



# REDWOOD COAST EnergyAuthority

Arcata | Blue Lake | Blue Lake Rancheria | County of Humboldt | Eureka | Ferndale | Fortuna | Humboldt Bay Municipal Water District | Rio Dell | Trinidad | Yurok Tribe

## **BOARD OF DIRECTORS REGULAR MEETING AGENDA**

**Wharfinger Building, upstairs Great Room  
1 Marina Way, Eureka, CA 95501**

**July 24, 2025  
Thursday, 3:30 p.m.**

Any member of the public needing special accommodation to participate in this meeting or access the meeting materials should email [LTaketa@redwoodenergy.org](mailto:LTaketa@redwoodenergy.org) or call (707) 269-1700 at least 3 business days before the meeting. Assistive listening devices are available.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board, including those received less than 72 hours prior to the Committee's meeting, will be made available to the public at [www.RedwoodEnergy.org](http://www.RedwoodEnergy.org).

NOTE: Speakers wishing to distribute materials to the Board at the meeting, please provide 13 copies to the Board Clerk.

### **THIS IS A HYBRID IN-PERSON AND VIRTUAL MEETING.**

The RCEA Board of Directors holds in-person hybrid meetings. When attending, please be courteous to those who choose to wear a mask.

**To participate in the meeting online**, go to <https://us02web.zoom.us/j/81972368051>.

**To participate by phone**, call (669) 900-6833 or (253) 215-8782. Enter webinar ID: 819 7236 8051.

**To speak during the public comment periods**, raise your hand in the online Zoom webinar, or press star (\*) 9 on your phone to raise your hand. Staff will ask you to unmute your phone or computer when it is your turn. You will have 3 minutes to speak.

**Email written comments** to [PublicComment@redwoodenergy.org](mailto:PublicComment@redwoodenergy.org). Identify the agenda item number in the subject line. Comments will be included in the meeting record but not read aloud during the meeting.

## **OPEN SESSION Call to Order**

### **1. ROLL CALL - REMOTE DIRECTOR PARTICIPATION**

- 1.1. Approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.

### **2. REPORTS FROM MEMBER ENTITIES**

### **3. ORAL AND WRITTEN COMMUNICATIONS**

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

### **4. CONSENT CALENDAR**

All matters on the Consent Calendar are considered to be routine by the Board and are enacted in one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

- 4.1 Approve Minutes of June 26, 2025, Board Meeting.
- 4.2 Accept Disbursements Report for May 2025, and Financial Reports for This Fiscal Year Through May 2025.
- 4.3 Award Design-Build Agreement to Stephens Electrical to Perform Design-Build Services for the Energy Resilience at Rural Fire Stations Project for a Not to Exceed Value of \$1,700,000 through December 31, 2026, and Authorize the Executive Director to Execute All Applicable Documents.
- 4.4 Receive Federal Activity Report.
- 4.5 Award a Professional Services Agreement to Sacramento Municipal Utilities District to Perform the Northern Rural Energy Network Commercial Energy Assessment for a Not to Exceed Value of \$187,610 and Authorize the Executive Director to Execute All Applicable Documents.

### **5. REMOVED FROM CONSENT CALENDAR ITEMS**

Items removed from the Consent Calendar will be heard under this section.

### **COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)**

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

### **6. CCE BUSINESS CONSENT CALENDAR – None.**

All matters on the Community Choice Energy Business Consent Calendar are considered to be routine by the CCE-participating jurisdiction Board members and are enacted in one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of

the reading of the CCE Business Consent Calendar, any Board member or members of the public can request that an item be removed for separate discussion.

**7. OLD CCE BUSINESS – None.**

**8. NEW CCE BUSINESS**

- 8.1.** California Community Choice Association Presentation on Electricity Market Regionalization: the Pathways Initiative and SB 540

Adopt CalCCA recommended position on SB 540.

- 8.2.** 2025 California Summer Market Conditions Assessment

Accept 2025 California Summer Market Conditions Assessment.

**END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

**9. OLD BUSINESS – None.**

**10. NEW BUSINESS**

- 10.1** Humboldt Transit Authority Hydrogen Fuel Project Presentation (Information only)

- 10.2** Cost-of-Service Electricity Rate Setting Design Contract Award

Award Professional Services Agreement with NewGen Strategies and Solutions, LLC, for a not-to-exceed value of \$116,900 for cost of service and rate design services through July 2026 and authorize the Executive Director to execute the agreement and all associated documents.

**11. STAFF REPORTS**

- 11.1.** Executive Director's Report

**12. FUTURE AGENDA ITEMS**

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

**13. ADJOURNMENT**

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**NEXT REGULAR MEETING**

Thursday, August 28, 2025, 3:30 p.m.

Wharfinger Building upstairs Great Room, 1 Marina Way, Eureka, CA 95501

Online and phone participation will be possible via Zoom.

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## **STAFF REPORT**

### **Agenda Item # 1.1**

AGENDA DATE:	July 24, 2025
TO:	RCEA Board of Directors
FROM:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Member Teleconference Participation

#### **BACKGROUND**

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Since emergency Brown Act meeting law changes went into effect in 2020 due to the COVID-19 public health emergency, the RCEA Board of Directors, Community Advisory Committee (CAC) and the subcommittees of those bodies met online with no physical, public meeting location. Governor Newsom signed AB 361 into law in September 2021, which allowed these bodies to continue meeting completely virtually without publishing each member's participation location while the COVID state of emergency continued and state or local officials recommended social distancing measures or the RCEA Board determined that meeting in person posed health and safety risks.

The COVID-19 State of Emergency ended on February 28, 2023, and RCEA Board and CAC meetings returned to meeting in-person at a physical location, with allowances under existing Brown Act rules or new AB 2449 Brown Act rules should a Board or CAC member need to participate from a remote location for certain reasons. If another state of emergency is declared, these bodies may be able to return to completely remote meetings.

#### **SUMMARY**

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RCEA Board Directors may attend up to two meetings per year from a remote location without making the location accessible to the public for the following reasons:

1. "Just cause"
  - a. To provide childcare or caregiving need to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner;
  - b. Due to a contagious illness that prevents the member from attending in-person;
  - c. Due to a need related to a physical or mental disability as defined in Government Code sections 12926 and 12926.1 not otherwise accommodated; and
  - d. Due to travel while on official business of the legislative body or another state or local agency.
2. "Emergency circumstance" due to a physical or family medical emergency that prevents the member from attending in person.

If a Board Director would like to attend the meeting remotely due to an emergency circumstance, the Board will take action by majority vote to approve the Director's remote participation. A vote is not necessary for a request to attend remotely for just cause. A brief

description, protecting the Director's (or Director's family member's) medical privacy, needs to be provided in both cases.

The remotely participating Board Director needs to publicly disclose at the meeting before any action (vote) is taken, whether anyone 18 years of age or older is present in the room at the remote location with the Director, and the general nature of the individual's relationship with the Director.

If the Board Director anticipates needing to participate remotely for more than 2 meetings per year, staff recommends arranging for a publicly and ADA accessible space with visual and audio meeting capabilities from which to participate.

Staff asks to be notified one-week in advance, if possible, of remote meeting attendance so the Director's publicly and ADA accessible remote meeting address can be published in the agenda, if required per Brown Act open meeting laws.

### **Current Remote Participation Requests**

As of the writing of this staff report, there have been no remote director participation for "just cause" or "emergency circumstances" requests.

### **RECOMMENDED ACTION** (if needed)

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Approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.



## **BOARD OF DIRECTORS DRAFT MEETING MINUTES**

**Wharfinger Building, Great Room  
1 Marina Way, Eureka, CA 95501**

**June 26, 2025  
Thursday, 3:30 p.m.**

Chair Scott Bauer called a meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:35 p.m. Notice of this meeting was posted on June 19, 2025.

PRESENT: Natalie Arroyo, Chair Scott Bauer, Michael Gerace, Skip Jorgensen, Elise Scafani, Sarah Schaefer, Jack Tuttle, Frank Wilson, Vice Chair Sheri Woo. ABSENT: Carlos Diaz, Jason Ramos.

STAFF AND OTHERS PRESENT: Business Planning and Finance Director Lori Biondini, Executive Director Elizabeth Burks, Finance Specialist Ronnie Chaussé, General Counsel Nancy Diamond, Senior Power Resources Manager Jocelyn Gwynn, Human Resources Manager Kristy Siino, Board Clerk Lori Taketa, Deputy Executive Director Eileen Verbeck. Remote presenters: Mikael Jakobsson, Cierco Energy Founder, Managing Director (CADEMO); Philippe Gerretsen, Director of Origination, California Community Power.

### **REPORTS FROM MEMBER ENTITIES**

Director Arroyo toured the Geysers field in the Mayacamas Mountains and shared information about the geothermal energy facility.

### **CEREMONIAL ITEMS**

Chair Bauer presented a retirement proclamation to the Director of Infrastructure Planning and Operations, Dana Boudreau, to honor his 19 years of service at RCEA. The directors and staff thanked Mr. Boudreau for capably and willingly wearing many hats during RCEA's start-up and growth years.

### **CONSENT CALENDAR**

**5.1 Approve Minutes of May 22, 2025, Board Meeting.**

- 5.2 Accept Disbursement Report for April 2025, and Financial Reports for This Fiscal Year Through April 2025.
- 5.3 Accept Regulatory and Legislative Platform Engagement Report.
- 5.4 Receive Federal Activity Report.
- 5.5 Authorize the Purchase of Five Sun Titan L30 Power Trailers from RPS Solar Pumps at a Price not to Exceed \$157,101 and Authorize the Executive Director to Execute All Applicable Documents in Fulfillment of Regional Resilience Grant Program Requirements.
- 5.6 Adopt Resolution 2025-2, Authorizing Agreement with Umpqua Bank Commercial Card Program, Direct Staff to Apply to the Program, and Authorize the Executive Director to Execute Any Necessary Agreements.
- 5.7 Adopt Resolution 2025-3 Adopting Amended Board Operating Guidelines to:
  - Require a Full Board, Non-CCE Business Vote for Setting of Overall CCA Program Objectives, Determining Power Content Targets, and Procurement Strategy and Procedures;
  - Allow the Chair to Call for a Roll Call Vote in Randomized Order for CCE Business Items, at their Discretion; and
  - Add a Board Member Travel Policy.
- 5.8 Approve NREN Payment of \$126,199.42 to Tri-County Regional Energy Network to Fund CivicWell and the California Climate and Energy Collaborative Forum, and Authorize the Executive Director to Execute All Applicable Documents.
- 5.9 Approve Amendment No. 6 to Professional Services Agreement with Aiqueous LLC in the Amount of \$61,171 to Extend Database Support Services and Licensing Through December 2026 and Authorize the Executive Director to Execute all Applicable Documents.

Chair Bauer requested item 5.7 be removed from the Consent Calendar for discussion based on submitted written public comment.

**M/S: Woo, Schaefer: Approve all Consent Calendar items except item 5.7.**

**The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Gerace, Jorgensen, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Diaz, Ramos. Abstain: None.**

#### **REMOVED FROM CONSENT CALENDAR ITEM**

Members of the public Martha Walden, Walter Paniak, and the Humboldt Coalition for Clean Energy submitted written comments opposing all RCEA member agencies voting equally on power content target and procurement agenda items rather than continuing to make those decisions through Community Choice Energy member weighted voting. The change, they stated, would inaccurately represent the will of Humboldt County residents. Executive Director Burks explained that the recommendation attempts to address Board concerns about excluding Tribal



member agency and Humboldt Bay Municipal Water District representatives from CCE business decision making. While the current practice abides by CPUC community choice aggregator regulations, some directors noted that RCEA's power procurement objectives affect the entire region and stated that excluding tribal members from decision-making on these matters is unjustifiable. Other directors noted that HBMWD and Tribal member agency constituents are already represented on CCE program issues by other CCE voting members. RCEA's policy platform reflects an advocacy position supporting changing state law to include Tribal nations in Community Choice Aggregation decision-making.

**M/S: Gerace, Schaefer: Adopt Resolution 2025-3 Adopting Amended Board Operating Guidelines to:**

**Require a Full Board, Non-CCE Business Vote for Setting of Overall CCA Program Objectives, Determining Power Content Targets, and Procurement Strategy and Procedures; Allow the Chair to Call for a Roll Call Vote in Randomized Order for CCE Business Items, at their Discretion; and Add a Board Member Travel Policy.**

**The motion passed with the following vote. Ayes: Arroyo, Bauer, Gerace, Jorgensen, Scafani, Schaefer, Tuttle, Woo. Noes: Wilson. Absent: Diaz, Ramos. Abstain: None.**

**COMMUNITY CHOICE ENERGY (CCE) BUSINESS** - Chair Bauer confirmed that a CCE quorum was present.

**CCE BUSINESS CONSENT CALENDAR**

- 7.1** Approve Addendum 2025-A to the RCEA Energy Risk Management Policy, Making the Deputy Executive Director a Voting Member of the Risk Management Team Effective July 1, 2025, Replacing the Role Currently Filled by the Director of Infrastructure Planning and Operations.

No one requested discussion of this CCE Consent Calendar item.

**M/S: Schaefer, Arroyo: Approve CCE Business Consent Calendar item 7.1.**

**The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Scafani, Schaefer, Tuttle, Wilson. Noes: None. Absent: Diaz, Ramos. Abstain: None. Non-Voting: Gerace, Woo.**

**OLD BUSINESS**

**10.1** Public Hearing on RCEA Staff Vacancy Report

Human Resources Manager Siino reported on RCEA's three current job vacancies in accordance with a new state law. Ms. Siino outlined recruitment and retention efforts and conditions hampering vacancy reduction. RCEA has no represented employee groups and there were no comments by bargaining unit representatives nor by any member of the public on this item. Chair Bauer closed the public hearing.

## **10.2 Cost of Living Salary Adjustment**

Deputy Executive Director Verbeck described Gallagher Benefit Services' current classification and compensation study, and the inclusion of the biennial salary survey in the vendor's scope of work. Staff recommend a cost-of-living salary adjustment for all employees except for the Executive Director while waiting for Gallagher's report in September. The increase will be factored into any recommended adjustments in that report. The \$300,000/year cost is included in this year's proposed budget. No member of the public commented on this item.

**M/S: Wilson, Arroyo: Direct staff to pause completing an internal biennial salary survey until the results and recommendations of the classification and compensation study have been received from Gallagher Consulting.**

**Approve an update to the RCEA staff salary schedule including a 6% COLA salary adjustment effective July 1, 2025.**

**The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Gerace, Jorgensen, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Diaz, Ramos. Abstain: None.**

## **10.3 RCEA Fiscal Year 2025-2026 Budget**

Executive Director Burks reviewed the coming year's budget priorities and explained the Reserve Policy's goal of 180 days of unrestricted cash on hand, which will reduce the agency's operating expenses and risk. RCEA holds \$23.4 million of unrestricted cash in reserves with a current goal of \$33.1 million. The proposed budget would increase the reserve fund by \$5 million. The directors expressed appreciation for the new, written budget narrative, which helps explain the work staff members perform. There were no public comments on this agenda item.

**M/S: Schaefer, Bauer: Adopt the proposed RCEA Fiscal Year 2025-2026 Budget.**

**The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Gerace, Jorgensen, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Diaz, Ramos. Abstain: None.**

## **NEW BUSINESS**

### **11.1 CADEMO Central California Offshore Wind Project**

Executive Director Burks described RCEA's interest and involvement in offshore wind to date. Cierco Energy Founder and Managing Director Mikael Jakobsson introduced the CADEMO offshore wind project off Vandenburg Space Force Base and the project's current, unique position among other American offshore wind projects. California Community Power's Director of Origination, Philippe Gerretsen, described the community choice aggregator joint powers agency's engagement with the CADEMO project. The directors discussed the project's engagement with and the decision-making authority of the Santa Ynez Band of the Chumash Indians, in whose ancestral waters the project is located; required federal and state approval processes; and environmental community responses to the project. Potential costs to RCEA, financial risks, and internal budget categories funding the loan were clarified. Fortuna Mayor Mike Johnson, participating as a member of the public, requested Humboldt County resident

workforce development opportunities with the CADEMO project in consideration of RCEA's loan and in anticipation of offshore wind deployment here. Chair Bauer, Vice Chair Woo, and Directors Gerace and Scafani volunteered to serve on an ad hoc committee to approve or decline the financial agreement. There were no comments from the public.

**M/S: Woo, Jorgensen: Authorize an expenditure not to exceed \$1,100,500 for the PG&E Second Interconnection Facilities Security Posting for the CADEMO Offshore Wind Project in central California.**

**And, to Create an ad hoc Board subcommittee to approve or decline:  
The final terms of expenditure of a short-term agreement with the CADEMO Corporation, through December 12, 2025, to ensure to the maximum extent practicable, refundability and security of RCEA funds; The vehicle for transfer and deposit of funds; and**

**Authorize ED to execute final short-term agreement with the CADEMO Corporation.**

**The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Gerace, Jorgensen, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Diaz, Ramos. Abstain: None.**

**11.2** Northern Rural Energy Network Efficiency Program Implementation Contracts  
Executive Director Burks reported that NREN implementation contracts are nearing execution readiness and the current pre-launch contracts will expire on June 30. Implementation agreement material terms were reviewed. There were no public comments on this item.

**M/S: Arroyo, Bauer: Approve the material terms for NREN Program Implementation Agreements with NREN General Partners through December 2027 with a not to exceed amount for task order services through December 2025 of \$2,000,000 for Sierra Business Council, \$350,000 for Lake Area Planning Council, and \$350,000 for Mendocino Council of Governments; and authorize the Executive Director to execute all applicable documents pending Legal Counsel review.**

**The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Gerace, Jorgensen, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Diaz, Ramos. Abstain: None.**

**11.3** RePower Local Procurement Goal

Senior Power Resources Manager Gwynn explained RCEA's 100% local, net-zero-carbon-emission renewable sources power mix by 2030 goal from the agency's 2019 RePower Humboldt Strategic Plan. Local, renewable resources meet 22% of RCEA's electricity load, but Humboldt Sawmill Company biomass power provides 18% of RCEA's energy load through a contract ending in 2031. Other factors make achieving the 100% local goal financially unfeasible, including: the high cost of local renewable project development, resistance to local development; grid transmission constraints; a relative lack of local, skilled union labor; and the delay of offshore wind development. Staff requested amending RCEA's strategic plan's local goals to provide immediate power procurement guidance while the agency prepares for its next strategic plan update.

Members of the public Martha Walden, Walter Paniak, and the Humboldt Coalition for Clean Energy submitted written comments requesting the addition of the word “clean” to RCEA’s 100% renewable by 2025 goal. The commenters defined clean as excluding local biomass power. It was clarified that staff’s proposed changes were to the 100% local, net-zero-carbon-emission renewable sources by 2030 goal, removing the restriction of only using local sources. The directors requested clarification of “clean” and state net-zero-carbon-emission renewable resources definitions when updating RCEA’s strategic plan and re-establishing a virtual power plant program to aggregate privately-owned battery storage as a local power resource. Chair Bauer closed the public comment period.

**M/S: Arroyo, Gerace: Adopt Resolution 2025-4 Adopting the Target of a 100% Renewable Electricity Mix by 2030 and Addendum 2025-A to the RePower Humboldt Comprehensive Action Plan for Energy, amending the local procurement goal in RCEA’s Strategic Plan and removing “strive to” from the proposed local renewable energy development language.**

**The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Gerace, Jorgensen, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Diaz, Ramos. Abstain: None.**

## **STAFF REPORTS**

### **12.1 Executive Director’s Report**

Executive Director Burks reported that Ignite Energy’s Flycatcher Battery Energy Storage System and Renewable Properties’ Hatchery Road Solar and Storage projects made RCEA’s Local Distributed Energy Storage Resources solicitation shortlist. Each project’s location was shown. RCEA and Schatz Energy Research Center’s Battery Energy Storage public workshop will be held on Wednesday, July 23, from 5:30 p.m. at Arcata’s D Street Neighborhood Center. There were no public comments on this report.

Chair Bauer adjourned the meeting at 6:11 p.m.

Lori Taketa  
Board Clerk



## STAFF REPORT Agenda Item # 4.2

AGENDA DATE:	July 24, 2025
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	Profit & Loss, Balance Sheet and Monthly Disbursements Reports

### SUMMARY

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The attached Disbursements Report lists RCEA's checks, debits, and electronic payments made during the period identified on the report. The Business Planning and Finance Director certifies that the disbursements were drawn in payment of demands conforming to RCEA's adopted Financial Policy and budget.

The Financial Reports (Profit & Loss Budget vs. Actual and Balance Sheet) are presented to keep the Board apprised of current agency receipts and spending relative to budget line items.

### ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

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Agency financial tracking and reporting are necessary administrative functions supporting RCEA strategic plan goal implementation.

### EQUITY IMPACTS

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Not applicable.

### FINANCIAL IMPACT

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The disbursements presented were drawn in payment of demands included within the adopted budget.

### STAFF RECOMMENDATION

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Accept disbursements report for May 2025, and financial reports for this fiscal year through May 2025.

### ATTACHMENTS

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1. Disbursements Report for May 1 through May 31, 2025
2. Profit & Loss Budget vs. Actual Report, July 2024 through May 2025
3. Balance Sheet as of May 31, 2025

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# Redwood Coast Energy Authority

## Disbursements Report

As of May 31, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	05/05/2025	ACH	The Energy Authority	CISO043025	-105,924.79
Bill Pmt -Check	05/06/2025	WIRE	PG&E Voluntary Allocation	Dec 2024 Forecast Price- VA	-112,120.80
Bill Pmt -Check	05/07/2025	ACH	EDPR CA Solar Park LLC II	Replacement RECs	-6,225,000.00
Bill Pmt -Check	05/09/2025	ACH	EDPR CA Solar Park LLC II	Mar 2025-Contract Energy	-734,653.15
Bill Pmt -Check	05/09/2025	ACH	Leapfrog Power, Inc	Apr 2025 RA Invoice	-36,740.00
Bill Pmt -Check	05/09/2025	ACH	Sonoma Clean Power Authority	Apr 2025 Flex RA	-261,000.00
Bill Pmt -Check	05/09/2025	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA-Apr 2025	-16,900.00
Liability Check	05/09/2025	ACH	Ascensus	5/9/25 Payroll	-14,661.12
Liability Check	05/09/2025	ACH	Ascensus	5/9/25 Payroll	-13,333.51
Liability Check	05/09/2025	ACH	EDD	5/9/25 Payroll	-8,550.17
Liability Check	05/09/2025	ACH	Internal Revenue Service	5/9/25 Payroll	-37,835.65
Check	05/09/2025	19565	CCE Customer	CCE EV Rebate: EV33	-2,000.00
Check	05/09/2025	19566	NREN Customer	REN RES Equip. Rebate 250327-2516	-100.00
Check	05/09/2025	19567	NREN Customer	REN RES Equip. Rebate 250404-2522	-150.00
Check	05/09/2025	19568	CCE Customer	Overpayment refund	-325.18
Bill Pmt -Check	05/09/2025	19569	Alber's Tractor and Ag Work	Mowing services for ACV solar site	-1,300.00
Bill Pmt -Check	05/09/2025	19570	AM Conservation Group, Inc.	NREN Res Kits	-2,209.60
Bill Pmt -Check	05/09/2025	19571	Ascensus	12/01/2024-02/28/2025 Recordkeeping Fee	-1,116.50
Bill Pmt -Check	05/09/2025	19572	AT&T Long Distance	Phone charges 04/25 - 05/24/2025	-158.83
Bill Pmt -Check	05/09/2025	19573	Baker Tilly US, LLP	April 2025 Audit Services	-13,860.00
Bill Pmt -Check	05/09/2025	19574	BitHELL, M.	Apr 2025 Mileage & Purchase Reimb	-195.99
Bill Pmt -Check	05/09/2025	19575	Braun Blaising & Wynne, P.C.	Legal and Regulatory Services -Mar 2025	-6,262.42
Bill Pmt -Check	05/09/2025	19576	Busick, B.	Apr 2025 Mileage & Purchase Reimb	-151.70
Bill Pmt -Check	05/09/2025	19577	CPH Sponsored Programs Foundation	TO6 & TO9 invoices	-10,764.25
Bill Pmt -Check	05/09/2025	19578	Davidson Bros. Lock & Safe	RCAM Equipment Padlocks and keys	-479.59
Bill Pmt -Check	05/09/2025	19579	Donald Dame	CCE Consulting services- Apr 2025	-248.50
Bill Pmt -Check	05/09/2025	19580	Formstack, LLC	Annual Software Charge 4/25/25-4/24/26	-7,029.73
Bill Pmt -Check	05/09/2025	19581	Frontier Energy, Inc.	NREN Program Consulting - Mar 2025	-17,762.25
Bill Pmt -Check	05/09/2025	19582	Hilson, D.	Mileage reimbursement - Apr 2025	-16.94
Bill Pmt -Check	05/09/2025	19583	Kullmann, S.	Per Diem Meals: CEDMC Spring Symp	-86.00
Bill Pmt -Check	05/09/2025	19584	Mission Linen & Uniform Service	Janitorial Supplies and Mat Cleaning 633 3rd St	-90.04
Bill Pmt -Check	05/09/2025	19585	Newport Group	Plan Participant Fees - 04/01-06/30/2025	-1,028.36
Bill Pmt -Check	05/09/2025	19586	North Coast Cleaning Services, Inc.	April 2025 services: 917 & 633 3rd St.	-1,090.00
Bill Pmt -Check	05/09/2025	19587	North Coast Journal, Inc.	The Community Report - 8 pg short sheet	-3,000.00
Bill Pmt -Check	05/09/2025	19588	Optimum Business-633	633 3rd St: Phone & Internet- 04/28-05/27/2025	-1,105.31
Bill Pmt -Check	05/09/2025	19589	Pacific Paper Company	April 2025: office supplies	-152.05
Bill Pmt -Check	05/09/2025	19590	PG&E-Office Utility	03/14-04/33/2025 utilities for 633 3rd Street	-1,236.11
Bill Pmt -Check	05/09/2025	19591	Pierson Building Center	633 3rd St: Facility supplies-Mini Blinds	-15.42
Bill Pmt -Check	05/09/2025	19592	Quarles & Brady LLP	Mar 2025 Legal Services for GRIP Award	-236.00
Bill Pmt -Check	05/09/2025	19593	Recology Humboldt County	Act 060703330, 633 3rd St. Apr 2025	-110.05
Bill Pmt -Check	05/09/2025	19594	Recology Humboldt County	Act 061371327, 917 3rd St. Apr 2025	-74.54
Bill Pmt -Check	05/09/2025	19595	Reider, S	Mar & Apr 2025 Mileage Reimbursement	-29.54
Bill Pmt -Check	05/09/2025	19596	Rennie, J	Mileage reimbursement - Apr 2025	-119.70
Bill Pmt -Check	05/09/2025	19597	Rodriguez, Louis	Mileage reimbursement - Apr 2025	-36.40
Bill Pmt -Check	05/09/2025	19598	Shred Aware	Shredding services - Apr 2025	-68.95
Bill Pmt -Check	05/09/2025	19599	Stitch Witch	Logo gear order - 50% Balance	-572.88
Bill Pmt -Check	05/09/2025	19600	Terry, P.	Per Diem Meals: CEDMC Spring Symp	-127.00
Bill Pmt -Check	05/09/2025	19601	Times Printing Company	April 2025: Move-In & Late Notice mailings	-2,117.41

