  
\$1595 for a family plan  
75% of premium for a part time employee

**Recommendation:** The Program, Personnel, Policy, Fee & Legal Review Committee recommends approving the change to the Medical Benefit Policy to include a 50/50 split between ARD and the employee of any increases or decreases to annual premiums as well as an update to P/T staff limits hired prior to April 1, 2017.

**Alternative Options:**

- 1) No change to policy, employee portion rises or falls due to the change in premium. The District benefit does not change.
- 2) 25%/75% split of any changes to annual premiums.
- 3) ARD benefit and employee contribution both change by the same percentage, whatever that increase or decrease is for the new premium average.

- 4) Increase ARD's portion to pay 100% of Employee Only, no change to dependent coverage levels.

**Fiscal Impact:**

The fiscal impact for 2020/2021 is \$4,041 based on the employees that we have enrolled for January 2021 and the proposed 50/50 option, which is within the budgeted benefit expense assumption. The estimated fiscal impact for 2021/2022 is \$16,164.

**Attachments:**

Health Medical Policy  
Current, New, and option spreadsheets

## HEALTH AND WELFARE BENEFITS DETAIL

### Medical Health Insurance Benefits for Non-Represented Employees

#### CalPERS Medical plan available to Non-represented employees

As per CalPERS policy, employees have a choice of multiple medical providers:

The Administrative Services Manager has detailed information regarding each of these plans, including sub classifications that some of these plans offer.

For Non-represented employees, **the District shall adjust ARD's contribution annually, sharing the increase or decrease with the employees 50/50.** The District shall contribute the following maximum premium amounts toward any plan chosen by an employee **for calendar years 2020 & 2021:**

<u>2020</u>	<u>2021</u>	
\$605	<b>\$653</b>	for a single employee
\$1,210	<b>\$1,259</b>	for an employee and dependent
\$1,595	<b>\$1,659</b>	for a family plan

Additionally, the District will pay employee only dental and life insurance for eligible employees.

Eligible part-time, non-represented employees working 30 or more hours per week will be able to obtain partial employee only medical coverage. The District shall contribute **a maximum of \$605 until the premium reaches 75% of the current maximum for a single employee (75%) of the premium.** Coverage is for employee only and no dental or life insurance is provided by the District.

#### Non-Represented Employees hired after February 1, 2020:

For Non-represented employees hired after February 1, 2020, the District will provide Medical Insurance Coverage as listed below for the Represented Employees.

### Medical Health Insurance Benefits for Represented Employees

#### CalPERS Medical plan available to Union-represented employees

As per CalPERS policy, employees have a choice of multiple medical providers.

The Administrative Services Manager has detailed information regarding each of these plans, including sub-classifications that some of these plans offer.

For Union-represented employees and non-represented employees hired after February 1<sup>st</sup>, 2020, the District shall adjust ARD's contribution annually, sharing the increase or decrease with the employees 50/50. The District shall contribute the following maximum premium amounts toward any plan chosen by an employee for calendar years 2020 & 2021:

<u>2020</u>	<u>2021</u>	
\$530	\$551	for a single employee
\$1000	\$1,040	for an employee and dependent
\$1300	\$1,352	for a family plan

Due to open enrollment restrictions, any employee wishing to change plans from one type of coverage to another shall be allowed to do so only during the Mid-September to Mid-~~October~~ November open enrollment period.

Additionally, the District will pay employee only dental and life insurance for eligible employees.

Eligible part-time, Union represented employees working 30 or more hours per week will be able to obtain medical coverage. ARD will contribute 75% of the current maximum for a single employee \$397.50 (75% of \$530) towards their plan of choice through the CalPERS. Coverage is for employee only and no dental or life insurance is provided by the District.

### ELIGIBLE PART-TIME EMPLOYEES (30-39 HOURS)

~~Part-time eligible employees will pay twenty-five percent (25%) of the monthly premium for the employee only medical insurance premium.~~ The part-time eligible employee will pay for all costs for spouse and/or dependent medical insurance premiums.