# Redwood Coast Energy Authority

## Disbursements Report

As of May 31, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	05/09/2025	19602	Ubeo Business Services	633 3rd St Printer Charges: 04/06-05/05/25	-266.59
Bill Pmt -Check	05/09/2025	19603	Verbeck, E.	Travel Reimb: CAICCA Conf 2025-Transp.	-92.27
Paycheck	05/09/2025	ACH	Employees	Payroll	-93,612.95
Bill Pmt -Check	05/12/2025	ACH	The Energy Authority	CAISO Weekly CISO050725	-105,689.26
Bill Pmt -Check	05/15/2025	ACH	The Energy Authority	Monthly TEA Invoice #TEA42025 APRIL 2025	-1,326,532.58
Check	05/16/2025	19604-20198	NEM Customers	2025 NEM Yearly Payout - Batch 1	-281,976.07
Check	05/17/2025	ACH	VISA	VISA 4133: Apr 2025 Stmt 03/21-04/20/2025	-1,041.60
Check	05/17/2025	ACH	VISA	VISA 2291: Apr 2025 Stmt 03/21-04/20/2025	-9,608.73
Check	05/20/2025	Debit	Umpqua Bank	Service Charge	-158.86
Check	05/20/2025	Debit	Umpqua Bank	Service Charge	-189.63
Bill Pmt -Check	05/22/2025	ACH	The Energy Authority	CAISO Weekly CISO051425	-66,022.11
Liability Check	05/23/2025	ACH	Ascensus	5/23/25 Payroll	-14,661.12
Liability Check	05/23/2025	ACH	CICCS	May 2025 Premiums	-66.98
Liability Check	05/23/2025	ACH	EDD	5/23/25 Payroll	-8,614.23
Liability Check	05/23/2025	ACH	Internal Revenue Service	5/23/25 Payroll	-37,973.81
Liability Check	05/23/2025	ACH	Keenan	June 2025 Premiums	-44,839.42
Liability Check	05/23/2025	ACH	Principal Life Insurance Company	June 2025 Premiums	-129.88
Liability Check	05/23/2025	ACH	Ascensus	5/23/25 Payroll	-13,333.51
Liability Check	05/23/2025	ACH	Colonial Life	June 2025 Premiums	-3,167.54
Bill Pmt -Check	05/23/2025	ACH	CalPine Corporation	Apr 2025 Data Management services	-67,877.50
Bill Pmt -Check	05/23/2025	ACH	Humboldt Sawmill Co.	Apr 2025 Electricity Generation	-603,809.51
Bill Pmt -Check	05/23/2025	ACH	Mendocino Council of Governments	Second Budget Payment for Set-up Activites	-88,436.00
Bill Pmt -Check	05/23/2025	ACH	Snow Mountain Hydro, LLC	Apr 2025 Electricity Generation	-153,624.55
Bill Pmt -Check	05/23/2025	WIRE	PG&E Voluntary Allocation	Jan 2025 Forecast Price- VA	-18,071.06
Bill Pmt -Check	05/23/2025	WIRE	Sierra Business Council	Partner Funds: Pre-launch advance payment #2	-390,754.00
Liability Check	05/23/2025	20199	Ameritas - Dental	June 2025 Premiums	-2,768.04
Liability Check	05/23/2025	20200	Ameritas - Vision	June 2025 Premiums	-493.60
Bill Pmt -Check	05/22/2025	20201	RPS Solar Pumps	VOID: Qty 4: Sun Titan Power Trailer	0.00
Bill Pmt -Check	05/23/2025	20202	Abbott, Stringham & Lynch	Professional Services - IT audit for CPUC	-12,000.00
Bill Pmt -Check	05/23/2025	20203	Advanced Security Systems	917 3rd St: Security system purchase & install	-1,515.91
Bill Pmt -Check	05/23/2025	20204	Adventures Edge	VOID: Ck 20204, \$700.00 reissued 5/30/25	0.00
Bill Pmt -Check	05/23/2025	20205	AM Conservation Group, Inc.	NREN Res Kits: Batch #2	-1,107.20
Bill Pmt -Check	05/23/2025	20206	Arcata Police Department	Livescan screening: Rolling Fee	-35.00
Bill Pmt -Check	05/23/2025	20207	AT&T	RCAM Router charges - ACV: 03/19-04/18/25	-163.00
Bill Pmt -Check	05/23/2025	20208	AT&T	RCAM charges: 04/29-05/28/25	-642.50
Bill Pmt -Check	05/23/2025	20209	AT&T	RCAM charges: 05/07-06/06/25	-330.21
Bill Pmt -Check	05/23/2025	20210	Bithell, M.	May 2025 Mileage & Purchase Reimb	-56.14
Bill Pmt -Check	05/23/2025	20211	Boudreau, D.	Qty 5 Employee Reimbursement submissions	-216.74
Bill Pmt -Check	05/23/2025	20212	Burks, E.	CalCCA & CA Roundtable Travel Reimb.	-801.77
Bill Pmt -Check	05/23/2025	20213	Busick, B.	Travel Reimb: CAICCA Conf 2025	-75.00
Bill Pmt -Check	05/23/2025	20214	Carter Properties	917 3rd Street Office Lease - June 2025 rent	-2,450.00
Bill Pmt -Check	05/23/2025	20215	City of Arcata	7/23/25 BESS Workshop Deposit & Rental Fee	-649.60
Bill Pmt -Check	05/23/2025	20216	City of Eureka-Water	633 & 917 3rd St water bills	-377.47
Bill Pmt -Check	05/23/2025	20217	City of Eureka - Wharfinger	Venue Rental: Staff Training 5/29/25	-965.00
Bill Pmt -Check	05/23/2025	20218	County of Ventura	VOID: Civicwell 3C-REN/NREN/LGP 2025 dues	0.00
Bill Pmt -Check	05/23/2025	20219	CPH Sponsored Programs Foundation	TO9 & TO10 invoices	-14,048.00
Bill Pmt -Check	05/23/2025	20220	Dell USA	PowerEdge R760 Server	-10,923.81
Bill Pmt -Check	05/23/2025	20221	Department of Justice	Customer 165251, Fingerprinting Fee	-49.00



**Redwood Coast Energy Authority**  
**Disbursements Report**  
**As of May 31, 2025**

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	05/23/2025	20222	Donnelly, S.	NREN staff training: Group Meal Reimbursement	-358.13
Bill Pmt -Check	05/23/2025	20223	Engel, R.	Travel Reimb: CAICCA Conf 2025	-96.48
Bill Pmt -Check	05/23/2025	20224	Eureka Rubber Stamp	Prepared By Stamp for Finance Dept.	-45.86
Bill Pmt -Check	05/23/2025	20225	Frontier Energy, Inc.	NREN Program Consulting - Apr 2025	-21,949.00
Bill Pmt -Check	05/23/2025	20226	Hooven & Reese, Inc.	April & May 2025 construction services	-48,031.75
Bill Pmt -Check	05/23/2025	20227	Humboldt Bay Coffee Co.	Office Coffee-633 3rd St	-34.60
Bill Pmt -Check	05/23/2025	20228	Humboldt HyCycle	Apr 2025: 2 E-Bike Vouchers	-2,000.00
Bill Pmt -Check	05/23/2025	20229	Kerekes, C.	Mileage & Purchase reimbursement - May 2025	-19.02
Bill Pmt -Check	05/23/2025	20230	Kullmann, S.	Travel Reimb: CAICCA Conf 2025	-1,361.62
Bill Pmt -Check	05/23/2025	20231	Law Offices of Nancy Diamond	April 2025 Legal services	-15,241.25
Bill Pmt -Check	05/23/2025	20232	Local Worm Guy	Apr 2025 Compost service 633 & 917 3rd St	-96.00
Bill Pmt -Check	05/23/2025	20233	Lorenzini, S.	Travel Reimb: CAICCA Conf 2025	-64.00
Bill Pmt -Check	05/23/2025	20234	Marin Esther Photography	RCEA Photoshoot 2.5 hrs on 5/12/25	-1,125.00
Bill Pmt -Check	05/23/2025	20235	NYLEX.net, Inc.	Onsite network support services - June 2025	-4,059.00
Bill Pmt -Check	05/23/2025	20236	PG&E - ACV- 6674-0	ACV site utilities 03/27/25- 04/24/25	-236.79
Bill Pmt -Check	05/23/2025	20237	PG&E CCA	Apr 2025 CCE Billing Service	-21,725.76
Bill Pmt -Check	05/23/2025	20238	PG&E- EV	EV stations 04/01-04/30/2025	-2,220.72
Bill Pmt -Check	05/23/2025	20239	PG&E-Office Utility	04/04-05/04/2025 utilities for 917 3rd Street	-475.25
Bill Pmt -Check	05/23/2025	20240	Ramirez, M.	Travel Reimb: CAICCA Conf 2025	-25.91
Bill Pmt -Check	05/23/2025	20241	Ramone's Bakery	NREN Staff Training: Group Meal	-296.81
Bill Pmt -Check	05/23/2025	20242	Regli, S	Travel Reimb: CAICCA Conf 2025	-154.60
Bill Pmt -Check	05/23/2025	20243	Reider, S	Mileage Reimbursement-May 2025	-7.56
Bill Pmt -Check	05/23/2025	20244	Revolution Bicycles	Apr 2025: 1 E-Bike Voucher	-350.00
Bill Pmt -Check	05/23/2025	20245	Scrapper's Edge	Office Supplies: Blue Ink Pad	-15.10
Bill Pmt -Check	05/23/2025	20246	Taketa, L.	Mileage Reimb & Employee Reimb	-39.26
Bill Pmt -Check	05/23/2025	20247	Times Printing Company	May 2025 printing and mailing	-1,056.47
Bill Pmt -Check	05/23/2025	20248	Winzler, John	Office Lease - 633 3rd St. June 2025	-8,144.97
Bill Pmt -Check	05/23/2025	20249	WREGIS	Qty 85 Created transactions & Annual Fee	-125.34
Check	05/23/2025	20250	CCE Customer	CCE Equipment Rebate - Reissued	-150.00
Check	05/23/2025	20251	CCE Customer	Heat Pump Rebate-Reissued	-725.00
Check	05/23/2025	20252	NEM Customer	NEM Account Closeout	-1,365.83
Check	05/23/2025	20253	NEM Customer	NEM Account Closeout	-68.09
Check	05/23/2025	20254	NEM Customer	NEM Account Closeout	-23.57
Check	05/23/2025	20255	NEM Customer	NEM Account Closeout	-23.46
Check	05/23/2025	20256	NEM Customer	NEM Account Closeout	-95.32
Check	05/23/2025	20257	NEM Customer	NEM Account Closeout	-116.78
Check	05/23/2025	20258	NEM Customer	NEM Account Closeout	-72.25
Check	05/23/2025	20259	NEM Customer	NEM Account Closeout	-778.90
Check	05/23/2025	20260	CCE Customer	CCE Equipment Rebate -Res 241115-2316	-900.00
Check	05/23/2025	20261	CCE Customer	CCE Equipment Rebate -Res 250312-2493	-600.00
Check	05/23/2025	20262	NREN Customer	REN RES Equip. Rebate DS-R-250512-2587	-100.00
Check	05/23/2025	20263	NREN Customer	VOID: Ck 20263 \$100.00 and reissued on 5/30/25	0.00
Check	05/23/2025	20264	NREN Customer	REN RES Equip. Rebate 250417-2537	-150.00
Check	05/23/2025	20265	NREN Customer	REN RES Equip. Rebate 250428-2565	-250.00
Check	05/23/2025	20266	NREN Customer	REN RES Equip. Rebate 250410-2524	-400.00
Check	05/23/2025	20267	NREN Customer	REN RES Equip. Rebate 250420-2543	-400.00
Check	05/23/2025	20268	NREN Customer	REN RES Equip. Rebate 250408-2523	-550.00
Check	05/23/2025	20269	NREN Customer	REN RES Equip. Rebate 250411-2525	-700.00

**Redwood Coast Energy Authority**  
**Disbursements Report**  
As of May 31, 2025

Type	Date	Num	Name	Memo	Amount
Check	05/23/2025	20270	NREN Customer	REN RES HP Rebate -250427-2564	-732.00
Check	05/23/2025	20271	NREN Customer	REN RES HP Rebate -250402-2520	-1,950.00
Check	05/23/2025	20272	Jennifer Jackson	VOID: REN RES HP Rebate 250422-2554	0.00
Check	05/23/2025	20273	CCE Customer	CCE EV Rebate: EV39	-2,000.00
Check	05/23/2025	20274	CCE Customer	CCE EV Rebate: EV32	-2,000.00
Check	05/23/2025	20275	CCE Customer	CCE EV Rebate: EV31	-2,000.00
Check	05/23/2025	20276	CCE Customer	CCE EV Rebate: EV36	-2,000.00
Check	05/23/2025	20277	CCE Customer	CCE EV Rebate: EV37	-2,000.00
Check	05/23/2025	20278	CCE Customer	CCE EV Rebate: EV38	-2,000.00
Check	05/23/2025	20279	CCE Customer	CCE EV Rebate: EV35	-2,000.00
Check	05/23/2025	20280	NEM Customer	NEM Account Closeout	-0.99
Check	05/23/2025	20281	NEM Customer	NEM Account Closeout	-9.61
Check	05/23/2025	20282	NEM Customer	NEM Account Closeout	-19.64
Check	05/23/2025	20283	NEM Customer	NEM Account Closeout	-7.85
Check	05/23/2025	20284	NEM Customer	NEM Account Closeout	-48.81
Bill Pmt -Check	05/23/2025	20285	Amazon.com	April Bill	-4,282.06
Paycheck	05/23/2025	ACH	Employees	Payroll	-93,701.09
Bill Pmt -Check	05/27/2025	ACH	The Energy Authority	CAISO Weekly	-95,458.72
Check	05/30/2025	20286	NEM Customers	2025 NEM Yearly Payout - Batch 2	-199,357.89
Check	05/30/2025	20773	NREN Customer	REN RES Equip. Rebate R-250402-2519-Reissued	-100.00
Check	05/30/2025	20774	NEM Customer	2025 NEM Yearly Payout-Reissued	-440.31
Check	05/30/2025	20775	NEM Customer	2025 NEM Yearly Payout-Reissued	-1,358.30
Bill Pmt -Check	05/30/2025	20776	Adventures Edge	April 2025: 1 E-Bike Voucher	-700.00
Check	05/30/2025	20778	NEM Customer	2025 NEM Yearly Payout	-429.78
<b>TOTAL</b>					<b>-11,571,786.68</b>

**Redwood Coast Energy Authority**  
**Profit & Loss Budget vs. Actual**  
July 2024 through May 2025

	<u>Jul '24 - May 25</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>Total 4 GRANTS AND DONATIONS</b>	3,100.00	0.00	100.0%
<b>5 REVENUE EARNED</b>			
Total 5000 · Revenue - government agencies	5,076,526.54	8,502,834.00	59.7%
Total 5100 · Revenue - program related	5,962,468.03	5,950,888.00	100.2%
Total 5300 · Revenue - interest on deposits	504,793.26	0.00	100.0%
Total 5400 · Revenue-nongovernment agencies	413,593.25	501,000.00	82.55%
Total 5500 · Revenue - Electricity Sales	61,627,852.47	80,442,685.00	76.61%
<b>Total 5 REVENUE EARNED</b>	73,585,233.55	95,397,407.00	77.14%
<b>Total Income</b>	73,588,333.55	95,397,407.00	77.14%
<b>Gross Profit</b>	73,588,333.55	95,397,407.00	77.14%
<b>Expense</b>			
<b>Total 6 WHOLESALE POWER SUPPLY</b>	58,436,895.32	64,768,112.00	90.23%
<b>Total 7 PERSONNEL EXPENSES</b>	4,392,742.80	5,388,452.00	81.52%
<b>Total 8.1 FACILITIES AND OPERATIONS</b>	762,154.99	1,162,207.00	65.58%
<b>Total 8.2 COMMUNICATIONS AND OUTREACH</b>	123,568.66	276,200.00	44.74%
<b>8.4 PROFESSIONAL &amp; PROGRAM SRVS</b>			
8400 · Regulatory	132,662.33	164,300.00	80.74%
Total 8410 · Contracts - Program Related Ser	621,437.50	3,179,444.00	19.55%
8420 · Accounting	107,184.00	290,000.00	36.96%
8430 · Legal	117,637.20	280,000.00	42.01%
8450 · Wholesale Services - TEA	805,342.53	875,603.00	91.98%
8460 · Procurement Credit - TEA	130,657.26	150,000.00	87.11%
8470 · Data Management - Calpine	734,471.60	855,276.00	85.88%
8480 · Customer Billing - PG&E	238,273.77	272,714.00	87.37%
8490 · NREN Partner Funds	1,083,178.84	2,836,190.00	38.19%
<b>Total 8.4 PROFESSIONAL &amp; PROGRAM SRVS</b>	3,970,845.03	8,903,527.00	44.6%
<b>Total 8.6 INCENTIVES &amp; REBATES</b>	232,649.94	965,605.00	24.09%
<b>Total 9 NON OPERATING COSTS</b>	93,719.44	129,000.00	72.65%
<b>Total Expense</b>	68,012,576.18	81,593,103.00	83.36%
<b>Net Ordinary Income</b>	5,575,757.37	13,804,304.00	40.39%
<b>Net Income</b>	<u>5,575,757.37</u>	<u>13,804,304.00</u>	<u>40.39%</u>

**Redwood Coast Energy Authority**  
**Balance Sheet**  
As of May 31, 2025

	<u>May 31, 25</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1010 · Petty Cash	300.00
1060 · Umpqua Checking Acct 0560	962,142.05
1071 · Umpqua Deposit Cntrol Acct 8215	7,988,295.52
1075 · Umpqua Reserve Account 2300	30,000,000.00
1077 · JP Morgan Chase Act 74999	399,967.48
<b>Total Checking/Savings</b>	39,350,705.05
<b>Total Accounts Receivable</b>	71,402.67
<b>Other Current Assets</b>	
1101 · Allowance for Doubtful Accounts	-11,935,723.03
1103 · Accounts Receivable-Other	16,609,818.19
1120 · Inventory Asset	18,614.90
1205 · Prepaid Insurance	46,376.55
1210 · Retentions Receivable	40,257.39
<b>Total Other Current Assets</b>	4,779,344.00
<b>Total Current Assets</b>	44,201,451.72
<b>Total Fixed Assets</b>	10,061,288.69
<b>Other Assets</b>	
1700 · Security Deposits	682,699.12
<b>Total Other Assets</b>	682,699.12
<b>TOTAL ASSETS</b>	<b><u>54,945,439.53</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Total Accounts Payable	5,380,600.55
Total Credit Cards	39,206.11
<b>Other Current Liabilities</b>	
2002 · Deposits Refundable	1,013,130.01
2011 · NEM Escrow Liability	-273,011.41
2013 · Unearned Revenue	2,447,267.50
Total 2100 · Payroll Liabilities	217,571.17
Total 2200 · Accrued Expenses	26,094.69
<b>Total Other Current Liabilities</b>	3,431,051.96
<b>Total Current Liabilities</b>	8,850,858.62
<b>Total Long Term Liabilities</b>	5,930,836.64
<b>Total Liabilities</b>	14,781,695.26
<b>Equity</b>	
3900 · Fund Balance	34,587,986.90
Net Income	5,575,757.37
<b>Total Equity</b>	40,163,744.27
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>54,945,439.53</u></b>



## **STAFF REPORT Agenda Item # 4.3**

AGENDA DATE:	July 24, 2025
TO:	RCEA Board of Directors
PREPARED BY:	Lori Biondini, Business Planning & Finance Director
SUBJECT:	Energy Resilience at Rural Fire Stations Project Design-Build Agreement Award

### **SUMMARY**

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Staff recommend awarding a Design-Build Agreement to Stephens Electrical, Inc. for the Energy Resilience at Rural Fire Stations Project for a not-to-exceed amount of \$1,700,000.

In December 2024 the Board approved utilizing a design-build procurement process for the design and installation of solar-plus-battery energy storage systems for the Energy Resilience at Rural Fire Stations Project. The design-build process includes two steps: 1) recommend a shortlist of qualified design-build contractors based on responses to a Request for Qualifications (RFQ), and 2) invite the shortlisted contractors to submit competitive, sealed bids in response to a Request for Proposals (RFP). The RFQ was released on January 14, 2025, and a shortlist of five respondents were approved by the Board's Ad Hoc Committee on March 19, 2025. Those five were invited to respond to the RFP, released on May 14, 2025. Qualified and interested firms were asked to attend a mandatory pre-proposal meeting, optional pre-proposal site walks, and submit questions. Two proposals were received in response to the RFP and posted addenda.

A staff review committee evaluated the proposals on construction expertise, technical design approach, project approach, cost proposal and lifecycle cost. The committee determined that both design-build teams demonstrated a high-level of construction expertise, but the technical and overall project approach of the Stephens Electrical proposal provided the best value for the Project. Design, permitting and construction costs were similar in both proposals, but the equipment proposed by Stephens Electrical met the stated required minimum from the RFP for a lower upfront and lifecycle cost.

### **BACKGROUND**

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In December 2023, RCEA was awarded \$3M from the California Governor's Office of Planning and Research Regional Resilience Grant Program (RRGP) to plan and implement the Energy Resilience at Rural Fire Stations Project. Fire stations are essential to resilience planning as they are the first to respond when disasters strike and address many routine non-fire medical emergencies on a day-to-day basis. The project includes installing solar plus battery energy

storage systems at fire stations that serve high-fire risk areas in remote communities in Humboldt County.

## **ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)**

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The Project fulfills the following RePower goals:

- Goal # 1.2.1 - Develop Emergency Response Capabilities
- Goal # 1.4.8 - Develop Programs that Foster Social Equity
- Goal # 2.1.1 - Support Member Agency and Local Government Energy Management
- Goal # 2.1.4 - Perform Energy Assessments
- Goal # 2.1.5 - Integrate Distributed Energy Resources
- Goal # 2.1.7 - Support and Deploy Microgrids
- Goal # 2.4.1 - Support Customer Installation of Distributed Generation
- Goal # 4.1.1 - Maximize the Use of Local Renewable Energy to the Extent Technically and Economically Feasible and Prudent.

## **EQUITY IMPACTS**

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The Project furthers the following RCEA Racial Justice Plan initiatives:

### **External Partnerships and Programs**

1. Tribal Engagement:

- b) RCEA staff will continue and expand efforts to identify opportunities to collaborate with local Tribes as partners on sustainable energy initiatives.

3. Energy justice in power procurement and energy resource development:

- a) RCEA staff will incorporate energy justice best practices and affordability into renewable development and power purchase solicitations and resource planning.
- b) RCEA will continue to include project location and community benefit in its evaluation criteria for power solicitations, in an effort to contract for projects that benefit racially diverse communities and to avoid projects that are detrimental to those communities.
- d) For energy projects in which RCEA takes an active role in inception, development, ownership and/or operation, staff will work with private partners to collaborate and inclusively engage with local communities throughout the development process, rather than a “decide-announce-defend” approach.

## **FINANCIAL IMPACT**

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RCEA does not anticipate a fiscal impact to the organization beyond what is already awarded and budgeted for the RRGP project.

## **STAFF RECOMMENDATION**

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Award Design-Build Agreement to Stephens Electrical to perform design-build services for the Energy Resilience at Rural Fire Stations Project for a not to exceed value of \$1,700,000 through December 31, 2026, and authorize the Executive Director to execute all applicable documents.

## **ATTACHMENTS**

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1. Stephens Electric, Inc. Proposal
2. Design-Build Agreement Exhibits A and B

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## Cover Letter

**RE: Redwood Coast Energy Authority  
RFP for Energy Resilience at Rural Fire Stations Project**

**Bid Date:** 23 June, 2025 at 12:00 pm

Stephens Electrical, Inc. is submitting the completed, requested documents as listed in the attached table of contents, to provide a proposal for the Energy Resilience at Rural Fire Stations Project.

Stephens Electrical, Inc. has the experience and capability to perform and complete the Energy Resilience at Rural Fire Stations Project, in a timely, safe, and professional manner.

**Business Address:** 2452 Airstrip Rd., Suite A. Redding, CA 96003  
**Point of Contact:** Jason Andrews, *Project Manager/Estimator*  
Office: (530) 222-8433  
Email : [REDACTED]  
Bri Williams, *Projects Administrative Assistant*  
Email: [REDACTED]

**License:** CSLB #860647      **Expiration Date:** 12/31/25

**D.I.R. #**1000007621      **Expiration Date:** 06/30/2025

Regards,

Jason Andrews  
Project Manager/ Estimator  
Stephens Electrical, Inc.  
[REDACTED]



**Redwood Coast Energy Authority**  
**Energy Resilience at Rural Fire Stations Project**  
**RFP-25-901**  
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<b>2. Cost Proposal Spreadsheet</b>	<b>13-14</b>
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## **RFP-25-901**

### **Energy Resilience at Rural Fire Stations Project**

#### **Project Development Proposal**

**Section:** 1. A.

**Description:** Construction Expertise

*Stephens Electrical, Inc.*

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## **Design Build Team Construction Expertise**

**Stephens Electrical, Inc. and PACE Engineering** have built a strong working relationship through multiple successful collaborations on complex, higher education design-build projects. Our partnership has been instrumental in delivering integrated electrical design and construction solutions for two major California State University projects: the California State University (CSU), Chico University Services Building and the Cal Poly Humboldt Engineering and Technology Buildings. These projects highlight our ability to seamlessly manage the design-build process from inception through construction, ensuring high-quality, cost-effective solutions tailored to the unique needs of educational institutions.

Our team has extensive design and construction experience in developing solar and battery energy storage systems across a range of project sizes and site conditions. This includes successful delivery of integrated photovoltaic and battery solutions for municipal facilities, schools, and remote sites. We emphasize safety, efficiency, and quality control at every stage, ensuring that each project meets performance expectations.

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## **RFP-25-901**

### **Energy Resilience at Rural Fire Stations Project**

#### **Project Development Proposal**

**Section:** 1.B.

**Description:** Technical Design Approach

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## **Technical Design Approach**

This project involves the design, procurement, installation, and commissioning of photovoltaic (PV) systems paired with battery energy storage systems (BESS) across multiple sites. The system capacities for solar generation and energy storage have been pre-determined. Our design approach focuses on delivering safe, reliable, and code-compliant systems that meet the operational and schedule requirements.

**Design Approach:** Our design-build methodology integrates detailed engineering, compliance with California codes, and constructability considerations to streamline project delivery. By leveraging the pre-established system sizing, we concentrate efforts on site-specific validation, code adherence, and optimized system integration. Our approach also integrates value engineering at key design milestones to evaluate cost-saving alternatives in materials, layout, and equipment specifications—without compromising performance or long-term reliability.

We incorporate life cycle cost analysis (LCCA) into our design development by quantifying the long-term financial impacts of design decisions. This includes evaluating initial capital costs, ongoing operations and maintenance, equipment replacement timing, salvage value, and discounted net present value (NPV) of expected utility savings over a 20-year horizon. This enables RCEA and Project Partners to make informed decisions that optimize cost-effectiveness and return on investment.

The design and installation of PV and BESS systems strictly adhere to relevant California and national codes and standards, including but not limited to:

California Electrical Code (CEC, Title 24, Part 3)

California Building Code (CBC, Title 24, Part 2)

California Fire Code (CFC, Title 24, Part 9)

NFPA 855: Standard for Installation of Stationary Energy Storage Systems

UL 9540 / UL 9540A: Safety and Thermal Runaway Testing for BESS

IEEE 1547 / 1547.1: Interconnection and Interoperability Standards

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**Electrical Design:** Development of single-line diagrams, equipment layouts, wiring and conduit routing, grounding schemes, and inverter/BESS integration consistent with the California Electrical Code (CEC, Title 24, Part 3), which incorporates NEC 2022 standards.

**Structural Design:** The mounting and anchorage systems shall comply with applicable provisions of the CBC and local building department requirements. For sites with a 5% or less increase in roof design loads will not require additional structural engineering. It is anticipated that the majority of the sites will be in compliance with this. Additional structural evaluation may be required for the other sites that exceed this.

**Fire and Safety Design:** Designs incorporate battery energy storage system requirements per the California Fire Code CFC including fire suppression considerations (if applicable), ventilation, signage, and access.

**Interconnection Design:** System designs meet utility interconnection standards.

This engineering design approach leverages thorough site validation, adherence to California's stringent codes, and best practices in design-build project delivery to ensure all PV and battery energy storage systems are installed safely, perform reliably, and meet the project's technical and scheduling requirements.

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## **RFP-25-901**

### **Energy Resilience at Rural Fire Stations Project**

#### **Project Development Proposal**

**Section:** 1.C.

**Description:** Project Approach

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## **Project Approach**

**(1)** Our team will utilize a phased design methodology to ensure timely and high-quality system development in alignment with RCEA and Project Partner expectations. This phased approach will consist of multiple broken-out sets of sites. Each set will be designed, reviewed, and permitted as a group. Owner and AHJ comments from previous project sets will be incorporated into new sets to minimize coordination time. Sites with NEM deadline cutoffs will be prioritized first.

**(2a)** See below for our design deliverables:

**80% Design:** We will have completed detailed site assessments, conducted load analyses, verified interconnection feasibility, and have completed 80% design documents (site plans, single-line diagrams, equipment specifications). This package will be submitted to RCEA and Project Partners for initial review. We will host collaborative review sessions and incorporate all feedback until RCEA confirms revisions are complete.

**95% Design:** After RCEA approval of the 80% design, we will finalize system specifications and documentation. This package will undergo a second round of review by RCEA, Project Partners, and local building departments. Revisions will be made as needed until both RCEA and permitting authorities sign off on the design.

**100% Design:** Upon approval of the 95% design, we will finalize construction documents, equipment procurement lists, and commissioning plans. These 100% documents will serve as the basis for construction and permit issuance.

**(2b)** We will prioritize development based on site readiness, permitting complexity, and access constraints. Sites with fewer environmental or interconnection hurdles will proceed first, allowing for early momentum and resource optimization. Priority will be given to stations with higher energy usage and easier utility coordination.

Sites will be grouped into regional clusters to reduce transportation time and emissions. We will utilize storage at each project site where possible for pre-staging major equipment (modules, inverters, batteries). Equipment deliveries will be scheduled to coincide with crew readiness to avoid laydown congestion.

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Construction crews will be organized into mobile teams, with electricians, laborers, and technicians rotating across the sites based on project phase. Each team will have a dedicated foreman and shared support from a central PM team.

### **(3) Proposed Timeline**

<b>Design (80–100%)</b>	<b>Mar 2025 – Dec 2025</b>	<b>Phased by region; concurrent design for multiple sites</b>
<b>Permitting</b>	<b>Jun 2025 – Feb 2026</b>	<b>Early submissions prioritized; staggered to prevent bottlenecks</b>
<b>Equipment Procurement</b>	<b>Aug 2025 – Mar 2026</b>	<b>Includes estimated 12–20 week lead times</b>
<b>Construction</b>	<b>Oct 2025 – Sep 2026</b>	<b>Parallel construction at multiple sites</b>
<b>Testing &amp; Commissioning</b>	<b>Nov 2025 – Oct 2026</b>	<b>Completed site-by-site as systems come online</b>
<b>Project Completion</b>	<b>All systems by Dec 2026</b>	<b>Substantial completion well in advance to allow for final review</b>

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(4) Our design and construction teams are well-versed in California codes, including the California Electrical Code (CEC), California Fire Code (CFC), and California Building Code (CBC). Each design will include a full code compliance review and jurisdiction-specific permit coordination. Additionally, we will offer on-site training to RCEA staff or designated personnel at each facility, ensuring local familiarity with basic maintenance procedures and system diagnostics. This supports long-term sustainability and community self-reliance.

(5) All installation labor will be performed by licensed professionals and will include a minimum 1-year workmanship warranty.

Equipment will carry industry-standard warranties:

**PV Modules:** 25-year performance warranty

**Inverters:** 10–15-year manufacturer warranty (extendable)

**Battery Energy Storage Systems (BESS):** 10-year warranty (with degradation guarantees)

**Balance of System (racking, conduit, switches):** 10–25 years depending on manufacturer

(6) We employ early procurement and strategic sourcing to minimize inflation risk. Where long lead items are vulnerable to price shifts, we will pre-order or lock-in pricing through framework agreements. Our engineering team evaluates multiple vendor options to ensure competitive pricing. We maintain contingency within our budget to manage both price escalation and delivery uncertainty stemming from global market shifts and tariff changes.

(7) Our Design Build Team will not utilize any Subcontractors; we will be performing all construction and design within the Design Build Entity.

(8) Stephens Electrical, Inc. is signatory union shop complying with all Skilled and Trained Workforce requirements and only employs State Certified Electricians. We intend to employ between 1-2 apprentices over the duration of this project.

(9) To further mitigate supply chain risks, we maintain a list of pre-qualified alternate suppliers for critical components, enabling timely substitutions if primary vendors face delays or shortages. We also plan for buffer inventory and staged deliveries to accommodate unexpected logistics disruptions.

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- (10) RCEA can count on our team's deep experience delivering complex distributed energy projects in rural, logistically challenging environments. Our engineers and contractors have successfully collaborated on dozens of similar projects, many of which included public agency stakeholders, local workforce development goals, and interconnection challenges. We are confident in our ability to deliver high-performing, code-compliant, on-time systems that meet both the energy resilience and sustainability goals of RCEA and its partners.

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## **RFP-25-901**

### **Energy Resilience at Rural Fire Stations Project**

**Section:** 2.

**Description:** Cost Proposal Spreadsheet

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<b>Design-Build Team Lead and Authorized Contact:</b>	Jason Andrews
<b>Phone Number:</b>	530-222-8433
<b>Email:</b>	

<b>Additional Authorized Contact:</b>	Bri Williams
<b>Phone Number:</b>	530-222-8433
<b>Email:</b>	

	<b>Total cost (\$)</b>	<b>Design (\$)</b>	<b>Permitting (\$)</b>	<b>Equipment (\$)</b>	<b>Construction (\$)</b>	<b>Travel (\$)</b>	<b>Unforeseen Costs (Bonding) (\$)</b>
1 Whitethorn VFD	\$ 85,412.76	\$ 15,093.75	\$ 4,856.25	\$ 24,154.56	\$ 31,500.00	\$ 8,085.00	\$ 1,723.20
2 Telegraph Ridge VFD	\$ 83,049.69	\$ 13,282.50	\$ 4,325.00	\$ 24,133.99	\$ 31,500.00	\$ 8,085.00	\$ 1,723.20
3 Orleans VFD	\$ 98,115.41	\$ 16,905.00	\$ 5,250.00	\$ 24,152.21	\$ 42,000.00	\$ 8,085.00	\$ 1,723.20
4 <del>Fruitland Ridge VFD</del>							\$
5 Briceland VFD	\$ 84,863.45	\$ 12,075.00	\$ 4,200.00	\$ 25,180.25	\$ 33,600.00	\$ 8,085.00	\$ 1,723.20
6 Orick VFD	\$ 87,918.99	\$ 16,905.00	\$ 5,250.00	\$ 24,455.79	\$ 31,500.00	\$ 8,085.00	\$ 1,723.20
7 Willow Creek FPD	\$ 95,412.30	\$ 13,886.25	\$ 4,593.75	\$ 31,424.10	\$ 35,700.00	\$ 8,085.00	\$ 1,723.20
8 Westhaven VFD	\$ 114,908.30	\$ 15,697.50	\$ 4,987.50	\$ 48,715.10	\$ 35,700.00	\$ 8,085.00	\$ 1,723.20
9 Petrolia VFD	\$ 115,457.23	\$ 15,697.50	\$ 4,987.50	\$ 48,994.03	\$ 35,700.00	\$ 8,085.00	\$ 1,723.20
10 Blue Lake FD	\$ 115,304.48	\$ 12,075.00	\$ 4,200.00	\$ 53,521.28	\$ 35,700.00	\$ 8,085.00	\$ 1,723.20
11 Yurok VFD	\$ 158,417.73	\$ 15,093.75	\$ 4,856.25	\$ 75,109.53	\$ 50,400.00	\$ 11,235.00	\$ 1,723.20
12 Hoopa Fire Department	\$ 521,592.35	\$ 20,527.50	\$ 6,037.50	\$ 382,844.15	\$ 94,500.00	\$ 15,960.00	\$ 1,723.20
13 Hoopa Communications Tower	\$ 115,977.98	\$ 18,112.50	\$ 5,512.50	\$ 31,094.78	\$ 50,400.00	\$ 9,135.00	\$ 1,723.20
<b>Total</b>	<b>\$ 1,676,430.67</b>						



## **RFP-25-901**

### **Energy Resilience at Rural Fire Stations Project**

**Section:** 3.

**Description:** Life Cycle Cost Analysis

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### Life Cycle Cost Analysis

Site	PV Size (kW)	BESS Size (kWh)	Capital Cost (\$)	Annual O&M Cost (\$)	Discounted O&M	Replacement Cost (\$ (60% of capital)	Salvage Value (\$ (10% of capital)	RCEA Estimated 20-Year Energy Bill Savings (\$)	20-Year NPV (\$)	Assumptions
Hoopa	80	560	\$ 648,000.00	\$ 8,000.00	\$ 100,000.00	\$ 388,800.00	\$ 64,800.00	\$ 213,721.00	\$ (858,279.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Hoopa Comm Tower	6.4	40.96	\$ 48,768.00	\$ 640.00	\$ 8,000.00	\$ 29,260.80	\$ 4,876.80	\$ -	\$ (81,152.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Orleans	2.08	24.5	\$ 24,800.00	\$ 208.00	\$ 2,600.00	\$ 14,880.00	\$ 2,480.00	\$ 19,588.00	\$ (20,212.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Orick	2.08	24.5	\$ 24,800.00	\$ 208.00	\$ 2,600.00	\$ 14,880.00	\$ 2,480.00	\$ 17,089.00	\$ (22,711.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Whitethorn	2	12	\$ 14,600.00	\$ 200.00	\$ 2,500.00	\$ 8,760.00	\$ 1,460.00	\$ 16,026.00	\$ (8,374.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Telegraph Ridge	2.08	14.7	\$ 16,960.00	\$ 208.00	\$ 2,600.00	\$ 10,176.00	\$ 1,696.00	\$ 13,500.00	\$ (14,540.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Briceland	4.16	24.5	\$ 30,000.00	\$ 416.00	\$ 5,200.00	\$ 18,000.00	\$ 3,000.00	\$ 42,591.00	\$ (7,609.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Yurok	16	98	\$ 118,400.00	\$ 1,600.00	\$ 20,000.00	\$ 71,040.00	\$ 11,840.00	\$ 221,296.00	\$ <b>23,696.00</b>	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Willow Creek	4.16	39.2	\$ 41,760.00	\$ 416.00	\$ 5,200.00	\$ 25,056.00	\$ 4,176.00	\$ 71,686.00	\$ <b>3,846.00</b>	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Petrolia	8.32	58.8	\$ 67,840.00	\$ 832.00	\$ 10,400.00	\$ 40,704.00	\$ 6,784.00	\$ 93,983.00	\$ (18,177.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Westhaven	8.32	39.2	\$ 52,160.00	\$ 832.00	\$ 10,400.00	\$ 31,296.00	\$ 5,216.00	\$ 99,874.00	\$ <b>11,234.00</b>	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
Blue Lake	8.32	73.5	\$ 79,600.00	\$ 832.00	\$ 10,400.00	\$ 47,760.00	\$ 7,960.00	\$ 83,485.00	\$ (46,315.00)	20yr lifecycle, 5% discount rate for O&M, 7% escalation in electricity rates, BESS used for TOU peak shaving.
<del>Fruitland Ridge</del>	<del>4.16</del>	<del>19.6</del>	<del>\$ 26,080.00</del>	<del>\$ 416.00</del>	<del>\$ 5,200.00</del>	<del>\$ 15,648.00</del>	<del>\$ 2,608.00</del>	<del>\$ 27,748.00</del>	<del>\$ (16,572.00)</del>	<del>20yr lifecycle, 5% discount rate for O&amp;M, 7% escalation in electricity rates, BESS used for TOU peak shaving.</del>





## **RFP-25-901**

### **Energy Resilience at Rural Fire Stations Project**

**Section:** 4.

**Description:** Signed Proposal

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## **Proposal**

23 June, 2025

### **Redwood Coast Energy Authority: RFP for Energy Resilience at Rural Fire Stations Project**

**Bid Date:** 23 June, 2025 at 12:00 pm

Our Design Build Team appreciates the opportunity to submit this proposal for the Redwood Coast Energy Authority (RCEA) Fire Station Solar and Batteries Project. Solar and Battery design is anticipated for 12 sites as indicated in the received RFP documents.

Our team will provide engineering services necessary to complete construction documents, which will be submitted by PACE to the Owner and Authority Having Jurisdiction (AHJ) for review and approval. We will also provide post-design services for construction administration.

#### **This proposal is based on the following assumptions:**

1. Existing electrical services are adequately sized to handle the proposed improvements.
2. PACE will be provided with adequate information to assess the existing maximum demand for the service.
3. It is anticipated that the existing roof structures can accommodate the proposed solar panels. The proposal does not include full structural design or calculations. If it does not appear that the roof structure can accommodate the proposed solar panels, it is anticipated that a ground mounted system will be utilized for electrical design.
4. The proposal is based on the RFP-25-901 and addendum 1-4.

#### **Inclusions:**

1. The services proposed shall be compliant with current applicable codes.
2. This proposal is based on the following site visits for each site:
  - a. One site visit during design to evaluate and document existing conditions.
  - b. One site visit for final punch list.

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- c. It is assumed that all sites will be visited in a consolidated trip for the initial and punchlist visit.
3. This proposal is based on the following design submittals:
  - a. 80% and 95% Construction Documents to be reviewed with Client and Owner.
  - b. 100% Construction Documents to be submitted to the AHJ for review.
  - c. Approved for Construction Documents, which will include any necessary revisions to address AHJ comments.
4. Respond to AHJ permit comments and modify drawings as necessary.
5. Virtual meetings with the Client and/or Owner as required during design.
6. Bid Construction Documents shall include drawings and technical specifications in 8.5" x 11" format.
7. Major scope revisions or value engineering required past 50% Construction Documents are outside the scope of this proposal and can be performed as an additional service.
8. Contractor/Owner Agreements will be handled by the Owner.
9. Post-design services shall include the following:
  - a. Submitting the drawings, specifications, and necessary forms for permitting process for each project. Permit fees are not included.
  - b. Review and respond to Contractor requests for information (RFIs) during construction pertaining to the original Scope of Services.
  - c. Review Contractor shop drawings/submittals for general conformance with the construction documents.
  - d. Site visits as listed above.
  - e. Prepare final punch list.
  - f. Prepare AHJ closeout forms as required.

#### Electrical Construction Documents:

1. One-line diagram showing power distribution throughout the area of work.
2. Electrical site plan and enlarged site plans.
3. Electrical load, voltage drop, and short circuit calculations shall be performed.
4. Panelboard schedules with all new and modified loads identified.
5. Photovoltaic (PV) and battery system design:
  - a. Three-line diagram depicting PV and battery system interconnections.
  - b. PV array and battery quantities and locations shall be fully coordinated.
  - c. PV modules, inverter, and racking and battery system cut sheets shall be included on the drawings.

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- d. PV and battery system cut sheets.
- 6. Energy Code compliance documents:
  - a. Electrical Power Distribution Systems (NRCC-ELC-E).
- 7. Details as required to accurately depict the improvements shown on the drawings.

**Exclusions:**

The following services are not included in the above Scope of Services:

- 1. Civil design.
- 2. Structural design and evaluation of roofs.
- 3. Technology design.
- 4. Fire alarm design.
- 5. Interior and exterior lighting design.
- 6. Power system design of any items outside of what is explicitly listed in the Scope of Services.
- 7. Arc flash study.
- 8. Overcurrent protective device coordination study.
- 9. Generator system design.
- 10. Electrical vehicle charging station design.
- 11. Revisions to design or coordination caused by presence of asbestos.
- 12. Submittal and approval from agencies not mentioned in the Scope of Services.
- 13. In person delivery of permit package to AHJ. It is assumed that the permit package will be submitted electronically for each site.

**Total Price: \$1,676,430.67**

<b>Respectfully Submitted:</b> Stephens Electrical, Inc.	<b>Acceptance of Proposal:</b> RCEA
<b>Signature:</b> 	<b>Signature:</b>
<b>Name:</b> Jason Andrews	<b>Name:</b>
<b>Title:</b> Project Manager/Estimator	<b>Title:</b>
<b>Date:</b> June 23, 2025	<b>Date:</b>

***Stephens Electrical, Inc.***

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## Exhibit – Scope of Services

It is the intent of RCEA that the scope of services to be performed by DBT as part of the Project shall be designed and constructed in accordance with the information contained in the Request for Proposals. This project consists of the design and construction of 11 distinct renewable energy systems, including:

- Rooftop, rack-mounted, grid-tied systems at 9 fire stations
- Awning-mounted grid-tied system at one (1) fire station
- Pole-mounted off-grid system at one (1) communications tower

Each Project site has existing roof space that can be used for installation of solar panels. The structural integrity of each roof will need to be evaluated as part of the Project. Any structural repairs needed should be included in the “Unforeseen Costs” column within the required cost proposal spreadsheet. Preliminary designs for each fire station site are based on 15-minute energy use data over a one-year period. The preliminary design for the communications tower is based on measurements of the energy demand when communications transmissions are occurring. All energy systems are to be constructed on existing rooftops apart from one awning installation, and the addition of panels to an existing rack-mounted system (communications tower).

The scope of services for the Project includes all disciplines necessary to completely design and construct the Project, including, without limitation, all on-site and off-site work. The services sought for this Project include all customary services normally provided under the umbrella of the design-build method of project delivery including, but not limited to, agency approvals, construction, procurement, scheduling, estimating, value engineering, general contracting, system commissioning, project closeout, and warranty services. The completed Project is to be 11 fully functioning solar plus storage energy systems as described in the contract between RCEA and DBT.

All design and construction work must be substantially completed by **November 30, 2026**. Final Completion shall be within 30 days of Substantial Completion.

Within ten (10) days after notification of award, DBT shall prepare and submit a Design Schedule for the design phase of the Project for RCEA’s approval. The Design Schedule shall include adequate time (two or more weeks) for RCEA review and final approval. DBT may incorporate options to phase the design and construction permits as needed.

The Design Schedule shall include the following milestones:

- DBT confirmation of site conditions
- Approved schematic design
- Approved construction documents
- Back-check/final approval.

Upon approval of the schematic design, DBT shall prepare and submit a Preliminary Construction Schedule for RCEA's review and approval. During the design development phases between schematic design and construction document approval, DBT shall prepare and submit a detailed Construction Schedule for RCEA's review and approval.

The Construction Schedule shall include the following milestones:

- Equipment procurement
- Notice to Proceed
- Commissioning
- Substantial Completion
- Final Completion

**REDWOOD COAST ENERGY AUTHORITY  
ENERGY RESILIENCE AT RURAL FIRE STATIONS PROJECT RFP-25-901  
DESIGN-BUILD AGREEMENT EXHIBIT B**

**GENERAL CONDITIONS**

**Article I.           INTRODUCTORY PROVISIONS.**

**Section 1.01   Defined Terms.**

Wherever used in the Contract Documents, a term with initial capitalization, including the term's singular and plural forms, will have the meaning indicated in the definitions below. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified Articles, Sections, the titles of other documents or forms, proper nouns, and terms that are commonly used with initial capitalization.

- a) Approval or Approve— A written determination by RCEA that a particular DBT submittal, plan, program, invoice, or action appears to comply with the requirements of the Contract Documents. Approval shall not (1) shift any risk to RCEA or relieve the DBT for its obligations and liabilities under the Contract Documents; (2) be construed as a waiver by RCEA of any noncompliance or breach by DBT; or (3) be construed as a warranty agreement by RCEA that the DBT's methods will succeed or will be the most efficient or economical method of accomplishing the Work.
- b) As-Built Documents -- Final drawings, specifications and plans furnished by the DBT, documenting the details and dimensions of the completed Work.
- c) Authorized Representatives -- The individuals designated by each Party to act on that Party's behalf.
- d) Betterment -- With respect to a given Utility, "Betterment" has the meaning (if any) set forth in any third party agreement applicable to the Utility, and in all other cases shall mean any upgrading of a Utility that is not attributable to the construction of the Project and is made solely for the benefit of and at the election of the Utility Owner, including an increase in the capacity, capability, level of service, efficiency or function of a Utility over that which was provided by the existing facility. The following actions or activities are not considered Betterments unless otherwise provided in an applicable third party agreement: (1) any upgrading which is necessary to complete the Project; (2) replacement devices or materials that are of equivalent standards even though not identical; (3) replacement of devices or materials no longer regularly manufactured with the next highest grade or size; (4) any upgrading required by applicable Government Rules; (5) replacement devices or materials which are used for reasons of economy (e.g., non-stocked items may be uneconomical to purchase); and (6) any upgrading or replacement required by applicable utility standards.
- e) Change -- Additions, deletions, or other revisions to the Work, or an adjustment in the Contract Price or the Contract Times, or other revisions to the Contract Documents.
- f) Change Order —A document signed by DBT and RCEA that authorizes a Change.
- g) Claim-- A written demand by the DBT to RCEA for: (1) a time extension; (2) an increase in the Contract Price or other payment of money in addition to the Contract Price; or (3) payment of an amount that is disputed by RCEA.

- h) Compensable Event -- An action or event that satisfies the applicable conditions and requirements set forth in Article IX hereof and allows the DBT an adjustment in the Contract Price.
- i) Compensable Delay -- An action or event that satisfies the applicable conditions and requirements set forth in Article IX hereof and allows the DBT an adjustment in Contract Price or an extension to Contract Time.
- j) Completion Deadline— The Substantial Completion Deadline and/or Final Acceptance Deadline, as the case may be.
- k) Contract— The entire set of terms, conditions, requirements and directions that collectively constitute the obligations of the DBT in the performance of the Work.
- l) Contract Documents—Those items so designated in the Agreement and which together comprise the Contract.
- m) Contract Price—The money that RCEA has agreed to pay DBT for completion of the Work in accordance with the Contract Documents.
- n) Contract Time— The number of calendar days allowed for the completion of the Work (or a specified element, phase, or stage thereof) by DBT, including any authorized extensions of time. Contract Time shall begin on the date of the Notice to Proceed.
- o) Construction Documents – All shop Drawings, working Drawings, samples, and Quality Assurance documents necessary for construction of the Project in accordance with the Contract Documents.
- p) Construction Work – All elements and components of the Work generally associated with construction and installation of the Project that the DBT is required to perform and complete under the Contract Documents.
- q) Defect, or Defective -- A flaw, fault, omission, or inaccuracy in Materials or the Work.
- r) Deficiency or Deficient -- One or more of the following: (1) Defect(s) in any of the Work related to construction, Materials, workmanship or functionality; (2) Defect(s), omission(s), and deviation(s) in any of the Design Work furnished by the DBT; (3) unapproved deviation(s) from the Contract requirements, any applicable codes, or any applicable standards; or (4) other problem(s) that may result in the Work or any portion thereof not performing in accordance with the Contract requirements.
- s) DBT's Project Manager— The individual designated by DBT in its Proposal, or substitute individual designated in writing by DBT to undertake such role, following Approval of the substitution by RCEA.
- t) Design Documents -- Maps, preliminary engineering plans, design plans, Specifications, reports, calculations, records, submittals, and other specified documents prepared by the DBT and/or Designer in the course of performing Project Design Services.
- u) Design Services -- The scope of design services the DBT is required to perform and complete under the Contract.
- v) Differing Site Condition -- Unknown physical conditions of an unusual nature encountered in performing the Work that (1) differ materially from those indicated in the Contract Documents and/or Reference Documents, and (2) differ materially and substantially from those conditions ordinarily encountered in the area of the Project and generally recognized as inherent in the type of Work provided for in the Contract. The term "Differing Site Condition" includes the discovery



on or near the Site of any archaeological, paleontological, or Cultural Resource, but does not include any condition that was indicated in the Contract Documents or the Reference Documents or any condition that was otherwise known to the DBT as of the Proposal Date.

- w) Drawings—All maps, drawings, plans, profiles, reports, cross section, and renderings, and all software and hardware, developed for the design and construction of the Project.
- x) Effective Date -- The date specified in the Agreement on which the Contract becomes effective.
- y) Environmental Laws-- All Government Rules now or hereafter in effect regulating, relating to, or imposing liability or standards of conduct concerning the environment or emissions, discharges, release, or threatened releases of hazardous, toxic or dangerous waste, substance, or material into the environment or relating to the manufacture, processing, use, treatment, storage, disposal, transport or handling of Hazardous Materials or otherwise relating to the protection of public health, public welfare or the environment, including the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. (CERCLA); the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. (RCRA); the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the National Environmental Policy Act, 42 U.S.C. §§ 4321 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Endangered Species Act, 16 U.S.C. §§ 1531 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; and the Migratory Bird Treaty Act, 16 U.S.C. §§ 703 et seq.; and all State and local laws, ordinances, and regulations, including the California Environmental Quality Act, that are for the protection of public health, public welfare, or the environment and are applicable to public works projects in the State, including those developed and/or implemented by the RCEA of Eureka, or Humboldt County.
- z) Equipment -- All apparatus, machinery, tools, and equipment, together with the necessary supplies for their operation and maintenance, necessary for the proper construction and acceptable completion of the Work.
- aa) Excusable Delay -- A delay to the Project Schedule that satisfies the applicable conditions and requirements set forth in Article IX hereof and allows the DBT an extension in Contract Time.
- bb) Final Acceptance— Written notice from RCEA to DBT issued upon the completion of all Construction Work and acceptance of the Construction Work by RCEA which states that all required tasks and elements of the Construction Work have been completed in a satisfactory manner and in compliance with the Contract Documents.
- cc) Final Completion Date – The date on which all Construction Work and the DBT’s other obligations under the Contract Documents have been completed.
- dd) Final Payment – The last Progress Payment made to DBT for the Work.
- ee) Force Majeure Event—Any extraordinary event beyond the control of DBT and not due to an act of omission of the DBT, or any DBT-Related Entity, to the extent that the event (or the effects of the event) materially and adversely affects DBT’s obligations under the Contract and could not have been avoided or prevented by due diligence and use of reasonable efforts by DBT. The following events can be a “Force Majeure Event” provided that the DBT has taken all commercially reasonable actions to forestall, mitigate or avoid potentially negative impacts to the Project: (1) any rebellion, war, riot, act of terrorism, or epidemic; (2) natural disaster or extreme weather conditions; (3) any change in Laws or Regulations, excepting applicable utility standards, resulting in requirements applicable to the project becoming materially different from

the requirements applicable as of the Effective Date; (4) the suspension, termination, interruption, or denial by a government entity of any permit or approval required to be in obtained or maintained in force; and, (5) any national or regional strike or work stoppage not involving the employees of the DBT or a DBT-Related Entity.

- ff) Goods -- The Materials, Equipment, and other products incorporated into or required to perform the Work or otherwise furnished by the DBT in accordance with the Contract Documents.
- gg) Government Rule -- Any statute, regulation, ordinance, judgment, order, permit, concession, grant, franchise, license, agreement, directive, guideline, policy requirement, or other governmental restriction or any similar form of decision of or determination by, or interpretation or administration of any of the foregoing by, any government entity, which is directly applicable to the Work or the Project.
- hh) Governmental Approval -- Any approval, authorization, certification, consent, decision, exemption, filing, lease, license, permit, registration, or ruling required by or with any government entity in order to design and construct the Project.
- ii) Hazardous Materials -- Any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 United States Code (USC) § 9601, et seq.; the Hazardous Materials Transportation Act, 49 USC § 5101, et seq.; the Resource Conservation and Recovery Act, 42 USC § 6901, et seq.; the Toxic Substances Control Act, 15 USC § 2601, et seq.; the Clean Water Act of 1977, 33 USC § 1251, et seq.; the Clean Air Act, 42 USC § 7401, et seq.; and any other federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, or material.
- jj) Hazardous Materials Management -- Sampling, stockpiling, storage, backfilling in place, asphalt batching, recycling, treatment, clean-up, remediation, transportation and/or off-site disposal of Hazardous Materials, whichever is the most cost-effective approach authorized under applicable Government Rules.
- kk) Incidental Utility Work-- All of the following work necessary for the construction of the Project: (1) The adjustment of Utility appurtenances (e.g., manholes, valve boxes, and vaults); (2) temporary relocations; (3) All work necessary to remove any Utilities (whether or not in use as of the Proposal Date) or for facilities which the DBT proposes be relocated to accommodate or permit construction of the Project, regardless of whether replacements for such Utilities are being installed in other locations; and (4) Coordination with Utility Owners.
- ll) Key Personnel -- The DBT's Owner, Project Manager, Construction Manager, General Foreman, Foreman, Principal-in-Charge, Principal Engineer, Electrical Engineer, Associate Engineer, Staff Engineer, and Structural Engineer.
- mm) Liquidated Damages -- Payments owed by the DBT to RCEA for failure to meet Completion Deadlines or Milestones, in the amounts and categories set forth in Article IXIII hereof.
- nn) Material -- Any materials approved by RCEA and conforming to the requirements of the Technical Specifications.
- oo) Milestone—A principal event in the performance of the Work that the Contract requires DBT to achieve by an intermediate completion date, or by a time prior to Substantial Completion of all the Work.