1. For purposes of calculating insurance coverage of part-time employees if the employee is on Disability, Worker's Compensation, or Medical Leave for at least one (1) week, that period of time away from the District for medical reasons will not be used in averaging hours during a twelve (12) month period.
2. For premiums exceeding the maximum amount as allowed by the tentative union agreement, an employee may elect to participate in the District's Cafeteria 125 Plan, and any applicable premiums may be deducted from the employee's paycheck.
3. Part-time employees who average less than 30 hours per week, seasonal employees, temporary employees, on call employees, volunteers and independent contractors are ineligible for medical benefits.

Current Policy				
# of EEs	Levels	2020 Premiums	Employee's Portion	ARD's Portion
<b>Hired after April 1, 2017 or Union</b>				
	<b>Employee Only</b>			
9	Pers Select	\$520	0	\$520
2	Kaiser	\$768	\$238	\$530
	<b>EE + Dependant</b>			
5	Pers Select	\$1,041	\$41	\$1,000
1	Western Health	\$1,464	\$464	\$1,000
	<b>Family</b>			
2	Pers Select	\$1,353	\$53	\$1,300
1	Kaiser	\$1,998	\$698	\$1,300
	<b>Part Time EE</b>			
1	Pers Select	\$520	\$130	\$390
1	Western Health	\$732	\$334	\$398
<b>Hired Before April 1, 2017</b>				
	<b>Employee Only</b>			
1	Kaiser	\$768	\$163	\$605
	<b>EE + Dependant</b>			
0	Kaiser	\$1,537	\$327	\$1,210
	<b>Family</b>			
1	Pers Select	\$1,353	\$0	\$1,353
3	Kaiser	\$1,998	\$403	\$1,595
	<b>Part Time EE</b>			
4	Kaiser	\$768	\$192	\$576
1	Western Health	\$900	\$225	\$675
			<b>\$4,778</b>	<b>\$26,150</b>

**New Year Policy (Option #1)**

# of EEs	Levels	2021 Premiums	Employee's Portion	ARD's Portion
<b>Hired after April 1, 2017 or Union</b>				
	<b>Employee Only</b>			
9	Pers Select	\$562	\$32	\$530
2	Kaiser	\$814	\$284	\$530
	<b>EE + Dependant</b>			
5	Pers Select	\$1,133	\$133	\$1,000
1	Western Health	\$1,464	\$464	\$1,000
	<b>Family</b>			
2	Pers Select	\$1,473	\$173	\$1,300
1	Kaiser	\$2,158	\$858	\$1,300
	<b>Part Time EE</b>			
1	Pers Select	\$562	\$164	\$398
1	Western Health	\$757	\$359	\$398
<b>Hired Before April 1, 2017</b>				
	<b>Employee Only</b>			
1	Kaiser	\$814	\$209	\$605
	<b>EE + Dependant</b>			
0	Kaiser	\$1,627	\$417	\$1,210
	<b>Family</b>			
4	Kaiser	\$2,115	\$520	\$1,595
	<b>Part Time EE</b>			
4	Kaiser	\$814	\$209	\$605
1	Western Health	\$941	\$336	\$605
			\$7,173	\$26,536
		<b>Currently</b>	\$4,778	\$26,150
	<b>Impact</b>		\$2,395	\$386