- pp) Notice to Proceed or NTP— Written notice from RCEA to DBT fixing the date on which DBT shall start to perform the Work.
- qq) Payment Bond or Labor and Materials Bond -- The approved form of security, executed by the DBT and its Surety or Sureties, guaranteeing the payment of all legal charges, costs, amounts, and debts, including payments to Subcontractors and Suppliers, pertaining to the Construction Work. Also referred to herein as the Labor and Materials Bond.
- rr) Performance Bond -- The approved form of security, executed by DBT and its Surety or Sureties, guaranteeing performance of all Construction Work in compliance with the requirements of the Contract Documents, including all Change Orders and Contract Amendments.
- ss) Performance Specification -- The specifications to be developed by the DBT that establish requirements for the Work in terms of design parameters and performance parameters and metrics to be met.
- tt) Preliminary Construction Schedule -- The preliminary construction schedule submitted by DBT shows the critical timing of Project construction milestones such as equipment procurement, Notice to Proceed, Commissioning, Substantial Completion, Final Completion.
- uu) Progress Payment -- Payments to the DBT by RCEA relating to the completion of specific elements of Work in accordance with the Schedule of Values agreed upon by RCEA and the DBT, as further described in accordance with Article IXVII hereof.
- vv) Project—The total undertaking to be accomplished for RCEA by designers, engineers, DBT, and others, including planning, study, design, construction, testing, commissioning, start-up, Operation and Maintenance, and Fuel Supply to design and construct the Hydrogen Fueling Station and of which the Work to be performed under the Contract Documents is a part.
- ww) Project Schedule -- One or more, as applicable, of the family of schedules for the phasing, timing and execution of the Work and for tracking performance of the Work, as described in the Contract.
- xx) Protection in Place -- Any activity undertaken to avoid damaging an existing Utility or other facility which does not involve removing or relocating that facility, including staking the location of the facility, avoidance of the facility location by construction equipment, installing steel plating or concrete slabs, encasement in concrete and installing physical barriers. The term includes both temporary measures and permanent installations meeting the foregoing definition. For example, supporting a pole in place during excavation and temporarily lifting power lines without cutting them would both be considered Protection in Place.
- yy) Punch List -- The list of Construction Work that remains to be completed after achievement of Substantial Completion, which is generally limited to minor incidental items of Work necessary to correct imperfections that have no adverse effect on the safety, use, or operability of the Hydrogen Fueling Station, but must be completed as condition of the Contract requirements.
- zz) RCEA-Caused Delays— An unavoidable delay, to the extent it negatively impacts the Project Schedule, which arises from the following causes and no others: (1) RCEA-Directed Changes; and (2) failure or inability of RCEA to provide responses within the time periods indicated in the Contract Documents to proposed schedules, plans, Design Documents, Construction Documents, and other submittals for which a response by RCEA is explicitly required by the Contract Documents.
- aaa) RCEA-Directed Change—Any change in the Work as described in the Contract Documents that

RCEA directs the DBT to perform.

bbb) RCEA's Project Manager—The individual or firm designated by RCEA as its Project representative and having direct supervision of the administration and implementation of the Contract Documents.

ccc) Reference Documents -- The documents provided to DBT as attachments to the RFP.

ddd) Request for Change -- A written request by DBT to RCEA, detailing any proposed Change to the Work or the Contract. This is the only mechanism by which RCEA will respond (and potentially approve through a Change Order) to any proposed Change initiated by the DBT.

eee) Schedule of Values -- The breakdown of the Contract Price into units relating to specific components of the Work, Milestones, and the Project Schedule.

fff) Shop Drawings—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for DBT and submitted by DBT to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Contract Documents.

ggg) Site—Lands or areas indicated in the Contract Documents as being furnished by RCEA upon which the Work is to be performed, including rights-of-way and easements, and such other lands or areas furnished by RCEA which are designated for the use of DBT.

hhh) Specifications—The part of the Contract that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work.

iii) Subcontractor—An individual or entity having a direct contract with DBT or with any other Subcontractor for the performance of a part of the Work.

jjj) Substantial Completion— The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of the Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with Article IXII, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion of such Work.

kkk) Substantial Completion Deadline -- The deadline for achieving Substantial Completion of the Work, as specified in Section 3.03 hereof.

lll) Supplier -- Any Person that supplies machinery, Equipment, Materials or systems to the DBT or any Subcontractor in connection with the performance of the Work and that does not perform Work at the Site. Persons who merely transport, pick up, deliver or carry materials, personnel, parts or equipment or any other items or persons to or from the Site shall not be deemed to be performing Work at the Site.

mmm) Technical Specifications – The Specifications to be developed by the DBT that are needed to adequately and completely describe in narrative or tabular form the locations, dimensions, character, properties, performance requirements, other requirements and details of the Work. Technical Specifications include, without limitation, all things entitled, described, stated or referenced in any Contract Document as a “specification” or “Technical Specification”.

nnn) Underground Facility or Facilities—All active or not-in-service underground lines, pipelines, conduits, ducts, encasements, cables, wires, manholes, vaults, tanks, tunnels, or other such

facilities or systems at the Site, including but not limited to those facilities or systems that produce, transmit, distribute, or convey telephone or other communications, cable television, fiber optic transmissions, power, electricity, light, heat, gases, oil, crude oil products, liquid petroleum products, water, steam, waste, wastewater, storm water, other liquids or chemicals, or traffic or other control systems. An abandoned facility or system is not an Underground Facility.

- ooo) Utility -- A privately, publicly, or cooperatively owned facility (which term includes lines, pipes including asbestos piping, systems and other facilities, and includes municipal and/or government facilities) for transmitting or distributing communications, cable television, power, electricity, gas, oil, crude products, water, steam, waste, or any other similar commodity, including any fire or police signal system as well as streetlights associated with roadways owned by local agencies. The necessary appurtenances to each Utility facility shall be considered part of the facility, including the Utility source, guide poles, feeder service lines, supports, etc.). Without limitation, any service lateral connecting directly to a Utility shall be considered an appurtenance to that Utility, regardless of the ownership of such service lateral.
- ppp) Utility Information -- The Utility-related data provided by RCEA, including information provided in the Contract Documents, Reference Documents, or otherwise included in the RFP, that identifies or describes the Utilities that may be impacted by the Project.
- qqq) Utility Owner -- The owner or operator of any Utility (including Government Entities and privately held entities).
- rrr) Utility Standards -- The standard specifications, standards of practice, and construction methods that are applicable to a relocation pursuant to the terms and conditions of a specific agreement; provided that if a particular facility is not governed by such an agreement or the any such agreement does not specify applicable standards, the term "Utility Standards" shall mean the standard specifications, standards of practice, and construction methods that are customarily applied by a Utility Owner to its facilities, in effect as of the Proposal Date.
- sss) Work—The entire design and construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and testing and commissioning, all as required by the Contract Documents.

## **Section 1.02    Contract Documents**

The Contract Documents are specified in the Agreement. The Contract Documents are complementary; what is called for by one is as binding as if called for by all. The order of precedence among and between the Contract Documents is specified in the Agreement.

- a) Conflict Between Contract Documents. In case of conflicts between Contract Documents, the Contract Document order of precedence dictates which Contract Document governs. In case of conflicts between Contract Documents of equal precedence, the more stringent requirement as determined by RCEA shall govern. In case of conflicts within a Contract Document, the more stringent requirement within the conflicting Contract Document, as determined by RCEA, shall govern. In the event of a discrepancy between a figure written on a Contract Document and the scaled dimensions, the written figure shall govern.
- b) Discovery of Contract Document Conflicts. If the DBT, or its Subcontractors and Suppliers at any

tier, discovers a discrepancy or conflict between or within any Contract Documents, the DBT shall notify RCEA in as soon as practicable from the time of discovery, citing the specific documents and provisions that are in conflict. Upon receipt, RCEA may do one or more of the following:

- (i) Provide the DBT with instruction and/or interpretation based upon the general guidelines for Contract Document conflict interpretation set for the above.
  - (ii) Revise and re-issue, or direct DBT to revise and re-issue, the conflicting Contract Documents in question, to remove any document conflict and potential misinterpretation in the future.
- c) Omission of Details; Clarification from RCEA
- (i) *Omissions.* Omission of details or errors in the Work from the Contract Documents or the misdescription of details of Work which are necessary to carry out the intent of the Contract Documents, or which are customarily performed, shall not relieve the DBT of its responsibility for performing such omitted Work, or the misdescribed details of the Work, and such Work shall be performed as if fully and correctly set forth and described in the Contract Documents, without entitlement to a Change Order or Modification to the Contract.
  - (ii) *Clarification.* If the Work to be done is not sufficiently detailed or explained in the Contract Documents, or if there is a conflict between the documents and the Site, or if the DBT discovers errors, omissions, inconsistencies, or other defects in the Contract Documents, the DBT shall promptly notify RCEA in writing and request further written clarification or instructions, and shall thereafter conform to the clarification or instruction.

### **Section 1.03     Default Language and Units of Measure (UOM)**

- a) Language. All information, communication, documentation, and submittals on this Project shall be in the English language.
- b) Units of Measure (UOM). Unless explicitly specified as otherwise in the Contract Documents or in a written notice by RCEA, the English Imperial (lb/foot) system shall be the primary UOM used on the Project. Likewise, unless explicitly specified as otherwise by RCEA, all communication and documentation related to the Work that contain any UOM, must utilize and express all measurements in the English Imperial system. The use of the Metric system to express UOM is also permitted, but only to the extent that it expresses the metric equivalent of the English Imperial UOM being used and is provided as additional secondary data to the English Imperial UOM.

### **Section 1.04     Delivery of Performance and Payment Bonds, Evidence of Insurance.**

- a) Performance and Payment Bonds. DBT shall deliver the performance bond and payment bonds to RCEA no later than 15 days after receipt of Notice of Contract Award from RCEA and prior to execution of Agreement.
- b) Evidence of Insurance. DBT shall deliver all certificates, endorsements, and other evidence of insurance to RCEA no later than 15 days after receipt of Notice of Contract Award from RCEA and prior to upon receiving notice of award of Contract from RCEA.

## **Article II.         RIGHTS AND RESPONSIBILITIES OF THE PARTIES**

### **Section 2.01     General**

a) Licenses, Permits, Approvals.

- (i) *DBT Responsibility.* Except for any Governmental Approvals listed in the Contract Documents as the responsibility of RCEA, the DBT shall identify and obtain, prior to beginning any related Work, all necessary licenses, permits, and other Governmental Approvals required for the timely prosecution of the Work, and shall furnish RCEA with fully executed copies thereof. Responsibility for the cost of such licenses, permits, and other Governmental Approvals shall be as specified in the Contract Documents.
- (ii) *DBT's Representation.* The DBT acknowledges and agrees that, prior to entering into this Contract, it familiarized itself with the requirements of all Government Rules and applicable laws, and the requirements for applicable licenses, permits, and other Governmental Approvals.

b) Issuance to RCEA. If any Governmental Approval required to be obtained by the DBT must formally be issued in the name of RCEA, the DBT shall undertake all efforts to obtain such approvals (subject to RCEA's reasonable cooperation with the DBT), including execution and delivery of appropriate applications and other documentation. The DBT shall assist RCEA in obtaining the approvals and any amendments thereto, including providing information requested by RCEA, and participating in meetings regarding such approvals.

c) Maintenance of Governmental Approvals. The DBT shall undertake all actions necessary to maintain, in full force and effect, all Governmental Approvals, including performance of all environmental mitigation measures required by the Contract or by any Government Rule except to the extent that responsibility for performance of such measures is expressly assigned to RCEA or any other Person.

d) Force Majeure Events. Except for events meeting the definition of "Force Majeure", the risk of all events beyond the control of the Parties shall be borne by the DBT. In accordance with the provisions of the Contract Documents, RCEA will issue a Change Order to the DBT to extend the Completion Deadlines as a result of any delay in the Project Schedule directly caused by a Force Majeure event.

## **Section 2.02    DBT's Rights and Responsibilities**

a) Responsibility for the Work. DBT shall be responsible for conforming its Work to the requirements of the Contract Documents. DBT shall at all times maintain good discipline and order among its employees and Subcontractors. DBT shall provide competent, fully qualified personnel to perform the Work, and shall ensure that each Subcontractor engaged on the Site arranges the storage of materials and equipment and performance of its Work so as to interfere as little as possible with separate contractors or other persons engaged in work for RCEA or by others on the Site.

b) Construction Methods and Procedures

- (i) DBT shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work. Unless otherwise provided in the Contract Documents or otherwise Approved by the RCEA's Project Manager, all articles, equipment and materials incorporated in the Work shall be new, of good quality, undamaged and not defective.

- (ii) The methods and procedures adopted by DBT and its subcontractors shall be such as to secure a quality of Work satisfactory to RCEA and to enable completion of the Work in the time agreed upon. If at any time such methods and procedures appear inadequate, RCEA may order DBT to improve the character or increase efficiency, and DBT shall conform to such order; but the failure of RCEA to order such improvement of methods or increase of efficiency will not relieve DBT from its obligation to perform the Work in accordance with the Contract Documents or within the Contract Time.
  - (iii) If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, DBT shall be fully and solely responsible for the Site safety for implementing such means, methods, techniques, sequences or procedures. If DBT determines that such means, methods, techniques, sequences or procedures may not be safe, DBT shall give written notice to RCEA and shall not proceed with that portion of the Work without further written instruction by RCEA.
- c) DBT's Warranty
- (iv) DBT warrants to RCEA that all materials and equipment used in or incorporated into the Work will be of good quality, new and free of liens, Claims and security interests of third parties; that all labor, installation, materials and equipment used or incorporated into the Work will be of good quality and free from defects; and that the Work will conform with the requirements of the Contract Documents and Applicable Code Requirements. If required by RCEA, DBT shall furnish satisfactory evidence as to the kind and quality of materials and equipment. Manufactured items installed in the Work and not specifically covered in the Contract Documents are to be installed in strict accordance with manufacturers' current printed instructions.
  - (v) All materials to be incorporated in the Work shall be protected from damage during delivery, storage, and handling, and after installation until Acceptance of the Work, and DBT shall, without charge to RCEA, be responsible for all damage to the materials or the Work due to DBT's failure to provide such proper protection.

## **Section 2.03     RCEA Rights and Responsibilities**

- a) Information and Services Provided by RCEA
- (i) Requests for Information Responses, Approvals and decisions required of RCEA under the Contract Documents shall be provided by RCEA's Project Manager to DBT upon request in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Work. Notwithstanding the foregoing, failure by RCEA to provide timely responses, Approvals or decisions shall not be considered as a basis for DBT to seek adjustment in the Contract Time until ten (10) Days after DBT has delivered written notice to RCEA and to the person from whom such information, Approval or decision is requested, including a (i) detailed description of the information, approval or decision required, accompanied by copies of DBT's prior written request(s), and (ii) The date by which the information, approval or decision must be received so as to not result in delay to the Project, which shall in no event be earlier than ten (10) Days after the date of RCEA's receipt of such notice.
  - (ii) RCEA's failure to provide the requested information, approval or decision within ten (10) days following receipt of the above notification will not entitle DBT to an increase in the Contract Sum or Contract Time unless the delay was unreasonable under the circumstances and DBT requests an increase in the Contract Sum and/or Contract Time by submitting a



Change Order Request. DBT will not be entitled to an increase in the Contract Time if RCEA's delay in responding was 1) reasonable under the circumstances, 2) caused by DBT's failure to timely or properly submit its request for information, or 3) the requested information was already provided or available to the DBT.

- b) Access to Project Site. RCEA will make available the lands and facilities upon which the Work is to be performed, including such access and other lands and facilities designated in the Contract Documents, for use by DBT based on the Approved Project Schedule.
- c) RCEA's Right To Stop The Work. If DBT fails to correct Defective Work as required by these General Conditions, fails to perform the Work in accordance with the Contract Documents, or violates any Applicable Code Requirement, RCEA may, without terminating the Contract, direct DBT to stop the Work, or any portion thereof, until the cause for such order has been eliminated by DBT. DBT shall not be entitled to any adjustment of Contract Time or Contract Sum as a result of any such order. RCEA shall have no duty or responsibility to DBT or any other party to exercise the right to stop the Work.
- d) RCEA's Right To Carry Out The Work. If DBT fails to carry out the Work in accordance with the Contract Documents, fails to provide sufficient labor, materials, equipment, tools and services to maintain the Construction Schedule, or otherwise fails to comply with any requirement of the Contract Documents, and fails within the time specified in the Contract Documents, after receipt of notice from RCEA to promptly commence and thereafter diligently continue to completion the correction of such failure, RCEA may, without prejudice to other remedies RCEA may have and without terminating the Contract, correct such failure at DBT's expense. In such case, RCEA shall be entitled to deduct from payments then or thereafter due DBT the cost of correcting such failure, including compensation for the additional services and expenses of RCEA and RCEA's consultants made necessary thereby. If payments then or thereafter due DBT are not sufficient to cover such amounts, DBT shall pay the additional amount to RCEA.
- e) Emergency Termination Of Contract. The Design-Build Contract is subject to termination as provided by Section 4410 and Section 4411 of the Government Code of the State of California, being portions of the Emergency Termination of Public Contract Act of 1949. In the event that the Design-Build Contract is terminated pursuant to said section, compensation to the DBT shall be determined on the basis of the reasonable value of the Work completed, including preparatory work. As an exception of the foregoing, in the case of any fully completed separate item or portion of the work for which there is a separate unit or contract price, the unit or contract price shall control.

### **Article III. TIME REQUIREMENTS AND PROJECT SCHEDULE**

#### **Section 3.01 Notice of Award, Notice to Proceed; Submittals**

- a) Notice of Award and Contractor Submittals. No later than ten (10) days after receipt of Notice of Contract Award, DBT shall submit the following:
  - (i) All required performance and payment bonds;
  - (ii) All required certificates of insurance;
  - (iii) A Design Schedule.
- b) Notice to Proceed. The DBT shall begin performance of the Work as directed in the Notice to Proceed. RCEA will issue the NTP no later than ten (10) business days after Notice of Award under subsection a), provided the following conditions have been satisfied:

- (iv) RCEA has received and Approved the DBT's Performance Bond and Payment Bond;
- (v) RCEA has received and Approved all required insurance certificates;
- (vi) RCEA has received the Design Schedule; and
- (vii) the Parties have executed the Agreement.

### **Section 3.02 Completion Deadlines.**

- a) Achieving Completion Deadlines. DBT shall achieve Substantial Completion and Final Completion by the applicable date specified in the Agreement.
- b) No Time Extensions. Except as otherwise specifically provided in this Contract, RCEA shall have no obligation to extend a Completion Deadline and DBT shall not be relieved of its obligation to comply with the Project Schedule and to achieve Substantial Completion and Final Completion by the applicable Completion Deadline for any reason.

### **Section 3.03 Project Schedule.**

- a) Schedule Submittals. DBT shall submit a Design Schedule and a Construction Schedule for RCEA's review and Approval in accordance with the requirements of and no later than the times specified in the Contract Documents.
- b) Construction Schedule. The Approved Design Schedule and Approved Construction Schedule shall be the DBT's working schedule for the applicable phase of the Work and shall be used to plan, organize, and execute such phase; to record and report actual performance and progress; and to forecast remaining Design Work and/or Construction Work. The Design Schedule and Construction Schedule shall indicate the anticipated dates for completing any Contract milestones and shall include completion of all Work by the scheduled Completion Deadlines. Upon RCEA's Approval of the Design Schedule and the Construction Schedule, it shall be deemed incorporated into and shall become a material part of the Contract. Approval of both the Design Schedule and Construction Schedule shall be a condition precedent to RCEA's Approval of any Progress Payments.
- c) Failure to Submit Required Schedules. If the DBT fails to provide an approvable Design Schedule or Construction Schedule as required herein, in addition to any other rights and remedies in favor of RCEA arising out of such failure, the DBT shall have no right to receive Progress Payments or any other payments under the Contract until such time as the DBT has prepared and RCEA has Approved the Design Schedule or Construction Schedule.
- d) Changes to Project Schedule. After RCEA's Approval of the Design Schedule or Construction Schedule, any additions, deletions, and other changes to such Schedule by the DBT shall be subject to RCEA's Approval.

### **Section 3.04 Liquidated Damages.**

Time is an essential element of this Contract and is of the essence. The cost to RCEA of the administration of this Contract, including engineering, inspection, and supervision, will be increased as the time occupied by the Work is lengthened. Further, the public is subject to harm and inconvenience when full use cannot be made due to an incomplete project, and/or traffic is disrupted and impacted by the Project. The DBT understands and agrees that if it fails to complete the Work in accordance with the Contract Documents, RCEA will suffer damages which cannot be quantified as of the date of execution hereof. Therefore, the DBT and RCEA have agreed to stipulate the amount payable by the DBT in the

event of its failure to meet the Completion Deadlines as specified in the Contract Documents, which amount is set forth in the Agreement. Liquidated Damages are intended to compensate RCEA solely for the DBT's failure to meet the Completion Deadlines as set forth in the Contract Documents, and shall not excuse the DBT from liability from any other breach of requirements in the Contract Documents, including any failure of the Work to conform to applicable requirements.

#### **Article IV. DESIGN SERVICES REQUIREMENTS**

##### **Section 4.01 Scope of Design Services, Design Documents.**

DBT shall furnish all engineering and Design Services based on Reference Documents for preparation of the Construction Documents necessary to complete the Project in accordance with the Contract Documents. Design Documents must define the Project, including drawings and outline specifications fixing and describing the Project size, character and site relationships, and other appropriate elements describing the structural, architectural, mechanical and electrical systems. The Design Documents shall include, as applicable, plans, sections and elevations; criteria and sizing of major components; equipment sizes and capacities and approximate layouts, including required spaces and clearances; typical details; materials selections and general quality levels. When submitting the Design Documents, the DBT shall identify in writing, for RCEA's Approval, all material changes and deviations from the Reference Documents and the Project Schedule.

##### **Section 4.02 License Requirements.**

All engineering and Design Services furnished by DBT shall be performed by or under the supervision of persons licensed to practice architecture, landscape architecture, engineering, or surveying (as applicable) in the State of California, by personnel who are careful, skilled, experienced and competent in their respective trades or professions, who are professionally qualified to perform the Services in accordance with the Contract Documents, and who shall assume professional responsibility for the accuracy and completeness of the Design Documents and Construction Documents prepared by them in accordance with the normal standard of care of the industry. RCEA will not pay for or receive any Design Services that are in violation of any professional licensing laws.

##### **Section 4.03 Ownership of Design Documents.**

RCEA shall receive ownership of the property rights, except for copyrights, of all documents, drawings, specifications, electronic data and information prepared, provided or procured by DBT, as part of the Design Services. In the event of a termination of this Contract, RCEA shall have the right to use, to reproduce, and to make derivative works of the Design Documents to complete the Project, regardless of whether there has been a transfer of copyright to RCEA. After completion of the Project, RCEA may reuse, reproduce or make derivative works from the Design Documents solely for the purposes of maintaining, renovating, remodeling or expanding the Project. DBT shall obtain from its Subcontractors and Design Professionals rights and rights of use that correspond to the rights given by DBT to RCEA in this Contract and DBT shall provide evidence that such rights have been secured.

##### **Section 4.04 Review and Corrections, Defects.**

- a) Reviews and Corrections. DBT shall be fully responsible for correcting all errors, omissions, inconsistencies, and other Defects in the engineering plans, Design Documents, and Construction Documents at its own cost and expense, and shall not be entitled to an increase in the Contract Price or an extension of the Contract Time by reason of any such correction.
- b) Notice of Defects. If DBT learns of any actual or potential Defects in the Services provided under

this Contract, or any problem associated with the results of the performance of the Work, or of any nonconformance with a provision of the Contract Documents or of Federal, State, or local law, the DBT shall inform RCEA in writing, within three (3) Days (without impacting the Project Schedule) after learning of such Defect, problem or nonconformance, with a full description of the Defect, problem, or nonconformance and the DBT's recommended remedial action.

## **Article V. CONSTRUCTION SERVICES**

### **Section 5.01 General**

- a) Verification of Documents. DBT shall be responsible for the accurate layout of all portions of the Work and shall verify all dimensions on the Drawings and shall report to RCEA any discrepancies before proceeding with related Work.
- b) Labor, Workmanship, Materials and Manufactured Items. DBT shall provide all labor, materials, equipment and services necessary to perform and timely complete the Construction Services in strict accordance with the Contract Documents, and in an economic and efficient manner in the best interests of RCEA. DBT is responsible for supervising and directing all aspects of the Work to facilitate the efficient and timely completion of the Work. DBT is solely responsible for, and required to exercise full control over, construction means, methods, techniques, sequences, procedures, and coordination of all portions of the Work, except to the extent that the Contract Documents provide other specific instructions. DBT shall provide sufficient and competent Subcontractors, administration, staff, and skilled workforce necessary to perform and timely complete the Work in accordance with the Contract Documents. DBT shall, at all times during performance of the Work, provide a qualified full-time superintendent, acceptable to RCEA, and assistants, as necessary, who must be physically present at the Project site while any aspect of the Work is being performed. DBT is responsible for the security of the Site and all Work provided under the terms of this Contract, as well as all Work provided by separate contractors that occurs on the Site at any time prior to Final Completion and Acceptance of the Work by RCEA.
- c) Site Security. DBT may be assigned working space at or adjacent to the Site, and all field offices, materials and equipment shall be kept within this area. DBT shall be responsible for leaving the space in as good condition as DBT found it, or restoring it to the condition it was in prior to DBT commencing the Work. DBT must, at all times, ensure that the Work is performed in a good workmanlike manner and in full compliance with the Contract Documents and all applicable laws, regulations, codes, standards, and permits. During the installation of Work, DBT shall insure that existing facilities, fences, and other structures are all adequately protected. Upon Final Completion of all Work, all facilities that may have been damaged shall be restored to a condition acceptable to RCEA.
- d) Actions of Others. DBT is solely responsible to RCEA for the acts or omissions of any party or parties performing portions of the Work or providing equipment, materials or services for or on behalf of DBT or its Subcontractors. DBT shall be responsible to RCEA for acts and omissions of DBT's agents, employees, and Subcontractors, and their respective agents and employees. Unless otherwise stated in or a contrary intention is reasonably inferable from the Contract Documents, references to DBT, when used in reference to an obligation bearing upon performance of the Project, shall be deemed to include DBT's Subcontractors.
- e) Defective Work. DBT shall promptly correct, at DBT's sole expense, any Work that is deficient or defective in workmanship, materials, and equipment.
- f) Legal Requirements. DBT shall perform the Work in accordance with all Applicable Code

Requirements, even though such requirements are not specifically referenced in the Contract Documents. 3.8.2 When the Work required by the Contract Documents is in conflict with any Applicable Code Requirement, DBT shall notify RCEA's Project Manager and shall not proceed with the Work until RCEA's Project Manager provides direction to the DBT.

- g) Excavation Work. Pursuant to California Labor Code Section 6705, excavation of any trench or trenches 5 feet or more in depth, involving estimated expenditures in excess of \$25,000 shall require, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection prepared by a registered civil or structural engineer.

## **Section 5.02     Project Documents**

- a) Construction Documents. Construction Documents shall set forth in detail the quality levels of and the requirements for construction of the Project, and consist of drawings and specifications that comply with applicable codes, laws, and regulations in effect at the time of their preparation at the location of the Project. The Construction Documents must also include all necessary bid and contract documents for procuring and providing the Construction Services, all of which are subject to Approval by RCEA. When submitting the Construction Documents, the DBT shall identify in writing for RCEA's Approval, all material changes and deviations that have taken place since approval of the Design Documents and Project Schedule.
- b) Copies on Site. At all times during the course of the Project, DBT shall maintain and update on a daily basis during the performance of the Work at least one (1) set of each of the following documents:
  - (i) As-Built Documents;
  - (ii) The current Approved Construction Schedule;
  - (iii) Shop Drawings, product data, and samples; and
  - (iv) Any other information requested by RCEA necessary for the Site-specific Work.
- c) General. All documents shall be available to RCEA to review, excerpt, or copy. Upon Final Completion or termination of the Design-Build Contract, these documents shall be delivered to RCEA in the format requested by RCEA. The DBT shall maintain one (1) set of all performed changes, deletions or additions in the Work from that shown in the Contract Documents shall be recorded accurately and completely. Upon Final Completion and as a condition to Final Payment, each sheet of the As-Built Documents shall be signed and attested to by DBT as being complete and accurate.
- d) Record of Changes. It shall be the responsibility of DBT to maintain a current and complete record of all Changes performed during the progress of the Project construction. The record shall be in the form of a complete set of prints of the As-Built Documents on which daily recordings are made by DBT, indicating in detail and dimension each variation from the original set of Contract Documents for all of the Work. At the completion of construction, DBT shall, as a requirement of the Final Completion of the Work, certify that to the best of its knowledge, the As-Built Documents are true and accurate, and that the indications thereon represent all Changes performed during the construction of the Project. At Final Completion, the As-Built Documents shall become the property of RCEA.
- e) As-Builts. DBT, in concert with RCEA's Project Manager, shall review DBT's As-Built Documents for conformance with all current Changes prior to presenting its monthly Application for Payment.

The monthly progress payment statement will not be accepted or processed by RCEA unless the As-Built Documents are current and complete, and Approved by RCEA. the DBT shall provide the fully As-Built Documents to the RCEA. These As-Built Documents will become the permanent property of RCEA at Final Completion. If the As-Built Documents are prepared on a computer, then the revised computer files shall also be provided to RCEA in the file format specified by RCEA.

### **Section 5.03     Submittals**

All shop drawings and other submittals shall be provided at DBT's expense, and at the time required by the Contract Documents or requested by RCEA's Project Manager. Submittals shall be submitted in the number of identical copies as required by RCEA's Project Manager. No Work requiring a submittal subject to RCEA's Approval shall be performed by DBT until the Approval is issued by RCEA.

DBT shall remain solely responsible, notwithstanding RCEA's Project Manager review or approval of Submittals, for deviations (including, without limitation, those arising from standard shop practice) from the Contract Documents, unless DBT has specifically informed RCEA's Project Manager in writing of such deviation at the time of transmitting the Submittal and RCEA's Project Manager has given written approval of such deviation. No adjustment in the Contract Sum or Contract Time shall be permitted with respect to any such deviations that are noted in writing by DBT and as to which RCEA's Project Manager no exception or approves.

### **Section 5.04     Trade Names, Substitutions**

- a) Any request for substitution of "or equal" items by the DBT shall be made within 35 days of Notice of Contract Award, unless otherwise specified in these Contract Documents, and shall be governed by Public Contract Code Section 3400.
- b) If RCEA accepts for use in the Project a substitute material or process which in the opinion of RCEA is not the equal of that specified, a Change Order shall be issued issuing a credit to RCEA for the difference in value.
- c) Substitutions by DBT that are incorporated into the Work without the prior review and Approval by RCEA in accordance with the requirements of the Contract Documents shall be deemed to be Defective Work.
- d) The specified completion time shall not be affected by any circumstance developing from the substitution provisions of this Section.

### **Section 5.05     Reports By DBT**

- a) DBT shall submit a report to RCEA's Project Manager by phone call and/or email to communicate such information as agreed to by the Parties.
- b) Facts, notice or information contained in reports of DBT, whether known or not known to RCEA, shall under no circumstances be considered evidence of compliance by DBT with any of the specific written notice requirements of the Contract Documents.

### **Section 5.06     Cutting and Patching**

- a) DBT shall do all cutting, fitting, or patching of the Work required to make all parts of the Work join properly and to allow the Work to join the work of separate contractors shown in, or reasonably implied by, the Contract Documents.
- b) DBT shall not endanger the Work, the Project, Existing Improvements, or adjacent property by

cutting, digging, or otherwise. DBT shall not cut or alter the work of any separate contractor without the prior written consent of RCEA.

- c) In all cases, cutting shall be performed under the supervision of competent workers skilled in the applicable trade and shall cause the openings to be cut as small as possible to minimize unnecessary damage.

#### **Section 5.07    Access to the Work**

RCEA and other persons authorized by RCEA shall at all times have access to the Work wherever it is in preparation or progress. DBT shall provide safe and proper facilities for such access and for inspection. RCEA may, at any time, and from time to time during the performance of the Work, enter the Project for the purpose of installing any necessary other work by RCEA labor or other contracts or for any other purpose. DBT shall cooperate with RCEA and not interfere with other work being done by or on behalf of RCEA.

#### **Section 5.08    Royalties and Patents**

DBT shall pay all royalties and license fees required for the performance of the Work. DBT shall immediately notify RCEA if it learns of any circumstances that may constitute an infringement of patent rights and shall defend and indemnify RCEA and the members of the Project Team in accordance with the indemnity requirements of the Design-Build Contract against Losses, liabilities, suits or Claims resulting from DBT's or any Subcontractor's or infringement of patent rights.

#### **Section 5.09    Permits and Licenses**

The DBT shall comply with all provisions of any permits necessary to accomplish the Work as specified in this Contract. DBT shall obtain and be responsible for the cost of all permits and applications related to the construction of the Project.

#### **Section 5.10    Differing Site Conditions**

- a) Except as provided in this Section, DBT agrees to solely bear the risk, including any additional costs and Delay of any and all concealed and unknown site conditions, without adjustment to the Contract Sum or Contract Time. DBT shall promptly, and before the following conditions are disturbed, provide written notice to RCEA if the DBT finds any of the following conditions:
  - (i) Material that DBT believes may be a hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with the provisions of existing law.
  - (ii) Subsurface or latent physical conditions at the Site differing from those indicated by information about the Site made available to Proposers prior to the deadline for submitting Proposals.
  - (iii) Unknown physical conditions at the Site of any unusual nature, differing materially different from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents.
- b) RCEA shall promptly investigate any of the above the conditions and if RCEA finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in DBT's cost of, or the time required for, performance of any part of the Work, shall issue a Change Order under the procedures described in the Contract Documents. The RCEA may, acting in its sole discretion, extend the applicable deadline for submitting a Change Order

Request when it is based upon differing conditions subject to Public Contract Code Section 7104.

- c) In the event that a dispute arises between the RCEA and the DBT regarding any of the matters specified in subsection 5.10, above, DBT shall not be excused from any scheduled completion date provided for in the Contract Documents, but shall proceed with all Work to be performed under the Contract. DBT shall retain any and all rights provided either by the Contract or by law which pertain to the resolution of disputes between DBT and RCEA.

#### **Section 5.11    Inspections**

- a) In order to allow for inspection by RCEA and other agencies, or any inspection required elsewhere in the Special Provisions and technical specifications, DBT shall notify RCEA in writing three (3) Days in advance of the permanent concealment of any materials or Work.
- b) Whenever DBT desires to carry on the Construction Services of this Design-Build Contract at hours other than those specifically required by the RCEA or 8:00 AM to 6:00 PM, Monday through Friday or from 9:00 AM to 5:00 PM on Saturdays, it shall request authorization in writing from RCEA for such Work at least twelve (12) Days in advance and, if approved to proceed, DBT agrees to pay the costs incurred by the RCEA to provide inspectors during these times and the costs incurred for RCEA's Project Manager and/or other RCEA consultants whose presence at the Site is necessary.
- c) If any Work is concealed or performed without the prior notice specified above, then the Work shall be subject to such tests or exposure as may be necessary to prove to RCEA that the materials used and the Work done are in conformity with the Contract Documents. All labor and equipment necessary for exposing and testing shall be furnished by DBT at its expense. DBT shall replace, at its own expense and without reimbursement by RCEA, any materials or Work damaged by exposure and any faulty materials or work evidenced by such exposure or testing, and shall be responsible for any Delay caused thereby.
- d) When, in order to comply with the intent of the Contract Documents, inspection must be made at the plant or mill of the manufacturer or fabricator of material or equipment, DBT shall notify RCEA a sufficient length of time in advance to allow for arrangements to be made for such inspection. If required testing and/or inspection must be conducted at a location more than one hundred (100) miles from the Site, DBT shall be responsible for the additional travel costs required for testing and/or inspection at such location.
- e) Any inspection or approval by any representative or agent of RCEA will not relieve DBT of the responsibility of incorporating into the Work only those materials which conform to the Contract Documents, and any nonconforming materials shall be removed from the Site whenever identified, at DBT's sole expense.
- f) When DBT believes it has achieved either Substantial or Final Completion of the Work, DBT shall notify RCEA and RCEA's Project Manager in writing and request a Substantial or Final Completion inspection of the Work. RCEA will make such inspection as soon thereafter as possible.

#### **Section 5.12    Stop Notices**

DBT must promptly pay its Subcontractors in accordance with the subcontract requirements and California prompt payment statutes. If any stop notice or other claim is served, filed or recorded in connection with the Work, RCEA shall have the option, in its sole discretion, to permit DBT immediately and at its own expense obtain a bond executed by a good and sufficient surety, in accordance with Civil Code section 9364, in a sum equal to one hundred twenty-five percent (125%) of the amount of such



stop notice or claim. Such bond shall guarantee the payment of any amounts which the claimant may recover on the stop notice or claim, together with the claimant's costs of suit in any action to enforce such stop notice or claim if the claimant recovers therein. This remedy shall be in addition to all other rights and remedies of RCEA under the Contract Documents and applicable law, including, without limitation, the right to withhold funds from sums due to DBT. DBT shall timely notify RCEA of DBT's receipt of any stop notice or other third-party claim, valid or invalid, relating to the Contract Documents.

#### **Section 5.13     Use of Project Site and Clean Up**

- a) DBT shall confine operations at the Site to areas permitted by Applicable Code Requirements and the Contract Documents. DBT shall not encumber the Site with materials or equipment so that Separate contractors' work is hindered or impeded due to such encumbrances.
- b) DBT shall, during performance of the Work, keep the Site and surrounding area free from the accumulation of excess dirt, dust, waste materials, water and rubbish caused by DBT or any Subcontractors. DBT shall continuously and daily remove all excess dirt, waste material, water and rubbish caused by DBT and all tools, equipment, machinery and surplus materials from the Site and surrounding area at end of each day. Adequate cleanup will be a condition for progress payments.
- c) Personnel of DBT shall not occupy, live upon, or otherwise make use of the Site during any time that Work is not being performed at the Site, except as otherwise provided in the Contract Documents.
- d) Upon Final Completion of the Work, DBT shall remove all construction facilities, appurtenances, tools, material and other articles from the Site. The entire area, including all fixed equipment, floors, surfaces and hardware shall be cleaned and restored to their original condition in accordance with the Special Provisions and technical specifications.
- e) In addition to water sprinkling, temporary enclosures and anti-dust sweeping compounds should be used to limit dust and dirt rising and to keep the Site clean.
- f) Construction materials shall be neatly stacked by DBT when not in use. Loose materials, whether on the Site or in transit, shall be covered to prevent dust. DBT shall promptly remove splattered concrete, asphalt, oil, paint, corrosive liquids and cleaning solutions from the affected surfaces to prevent marring or other damage to the Work.
- g) Volatile wastes shall be properly stored in covered metal containers and removed daily. All other trash receptacles shall be promptly emptied when full.
- h) DBT shall promptly and legally transport and dispose of removed and demolished items and waste materials not identified to be recycled or reused in compliance with local ordinances and anti-pollution laws. No rubbish or waste materials shall be burned, buried, or otherwise disposed of on the Site.

#### **Article VI.         UTILITY RELOCATION; HAZARDOUS MATERIALS**

##### **Section 6.01     Section 6.01     Utility Responsibilities of DBT**

- a) General. The DBT will be responsible for carrying out Utility relocation and other Utility related work in accordance with this Section, and except as otherwise provided in this Section such Work shall be performed without any increase in Contract Price or extension in Contract Time.
- b) Investigation. The DBT shall, within sixty (60) calendar Days after the issuance of the NTP and

prior to the start of Construction Work, shall be responsible for analyzing the Utility Information, contacting and making inquiries of Utility Owners, and performing surface inspections of the Site and such additional investigations as it deems appropriate to verify and supplement such information. If such inspection indicates the existence of Utilities not included in the Utility Information that are likely to be impacted by the Project, the DBT shall notify RCEA of the presence of such Utilities and provide a recommendation for their relocation or Protection in Place.

- c) Responsibility for Tasks Relating to Utilities. The DBT shall be responsible for the following: (1) the relocation or Protection in Place of Utilities identified in the Utility Information or discovered after the issuance of the NTP, unless otherwise directed by RCEA pursuant to subsection (h) below; (2) coordinating with Utility Owners and performing all other administrative tasks related to the relocation or Protection in Place of Utilities; (3) any Incidental Utility Work necessary to complete the Work under the Contract; and (4) updating and maintaining the Utility Information.
- d) Responsibility for Utility Related Costs. The DBT shall be responsible for the cost of all the Utility-related investigation work without an increase in the Contract Price or extension in Contract Time.
- e) Multiple Relocations of the Same Utility. The DBT shall endeavor to avoid multiple relocations of the same Utility, whether performed by the Utility Owner or the DBT and based on the Utility Information or the DBT's design and implementation of the Work. Accordingly, after a Utility has been relocated once in order to accommodate the Project, the DBT shall be responsible for all costs incurred either by the DBT or the Utility Owner in order to relocate the same Utility again to accommodate the Project. The DBT shall reimburse RCEA for all costs incurred by RCEA for such subsequent relocation, and shall not receive any extension of any Completion Deadline or increase in the Contract Price on the basis of such subsequent relocation. The DBT shall bear the burden of proving that the subsequent relocation cannot be avoided.
- f) Minimization of Costs. In performing the Work, the DBT shall take all reasonable steps to minimize costs to the Utility Owner that will be subject to reimbursement by RCEA, to the extent practicable and otherwise consistent with the other requirements of the Contract Documents.
- g) Inconsistency in Data. If there is any inconsistency between any two or more data sheets of the Utility Information, the most accurate of the indications will be used for purposes of this Article.
- h) Reservation of Rights. RCEA reserves the right to use other labor forces for the relocation and/or Protection in Place of any Utilities discovered after the issuance of the NTP, rather than having that work performed by the DBT.

## **Section 6.02    Betterments**

- a) Approval of Betterments. If a Utility Owner requests RCEA to permit the DBT to perform Betterments to the Work that were not indicated in the Contract Documents, RCEA will approve such Betterments only if:
  - (i) Such Betterment is compatible with the Project;
  - (ii) The Utility Owner has agreed to reimburse RCEA for all costs thereof;
  - (iii) The Utility Owner and DBT have agreed to the price (e.g. lump sum, unit prices, or time and material cost basis) for such Betterment; and

- (iv) It is feasible to separate the cost/pricing of the Betterment from that for any other Utility Work being performed by the DBT. Any Betterment work pursuant to this Section shall not be considered a Change directed by RCEA.
- b) Betterment Pricing. The DBT shall use its best efforts to negotiate a lump sum price or unit prices for such Betterment work with the Utility Owner, in good faith. If DBT and the Utility Owner are unable to agree on a lump sum price or unit prices, then RCEA will direct DBT to perform such Betterment work with compensation determined on a time and materials basis.
- c) Increase in Scope. If any changes to the Utility Work for which the DBT is responsible constitute Betterments that were not indicated in the Contract Documents, or which increase the scope of Betterments that were so indicated, then the DBT shall be entitled to a Change with respect to any increase in DBT's costs of performing the Work that is directly attributable to such change(s).
- d) Decrease in Scope. If any changes to the Utility Work for which the Design- Builder is responsible are made that eliminate or reduce the cost of any Betterments that were indicated in the Contract Documents, thereby reducing the cost of the Work, then RCEA shall be entitled to a Change reducing the total Contract Price to reflect the value of any reduction in the Work that is directly attributable to the reduction or elimination of such Betterment, in accordance with Article IX hereof.
- e) Utility Owner Performs Incidental Utility Work. If a Utility Owner performs any Incidental Utility Work that was originally included in the DBT's Scope of Work, thereby reducing the Work to be performed by the DBT, then RCEA shall be entitled to a Change reducing the total Contract Price to reflect the value of any reduction in the Work that is directly attributable to the performance of such Work by the Utility Owner, in accordance with Article IX hereof.

#### **Section 6.03     Hazardous Materials Management and Safety Requirements**

- a) General. DBT shall comply with the provisions of all applicable hazardous materials Standards including but not limited to California Code of Regulations (CCR) Title 8, Chapter 4, Group 16 (Cal OSHA Control of Hazardous Substances), CCR Title 22, Division 4.5, (hazardous waste management standards), California Health & Safety Code Division 20, Section 6.5 (hazardous waste control), California Fire Code, Code of Federal Regulations (CFR) 49 (DOT regulations), CFR 40, Part 60 (U.S. hazardous waste standards) and applicable sections of the Palo Alto Municipal Code. DBT shall at all times maintain an inventory of hazardous materials stored onsite and all applicable Material Safety Data Sheets (MSDSs) available for review by the RCEA. Hazardous wastes that are generated from DBT's activities while completing the project (i.e. equipment maintenance fluids, empty oil or solvent drums, etc. shall be the sole responsibility of the DBT who is the generator of the wastes under the Hazardous Waste Generator Regulations CCR Title 22. Wastes must be handled, recycled or disposed of in the United States.
- b) Discovery of Hazardous Materials.
  - (i) *Required Actions.* If during the course of the Work, the DBT encounters material quantities suspected to be Hazardous Materials, the DBT shall (1) immediately notify RCEA telephonically or in person (to be followed within twenty-four (24) hours by notification to RCEA in writing), and advise RCEA of any obligation to notify State or Federal agencies under applicable Government Rules; (2) conduct such further investigation as may be necessary or appropriate to determine the nature and extent of the Hazardous Materials; and (3) take reasonable steps, including design modifications and/or construction techniques, to avoid excavation or dewatering in areas with Hazardous Materials. For purposes of this Section,

the term “material quantities” means quantities that trigger any reporting, investigation, or remediation requirements under any Environmental Law. Where excavation or dewatering is not reasonably avoidable, the DBT shall select the most cost-effective approach to Hazardous Materials Management, unless otherwise directed by RCEA. Wherever feasible and consistent with applicable Government Rules, contaminated soil and groundwater shall not be disposed off-site.

- (ii) *Opportunity to Inspect.* The DBT shall afford RCEA the opportunity to inspect sites containing Hazardous Materials before any action is taken that would inhibit RCEA’s ability to ascertain the nature and extent of the contamination.
- (iii) *RCEA Rights.* RCEA reserves the right to use other labor forces to investigate and to perform Work to determine the nature and extent of any Hazardous Materials, and to handle, remediate, dispose of, and/or remove Hazardous Materials (including contaminated groundwater) from the Site.

#### **Section 6.04    Section 6.04    Specific Obligations Related to Hazardous Materials**

- a) Materials Brought to Site by DBT. The DBT shall be solely responsible for (1) compliance with all Government Rules applicable to Hazardous Materials brought onto the Site by the DBT or any DBT-Related Entity; (2) the use, containment, storage, management, transport, removal, and disposal of all such Hazardous Materials in accordance with this Contract and all applicable Government Rules and Governmental Approvals; and (3) payment of all penalties, expenses (including attorneys' fees and costs), costs, suits, judgments, claims, actions, damages (including damages to natural resources, property or Persons), delays and liability associated with, arising out of or related to such Hazardous Materials. The DBT shall not be eligible for a Change Order for costs or time incurred in connection with Hazardous Materials brought onto the Site by the DBT.
- b) Avoidable Hazardous Materials. The DBT shall be responsible for taking reasonable re-design or construction techniques to avoid Hazardous Materials encountered in performance of the Work.
- c) Environmental Approvals Relating to Hazardous Materials. Except as otherwise provided in Section 8.11 hereof, the DBT shall be responsible for (1) obtaining all Governmental Approvals relating to Hazardous Materials Management, including Federal and State surface water and groundwater discharge permits and permits for recycling or reuse of Hazardous Materials, as applicable, and (2) complying with such Governmental Approvals and applicable Government Rules, including those governing the preparation of waste profiles, waste manifests, and bills of lading.
- d) Removal of Stored Hazardous Materials Upon Completion or Termination. Within thirty (30) calendar days after Substantial Completion, or upon earlier termination of the Contract for any reason, the DBT shall remove from the applicable portions of the ROW and locations, and remediate or dispose of in accordance with the Environmental Laws or other Government Rules, all Hazardous Materials stored thereon in connection with or as a result of any Work or other activities by or for the DBT or any DBT-Related Entity. The DBT shall demonstrate such removal and any remediation or disposal necessary for protection of human health and the environment to the reasonable satisfaction of RCEA, and shall provide copies to RCEA of all records pertaining to such remediation and disposal.
- e) Availability of Change Orders.

- (i) *General Rule Regarding Change Orders.* The DBT shall be eligible for an increase in Contract Price and/or an extension in Contract Time for carrying out its obligations, subject to and in accordance with the provisions of Article IX hereof; provided that to the extent that any proceeds of insurance are available to pay the cost of any Hazardous Materials Management, the DBT shall rely on insurance to provide compensation, in lieu of requesting a Change.
- (ii) *Notice Requirement.* The DBT shall be deemed to have waived the right for an increase in the Contract Price for costs incurred in connection with any Hazardous Materials remediation and any right to obtain an extension of in Contract Time if RCEA is not provided written notice of the discovery of Hazardous Materials and afforded the opportunity to inspect Sites containing Hazardous Materials before any action is taken which would inhibit RCEA's ability to ascertain, based on a Site inspection, the nature and extent of the materials. In the event of an emergency involving Hazardous Materials, the DBT may take such limited actions as are required by law without advance notice to RCEA, but shall provide such notice immediately thereafter (which in no event shall be more than two (2) hours after the incident by phone and twenty-four (24) hours after the incident by written notice).
- (iii) *Limitation on Change Order Costs.* Allowable costs for a Compensable Event based on Hazardous Materials shall be limited to the incremental costs incurred in performing Hazardous Materials remediation after completion of the testing process to determine whether Hazardous Materials are present (deducting any avoided costs such as the cost of disposal that would have been incurred had Hazardous Materials not been present). Compensation shall be allowed only to the extent that the DBT demonstrates to RCEA's satisfaction that (1) the Hazardous Materials could not have been avoided by reasonable design modifications or construction techniques; and (2) the DBT's plan for the Hazardous Materials remediation represents the approach which is most beneficial to the Project and the public. The DBT shall provide RCEA with such information, analyses, and certificates as may be requested by RCEA in order to enable a determination regarding eligibility for compensation.

#### **Section 6.05    Environmental Compliance**

- a) General Obligation. The DBT shall comply with all applicable Environmental Laws in performance of the Work, and with applicable requirements contained in Governmental Approvals issued thereunder (whether obtained by RCEA or the DBT), including all requirements in the Contract Documents and the Environmental Approvals. The DBT acknowledges and agrees that it is responsible, without any increase in the Contract Price, for any fine or penalty assessed for failure to comply with such requirements.
- b) Specific Requirements. The DBT's environmental compliance requirements include the following:
  - (i) Air Quality Control.
    - 1) The DBT shall comply, at a minimum, with (A) all applicable standards, orders and requirements issued under the Clean Air Act (42 U.S.C. Section 7401 et seq.); (B) all mitigation measures required by Governmental Approvals for the Project, and (iii) the requirements set forth in the approved Air Quality Management Plan provided by the DBT. The DBT shall submit evidence monthly, throughout the Contract Term, to RCEA that the governing air quality control criteria are being met, and shall require Subcontractors (including Suppliers) to

provide such evidence as well. Evidence shall be consistent with the reporting or analytical requirements of the applicable statutes, regulations, and guidelines.

- 2) The DBT shall comply with all applicable requirements regarding solvents used in the performance of the Work, including the solvent portions of paints, thinners, curing compounds, and liquid asphalt. Containers of paints, thinner, curing compound, or liquid asphalt shall be labeled to indicate that the contents fully comply with such requirements.
  - 3) The DBT shall assure that goods to be disposed of are not burned.
- (ii) *Water Quality.* The DBT shall comply with (1) all applicable standards, orders, and requirements issued under the Clean Water Act (33 U.S.C. Section 1251 et seq.); (2) all applicable water standards of the State; and (3) all mitigation measures required by Governmental Approvals for the Project.
- (iii) *Federal and State Environmental Protection Regulations.* The DBT shall comply with all applicable regulations (40 CFR Part 15) of the Environmental Protection Agency (EPA), all applicable regulations of the North Coast Unified Air Quality Management District or other state, municipal, and local Governmental Entities, and any requirements imposed under any applicable Environmental Approvals. The DBT shall not use any facility in the performance of the Contract that is listed on the EPA List of Violating Facilities, unless and until the EPA eliminates the name of the facility from such listing. The DBT shall promptly notify RCEA of the receipt of any communication from the EPA (or any successor agency) indicating that a facility to be used by the DBT is under consideration for listing on the EPA List of Violating Facilities. The DBT shall promptly report violations of such regulations to RCEA, and the EPA Assistant Administrator for Enforcement.

## **Article VII. BONDING, INSURANCE, INDEMNIFICATION**

### **Section 7.01 Obligation to Provide Bonds**

The DBT shall provide to RCEA, and shall maintain at all times during the term of the contract, security as described in this Section. These bonds shall be secured from a surety company or companies satisfactory to RCEA.

### **Section 7.02 Performance Bond**

The DBT shall provide to RCEA, and shall maintain in full force and effect during the term of the Agreement, a Performance Bond in an amount equal to one hundred percent (100%) of the Contract Price. The Performance Bond shall remain in full force and effect until the expiration of the Warranty term, provided that no outstanding claims are then pending against the DBT. The penal amount of the Performance Bond shall be adjusted to include one hundred percent (100%) of the price of Changes and any Contract amendments.

### **Section 7.03 Payment Bond**

The DBT shall provide to RCEA, and shall maintain in full force and in effect during the term of the Agreement, a Payment Bond in an amount equal to one hundred percent (100%) of the Contract Price. The DBT shall maintain the Payment Bond in full force and effect until the DBT has delivered to RCEA (a) evidence satisfactory to RCEA that all Persons eligible to file a claim against the bond have been fully paid and (b) unconditional releases of Liens and stop notices from all Subcontractors who filed preliminary notice of a claim against the bond; or (c) expiration of any statutory period for

Subcontractors to file a claim against the bond. The amount of the Payment Bond shall be adjusted to include one hundred percent (100%) of the price of Changes and Contract Amendments.

#### **Section 7.04    No Relief of Liability**

Notwithstanding any other provision set forth in the Contract Documents, performance by a Surety or Guarantor of any of the obligations of the DBT shall not relieve the DBT of any of its obligations hereunder under this Article.

#### **Section 7.05    DBT Insurance**

The DBT shall purchase insurance coverages specified in Agreement and shall continuously maintain those coverages in full force and effect through Final Acceptance, or such longer or shorter time as may be specifically provided therein. The insurance provided hereto shall be available for the benefit of RCEA and the DBT with respect to covered claims, but shall not be interpreted to relieve the DBT of any obligations hereunder. All insurance required hereunder shall be procured from insurance or indemnity companies authorized or approved to do business in the State of California with an A-, Class VII or better rating level. All limits of liability set forth below are in U.S. Dollars. The insurance coverages identified in the Agreement shall be provided to and Approved by RCEA prior to the issuance of the NTP.

#### **Section 7.06    Indemnity**

- a) Indemnity for Design Professional Services. To the fullest extent permitted by law, DBT shall, at its sole cost and expense, protect, indemnify and hold harmless the RCEA, and its elected officials, officers, attorneys, agents, employees, and volunteers, (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including actual costs of accountants, attorneys or other professionals, which arise out of, pertain to, or relate to, in whole or in part, the negligence, recklessness or willful misconduct of DBT, its officers, agents, servants, employees, subcontractors, material men, contractors or their officers, agents, servants or employees (or any entity or individual that DBT shall bear the legal liability thereof) in the performance of design professional services under this Agreement by a "design professional," as the term is defined under California Civil Code Section 2782.8(c)(2).
- b) Other Indemnities. Other than in the performance of design professional services, and to the fullest extent permitted by law, DBT shall, at its sole cost and expense, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Claims"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of DBT, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that DBT shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by judicial decision or by the agreement of the parties. DBT shall defend the Indemnitees in any action or actions filed in connection with any Claim with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. DBT shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection herewith.

- c) Workers' Compensation Acts Not Limiting. DBT's obligations under this Section, or any other provision of the Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. DBT expressly waives its statutory immunity under such statutes or laws as to the indemnified parties referenced under "Additional Insured" in this RFP its officers, agents, employees and volunteers.
- d) Insurance Requirements not Limiting. RCEA does not, and shall not, waive any rights that it may possess against the DBT because of the acceptance by RCEA, or the deposit with RCEA, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, Claim, tax, assessment, penalty or interest asserted against RCEA.
- e) Survival Beyond Term. The indemnification in this Section shall survive the expiration or termination of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of the Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement

## **Article VIII. SUBCONTRACTORS**

### **Section 8.01 Subcontracting Plan**

- a) Requirement. All Work which is not performed by DBT with its own duly licensed forces shall be performed by duly licensed Subcontractors in accordance with a Subcontracting Plan developed by the DBT and Approved by RCEA.
- b) Submittal to RCEA. The DBT shall submit to RCEA, within thirty (30) calendar days after the issuance of the NTP, the Subcontracting Plan for the Design Work and the Construction Work. The Plan shall be based on the proposed Subcontracting Plan submitted in its Proposal, shall not include any material changes from that Plan, and shall identify and explain any non-material differences from that Plan. The Subcontracting Plan shall be subject to the review and Approval by RCEA. Prior to commencing the Construction Work, the DBT shall submit to RCEA, for its review and Approval, any necessary revisions and updates to the Subcontracting Plan.
- c) Contents of Plan. The Subcontracting Plan shall identify the delivery or subcontracting method that will be used for Major Subcontracts for the Design Work and the Construction Work. The allowable methods for performing Construction Work (including supply of machinery, equipment, and materials) are as follows: (1) self-performance by the DBT; (2) performance by a Subcontractor identified in the DBT's Proposal; or (3) performance by a Subcontractor subsequently selected in accordance with a competitive process that is in accordance with State and Federal law and the provisions of this Article. RCEA reserves the right, through its approval of the Subcontracting Plan, to concur in the allocation and process of the work as described in this subsection.
- d) Full and Open Competition for Subcontracts. The Subcontracting Plan shall include a procedure for the competitive procurement of Subcontracts that is in accordance with applicable State and Federal law. In the award of Subcontracts for construction with a value of exceeding one-half of one percent (1%) of the portion of the Contract Price allocable to Construction Work, the DBT shall provide notice of availability of work to be subcontracted, establish reasonable qualification criteria and standards, and award subcontracts in accordance with § 22166 of the Public Contract Code.