**Proposal 50/50 Split of Change**

# of EEs	Levels	2021 Premiums	Employee's Portion	ARD's Portion
<b>Hired after April 1, 2017 or Union</b>				
	<b>Employee Only</b>			
9	Pers Select	\$562	\$11	\$551
2	Kaiser	\$814	\$263	\$551
	<b>EE + Dependant</b>			
6	Pers Select	\$1,133	\$93	\$1,040
	<b>Family</b>			
2	Pers Select	\$1,473	\$121	\$1,352
1	Kaiser	\$2,158	\$806	\$1,352
	<b>Part Time EE</b>			
1	Pers Select	\$562	\$149	\$413
1	Western Health	\$757	\$344	\$413
<b>Hired Before April 1, 2017</b>				
	<b>Employee Only</b>			
1	Kaiser	\$814	\$161	\$653
	<b>EE + Dependant</b>			
0	Kaiser	\$1,627	\$368	\$1,259
	<b>Family</b>			
4	Kaiser	\$2,115	\$456	\$1,659
	<b>Part Time EE</b>			
4	Kaiser	\$814	\$209	\$605 Freeze
1	Western Health	\$941	\$336	\$605 Freeze
			\$5,881	\$27,497
	<b>Currently</b>		\$4,778	\$26,150
	<b>Impact</b>		\$1,103	\$1,347

**25/75 Split of Change (Option #2)**

# of EEs	Levels	2021 Premiums	Employee's Portion	ARD's Portion
<b>Hired after April 1, 2017 or Union</b>				
9	<b>Employee Only</b>			
	<b>Pers Select</b>	\$562	\$0	\$562
2	<b>Kaiser</b>	\$814	\$252	\$562
6	<b>EE + Dependant</b>			
	<b>Pers Select</b>	\$1,133	\$73	\$1,060
2	<b>Family</b>			
	<b>Pers Select</b>	\$1,473	\$95	\$1,378
1	<b>Kaiser</b>	\$2,158	\$780	\$1,378
1	<b>Part Time EE</b>			
	<b>Pers Select</b>	\$562	\$140	\$422
1	<b>Western Health</b>	\$757	\$335	\$422
<b>Hired Before April 1, 2017</b>				
1	<b>Employee Only</b>			
	<b>Kaiser</b>	\$814	\$173	\$641
0	<b>EE + Dependant</b>			
	<b>Kaiser</b>	\$1,627	\$344	\$1,283
4	<b>Family</b>			
	<b>Kaiser</b>	\$2,115	\$424	\$1,691
4	<b>Part Time EE</b>			
	<b>Kaiser</b>	\$814	\$209	\$605 Freeze
1	<b>Western Health</b>	\$941	\$336	\$605 Freeze
			\$5,428	\$27,950
<b>Currently</b>			\$4,778	\$26,150
<b>Impact</b>			\$650	\$1,800



Change equal by % (in this case 8%) (Option #3)				
# of EEs	Levels	2021 Premiums	Employee's Portion	ARD's Portion
<b>Hired after April 1, 2017 or Union</b>				
	<b>Employee Only</b>			
9	Pers Select	\$562	\$0	\$562
2	Kaiser	\$814	\$242	\$572
	<b>EE + Dependant</b>			
6	Pers Select	\$1,133	\$53	\$1,080
	<b>Family</b>			
2	Pers Select	\$1,473	\$69	\$1,404
1	Kaiser	\$2,158	\$754	\$1,404
	<b>Part Time EE</b>			
1	Pers Select	\$562	\$133	\$429
1	Western Health	\$757	\$328	\$429
<b>Hired Before April 1, 2017</b>				
	<b>Employee Only</b>			
1	Kaiser	\$814	\$161	\$653
	<b>EE + Dependant</b>			
0	Kaiser	\$1,627	\$320	\$1,307
	<b>Family</b>			
4	Kaiser	\$2,115	\$392	\$1,723
	<b>Part Time EE</b>			
4	Kaiser	\$814	\$209	\$605 Freeze
1	Western Health	\$941	\$336	\$605 Freeze
			\$5,056	\$28,322
	Currently		\$4,778	\$26,150
	Impact		\$278	\$2,172