## **Section 8.02    Subcontracts**

- a) Procurement Procedures. DBT shall follow the procedure for the procurement of any Subcontracts that is set forth in Public Contract Code §§ 4101 et seq, as applicable, and all other applicable State and Federal law.
- b) Substitutions. Once the DBT has entered into any Subcontract, the DBT shall not make any substitution of such Subcontractor unless the substitution is Approved by RCEA on one of the following grounds:
  - (i) The named Subcontractor, after having a reasonable opportunity, fails or refuses to execute a written contract with DBT which was offered to the Subcontractor with the same terms that all other Subcontractors on the project were offered.
  - (ii) RCEA objects to the Subcontractor, requests in writing a change in the Subcontractor, and pays any increase in costs resulting from the change.
  - (iii) The named Subcontractor files for bankruptcy, becomes insolvent, or is disbarred.
  - (iv) The named Subcontractor fails or refuses to perform its Subcontract within a reasonable time and its failure adversely impacts the Project Schedule.
- a) Required Subcontract Terms. RCEA shall have the right to review the form of subcontract used by the DBT and to require modifications to conform to the requirements of the Contract Documents. The DBT shall ensure that each Subcontract (at all tiers) includes the following terms, as well as such additional terms and conditions as are necessary to ensure compliance by the Subcontractor with all applicable requirements of the Contract Documents:
  - (i) All Work being performed and Goods being furnished by the Subcontractor under this Subcontract shall comply with the applicable provisions of this Contract.
  - (ii) The Subcontractor shall have the same duties and obligations to the DBT with respect to its performance of its own Work as the DBT has to RCEA under this Contract. RCEA is the third-party beneficiary of the Subcontract and shall have the right to enforce all of the terms of the Subcontract for its own benefit.
  - (iii) The Subcontractor shall make such schedule commitments, submit such schedules and scheduling information, and submit any other required information to the DBT as is necessary for the DBT to comply with its schedule and reporting commitments to RCEA under this Contract.
  - (iv) All applicable Federal requirements and contract clauses shall flow down to the Subcontractor.
  - (v) All guarantees and warranties, express or implied, shall inure to the benefit of both RCEA and the DBT during the performance of the Work; upon final completion of the Work, such guarantees and warranties shall inure to the benefit of RCEA.
  - (vi) Nothing contained in the Subcontract shall be deemed to create any privity of contract between RCEA and the Subcontractor, nor shall it create any duties, obligations, or liabilities on the part of RCEA to the Subcontractor except those required by law. In the event of any claim or dispute arising under the Subcontract or this Contract with RCEA, the Subcontractor shall look only to the DBT for any payment, redress, relief, or other satisfaction.
  - (vii) These provisions do not and shall not operate to relieve the DBT of any duty or liability under this Contract, nor do they create any duty or liability on the part of RCEA. The DBT shall have

sole responsibility for promptly settling any disputes between its Subcontractors and between the Subcontractors and any of their Subcontractors of any tier.

- b) DBT Responsibility for Subcontracted Work. The DBT shall be fully responsible to RCEA for all acts and omissions of its own employees and of Subcontractors and their employees. The DBT shall also be responsible for coordinating the Work performed by Subcontractors. If a portion of the subcontracted Work is not performed in accordance with the Contract Documents, or if a Subcontractor commits or omits any act that would constitute a breach of the Agreement, or if RCEA makes reasonable objection to the use or continued use of such Subcontractor, the Subcontractor shall be replaced at the direction of RCEA and shall not again be employed on the Project.
- c) Subcontractor Breach, Cure, and Replacement. If any portion of the subcontracted Work is not performed in accordance with the Contract Documents, or if a Subcontractor or Supplier commits or omits any act that would constitute a breach of Contract, the DBT shall cure the breach, and at the direction of RCEA, shall replace the Subcontractor or Supplier. The Subcontractor or Supplier shall not be employed again on the Work.
- d) Debarred Subcontractor
  - (i) The DBT shall not allow Work to be performed by any Subcontractor who is ineligible to perform work on a public works project pursuant to applicable State law and regulations.
  - (ii) Any contract on a public works project entered into between the DBT and a debarred Subcontractor is void as a matter of law. A debarred Subcontractor may not receive any public money for performing Work as a Subcontractor by the DBT on the Project, and if any public money was paid to a debarred Subcontractor the DBT shall be responsible for reimbursing RCEA.
- e) Insurance. No Subcontractor at any tier shall be permitted to perform Work until the DBT has supplied satisfactory evidence of required insurance.

## **Article IX. CHANGES**

### **Section 9.01 General**

- a) RCEA's Issuance of Change Orders. RCEA may, at any time and without notice to DBT's sureties, order Changes in the Work without invalidating the Design-Build Contract and without relieving DBT's sureties of their obligations to RCEA.
- b) Additions to Contract Sum, Contract Time. RCEA shall receive a deductive adjustment in the Contract Sum for Changes that result in a reduction in the cost to perform the Work and shall be entitled to an adjustment reducing the Contract Time for Changes that enable the DBT to complete the Work earlier than the Contract Time.
- c) Additions to Contract Sum, Contract Time. Unless such rights have been waived and provided that DBT has complied with the requirements of the Contract Documents with respect to, without limitation, complete and timely submission of all notices, requests and supporting documentation, DBT shall receive an additive adjustment to the Contract Sum for Changes that increase the cost to perform the Work and/or an adjustment extending the Contract Time for Excusable Delay (subject to offset for concurrent Unexcused Delay).
- d) Unapproved Changes. DBT shall not be entitled to an adjustment of the Contract Sum or Contract Time for Changes that are not authorized by an Approved Change Order or Field Order signed by

RCEA. All Changes in the Work that are the basis of an adjustment to the Contract Sum or Contract Time must be authorized in advance, in writing, by RCEA. Accordingly, no verbal directions, course of conduct between the parties or express or implied Acceptance of Changes or Work, and no claim that RCEA has been unjustly enriched (whether or not there has been such enrichment) shall be the basis for an adjustment to the Contract Sum or Contract Time if DBT has not obtained advance written authorization to perform the Change in the manner required herein.

- e) Field Orders. RCEA may authorize and direct Changes by requesting that DBT submit a Change Order Request or by issuing a Field Order. The purpose of a Field Order is to ensure the timely performance of the Work and timely completion of the Project, and issuance of a Field Order shall not be construed as an acknowledgment by RCEA that the Work described constitutes a Change or Extra Work if that is in fact not the case. A Field Order may be issued to direct performance of Work under the following circumstances:
  - (i) When there is a dispute as to whether or not the Work described therein constitutes or includes a Change or Extra Work,
  - (ii) When there is a dispute regarding the basis or amount of compensation for Changed or Extra Work,
  - (iii) When there is a dispute regarding whether or how the Contract Time should be adjusted, or
  - (iv) As otherwise deemed necessary by RCEA to ensure the timely performance of the Work and timely completion of the Project.
- f) RCEA can make whatever Changes that it determines in its sole discretion are necessary and in its best interests and under no circumstances shall the number (individual or cumulative value) or scope of Changes become a basis for DBT to claim that the Design-Build Contract has been rescinded, terminated, abandoned or should be reformed nor shall such circumstances be the basis for DBT, or any Subcontractor to recover any compensation or damages not permitted by, or in excess of that allowed under, the Contract Documents.
- g) RCEA shall have authority to order minor Changes in the Work that do not increase the cost or time to perform the Work, and which are consistent with the intent of the Contract Documents. Such changes may be directed by a Field Order, and shall be binding on RCEA and DBT. DBT shall carry out such written orders promptly.

#### **Section 9.02    Change Order Requests and Change Orders**

- a) DBT's Request for Change Order. DBT may request adjustments to the Contract Sum or Contract Time or the terms of a Field Order by submitting a written Change Order Request if, and only if, DBT follows the procedures specified in the Contract Documents, including, without limitation, the procedures set forth in this Section 9.2. A Change Order Request must be submitted within ten (10) Days after the occurrence of the circumstances giving rise thereto. At RCEA's election, the DBT shall submit all Change Order requests on a form prepared by RCEA. The Change Order Request must clearly describe the circumstances that are the basis of the Change, with reference, to the particular provisions of the Contract Documents involved, and also to all other directly relevant documents, including, but not limited to, related Requests for Information and responses thereto, and Field Orders. A Change Order Request seeking an adjustment to the Contract Sum must identify the proposed basis of compensation, the amount of the requested adjustment, and a detailed breakdown of the amount requested. A Change Order Request

seeking an adjustment to the Contract Time must include all information required by the Contract Documents. A request for an extension of Contract Time must be accompanied by a "fragnet" or "time impact analysis," which identifies all critical and non-critical activities affected by the Change Order Request and showing logic ties into all existing affected activities noted on the latest approved, updated Construction Schedule. Change Order Requests must be submitted to RCEA's Project Manager. Incomplete Change Order Requests or requests that are not submitted on the RCEA's Change Order Request Form will be returned without review.

- b) Contract Sum Adjustments. Adjustments to the Contract Sum, whether increases or decreases, shall be computed at RCEA's sole election on the basis of one or more of the following methods:
- (i) Unit Pricing: Unit prices stated in the Contract Documents or agreed upon by RCEA and DBT, which shall be deemed to include all Allowable Costs, Contractor Markup and Subcontractor Markup.
  - (ii) Lump Sum Pricing: A lump sum agreed upon by RCEA and DBT, based on the estimated Allowable Costs, Contractor Markup, and Subcontractor Markup computed in accordance with this Section.
  - (iii) Time and Materials: Work performed on a time and materials basis shall be calculated as the sum of Allowable Costs, plus applicable Contractor Markup, as set forth herein.

The above methods are the exclusive methods for calculating adjustments to the Contract Sum. Under no circumstances will adjustment to the Contract Sum be based upon any methodology such as total cost or modified total cost methodologies that purports to calculate DBT's additional costs based on the difference between DBT's total actual Project or line item costs and its original Proposal estimate for the Project or any original Proposal estimate line item.

- c) Extra Work Changes. Changes involving Extra Work that RCEA elects to have performed on a time and material basis, whether performed by DBT's forces or the forces of Subcontractors, shall be compensated by an increase in the Contract Sum based on actual Allowable Costs and applicable Markup, as set forth herein. When Work is performed on a time and material basis, by DBT or any of its Subcontractors, DBT shall submit on a daily basis to RCEA's Project Manager daily time and material tickets which include the identification number assigned to the Change; the location and description of the Change; the classification of labor employed (and names and social security numbers if requested); the materials used; the equipment rented (not tools); and such other receipts, invoices, or other evidence of cost as RCEA's Project Manager may require. RCEA's Project Manager may require authentication of all time and material tickets and invoices by persons designated by RCEA's Project Manager for such purpose. The failure of DBT to provide any required authentication shall, if RCEA elects to treat it as such, constitute a waiver by DBT of any right to adjustment of the Contract Sum for the cost of all or that portion of the Extra Work covered by a non-authenticated ticket or subsequent invoice. The adjustment to the Contract Sum for the Extra Work will be based on the total sum of Allowable Costs for performance of that Extra Work and applicable Markup as provided herein.
- d) Allowable Costs. Allowable Costs include and are limited to the sum of direct, actual costs necessarily incurred by DBT and any Subcontractors that actually perform Extra Work, and are strictly limited to the following:
- (i) *Labor*. The actual costs for straight-time (and the premium time portion of overtime, if approved in writing in advance by RCEA's Project Manager) wages or salaries for employees

performing the Extra Work, whether at the Site, or at fabrication sites off the Site, plus employer payments collectively referred to as "Fringe Benefits and Payroll Taxes," of payroll, taxes and insurance, health and welfare pension, vacation, apprenticeship funds, and other direct costs required by Federal, State or local laws, as well as assessments or benefits required by lawful collective bargaining agreements. The use of employees with a labor classification, which would increase the Allowable Costs will not be permitted unless DBT establishes the necessity for such additional costs. Labor costs for equipment operators and helpers shall be payable under this Paragraph only when such costs are not included in the invoice for equipment rental.

- (ii) *Material.* The actual cost of materials, supplies and consumable items which are required for the Work at invoice or lowest current price at which such materials are locally available and delivered to the Site in the quantities involved, including sales tax, freight and delivery. RCEA reserves the right to approve materials and sources of supply, or to supply materials to DBT, if necessary, for the Work. No Markup shall be applied to any material provided by RCEA. Material re-stocking charges shall be limited to 5% of the amount of material. All discounts, rebates and refunds from the sale of surplus materials and consumable items shall accrue to RCEA, and DBT shall make provision so that they may be obtained.
  - (iii) *Tool and Equipment Rental.* Rental charges actually incurred for necessary machinery and equipment, whether owned or hired, as authorized in writing by RCEA's Project Manager, exclusive of hand tools. No payment will be made for the use of tools that have a replacement value of \$500 or less. When the equipment is owned by DBT, the rental rate shall be as listed for such equipment in the California Department of Transportation publication entitled "Labor Surcharge and Equipment Rental Rates," which is in effect on the date the Work is accomplished. When equipment is not listed in said publication, the rate to be paid shall be as herein defined, or a suitable rental rate for such equipment will be established by RCEA's Project Manager. Regardless of ownership, the rates to be used in determining equipment rental cost shall not exceed listed rates prevailing locally at equipment rental agencies or distributors at the time the work is performed. The rental rates paid shall include the cost of fuel, oil, lubrication, supplies, small tools, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance and all incidentals. If equipment is used intermittently, when not in use it shall be returned to its rental source unless DBT elects to keep it at the Site at no expense to RCEA. The reported rental time for equipment already at the Site shall be the duration of its use on the Extra Work, commencing at the time it is first put into actual operation on the Extra Work, plus the time required to move it from its previous site and back, or to a closer site.
  - (iv) *Royalties and Payments.* Costs of royalties and permits solely related to the Extra or Deleted Work.
  - (v) Additional costs of insurance and bonds, not to exceed two percent (2%) of the total of Parts (i) through (iv), above.
- e) Allowable Costs, Exclusions. Allowable Costs shall not include any of the following, which are deemed to be included in DBT's Markup:
- (i) Superintendent(s)
  - (ii) Assistant Superintendent (s)

- (iii) Project Engineer(s), Assistant Project Engineer(s).
  - (iv) Project Manager(s), Assistant Project Manager(s).
  - (v) Scheduler(s), Administrative Assistant(s), Health and Safety personnel.
  - (vi) Estimator(s), Clerk(s), Secretary(s), Accountant(s) or any Home Office personnel.
  - (vii) Drafting or detailing.
  - (viii) Small tools (with a replacement value under \$500).
  - (ix) Home or field office expenses, including staff, materials, and supplies.
  - (x) Trailer or storage rental and expense, whether on the Site or off the Site.
  - (xi) Data processing personnel and equipment.
  - (xii) Site fencing.
  - (xiii) Utilities, including, without limitation, gas, electric, sewer, water, telephones.
  - (xiv) Telephone, cell phone, radios, computer, tablet devices, facsimile, e-mail and copier.
  - (xv) Overhead, administrative, or general expenses of any kind.
  - (xvi) Loss of efficiency or productivity, or other impact cost due to the effect of the Extra Work on the performance of other Work or the Work of other trades on the Project.
  - (xvii) Capital expenses, including interest on capital employed in connection with Extra Work.
  - (xviii) Legal costs.
  - (xix) Federal, State, or local income and franchise taxes.
  - (xx) Profit.
  - (xxi) Costs incurred more than twenty (20) Days prior to submission of a Change Order request seeking compensation for those costs.
  - (xxii) Cost of any item not specifically and expressly included in Allowable Costs
- f) Markup. Contractor Markup for Extra Work is to be calculated as ten percent (10%) of the Allowable Costs the DBT or Subcontractor actually incurred to perform the Extra Work with its own forces. Subcontractor Markup by DBT for Extra Work performed by Subcontractor is to be calculated as fifteen percent (15%) of the total Allowable Costs the Subcontractor incurred for Extra Work. The total amount of markup for Extra Work may not exceed twenty-five percent (25%) of the total Allowable Costs.
- g) Adjustments for Field Orders. Change Order Requests or requests for payment for time and material work directed by a Field Order must include a complete breakdown of actual costs, including credits, and shall itemize all Allowable Costs, subcontract costs if applicable, Contractor Markup, and Subcontractor Markup if applicable. All claimed costs must be fully documented and objectively verifiable. In connection with the foregoing, DBT must generate and maintain complete and accurate cost accounting records that will reflect:
- (i) The actual Allowable Costs incurred or saved for each individual item of Extra Work or Deleted Work, and

- (ii) On an event-by-event basis, the effect of each Delay that forms the basis of any request for extension of time, regardless of scope, number, complexity, cumulative effect or time of issuance or occurrence.
- h) Excusable Delay. The Contract Sum will be adjusted for direct Allowable Costs incurred due to Excusable Delay only if and to the extent allowed by the Contract for Compensable Delay. Such adjustments in the Contract Sum shall be DBT's sole and exclusive remedy and recovery for Excusable Delay, including any alleged disruption, hindrance, interference, loss of productivity, labor or material cost escalations, inefficiency, acceleration, impact costs, extended or extraordinary overhead (direct or indirect), home office overhead, or other Losses or damages due to Delay, of any kind.
- i) RCEA has the right to increase or decrease the quantity of any unit price item for which an estimated quantity is stated in the Contract Documents, and the Contract Sum will be adjusted accordingly.
- j) Allowance Adjustments. An Allowance is an amount included in the Proposal for Work that may or may not be included in the Project, depending on conditions that will not become known until after Proposal time. If the Contract Sum includes an Allowance and the cost of performing the Work covered by that Allowance is greater or less than the stated amount, the Contract Sum shall be increased or decreased accordingly by the amount of the difference. The Contract Sum shall also be adjusted by the amount of any unused Allowance that was specifically and expressly included in the original Contract Sum.
- k) Change Orders. Approved Change Order Requests and Changes directed by a Field Order, including adjustments to Contract Sum and Contract Price, shall be incorporated into a Change Order for approval by the RCEA. RCEA shall prepare each Change Order for execution by DBT and the RCEA. An Approved Change Order becomes binding upon RCEA and DBT when fully executed by both parties. Full execution of a Change Order is deemed full resolution, settlement, accord and satisfaction with respect to any and all pending or future Claims for cost and extensions of time that were asserted, or that could have been asserted, in connection with the Work covered by the Change Order, whether known or unknown at the time of execution of the Change Order, and that are related to the subject matter of the Change Order, including, without limitation, all Claims, costs or damages for Delay, disruption, hindrance, interference, extended or extraordinary direct and indirect overhead, multiplicity of Changes, loss of productivity, labor or material cost escalations, inefficiency, the impact of the Change on the Work, legal expenses, consultant costs, interest, lost profits or revenue, bond or insurance costs, currency fluctuations, changes in taxes or other related Claims, costs or damages. Change Orders shall be executed by DBT in the form approved by the RCEA Council or its authorized designee, and without any express reservation of rights by DBT to reserve for the future the right to assert or recover from RCEA any such Claims, costs or damages.
- l) Change Order Execution. If DBT fails to timely execute a Change Order, the RCEA may unilaterally approve the Change Order to increase the Contract Sum and/or to extend the Contract Time. DBT may dispute the terms of a unilaterally-approved Change Order, in whole or in part, by submitting a Claim in accordance with the Dispute Resolution Procedures set forth herein within fourteen (14) days after the Change Order is approved by the RCEA. If DBT fails to submit a Claim within that 14-day period, with respect to all or part of the unilaterally-approved Change Order, those portions of the Change Order which have not been disputed by timely submission of a Claim shall be deemed to have the same effect as if the Change Order was fully executed by both

parties as set forth above.

### **Section 9.03     Field Orders.**

A Field Order will include a description of the Work to be performed, and the selected basis for adjusting the Contract Sum (increase or decrease) as set forth herein (i.e., unit pricing if applicable, lump sum, or time and materials). A Field Order may or may not include the total amount of the RCEA's proposed adjustment to the Contract Sum or Contract Time, and may also include a not-to-exceed limit for any increases to the Contract Sum. Upon receipt of a Field Order, DBT shall, within a reasonable time, proceed with the Work described in the Field Order. If DBT disputes the proposed basis or amount of adjustment to the Contract Sum or Contract Time, it may request to change the disputed portions of the Field Order by submitting a Change Order Request within ten (10) Days following issuance of the disputed Field Order. Failure by DBT to submit a timely Change Order Request seeking modification of the terms of the Field Order shall be deemed full acceptance of and agreement to all of the terms of the Field Order, and a release and waiver of any right to subsequently dispute any or all of the terms of that Field Order.

### **Section 9.04     Disputes Regarding Changes.**

No dispute, disagreement, nor failure of the parties to reach agreement regarding the amount, if any, of any adjustment to the Contract Sum or Contract Time, shall relieve DBT from the obligation to proceed with performance of the Work, including, without limitation, performance of Work directed by a Field Order or as modified by a Change Order, promptly and expeditiously. DBT shall not delay, slow, interrupt, or suspend the performance of any Work or any Change because of a dispute between the parties, including, but not limited to, disputes pertaining to an adjustment in the Contract Sum or Contract Time. If DBT disputes the rejection of any Change Order Request in whole or in part, DBT's exclusive remedy is to submit a Claim in compliance with the Dispute Resolution Procedures set forth in Article 4 herein.

## **Article X.         ADMINISTRATION OF CONTRACT**

### **Section 10.01     Contract Administration By RCEA**

- a) RCEA will provide administration of the Construction Contract as provided in the Contract Documents.
- b) No actions taken by RCEA shall relieve DBT of its obligations described in the Contract Documents.
- c) RCEA's Project Manager will be present on the Site during the performance of the Work primarily for the purposes of providing administration, inspection and expediting communications between RCEA and DBT.
- d) Neither RCEA nor any other consultant will have control over, will be in charge of, or will be responsible for construction means, methods, techniques, safety, sequences or procedures or for safety precautions and programs in connection with the Work, all of which are the sole responsibility of DBT.
- e) Unless otherwise provided in the Contract Documents or when direct communications have been specifically authorized, communications between DBT and RCEA shall be in writing. Communications by DBT or Subcontractors and with Separate contractors shall be through RCEA's Project Manager. DBT shall not rely on oral or other non-written communications.
- f) Based on RCEA's Project Manager's Site visits and evaluations of DBT's Applications For Payment,



RCEA's Project Manager will review and recommend to RCEA for RCEA approval the amounts, if any, due DBT.

- g) RCEA alone shall have the authority to stop the Work or any portion thereof. Whenever RCEA considers it necessary or advisable, RCEA will have the authority to require additional inspection or testing of the Work in accordance with the Contract Documents, whether or not such Work is fabricated, installed or completed. However, no authority of RCEA conferred by the Contract Documents nor any decision made in good faith either to exercise or not exercise such authority, nor any recommendation by RCEA's Project Manager, shall give rise to a duty or responsibility of RCEA or RCEA's Project Manager to DBT or its Subcontractors.
- h) RCEA shall be the ultimate interpreter of the requirements of the Contract Documents and the judge of performance thereunder by DBT. Such decisions by RCEA will be final and binding upon DBT.

#### **Section 10.02 Claims**

- a) Public Contract Code Section 9204. Public Contract Code Section 9204 ("Section 9204") sets forth certain pre-litigation claims procedures for public works projects that RCEA is required to include in its Contract Documents. In summary, Section 9204 requires public entities to respond to claims within 45 days, to meet and confer if requested by the contractor, to promptly pay undisputed amounts, and to mediate unresolved claims prior to litigation, absent a mutual waiver of mediation. It expressly provides for the submission of subcontractor "pass-through" claims, and allows public entities to prescribe reasonable additional change order, claim, and dispute resolution procedures and requirements, so long as the additional provisions do not conflict with or otherwise impair the timeframes and procedures set forth in Section 9204. The requirements of Section 9204 are incorporated and included in the following provisions, which also include reasonable additional procedures.
- b) Scope and Authority. This Section applies to any Claim, as defined, arising from or related to the Contract or performance of the Work. It is intended to provide the exclusive procedures for submission and resolution of Claims of any amount, and applies in addition to the provisions of Public Contract Code Section 9204, and Public Contract Code Sections 20104 et seq., which are incorporated by reference herein and included in these provisions.
- c) Accrual of Claim. A Claim accrues and arises upon issuance of a written decision by the RCEA denying, in whole or in part, a Change Order Request, which was previously submitted in compliance with these Contract Documents. A Claim that demands an extension of time or an increase in the Contract Sum does not accrue unless DBT has previously submitted such demand(s) in a Change Order Request.
- d) Claims Submission Requirements and Deadlines. All Claims must be submitted in writing by registered mail or certified mail with return receipt requested. Except for Claims disputing the amount of Final Payment, all Claims and all supporting documentation and certifications, as further detailed below, must be filed within fourteen (14) Days following the date that RCEA notified DBT in writing that a request for a change in the Contract Time or Contract Price, duly submitted in compliance with the Contract Documents, has been rejected in whole or in part; any Claim which is not submitted prior to Final Payment is deemed waived. A Claim disputing the amount of Final Payment must be submitted within fourteen (14) Days of the effective date of Final Payment. Strict compliance with these Claim submission deadlines is necessary to ensure that any dispute may be mitigated as soon as possible, and to facilitate cost-efficient

administration of the Project. **Any Claim that is not submitted within the specified deadlines will be deemed waived by DBT.**

- e) Supporting Documentation. A Claim submittal must include the following:
- (i) A statement that it is a Claim, clearly specifying the amount requested (with respect to Claims for payment), and/or the number of days requested (with respect to Claims for an extension of the Contract Time);
  - (ii) A detailed description of the act, error, omission, Differing Site Condition, event or other circumstance giving rise to the Claim; and
  - (iii) A statement demonstrating that a Change Order Request was submitted in a timely manner as required by Section 7.2 of these General Conditions, along with a copy of the Change Order Request and the RCEA's written rejection of the subject Claim.
  - (iv) All documents necessary to substantiate the Claim, including, without limitation:
    - 4) A detailed cost breakdown in the form required for submittal of Change Order Requests, and subject to the limitations described in Article 7, below.
    - 5) Copies of actual job cost records demonstrating that the costs have been incurred.
    - 6) If the Claim is based on an error, omission, conflict or ambiguity in the Contract Documents: (i) a sworn statement by DBT and any Subcontractor involved in the Claim, to the effect that the error, omission, conflict or ambiguity was not discovered prior to submission of the Proposal, and (ii) if not discovered, a statement demonstrating that the error, omission, conflict or ambiguity could not have been discovered by DBT, its Subcontractor(s) or in exercise of the degree of care required of them under the Contract Documents for review of the Contract Documents prior to submission of the Proposal.
  - (v) If the Claim involves a request for adjustment of the Contract Time, written documentation demonstrating that DBT has complied with the requirements of the Contract Documents pertaining to proving the right to an extension of time and demonstrating that DBT is entitled to an extension of time under the Contract Documents.
  - (vi) A written certification signed by a responsible managing officer of DBT's organization, who has the authority to sign subcontracts and purchase orders on behalf of DBT and who has personally investigated and confirmed the truth and accuracy of the matters set forth in such certification, in the following form:

*I hereby certify under penalty of perjury under the laws of the State of California that I am a managing officer of and that I have reviewed the Claim presented herewith on DBT's behalf and/or on behalf of and that the following statements are true and correct.*

- (i) The facts alleged in or that form the basis for the Claim are true and accurate; and,*
- (ii) DBT does not know of any facts or circumstances, not alleged in the Claim, that by reason of their not being alleged render any fact or statement alleged in the Claim materially misleading; and,*
- (iii) DBT has, with respect to any request for money or damages alleged in or that forms the basis for the Claim, reviewed the job cost records (including those maintained by DBT and by any Subcontractor of any Tier, that is asserting all or any portion of the Claim) and confirmed with reasonable certainty that the Losses or damages suffered by DBT*

*and/or such Subcontractor were in fact suffered in the amounts and for the reasons alleged in the Claim; and,*

*(iv) DBT has, with respect to any request for extension of time or claim of Delay, disruption, hindrance or interference alleged in or that forms the basis for the Claim, reviewed the job schedules (including those maintained by DBT and by any Subcontractor involved in the Claim) and confirmed on an event-by-event basis that the delays or disruption suffered by DBT and /or such Subcontractor were in fact experienced for the durations, in the manner, and with the consequent effects on the time and/or sequence of performance of the Work, as alleged in the Claim; and,*

*(v) DBT has not received payment from RCEA for, nor has DBT previously released RCEA from, any portion of the Claim.*

*(vi) DBT understands that submission of a Claim which has no basis in fact or which DBT knows to be false may violate the False Claims Act (Government Code Section 12650 et seq.).*

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

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

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

*Company: \_\_\_\_\_*

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

- f) Strict Compliance Required. No Claim may be asserted unless DBT has strictly complied with the requirements of Section 4.2 of these General Conditions, which shall be considered conditions precedent to DBT's rights to assert the Claim and to initiate the Contract Dispute Resolution Process set forth below with respect to such Claim.
- g) No Work Delay. Notwithstanding the submission of any Claim or the existence of any dispute regarding any Claim, unless otherwise directed by RCEA, DBT shall not delay, slow or stop performance of the Work, but shall diligently proceed with performance in accordance with the Contract Documents and RCEA will continue to make payments as required by the Contract Documents.
- h) RCEA Response. RCEA shall respond in writing within forty-five (45) Days of receipt of the Claim with a written statement identifying which portion(s) of the Claim are disputed or undisputed, unless the 45 Day period is extended by mutual agreement of RCEA and DBT or as otherwise allowed under Public Contract Code Section 9204. However, if RCEA determines that the Claim is not adequately documented, RCEA may first request in writing, within thirty (30) days of receipt of the Claim, additional information or documentation supporting the Claim, or relating to defenses to the Claim that RCEA may have against the Claim, in which case RCEA shall respond to the Claim within forty-five 45 Days after receipt of the further information or documentation. If DBT fails to submit the additional documentation to RCEA within fifteen (15) Days of receipt of RCEA's request, the Claim will be deemed waived. If RCEA Council authorization is necessary for RCEA to respond to a Claim, RCEA will respond within three (3) Days following the Council's consideration of the Claim, which shall be scheduled in accordance with Section 9204.
- i) Non-Waiver. Any failure by RCEA to respond within the times specified above may not be construed as acceptance of the Claim in whole or in part, or as a waiver of any provision of these Contract Documents.
- j) Payment on Undisputed Portion. Any payment due on an undisputed portion of the Claim shall be paid within 60 Days after the RCEA issues its written response.

- k) Meet and Confer. If DBT disputes RCEA's response, or if RCEA fails to respond within the prescribed time set forth above, DBT may so notify RCEA and demand a meet and confer conference for settlement of the issues in dispute, in writing sent by registered mail or certified mail, return receipt requested, within fifteen (15) Days of RCEA's response or within fifteen (15) Days of RCEA's failure to respond. If DBT fails to dispute RCEA's response within the specified time, DBT's Claim shall be deemed waived.
- (i) Schedule Meet and Confer. Upon receipt of the demand to meet and confer, RCEA will schedule the meet and confer conference to be held within 30 days, or later if needed to ensure the mutual availability of each of the individuals that each party requires to represent its interests at the meet and confer conference.
  - (ii) Location for Meet and Confer. The meet and confer conference will be scheduled at a location at or near RCEA's principal office.
  - (iii) Written Statement After Meet and Confer. Within ten (10) working days after the meet and confer has concluded, RCEA will issue a written statement identifying which portion(s) of the Claim remain in dispute, if any.
  - (iv) Submission to Mediation. If the Claim or any portion remains in dispute following the meet and confer conference, within ten (10) working days after the RCEA issues the written statement identifying any portion(s) of the Claim remaining in dispute, the disputed portion(s) will be submitted for nonbinding mediation, as set forth below.
- l) Mediation. Within ten (10) working days after the RCEA issues the written statement identifying any portion(s) of the Claim remaining in dispute following the meet and confer, RCEA and Contractor will mutually agree to a mediator and mediation process, consistent with and as provided under Public Contract Code section 9204. Mediation will be scheduled to ensure the mutual availability of the selected mediator and all of the individuals that each party requires to represent its interests. All discussions that occur during the mediation and all documents prepared solely for the purpose of the mediation shall be confidential and privileged pursuant to California Evidence Code Sections 1119 and 1152. The parties will share the costs of mediation equally, except costs incurred by each party for its representation by legal counsel or any other consultants.
- m) Exclusions. The Claim procedures set forth herein do not apply to the following:
- (i) Penalties or forfeitures prescribed by statute or regulation imposed by a governmental agency.
  - (ii) Tort claims for personal injury or death.
  - (iii) False claims liability under California Government Code Section 12650, et seq.
  - (iv) Defects in the Work first discovered by RCEA after Final Payment by RCEA to DBT.
  - (v) Stop notices.
  - (vi) The right of RCEA to specific performance or injunctive relief to compel performance of any provision of the Contract Documents.
- n) On-going Dispute. If the Claim is not fully resolved during the meet and confer conference or through mediation, as to those portions of the Claim which remain in dispute, DBT may commence the Contract Dispute Resolution Process set forth below by filing a Statement of Contract Dispute with the RCEA within thirty (30) Days following the meet and confer conference

if the parties have mutually waived mediation or within thirty (30) Days following the mediation result. If DBT fails to submit a Statement of Contract Dispute within the applicable thirty (30) Day period, RCEA's last written response will become final and binding upon DBT, and DBT shall be deemed to have waived and release any further right to pursue the Claim.

#### **Section 10.03 Contract Dispute Resolution**

Contract Disputes shall be resolved by the parties in accordance with the Contract Dispute Resolution Process set forth in this Section 4.3 of the General Conditions in lieu of any and all rights under the law that either party have its rights adjudged by a trial court or jury. All Contract Disputes shall be subject to the Contract Dispute Resolution Process set forth in this Section 4.3, which shall be the exclusive recourse of DBT and RCEA for such Contract Disputes

#### **Section 10.04 Non-Contract Disputes. Contract Disputes shall not include any of the following:**

- a) Penalties or forfeitures prescribed by statute or regulation imposed by a governmental agency;
- b) Third party tort claims for personal injury, property damage or death relating to any Work performed by DBT or its Subcontractors or Sub-Subcontractors of any tier;
- c) False claims liability under California Government Code Section 12650, et. seq.;
- d) Defects in the Work first discovered by RCEA after Final Payment by RCEA to DBT;
- e) Stop notices; or
- f) The right of RCEA to specific performance or injunctive relief to compel performance of any provision of the Contract Documents.

#### **Section 10.05 Litigation, RCEA Election.**

Venue for matters that do not constitute Contract Disputes shall be the Humboldt County, California Superior Court, and shall not be subject to the Contract Dispute Resolution Process set forth herein. However, RCEA reserves the right, in its sole and absolute discretion, to treat such disputes as Contract Disputes. Upon written notice by RCEA of its election as provided in the preceding sentence, such dispute shall be submitted by the parties and finally decided pursuant to the Contract Dispute Resolution Process in the manner as required for Contract Disputes, including, without limitation, RCEA's right to defer resolution and final determination until after Final Completion of the Work.

#### **Section 10.06 Submission of Contract Dispute.**

- a) By DBT. DBTs may commence the Contract Dispute Resolution Process upon conclusion of the Claims process set forth in Section 4.2 above. DBT shall submit a written Statement of Contract Dispute (as set forth below) to RCEA within thirty (30) Days after conclusion of meet and confer process or mediation, as applicable. Failure by DBT to submit its Statement of Contract Dispute in a timely manner shall result in RCEA's decision on the Claim becoming final and binding. DBT's Statement of Contract Dispute shall be signed under penalty of perjury and shall state with specificity the events or circumstances giving rise to the Contract Dispute, the dates of their occurrence and the asserted effect on the Contract Sum and the Contract Time. The Statement of Contract Dispute shall include adequate supporting data to substantiate the disputed Claim, in compliance with the Change Order Request requirements set forth herein.
- b) By RCEA. RCEA's right to commence the Contract Dispute Resolution Process shall arise at any time following RCEA's actual discovery of the circumstances giving rise to the Contract Dispute.

RCEA may also assert a Contract Dispute in response to a Contract Dispute asserted by DBT. A Statement of Contract Dispute submitted by RCEA shall state the events or circumstances giving rise to the Contract Dispute, the dates of their occurrence and the damages or other relief claimed by RCEA as a result of such events.

- c) Contract Dispute Resolution Process. The Parties shall utilize each of the following steps in the Contract Dispute Resolution Process in the sequence they appear below. Each Party shall participate fully and in good faith in each step in the Contract Dispute Resolution Process, and good faith effort shall be a condition precedent to the right of each Party to proceed to the next step in the process.
  - (i) *Direct Negotiations*. Designated representatives of RCEA and DBT shall meet as soon as possible (but not later than ten (10) Days after receipt of the Statement of Contract Dispute) in a good faith effort to negotiate a resolution to the Contract Dispute. Each Party shall be represented in such negotiations by an Authorized Representative with full knowledge of the details of the Claims or defenses being asserted by such Party in the negotiations, and with full authority to resolve such Contract Dispute then and there, subject only to RCEA's obligation to obtain administrative and/or Board approval of any agreed settlement or resolution. If the Contract Dispute involves the assertion of a right or claim by a Subcontractor against DBT that is in turn being asserted by DBT against RCEA ("Pass-Through Claim"), then the Subcontractor shall also have a representative attend the negotiations, with the same authority and knowledge as described above. Upon completion of the meeting, if the Contract Dispute is not resolved, the parties may either continue the negotiations or any party may declare negotiations ended. All discussions that occur during such negotiations and all documents prepared solely for the purpose of such negotiations shall be confidential and privileged pursuant to California Evidence Code Sections 1119 and 1152.
  - (ii) *Mediation/Arbitration*. If the Contract Dispute remains unresolved after Direct Negotiations, the parties may choose, by mutual agreement, to conduct mediation and/or arbitration, however they shall be under no obligation to do so.
  - (iii) *Deferral of Contract Disputes*. Following the completion of the negotiations, all unresolved Contract Disputes shall be deferred pending Final Completion of the Project, subject to RCEA's right, in its sole and absolute discretion, to require that the Contract Dispute Resolution Process proceed prior to Final Completion. All Contract Disputes that have been deferred until Final Completion shall be consolidated within a reasonable time after Final Completion and thereafter pursued to resolution pursuant to this Contract Dispute Resolution Process. The Parties can continue informal negotiations of Contract Disputes; provided, however, that such informal negotiations shall not be alter the provision for deferring final determination and resolution of unresolved Contract Disputes until after Final Completion.

## **Article XI. DEFAULT, SUSPENSION, TERMINATION**

### **Section 11.01 Default**

- a) Notice of Default. In the event that RCEA determines, in its sole discretion, that DBT has failed or refused to perform any of the obligations set forth in the Contract Documents, or is in breach of any provision of the Contract Documents, RCEA may give written notice of default to DBT, with a copy to DBT's performance bond surety.

- b) Opportunity to Cure Default. DBT shall cure any default in performance of its obligations under the Contract Documents within two (2) calendar days (or such shorter time as RCEA may reasonably require) after receipt of written notice. However, if the breach cannot be reasonably cured within such time, DBT will commence to cure the breach within two (2) calendar days (or such shorter time as RCEA may reasonably require) and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) calendar days after receipt of such written notice.
- c) RCEA's Rights and Remedies. If DBT fails to cure any default of this Design-Build Contract within the time period set forth above, then RCEA may pursue any remedies available under law or equity, including, without limitation, the following:
- (i) Delete certain Work;
  - (ii) Engage others to perform the Work or any portion thereof that has not been adequately performed by DBT and withhold the cost thereof to RCEA from future payments to DBT;
  - (iii) Suspend all or any portion of this Design-Build Contract for as long a period of time as RCEA determines, in its sole discretion, in which event RCEA shall have no obligation to adjust the Contract Sum or Contract Time, and shall have no liability to DBT for damages if RCEA directs DBT to resume Work;
  - (iv) Terminate this Contract, in whole or in part, upon the failure of DBT to promptly cure any default as required, by giving DBT a written notice of termination. Any notice of termination given to DBT by RCEA shall be effective immediately, unless otherwise provided therein; or
  - (v) Exercise its rights under the Performance Bond.

RCEA's rights and remedies under this Design-Build Contract are cumulative and shall be in addition to those rights and remedies available in law or in equity. Designation in the Contract Documents of certain breaches as material shall not waive RCEA's authority to designate other breaches as material nor limit RCEA's right to terminate the Design-Build Contract, or prevent RCEA from terminating the Agreement for breaches that are not material. RCEA's determination of whether there has been noncompliance with the Design-Build Contract so as to warrant exercise by RCEA of its rights and remedies for default under the Design-Build Contract, shall be binding on all parties. No termination or action taken by RCEA after such termination shall prejudice any other rights or remedies of RCEA provided by law or equity or by the Contract Documents upon such termination; and RCEA may proceed against DBT to recover all Liquidated Damages and losses suffered by RCEA.

- d) Delays by Sureties. Time being of the essence in the performance of the Work, if DBT's surety fails to arrange for completion of the Work in accordance with the Performance Bond, within seven (7) calendar days from the date of the notice of termination, DBT's surety shall be deemed to have waived its right to complete the Work under the Contract, and RCEA may immediately make arrangements for the completion of the Work through use of its own forces, by hiring a replacement DBT, or by any other means that RCEA determines advisable under the circumstances. DBT and its surety shall be jointly and severally liable for any additional cost incurred by RCEA to complete the Work following termination. In addition, RCEA shall have the right to use any materials, supplies, and equipment belonging to DBT and located at the Worksite for the purposes of completing the remaining Work.
- e) Damages to RCEA.

- (i) *For DBT's Default.* RCEA will be entitled to recovery of all losses under law or equity in the event of DBT's default under the Contract Documents.
- (ii) *Compensation for Losses.* In the event that RCEA's Losses arise from DBT's default under the Contract Documents, RCEA shall be entitled to deduct the cost of such Losses from monies otherwise payable to DBT. If the Losses incurred by RCEA exceed the amount payable, DBT shall be liable to RCEA for the difference and shall promptly remit same to RCEA.

#### **Section 11.02 Suspension by RCEA**

- a) Suspension for Convenience. RCEA may, at any time and from time to time, without cause, order DBT, in writing, to suspend, delay, or interrupt the Work in whole or in part for such period of time, up to an aggregate of fifty percent (50%) of the Contract Time. The order shall be specifically identified as a Suspension Order by RCEA. Upon receipt of a Suspension Order, DBT shall, at RCEA's expense, comply with the order and take all reasonable steps to minimize costs allocable to the Work covered by the Suspension Order. During the Suspension or extension of the Suspension, if any, RCEA shall either cancel the Suspension Order or, by Change Order, delete the Work covered by the Suspension Order. If a Suspension Order is canceled or expires, DBT shall resume and continue with the Work. A Change Order will be issued to cover any adjustments of the Contract Sum or the Contract Time necessarily caused by such suspension. A Suspension Order shall not be the exclusive method for RCEA to stop the Work.
- b) Suspension for Cause. In addition to all other remedies available to RCEA, if DBT fails to perform or correct work in accordance with the Contract Documents, RCEA may immediately order the Work, or any portion thereof, suspended until the cause for the suspension has been eliminated to RCEA's satisfaction. DBT shall not be entitled to an increase in Contract Time or Contract Price for a suspension occasioned by DBT's failure to comply with the Contract Documents. RCEA's right to suspend the Work shall not give rise to a duty to suspend the Work, and RCEA's failure to suspend the Work shall not constitute a defense to DBT's failure to comply with the requirements of the Contract Documents.

#### **Section 11.03 Termination.**

- a) Termination Without Cause. RCEA may, at its sole discretion and without cause, terminate this Design-Build Contract in part or in whole upon written notice to DBT. Upon receipt of such notice, DBT shall, at RCEA's expense, comply with the notice and take all reasonable steps to minimize costs to close out and demobilize. The compensation allowed under this Paragraph shall be the DBT's sole and exclusive compensation for such termination and DBT waives any claim for other compensation or Losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from termination without cause. Termination pursuant to this provision does not relieve DBT or its sureties from any of their obligations for Losses arising from or related to the Work performed by DBT.
- b) Compensation. Following such termination and within forty-five (45) calendar days after receipt of a billing from DBT seeking payment of sums authorized by this Paragraph, RCEA shall pay the following to DBT as DBT's sole compensation for performance of the Work:
  - (i) *For Services Performed.* The amount of the Contract Sum allocable to the portion of the Work properly performed by DBT as of the date of termination, less sums previously paid to DBT.



- (ii) *For Close-out Costs.* If termination is effective after the Construction Services have commenced on the site, reasonable close out costs of DBT and its Subcontractors shall include (1) demobilizing and (2) administering the close-out of its participation in the Project (including, without limitation, all billing and accounting functions, not including attorney or expert fees) for a period of no longer than thirty (30) Days after receipt of the notice of termination.
- (iii) *For Fabricated Items.* Previously unpaid cost of any items delivered to the Project Site which were fabricated for subsequent incorporation in the Work.
- (iv) *Profit Allowance.* An allowance for profit calculated as four percent (4%) of the sum of the above items, provided DBT can prove a likelihood that it would have made a profit if the Design-Build Contract had not been terminated.
- c) Subcontractors. DBT shall include provisions in all of its subcontracts, purchase orders and other contracts permitting termination for convenience by DBT on terms that are consistent with this Design-Build Contract and that afford no greater rights of recovery against DBT than are afforded to DBT against RCEA under this Section.
- d) DBT's Duties Upon Termination. Upon receipt of a notice of termination for default or for convenience, DBT shall, unless the notice directs otherwise, do the following:
  - (i) Immediately discontinue the Work to the extent specified in the notice;
  - (ii) Place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of such portion of the Work that is not discontinued;
  - (iii) Provide to RCEA a description in writing, no later than fifteen (15) calendar days after receipt of the notice of termination, of all subcontracts, purchase orders and contracts that are outstanding, including, without limitation, the terms of the original price, any changes, payments, balance owing, the status of the portion of the Work covered and a copy of the subcontract, purchase order or contract and any written changes, amendments or modifications thereto, together with such other information as RCEA may determine necessary in order to decide whether to accept assignment of or request DBT to terminate the subcontract, purchase order or contract;
  - (iv) Promptly assign to RCEA those subcontracts, purchase orders or contracts, or portions thereof, that RCEA elects to accept by assignment and cancel, on the most favorable terms reasonably possible, all subcontracts, purchase orders or contracts, or portions thereof, that RCEA does not elect to accept by assignment; and
  - (v) Thereafter do only such Work as may be necessary to preserve and protect Work already in progress and to protect materials, plants, and equipment on the Project Site or in transit thereto.

Upon termination, whether for cause or for convenience, the provisions of the Contract Documents remain in effect as to any Claim, indemnity obligation, warranties, guarantees, submittals of As-Built Documents, instructions, or manuals, or other such rights and obligations arising prior to the termination date.

#### **Section 11.04 DBT's Rights To Terminate And Remedies At Termination.**

- a) DBT's Remedies. DBT may terminate this Design-Build Contract only upon the occurrence of one

of the following:

- (i) *For Work Stoppage.* The Work is stopped for sixty (60) consecutive Days, through no act or fault of DBT, any Subcontractor, or any employee or agent of DBT or any Subcontractor, due to issuance of an order of a court or other public authority other than RCEA having jurisdiction or due to an act of government, such as a declaration of a national emergency making material unavailable. This provision shall not apply to any work stoppage resulting from the RCEA's issuance of a suspension notice issued either for cause or for convenience.
- (ii) *For RCEA's Non-Payment.* If RCEA does not pay DBT undisputed sums within ninety (90) Days after receipt of notice from DBT, DBT may terminate the Design-Build Contract (30) days following a second notice to RCEA of DBT's intention to terminate the Design-Build Contract.
- b) Damages to DBT. In the event of termination for cause by DBT, RCEA shall pay DBT the sums provided for above. DBT agrees to accept such sums as its sole and exclusive compensation and agrees to waive any claim for other compensation or losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect and incidental damages, of any kind.

## **Article XII. INVOICING AND PAYMENT**

### **Section 12.01 Contract Price.**

- a) Elements of Contract Price. The Contract Price for full compensation for the Work and other obligations of the DBT under the Contract Documents is set forth in the Agreement.
- b) Items Included in Price. The DBT acknowledges and agrees that, subject only to DBT's rights under Article IX hereof, the Contract Price includes (1) all Design Services, Construction Services, equipment, Materials, labor, insurance and bond premiums, home office, jobsite and other overhead, profit and other services relating to DBT's performance of its obligations under the Contract Documents (including all Work, equipment, Materials, labor, and services provided by Subcontractors and intellectual property rights necessary to perform the Work); (2) all costs of obtaining all Governmental Approvals other than those which are the responsibility of RCEA to obtain; (3) all costs of compliance with Government Rules, except to the extent compliance with or maintenance of Governmental Approvals is the responsibility of RCEA, Utility Owners, or other third parties; (4) payment of any taxes, duties, and permit and other fees and/or royalties imposed with respect to the Work, and any equipment, Materials, labor, or services included therein; (5) payment of all salaries, wages, benefits, and expenses of the DBT's employees; (6) all payments to Subcontractors and Suppliers; (7) compensation for all risks, liabilities, and contingencies assigned to the DBT under the Contract Documents; and (8) all other costs not expressly stated herein that are needed or incurred by DBT to complete DBT's obligations under the Contract Documents.

### **Section 12.02 General Invoicing Instructions.**

The DBT's Invoice shall be submitted in a format provided or Approved by RCEA, and shall include, at a minimum, the following:

- a) The itemized and total amount being invoiced (in U.S. Dollars), less the amount of all contractual retention and deductions applicable for the invoiced amount (in U.S. Dollars), and the resulting total net payment due.
- b) The time period during which the Work was performed and for which the invoice is submitted.

- c) A statement that the Project can be completed on schedule and within the Contract Price, subject only to outstanding notices or changes.
- d) Reference to the DBT's Taxpayer ID Number.
- e) If the invoice is for a Progress Payment, the required Progress Payment information.

**Section 12.03 Progress Payments.**

- a) Basis for Payment. Payment to the DBT for the Work will be made by RCEA on the basis of Progress Payments relating to the completion of specific elements of the Work, in accordance with the Schedule of Values, Milestones and Work Breakdown Structure (WBS) (if applicable) agreed upon by RCEA and the DBT and incorporated into the Project Schedule.

**Section 12.04 Applications for Progress Payment.**

- a) Timing of Applications. At least 20 days before the date established in the Agreement for a Progress Payment, but not more often than once a month, DBT shall submit to RCEA's Project Manager for review an Application for Progress Payment filled out and signed by DBT covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents.
- b) Progress Payments on Materials and Equipment. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Progress Payment must also be accompanied by: (i) a bill of sale, invoice, copies of subcontract or purchase order payments, or such other documentation to establish full payment by DBT for the materials and equipment; (ii) at RCEA's request, documentation warranting that RCEA has received the materials and equipment free and clear of all liens; and (iii) evidence that the materials and equipment are covered by appropriate property insurance, a warehouse bond, or other arrangements to protect RCEA's interest therein, all of which must be satisfactory to RCEA.
- c) Affidavit. Beginning with the second Application for Progress Payment, each Application must include an affidavit of DBT stating that all previous Progress Payments received by DBT have been applied to discharge DBT's legitimate obligations associated with prior Applications for Progress Payment.
- d) Contents of Application. The DBT's Application for Progress Payment (hereinafter "Application") shall contain:
  - (i) One (1) original hard copy of the DBT's Invoice, submitted in accordance with the provisions set forth in herein;
  - (ii) A description of the Work completed;
  - (iii) Conditional and unconditional waivers executed by the Subcontractors as described in below;
  - (iv) Release of Stop Notice from Subcontractors, if any;
  - (v) Certified payroll records for the Work performed (also to be delivered by the DBT directly to the California Department of Industrial Relations in accordance with the applicable provisions of the California Labor Code) as required;

- (vi) The DBT's written certification that the Work has been performed in accordance with the Contract Documents;
- (vii) Any additional information or submittals required by the Contract Documents or otherwise required by RCEA to process the Progress Payment.
- e) Conditions on Submittal. RCEA may, in its discretion, require a meeting with the DBT prior to the submittal of a Progress Payment Application under this Section.
- f) Delivery. The DBT's invoices shall be submitted electronically in draft to RCEA's Project Manager for review. After approval by the Project Manager, the Application shall be submitted electronically in final version to the finance representative designated by RCEA.

#### **Section 12.05 Terms of Payment.**

- a) Timing of Payment. RCEA will make Progress Payments within thirty (30) calendar days after receipt of an undisputed and properly submitted Application. Upon receipt of an Application, RCEA shall:
  - (i) Review the Application to determine if it is complete and meets contractual requirements;
  - (ii) Return any Application that is not complete or does not meet contractual requirements as soon as practicable, but not later than ten (10) calendar days after receipt by RCEA, with a statement of the reason(s) why the Application does not meet contractual requirements.
- b) Basic Requirements. Applications may be submitted in accordance with the payment schedule in the Agreement no more frequently than once per calendar month. No Progress Payments will be made for Work not performed in accordance with the Contract Documents. In addition, RCEA reserves the right to withhold payments for any Work that is the subject of a Dispute, that is found Deficient, or that is not supported by appropriate documentation, or for any element of the Application for Progress Payments that is not complete or does not meet contractual requirements. If RCEA withholds payments as provided herein, RCEA will make payment of any undisputed amount covered by the Application.
- c) Limitations on Payment. In no event shall RCEA have any obligation to pay any amount which would result in (1) payment for any activity in excess of the value of the activity times the completion percentage of such activity; or (2) aggregate payments hereunder in excess of the overall completion percentage for the Project times the Contract Price plus any additional sums due in accordance with the terms and conditions of this Contract.
- d) RCEA Failure to Timely Pay. In the event RCEA fails to remit payment within the time period specified in this Article, of a failure to pay sums due or other breach by RCEA under this Contract. In such an event, DBT shall be entitled to payment for all costs incurred resulting therefrom. In the event of termination by DBT under this Section 16.04(o), DBT will be entitled to receive payment in accordance with Section 16.03(c)(i) herein and such termination shall be without further obligation or liability to RCEA.

#### **Section 12.06 Payment For Goods Not Incorporated Into The Work.**

RCEA may, in its sole discretion, authorize payment for Goods not yet incorporated into the Work, subject to the following conditions:

- a) Goods shall be delivered to the Site or delivered to the DBT and promptly placed in appropriate storage within a location approved by RCEA.

- (ii) Deductions from previous Progress Payments already paid, due to RCEA's discovery of Deficiencies in the Work;
  - (iii) Sums expended by RCEA in performing any of the DBT's obligations under the Contract that the DBT has failed to perform; and
  - (iv) Other sums that RCEA is entitled to recover from the DBT under the terms of this Contract.
- b) No Waiver. Failure of RCEA to deduct any of the above-identified sums from a Progress Payment shall not constitute a waiver of RCEA's right to such sums or to deduct them from a subsequent Progress Payment.

#### **Section 12.10 Payment To Subcontractors.**

- a) Prompt Payment for Work. Pursuant to 49 CFR Part 26 and applicable State law, the DBT shall pay each Subcontractor under this Contract for satisfactory performance of its Work no later than ten (10) calendar days after receipt of each Progress Payment received from RCEA that covers such Work.
- b) Prompt Payment of Retention. Any retention withheld from any Subcontractor by the DBT, or by a Subcontractor from any lower tier Subcontractor, shall not exceed the percentages specified in Section 17.08. The DBT shall, within ten (10) calendar days after RCEA has made released all or any portion of the retention amounts to the DBT, promptly pay all retention owed to the Subcontractor(s) who has satisfactorily completed all of its Work and whose Work is covered by that retention.
- c) Determination of Satisfactory Completion. For purposes of subsections (a) and (b) above, a Subcontractor's Work is "satisfactorily completed" when the DBT certifies to RCEA that all the tasks called for in the Subcontract have been satisfactorily accomplished. The DBT may delay or postpone prompt payment or release of retention to a Subcontractor beyond the ten (10) Day time limit only if the DBT determines, and demonstrates to the satisfaction of RCEA, that good cause exists for such delay or postponement.
- d) Waiver and Release Forms.
  - (i) Required Documentation. As a condition to RCEA's release of any Progress Payment, the DBT shall furnish to RCEA the following: (A) A duly executed "Conditional Waiver and Release" form from each Subcontractor listed in the current Application, and (B) A duly executed "Unconditional Waiver and Release" form from each Subcontractor listed in the preceding Application.
  - (ii) Contents of Waiver. The unconditional waiver(s) must state the amount that the Subcontractor has been paid with respect to the Progress Payment most recently made to the DBT. The required waiver and release forms shall state that they are not intended to release claims beyond the amount of the Progress Payment made and do not cover unprocessed or unresolved claims. In the event the DBT fails to supply any of the foregoing waiver and release forms, RCEA may retain the amount attributable to any such Subcontractor until the appropriate form is received.

#### **Section 12.11 Payment of Taxes.**

The Contract Price includes compensation for all taxes, duties, permits and other fees and/or royalties imposed with respect to the Work, and any Equipment, Materials, labor or services included therein, except as expressly provided otherwise in the Contract Documents. The DBT

shall pay all Federal, State, and local taxes, and duties applicable to and assessable against any Work when due, including but not limited to retail sales and use, transportation, export, import, business, and special taxes. The DBT shall maintain auditable records, subject to RCEA's review, confirming that tax payments are current at all times.