Employee only paid in full/others no change (Option #4)				
# of EEs	Levels	2021 Premiums	Employee's Portion	ARD's Portion
<b>Hired after April 1, 2017 or Union</b>				
	<b>Employee Only</b>			
9	Pers Select	\$562	\$0	\$562
2	Kaiser	\$814	\$252	\$562
	<b>EE + Dependant</b>			
6	Pers Select	\$1,133	\$133	\$1,000
	<b>Family</b>			
2	Pers Select	\$1,473	\$173	\$1,300
1	Kaiser	\$2,158	\$858	\$1,300
	<b>Part Time EE</b>			
1	Pers Select	\$562	\$140	\$422
1	Western Health	\$757	\$335	\$422
<b>Hired Before April 1, 2017</b>				
	<b>Employee Only</b>			
1	Kaiser	\$814	\$0	\$814
	<b>EE + Dependant</b>			
0	Kaiser	\$1,627	\$417	\$1,210
	<b>Family</b>			
4	Kaiser	\$2,115	\$520	\$1,595
	<b>Part Time EE</b>			
4	Kaiser	\$814	\$209	\$611
1	Western Health	\$941	\$336	\$611
			\$6,233	\$26,051
	Currently		\$4,778	\$26,150
	Impact		\$1,455	(\$99)

## **Item 8.3 Cover sheet – Amending 2020/2021 Project List and CIP**

**Auburn Area Recreation and Park District Acquisition and Development Committee October, 2020; November, 2020; Board of Directors meeting November 19, 2020**

### **The Issue**

Shall the Auburn Recreation District amend the existing 2020/2021 Project List and Capital Improvement Project List (CIP) to coincide with the FY 20/21 Budget Revision?

### **Background**

The ARD Board of Directors approved the 2020/2021 Project List and CIP in May of 2020. The approval of these documents, which are usually approved in March of each year, was delayed due to the COVID-19 pandemic.

As staff prepared the budget revision for FY 2020/2021, a proposed revision was also made to the 2020/2021 Project List and Five-Year CIP.

A list of those proposed revisions, as well as a spread sheet showing those revisions, is attached. All changes from the previously approved 20/21 Project List and CIP are highlighted. A document with brief explanations on the changes is also attached.

The proposed amended FY 20/21 project list was reviewed at the October A&D Committee meeting. It was recommended that the item come back for further review. The main discussion centered around how to best use the Prop 68 Per Capita Grant Funding. This funding amounts to \$177,952, funding that ARD does not need to compete for. The application packet for this funding must be submitted by December, 2021, and project completed by December 2023.

Previously, the Per Capita funding was dedicated toward the 24 Acre Improvement Project. The bulk of the funding for the 24 Acre Improvement Project is coming from the Statewide Park Program grant (SPP). With the knowledge that ARD faces a lot of competition for SPP funding, staff recommended that the Per Capita funding go toward a project that will need to occur in the next couple of years, the replacement of the Regional Park Dry Creek playground.

At the November committee meeting, A&D Committee discussed how to best use the Per Capita Funding (\$177,952). Staff was directed to contact State Parks (the administrator of the grant) to find out about how we list the grant. Lydia Willett, Administrative Project Officer with State Parks, explained that Per Capita funding cannot replace (supplant) other sources of funding on a project (in essence, Per Capita funding cannot be used for a project that was going to be funded with General Fund monies). Lydia said that as long as ARD lists both the 24 Acre and Dry Creek Playground replacement as being paid for with “grant” funding, we will be ok.

### **District Policy, Section H states:**

3. Project List: The yearly Project List may include all funded items from that Fiscal Year’s Capital Improvement Plan plus all planned General Fund projects costing an estimated \$5,000 or more. The Project List may be amended throughout the year if a project is identified after the creation and approval of the list. The Project List should be presented to the Board for approval by May of each Fiscal Year.

### **Recommendation for A&D Committee**

The Committee recommended contacting State Parks to confirm how ARD must list funding. Both the 24 Acre Project and the Dry Creek playground project are currently listed to use “grant” funding.

Staff recommends approving the 2020/2021 Project List and Capital Improvement Project List (CIP).

### **Alternatives Available**

1. Apply the Per Capita funding toward another project. This may include:
  - a. Funding for the playground replacement at Recreation Park (note: City Mitigation funds are enough to cover this cost)
  - b. Adding an outdoor fitness area/center to a park (similar to what was discussed for Overlook Park).
  - c. Other new projects.

### **Fiscal Impact**

The estimated costs and proposed funding for each project are included on the project list.

### **Attachments**

FY 2020/2021 Project List (with updates highlighted)

FY 2021/2022 – 2023/2024 Project Lists (with updates highlighted)

Description of proposed amendments to FY 2020/2021 Project List and CIP

Auburn Recreation District Five Year Project List

Project List - POST COVID 19 Mid-Year Revision

2020/2021

Estimated balance

30,032 945,573 792,287 206,292 125,000

PROJECT	Est. Cost	Spent from General Funds or Grants in Prior Year(s)	Gen. Fund	ADA	Reserve	Cnty. Mit.	City Mit.	Grants	Mt. Vernon proceeds
<i>Recreation Park</i>									
Rec Field infield renovation	25,000				10,000	15,000			
James Bermuda Outfield - see note	42,000				20,000	22,000			
Wheelchair Swing	60,000					25,000	30,000	5,000	
<i>Regional Park</i>									
24 acres Planning/CEQA	120,000				120,000				
Trail signage	10,000		10,000						
<i>Ashford Park</i>									
Bridge paving	4,300		4,300						
<i>CVCC</i>									
Bike Park Phase II	200,000				80,000			120,000	
ADA Door	5,000			5,000					
<b>TOTAL</b>	<b>466,300</b>	<b>0</b>	<b>14,300</b>	<b>5,000</b>	<b>230,000</b>	<b>62,000</b>	<b>30,000</b>	<b>125,000</b>	<b>0</b>
Estimated Balance Remaining			25,032	715,573	730,287	176,292	0	0	0

moved from GF to reserve

- Note: Assumes \$50,000/year in County Mitigation Fees
- Note: Assumes \$5,000/year in ADA reserve funds
- Note: Assumes \$10,000/year in city mitigation
- Note: Assumes \$25,000 added to FCC per year
- Note: Assumes \$120,000 from donations and in-kind at Bike Park and additional \$5,000 donations for Wheelchair Swing
- Note: Placer County to use approx. \$350,000

Auburn Recreation District Five Year Project List

# Project List - POST COVID 19 Mid-Year Revision

2021/2022

PROJECT	Est. Cost	Spent from General Funds or Grants in Prior Year(s)	Gen. Fund	ADA	Reserve	Cnty. Mit.	City Mit.	Grants	Mit. Vernon proceeds
Estimated balance									
				30,032	740,573	780,287	186,292	173,000	415,000
<i>Recreation Park</i>									
North (Front) Playground	120,000						120,000		
North Playground, Path of Travel	30,000						30,000		
Locker room Floor	25,000				25,000				
<i>Meadow Vista</i>									
ADA Signage	1,200			1,200					
Parking lot reseal/restripe	15,000				15,000				
Pathway repairs	15,000				15,000				
Pickleball court crack repairs	5,000				5,000				
<i>Ashford Park</i>									
Levee Repairs	20,000				20,000				
<i>Overlook Park</i>									
Restroom ADA Upgrades	5,000			5,000					
Interpretive Signage (2 x \$5K)	10,000				10,000				
<i>Regional Park</i>									
Pond leak Repair	95,000				95,000				
Canal Repair	40,000				40,000				
24 acre construction docs	70,000				70,000				
Dry Creek playground replace	177,000							177,000	
<i>Placer Hillis Park</i>									
Parking Lot repairs	30,000		30,000						
<b>TOTAL</b>	<b>668,200</b>	<b>0</b>	<b>30,000</b>	<b>6,200</b>	<b>285,000</b>	<b>0</b>	<b>150,000</b>	<b>177,000</b>	<b>0</b>
Estimated Balance Remaining									
				23,832	445,573	780,287	36,292	-4,000	415,000

Note: Assumes \$50,000/year in County Mitigation Fees

Note: Assumes \$5000/year in ADA reserve funds

Note: Assumes \$10,000/year in city mitigation

Note: Assumes \$25,000 added to FCC per year

Note: Placer County to use approx. \$350,000

Auburn Recreation District Five Year Project List

Project List - POST COVID 19 Mid-Year Revision

2022/2023

Estimated balance

PROJECT	Est. Cost	Spent from General Funds or Grants in Prior Year(s)	Gen. Fund	ADA	Reserve	Cnty. Mit.	City Mit.	Grants	Mt. Vernon proceeds
Regional Park									
Tennis/pickleball courts surfaces	200,000				200,000				
Tennis Court Path of Travel	41,500			21,500		20,000			
Pond mucking	100,000				100,000				
Walking pathway extension, Dry Creek end	265,000								
24 Acre Development	2,250,000					445,000		1,390,000	415,000
Kiosks	10,000				10,000				
Railhead Park									
Parking lot repair/reseal	10,000								
Meadow Vista Park									
Pond Island renovation	-100,000								
Christian Valley Park									
Tutor Totter Roof	45,000		45,000						
<b>TOTAL</b>	<b>2,976,500</b>	<b>0</b>	<b>0</b>	<b>21,500</b>	<b>310,000</b>	<b>465,000</b>	<b>0</b>	<b>1,390,000</b>	<b>415,000</b>
<b>Estimated Balance Remaining</b>				<b>7,332</b>	<b>160,573</b>	<b>365,287</b>	<b>46,292</b>	<b>0</b>	<b>0</b>

Move to Reserve Funding

- Note: Assumes \$50,000/year in County Mitigation Fees
- Note: Assumes \$5000/year in ADA reserve funds
- Note: Assumes \$10,000/year in city mitigation
- Note: Assumes \$25,000 added to FCC per year
- Note: Assumes \$1.39m in Statewide Park Program grant
- Note: Placer County to use approx. \$350,000

Auburn Recreation District Five Year Project List

Project List - POST COVID 19 Mid-Year Revision

2023/2024

Estimated balance

PROJECT	Est. Cost	Spent from General Funds or Grants in Prior Year(s)	Gen. Fund	ADA	Reserve	Cnty. Mit.	City Mit.	Grants	In Kind
<i>Recreation Park</i>									
Spray park (replace splash pool)	300,000		20,000		25,000	75,000	100,000	80,000	
<i>Regional Park</i>									
Breezway Painling	40,000		20,000		20,000				
<b>TOTAL</b>	<b>340,000</b>	<b>0</b>	<b>40,000</b>	<b>0</b>	<b>45,000</b>	<b>75,000</b>	<b>100,000</b>	<b>80,000</b>	<b>0</b>
Estimated Balance Remaining			12,332	140,573	340,287	-43,708	0	0	0

Note: Assumes \$50,000/year in County Mitigation Fees

Note: Assumes \$5000/year in ADA reserve funds

Note: Assumes \$10,000/year in city mitigation

Note: Assumes \$25,000 added to FCC per year

Note: Placer County to use approx. \$350,000



## Notes to proposed amendments to FY 20/21 Project list and CIP revision

### FY 2020/2021 Proposed Revisions

#### Regional Park

24 Acre Planning/CEQA: moved the project from FY 21/20, per Board direction at the July, 2020 Board of Director's meeting; reduced the estimated cost from \$190,000 to \$120,000 based on the new scope of work. See note under FY21/22 for 24 Acre Construction Docs.

Trail signage: this is an added project to survey and put up signs for the existing trails on the 24 Acre property.

#### Ashford Park

Bridge paving: repair paving on both sides of the bridge.

### FY 2021/2022 Proposed Revisions

#### Meadow Vista Park

Parking lot reseal/restripe: increased the estimated cost from \$10,000 to \$15,000 to reflect increases since this project was first put on the list

Pathway repairs: this is an added project to deal with various issues around the pathway, caused by roots, erosion and old post locations

Pickleball crack repairs: This is an added project. The pickleball court cracks need attention again. They were last repaired in spring of 2019, and we were told we would probably only get 18 months out of the repairs. Staff is continuing to investigate other options.

#### Overlook Park

Restroom ADA upgrades: decreased the estimated cost from \$10,000 - \$5,000 to reflect new scope of work

#### Regional Park

Canal Repair: decreased the estimated cost from \$100,000 to \$40,000 to reflect new scope of work

24 Acre Construction Docs: added to list to reflect the costs of creating the documents needed for construction of the improvements at the 24 acre property. Note that \$70,000 is the amount that the 24 Acre Planning/CEQA was reduced the year prior.

Dry Creek playground replace: this is new entry to the list, and may use the Prop 68 Per Capita money to pay for the costs

### FY 2022/2023 Proposed Revisions

#### Regional Park

Tennis/pickleball courts surfaces: the estimated cost for this project was increased from \$160,000 to \$200,000 to reflect increases since the project was first put on the list

Pond mucking: the estimated cost for this project was increased from \$75,000 to \$100,000 to reflect increases since the project was first put on the list

24 Acre Development: the estimated cost for this project was increased to reflect completing the project in one phase, as opposed to the two phases we had previously listed. The amount being proposed from County Mitigation was changed to match available funds, and the grant amount was changed to match estimated costs

#### Railhead Park

Parking lot repair/reseal: this is an added project, and would repair a damaged section of the east side of the lot and reseal the remaining sections.

**SECTION 9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS**

1. Five-Year History of Volunteer and Work Release Hours – see attachment.
2. County Mitigation Fund, current balance \$792,000.

## Discussion Item #1 - Five-Year History of Volunteer and Work Release Hours

Auburn Area Recreation and Park District (ARD) Standing Finance Committee October, 2020; Board Meeting, October, 2020; Board Meeting, November 2020.

### Background

On September 24, 2019, Director Lynch requested a 5-year history of ARD's Volunteer hours b others on an annual basis.

The total average Volunteer hours are 5,033 annually.

ARD peaked with the highest volunteer hours in 2017-2018 with a total of 8,003.25, most of which came from a steady stream of work release workers.

ARD's lowest year is 2015-2016 with 2,570.5 hours reported for volunteers.

## Volunteer and Work Release Hours

### 2015 - 2016

Youth Services	-	
Facilities & Grounds	2,457.00	
Recreation	113.50	
		<b>2,570.50</b> Total Hours for YR '15 - '16

### 2016 - 2017

Youth Services	62.42	
Facilities & Grounds	5,000.00	
Recreation	475.27	
		<b>5,537.69</b> Total Hours for YR '16 - '17

### 2017 - 2018

Youth Services	315.42	
Facilities & Grounds	6,792.00	
Recreation	895.83	
		<b>8,003.25</b> Total Hours for YR '17 - '18

### 2018 - 2019

Youth Serv. Volunterrers:	52.30	
Facilities & Grounds:		
Volunteer Hours	-	
Work Release	2,593.10	
Comm Service	30.00	
Recreation Volunteers:	2,517.15	
		<b>5,192.55</b> Total Hours for YR '18 - '19

### 2019-2020

	<b>Hours</b>	
Youth Serv. Volunterrers:	-	

**Facilities & Grounds:**

Volunteer Hours	11.00
Work Release	3,216.00
Comm Service	147.40
Recreation Volunteers:	<u>497.00</u>

**3,871.40 Total Hours for YR '19- '20**