#### **Section 12.12 Application for Final Payment.**

- a) Contents of Application for Final Payment. The DBT shall prepare and submit an Application for Final Payment to RCEA that shall include the following:
  - (i) The proposed total amount due the DBT, segregated by items on the Schedule of Values, Contract Amendments, Change Orders, and other basis for payment;
  - (ii) Deductions for prior Progress Payments;
  - (iii) Amounts retained;
  - (iv) An unconditional waiver and release of all liens and stop notices for each Subcontractor;
  - (v) An unconditional waiver and release from the DBT, including a waiver and release of all Claims;
  - (vi) Written evidence of final inspection and acceptance by each third party and Utility Owner of work performed by DBT on facilities of third party and Utility Owner arising out of performance of the Work; and
  - (vii) Written acknowledgement from each third party and Utility Owner that it has received As-built Documents in a form acceptable to it describing the work performed by the DBT on the third party's and Utility Owner's facilities.
- b) Waivers. The Application for Final Payment shall include complete and legally effective unconditional waivers and releases of all liens and stop notices satisfactory to RCEA, arising out of or filed in connection with the Work. Prior Progress Payments shall be subject to correction in RCEA's review of the Application for Final Payment.
- c) Review by RCEA. Within thirty (30) calendar days after receipt of the DBT's Application for Final Payment, RCEA will review the Application and forward changes or corrections to the DBT. Prior Progress Payments will be subject to corrections in RCEA's review of such Application. Within ten (10) calendar days after receipt of recommended changes from RCEA, the DBT will make the changes, and shall submit the revised Application for Final Payment. Upon Approval by RCEA, the revised Application for Final Payment will become the approved Application for Final Payment.

#### **Section 12.13 Final Payment.**

- a) Contents. The DBT's Application for Final Payment (i.e., Final Invoice) shall be marked FINAL and submitted to RCEA in accordance with this Article.
- b) Payment. After Final Acceptance of the Work, Final Payment will be made as follows:
  - (i) *Conditions on Payment.* If no Claims have been filed with the initial or any revised Application for Final Payment, and no Claims remain unsettled within thirty (30) calendar days after Final Acceptance of the Work by RCEA and agreements are reached on all issues regarding the Application for Final Payment, RCEA, in exchange for an executed release satisfactory in form and substance to RCEA, will pay the entire sum found due on the

approved Application for Final Payment including the amount, if any, allowed on settled Claims.

- (ii) *Scope of Release.* The release from the DBT shall be from any and all Claims arising under the Design Work and Construction Work portion of the Contract.
- (iii) *DBT's Certification.* The release shall be accompanied by a certification by the DBT that (A) it has resolved all Subcontractor, Supplier, and other Claims that are related to the settled Claims included in the Final Payment; (B) it has no reason to believe that any party has a valid Claim against the DBT or RCEA which has not been communicated in writing by the DBT to RCEA as of the date of the certificate; (C) all warranties are in full force and effect; and (D) the waivers and releases and the warranties shall survive Final Payment.
- c) No Estoppel. The making of any payment or Final Payment by RCEA shall not preclude or act as an estoppel from RCEA (1) showing the true and correct amount and character of the Work done or Goods furnished by the DBT; (2) showing that the Work and the Goods furnished do not, in fact, comply with the Contract Documents; or (3) demanding and recovering from the DBT such damages as it may sustain by reason of the DBT's failure to comply with the Contract Documents.

### **Article XIII. MISCELLANEOUS PROVISIONS**

#### **Section 13.01 Value Engineering Change Proposals.**

- a) Submittal by DBT. The DBT is encouraged to submit Value Engineering Change Proposals (VECPs) for the purpose of enabling the DBT and RCEA to take advantage of potential cost and/or time savings through changes in the requirements of the Contract Documents that do not adversely impact essential characteristics of the Project. The DBT is encouraged to submit VECPs whenever it identifies potential savings or improvements.
- b) Purpose and Scope.
  - (i) *Purpose.* The purpose of VECPs is to encourage the use of the Design- Builder's ingenuity and experience in arriving at alternative designs, methods, and procedures that result in a lower direct cost to accomplish a prescribed function with the intention of RCEA sharing in the resulting savings.
  - (ii) *Scope and Objective.* A VECP ideally shall produce direct cost savings to RCEA and the public without, in the sole judgment of RCEA, impairing essential functions and characteristics of the Project including, but not limited to, service life, economy of operation, ease of maintenance, desired appearance, and safety. When developing a VECP, the DBT should address the environmental permit requirements, regulations, commitments made to the public to mitigate the impact of construction, and similar concerns. VECP s are limited to changes that are within the design parameters, as defined by RCEA, for the Project. VECPs may be developed by the DBT or may be based on proposals from RCEA or information contained in a Proposal submitted by another DBT in response to the RFP.
- c) Value Engineering and Proposal Concepts Evaluation Meetings.
  - (i) *Initial Meetings.* RCEA's Project Manager will consult with the DBT and arrange and lead meetings within thirty (30) calendar days after the issuance of the NTP, to review any initial VECPs submitted by the DBT and review any concepts or ideas raised by RCEA.
  - (ii) *Additional Meetings.* Other value engineering meetings may be called by the DBT or RCEA, as necessary, to discuss and evaluate VECP opportunities identified by either RCEA or the DBT that may arise from time to time during the performance of the Contract. Attendance at the

meetings and the preparation of the estimate of effects of a VECP shall be at no increase in the Contract Price.

- d) Description of VECPS. A VECP is a proposal developed and documented by the DBT which would:
  - (i) Modify or require a change in any of the requirements of, or constraints set forth in the Contract Documents in order to be implemented; and
  - (ii) Reduce the Contract Price or schedule without impairing essential functions or characteristics of the Work, including the meeting of requirements contained in all Government Rules, and without being based solely upon a change in quantities.
- e) Information to be Provided. At a minimum, the DBT shall submit the following information with each VECP:
  - (i) Description of the existing Contract Document requirement(s) which are involved in the proposed change;
  - (ii) Description of the proposed change;
  - (iii) Discussion of differences between existing requirement(s) and the proposed change, together with advantages and disadvantages of each changed item;
  - (iv) Itemization of the Contract Document requirements which must be changed if the VECP is approved (e.g., drawing numbers and specifications);
  - (v) Justification for changes in function or characteristics of each item, and effect of the change on the performance of the end item, as well as on the meeting of requirements contained in the Contract Documents;
  - (vi) Date or time by which a Change Order must be issued by RCEA adopting the VECP in order to obtain the maximum cost reduction, noting any effect on the Project Schedule;
  - (vii) Costs of development and implementation by the DBT;
  - (viii) Cost and/or time estimate for existing Contract Document requirements, compared to the DBT's cost and/or time estimate with the proposed changes, including a definitive identification of the net cost and time savings associated with the proposed VECP;
  - (ix) A description of the technical aspects of the conceptual VECP in sufficient detail as to enable reviewers to determine the suitability of the VECP from an engineering perspective. If the technology is new, test information must be provided to RCEA's satisfaction; and
  - (x) Any other relevant information RCEA believes appropriate for the review of the VECP.
- f) RCEA Review. Upon receipt of a VECP from the DBT, RCEA will review and process the VECP expeditiously, but shall not be liable for any delay in acting upon any proposal submitted. The DBT may withdraw all, or part, of any VECP at any time prior to Approval by RCEA. In all situations, each party shall bear its own costs in connection with preparation and review of VECPS.
- g) Approval of VECPS. RCEA may, in its sole discretion, Approve (in whole or in part) any VECP submitted by issuance of a Change Order. Designs for Approved VECPS shall be prepared by the DBT for incorporation into the Contract Documents. Until a Change Order is issued on a VECP, the DBT shall remain obligated to perform in accordance with the Contract Documents. The decision of RCEA to reject or Approve a VECP shall be final and not subject to the Dispute resolution provisions of Article IXV.



h) Determination of VECP Amount.

- (xi) *Reduction in Contract Price.* If RCEA Approves a VECP submitted by the DBT that results in cost savings, the Contract Price shall be reduced by an amount equal to fifty percent (50%) of the Estimated Net Savings, as defined in subparagraph 2) below.
  - (xii) *Definition.* The term "Estimated Net Savings" as used herein means (A) the difference between the cost of performing the Work according to the Contract Documents and the actual cost to perform it according to the proposed change, less (B) any additional costs incurred by RCEA resulting from the VECP. The DBT's profit shall not be considered part of the cost. The DBT's share will be considered full compensation to the DBT for implementing all changes pursuant to the Change Order that results from the VECP.
  - (xiii) *Limitation.* Except as specified herein, the DBT is not entitled to share in either collateral or future Contract savings. The term "collateral Contract savings" means those measurable net reductions in RCEA's costs resulting from the VECP, including maintenance costs and the cost of RCEA furnished equipment. The term "future Contract savings" means reductions in the cost of performance of future construction contracts for essentially the same item resulting from a VECP submitted by the DBT.
  - (xiv) *When Payable.* The DBT's share of any VECP cost savings shall be payable at such time as payments would have been made for the Work which is the subject of the VECP had the VECP not been implemented.
- i) Additional Conditions. The following conditions also apply to VECPs:
- (i) RCEA will be the sole judge as to whether a VECP qualifies for consideration and evaluation. RCEA may reject any VECP which is not consistent with RCEA's policies and goals for the Project.
  - (ii) A VECP must provide the same service life or more, facilitate economy of operations and ease of maintenance, and achieve the desired appearance and safety.
  - (iii) Elimination of Work does not necessarily constitute a VECP.
  - (iv) The DBT shall not order any Materials related to the VECP until written notice of Approval has been received from RCEA.
  - (v) The DBT shall update the Project Schedule to reflect any schedule impact of the implementation of the VECP.

**Section 13.02 Records and Audits.**

- a) Maintenance. The DBT shall maintain a complete set of all books, documents, papers, data, documentation, and records, regardless of form ("Records") prepared or employed by the DBT and its Subcontractors in the management, scheduling, cost accounting, and other activities in connection with the Project. All such Records shall be retained and made available until five (5) years after the date of Final Payment or the termination of this Contract, whichever is applicable. Notwithstanding the foregoing, in the event of litigation or Claims arising from the performance of the Contract, all Records shall be retained and made available until such litigation, or other actions, and claims have been finally resolved.
- b) Access. The DBT shall grant to RCEA access to and the right to review and copy all records and supporting documents, general accounting systems, internal controls of the DBT and its Subcontractors as RCEA may request from time to time in connection with the issuance of

Change Orders, the execution of Contract Amendments, the resolution of disputes, the resolution of Claims, and such other matters as RCEA deems necessary for purposes of complying or verifying compliance with the Contract Documents.

- c) Required Documents. At a minimum, RCEA shall have access to the following documents as deemed necessary:
  - d) Daily time sheets and supervisor's daily reports;
  - e) Union agreements and/or Project Labor Agreements;
  - f) Insurance, welfare, and benefits records;
  - g) Payroll registers;
  - h) Earnings records;
  - i) Payroll tax forms;
  - j) Material invoices and requisitions;
  - k) Material cost distribution work sheet;
  - l) Equipment records (list of company equipment, rates, etc.);
  - m) Subcontractors' (including Suppliers) invoices;
  - n) Subcontractors' and agents' payment certificates;
  - o) Cancelled checks;
  - p) Job cost report;
  - q) Job payroll ledger;
  - r) General ledger;
  - s) Cash disbursements journal;
  - t) All documents that relate to each and every Claim together with all documents that support the amount of damages as to each Claim;
  - u) Work sheets used to prepare the claim establishing the cost components for items of the claim including labor, benefits and insurance, materials, equipment, Subcontractors, all documents that establish the time periods, individuals involved, the hours for the individuals, and the rates for the individuals;
  - v) Flow Down. The DBT shall exercise commercially reasonable efforts to include requirements materially similar to this Section in each Subcontract.

### **Section 13.03 DBT Reports.**

- a) Required Reports. Contemporaneously with DBT's performance of Work, DBT shall collect, preserve, provide RCEA with access to, and submit copies to RCEA in a form, format and frequency specified by RCEA each of the following types of reports and data:
  - (i) Monthly report of labor by classification of management, supervision, engineering and other technical personnel used on the job;

- (ii) Quality Assurance and Quality Control documentation as required by the Technical Specifications and this Contract;
- a) Daily Occurrence Log. DBT shall maintain a Daily Occurrence Log for construction related activities which shall be maintained by the DBT's Project Manager or his or her designee(s), in which shall be recorded daily in a narrative form all significant occurrences on the Project, including permit problems, unusual weather, asserted Force Majeure events, events and conditions causing or threatening to cause delay or disruption or interference with the progress of any of the Work, known injuries to person or property, a listing of each activity depicted on the Project Schedule which is being actively prosecuted, notifications given and received, and significant Project related meetings.
- b) Daily Record. DBT shall maintain a Daily Record recording all labor, Materials, and Equipment expenses which are being incurred by reason of any event, condition or circumstance that the DBT believes is or may become the subject of a Claim against RCEA.

**Section 13.04 Waiver.**

- a) Waivers. The waiver by RCEA or the DBT of any failure to enforce any of the terms, covenants, conditions, or other provisions of this Contract at any time shall not in any way limit or waive the waiving Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision of this Contract, or any course of dealing or custom of the trade notwithstanding, or any of its rights or remedies under law or contract as to any prior or subsequent default hereunder. The waiver by RCEA of any breach or default of this Contract, or any provision hereof, shall not constitute a waiver of any other breach or default of such provision or any other provision.
- b) Interpretations; Consent. If the Parties make and implement any interpretation of this Contract without documenting such interpretation by an instrument in writing that amends the Contract Documents and that is signed by both parties, such interpretation and/or implementation thereof will not be binding in the event of any future disputes. Furthermore, the consent by one Party of any act by the other Party requiring such consent shall not be deemed to render unnecessary the obtaining of consent to any subsequent act for which consent is required, regardless of whether similar to the act for which consent has been given.
- c) No Waiver of Legal Rights. RCEA shall not be precluded or estopped by any measurements, estimate or certificate made either before or after the completion or any Acceptance of the Work and payment thereof, from showing the true amount and character of the Work performed, and Materials furnished, nor from showing that any such measurements, estimate or certificate is untrue or is incorrectly made, nor that the Work or materials do not in fact conform to the Contract. RCEA shall not be precluded or estopped, notwithstanding any such measurement, estimate, or certificate and payment in accordance therewith, from recovering from the DBT or upon the Payment Bond or the Performance Bond or any of the foregoing, such damages as it may sustain by reason of his failure to comply with the terms of this Contract. Neither the Approval by RCEA, or any representative of RCEA, nor any payment for or Approval of the whole or any part of the Work, nor any extension of time, nor any possession taken by RCEA, shall operate as a waiver of any portion of the Contract or of any power herein reserved, or of any right to damages. A waiver of any breach of this Contract shall not be held to be a waiver of any other or subsequent breach.
- d) Waivers Must Be in Writing. No waiver of any term, covenant or condition of the Contract

Documents shall be valid unless in writing and signed by the Party providing the waiver.

#### **Section 13.05 Public Records Requirements**

- a) Applicability of Public Records Act. The DBT acknowledges and agrees that all records, documents, drawings, plans, specifications, and other materials in RCEA's possession, including documents and materials submitted by the DBT, are subject to the provisions of California Public Records Act. The DBT shall be solely responsible for all determinations made by it under such law, and for clearly and prominently marking each and every page or sheet of materials with "Trade Secret" or "Confidential" as it determines to be appropriate. The DBT is advised to contact legal counsel concerning such law and its application to the DBT. RCEA will not advise as to the nature or content of documents entitled to protection from disclosure under the California Public Records Act.
- b) Confidential Materials. If any of the documents and materials submitted by the DBT to RCEA are clearly and prominently labeled "Trade Secret," "Proprietary" or "Confidential" by the DBT, RCEA will advise the DBT of any request for the disclosure of such materials prior to making any such disclosure. Under no circumstances, however, will RCEA be responsible or liable to the DBT or any other Person for the disclosure of any such labeled materials, whether the disclosure is required by law, by court order or occurs through inadvertence, mistake, or negligence on the part of RCEA.
- c) Litigation. In the event of litigation concerning the disclosure of any documents or materials submitted by the DBT to RCEA, RCEA's sole involvement will be as a stakeholder retaining the documents or materials until otherwise ordered by a court and the DBT shall be fully responsible for otherwise prosecuting or defending any action concerning the documents and materials at its sole cost and risk.

#### **Section 13.06 Amendments**

The Contract Documents may be amended only by a written instrument duly executed by the Parties or their respective successors or assigns.

#### **Section 13.07 Independent Contractor**

The DBT and its Subcontractors and Suppliers are independent contractors and nothing contained in this Contract shall be construed to create the relationship of agent, servant, employee, partnership, joint venture, or other association between the DBT and RCEA. In no event shall the relationship between RCEA and the DBT be construed as creating any relationship whatsoever between RCEA and the DBT's employees or Subcontractors. Neither the DBT nor any of its employees, or employees of Subcontractors, is or shall be deemed to be an employee of RCEA. Except as otherwise specified in this Contract, the DBT has sole authority and responsibility to employ, discharge, compensate, and otherwise control its employees, has complete and sole responsibility as a principal for its agents, for all Subcontractors, and for all other Persons that the DBT or any Subcontractor hires to perform or assist in performing the Work, and has responsibility for performance of the Work in accordance with its own means and methods.

#### **Section 13.08 Successors and Assigns**

- a) General. This Contract shall be binding upon and inure to the benefit of RCEA and the DBT and their permitted successors, assigns and legal representatives.
- b) Assignment by RCEA. RCEA may not assign all or part of its right, title and interest in and to this

Contract, including rights with respect to the Performance Bond and the Payment Bonds, to any other Person without DBT's written consent.

- c) Assignment by DBT. The DBT may not, without the prior written consent of RCEA, in its sole discretion, voluntarily or involuntarily assign, convey, transfer, pledge, mortgage or otherwise encumber its rights or interests under this Contract. No partner, joint venturer, member or shareholder of the DBT may assign, convey, transfer, pledge, mortgage or otherwise encumber its ownership interest in the DBT without the prior written consent of RCEA, in its sole discretion.

**Section 13.09 Designation of Representatives, Delegation of Authority.**

- a) Written Delegation. Except as expressly specified in this Contract, RCEA may delegate, in writing, specifically described authority and responsibility within the scope of its authority and responsibility to its Authorized Representatives.
- b) Defined Authority. RCEA's delegation of responsibility and authority shall be limited to specifically-defined authority and responsibilities. The authority, responsibilities and limitations of any Authorized Representative shall be described in RCEA's written notice to the DBT designating the Authorized Representative.
- c) Change in Authority. Delegations of authority may be changed from time to time by a subsequent writing delivered to the DBT.
- d) Technical Representatives. The Parties may designate technical representatives who shall be authorized to investigate and report on matters relating to the construction of the Project.
- e) Personal Liability of RCEA Employees. RCEA's Authorized Representatives are acting solely as agents and representatives of RCEA when carrying out the provisions of or exercising the power RCEA granted to them under the Contract. They shall not be liable either personally or as employees of RCEA for actions in their ordinary course of employment. No agent, consultant, officer or authorized employee of RCEA nor any member of RCEA's Governing Body shall be personally responsible for any liability arising under the Contract.

--end General Conditions --



**STAFF REPORT**  
**Agenda Item # 4.4**

AGENDA DATE:	July 24, 2025
TO:	RCEA Board of Directors
FROM:	Faith Carlson, Regulatory and Legislative Policy Manager
SUBJECT:	Federal Activity Update

**SUMMARY**

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The biggest policy change in the last month is the passage of the One Big Beautiful Bill Act (OBBBA), which will likely have far-ranging impacts across the U.S. economy. The core of OBBBA is a permanent extension of the 2017 Tax and Jobs Act, which is an effective \$4.5 trillion reduction in federal revenues that was partially offset by \$1.2 billion in spending reductions required to meet Congressional budget reconciliation rules.

**EXECUTIVE BRANCH**

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Since the last Board meeting, there have been a handful of Presidential Actions related to energy and the environment.

6/30/2025	<a href="#">Presidential Memorandum: Simplifying the Funding of Energy Infrastructure and Critical Mineral and Material Projects</a>	Orders streamlining for energy infrastructure and critical mineral and material funding applications and increased information-sharing across executive departments and agencies.
7/7/2025	<a href="#">Executive Order: Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources</a>	<p>Sets a policy to eliminate “green” energy subsidies, repeal wind, solar, and “green” energy tax credits, and end support for supply chains involving foreign adversaries.</p> <p>As part of the implementation of the OBBBA, by August 18, 2025, the Secretary of the Treasury will work to terminate clean electricity production and investment tax credits for wind and solar facilities. The Secretary of the Treasury will also work to implement enhanced restrictions on Foreign Entities of Concern. The Secretary of the Interior is to review regulations, guidance, policies and procedures to determine any preferential treatment to wind and solar facilities and revise to eliminate any such preferences.</p>

07/7/2025	<a href="#"><u>Executive Order: Extending the Modification of the Reciprocal Tariff Rates</u></a>	Postpones reciprocal tariff rates once again, with the new effective date coming into effect August 1, 2025.
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- Additionally, on July 9 via Truth Social, President Trump announced a 50% copper tariff, in effect August 1, 2025. The tariff is expected to increase copper prices, which in turn will increase the cost of new infrastructure, housing, appliances, and vehicles.

#### Implementation of past Presidential Actions:

- June 25, as part of the implementation of the Executive Order (EO) “Unleashing America’s Offshore Critical Minerals and Resources,” the US Department of the Interior streamlined processes associated with critical mineral development by extending the length of prospecting permits from three to five years, accelerating the identification of potential areas for development, preparing environmental assessments earlier in the process, lowering fees, and consolidating plan review processes.
- July 1, as a deregulatory action under the EO “Unleashing Prosperity Through Deregulation” and consistent with other recent Presidential Actions, the Department of Energy (DOE) issued a rule delaying a deadline for energy conservation standards for manufactured housing by an additional 180 days.
- In response to EO “Strengthening the Reliability and Security of the United States Electric Grid,” the DOE published “Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid.” The report finds that the rate of generation retirements combined with the rate of firm resource replacement and load growth could lead to a 100x increase in risk of power outages by 2030 across the nation, with the California Independent System Operator grid predicted to see seven hours per year of loss of load hours due to insufficient generation. The industry standard is one day of outage per ten years, or 2.4 hours a year. There are likely to be more policy changes soon to remedy the reported reliability risks.

## JUDICIAL BRANCH

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On July 8, the Supreme Court lifted an order from a federal judge in San Francisco, thereby allowing layoffs to resume, per Executive Order “Implementing the President’s ‘Department of Government Efficiency’ Workforce Optimization Initiative.”

## LEGISLATIVE BRANCH

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On July 4, the President signed the OBBBA. The 870-page budget reconciliation legislation’s energy provisions relate to changes to, and reductions in, clean energy tax credit eligibility, federal spending on renewable and clean energy, and changes in federal energy policy. The reduction in clean energy spending and elimination of clean energy tax credits were included in the legislation to offset the costs of the tax cut extension and to accomplish an energy policy shift under the new Administration and Congress.

### Investment & Production Tax Credits for Commercial Clean Energy Projects

The Clean Electricity Investment Tax Credits were expanded by the 2022 Inflation Reduction Act (IRA). At a high level, these provide a 30%-50% tax credit to the taxpayer (usually the developer) to reduce the costs of a commercial clean energy project to the off-taker, such as a CCA. The Investment Tax Credit (ITC) is generally based on a project's total investment value and the Production Tax Credit (PTC) is generally based on a project's energy output.

OBBBA made the following changes to the tax credits.

- Wind or solar facilities must be placed in service prior to 2028, unless construction began by July 4, 2026, in which case projects have four years to be placed in service.
- For electricity other qualified resource types, including hydroelectric, nuclear, and geothermal, the existing credit phaseout is unchanged.
- Removes the greenhouse gas emissions provision that would have otherwise extended the sunset of the PTC if electricity sector emissions did not fall 25% below 2022 levels.
- For projects where construction begins 2026 or later, must meet foreign entity of concern (FEOC) requirements. "Specified foreign entities" and "foreign influenced entities" will be ineligible for the tax credits and no project can be eligible that receives material assistance from a "prohibited foreign entity." Material assistance is based on a "cost ratio" standard, where "cost ratio" of allowable components from prohibited foreign entities would get tighter over time. Generally, these restrictions are meant to limit the eligibility of entities with strong ties to China, Russia, Iran, and North Korea, though the specific definitions appear to cover a broader range of entities. There is an existing-contracts exclusion.
- Denies the credit for residential solar water heaters and small wind energy property if the taxpayer rents or leases such property to a customer. The credit is retained through 2027 for residential solar electricity-property leased to a customer.
- Creates a 10% bonus PTC credit for advanced nuclear facilities constructed in communities with large numbers of people employed in nuclear-related industries.
- The domestic content bonus requirements of the ITC are adjusted to match the current requirements under the PTC.

The legislation also ended the use of the Modified Accelerated Cost Recovery System (MACRS) for wind and solar. MACRS is a depreciation methodology that allows taxpayers to recover the cost of assets over time through annual deductions.

### **Customer-Level Tax Credits**

For residents and businesses, the OBBBA eliminates:

- The Used Clean Vehicle Credit for vehicles acquired after September 30, 2025, previously December 31, 2032.
- The Clean Vehicle Credit for vehicles acquired after September 30, 2025, instead of December 31, 2032.
- The Commercial Clean Vehicle Credit for vehicles acquired after September 30, 2025, previously December 31, 2032.
- The Alternative Fuel Vehicle Refueling Property Credit for property placed in service after June 30, 2026, instead of December 31, 2032.



- The Energy Efficient Home Improvement Credit for property placed in service after December 31, 2025, instead of December 31, 2032.
- The Residential Clean Energy Credit for expenditures made after December 31, 2025, instead of placed in service by December 31, 2034.
- The Energy Efficient Commercial Buildings Deduction for property on which construction begins after June 30, 2026. This deduction did not have a termination date
- The New Energy Efficient Home Credit for homes acquired after June 30, 2026, instead of December 31, 2032.
- The special cost recovery period for qualified clean energy facilities, property, and technology placed in service after the date of enactment.

## **Other Energy Proposals**

OBBBA rescinded unobligated funding from the following IRA programs:

- Environmental Protection Agency (EPA) greenhouse gas reduction fund and repealed the governing statute of the fund,
- EPA Low Emissions Electricity program that provides industry outreach and technical assistance,
- EPA environmental justice block grants,
- EPA methane emission and waste reduction for petroleum and natural gas systems,
- EPA greenhouse gas air pollution plans and implementation grants,
- DOE state-based home energy efficiency contractor grants,
- DOE Tribal energy loan guarantee program,
- DOE transmission facility funding,
- DOE siting of interstate transmission,
- DOE interregional offshore wind transmission planning,
- DOE advanced industrial facilities deployment.

The bill also changed the mission of the DOE loan programs office from supporting clean energy deployment to focusing on a new \$1 billion Energy Dominance Financing program for projects that enable forecastable electric supply at intervals necessary to maintain or enhance grid reliability or system adequacy. The bill also increased the strategic petroleum reserve by providing \$218 million to repair facilities and \$171 million to fill the reserve with more oil.

Additional changes:

- Eliminates LIHEAP payment automatic qualification for the SNAP standard utility payment for households with an elderly or disabled member.
- Imposes new capacity and rent fees on wind and solar projects in a federal right of way.
- Requires oil/gas lease sales on Bureau of Land Management (BLM) lands for 10 years.
- Requires a minimum of 30 region-wide offshore oil and gas lease sales, with four lease sales required in Alaska over the next 10 years.
- The Secretary of the Interior is required to make known recoverable coal resources of not less than 4 million acres available for lease, but not in national monuments, national recreation areas, the national park system, and other protected areas.
- Allows expedited environmental review for any project that is subject to the National Environmental Protection Act if the project sponsor pays a fee equal to 125% of the costs to prepare the environmental impact statement or environmental assessment.

## IMPACTS

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### Commercial Energy

There may be a rush of new installations for solar and wind before the tax credits phase out and prior to FEOC terms. In fact, some projects with a post-2028 online-date have already changed their resource type away from wind and solar in response to the passage of the bill.

Microgrids may be disproportionately affected because of the complex coordination required across multiple technologies, which makes them less likely to make the tax credit cutoff.

Another potential impact is that renewable and clean energy developers could deemphasize development on federal land due to the shift towards fossil fuels from the permitting agencies and due to the new capacity fee. This could reduce the pipeline of projects on federal lands.

Lack of federal support could cause states to reconsider the feasibility of their RPS programs as there will likely be less RECs on the market due to a slowdown in renewable construction.

Lack of cost-effective alternatives to renewables could slow large load growth. Alternatively, new clean and renewable resource development could be driven by load growth rather than energy transition. For example, nuclear largely retains IRA incentives under OBBBA. Combined with commercial dynamics like large load growth, there may be new nuclear development.

Overall, there will likely be an increased reliance on emitting fuels. For instance, increased lease sales in the Gulf of America could lead to increased oil and gas production and sales later.

The good news is that even with removal of subsidies, a portion of solar and wind remain competitive with the cost of new gas generation, which will lead to their continued development. Additionally, we may see more renewable geothermal development due to increased geothermal acreage availability.

Overall, there will likely be an increased reliance in emitting fuels. Increased lease sales in the Gulf of America could lead to increased oil and gas production and sales later this decade.

### Customer-Level

- Slower EV adoption due to lowered incentives.
- Slowed customer adoption for residential solar and storage.

Princeton ZERO Lab found the following potential impacts:

- “Raise U.S. household and business energy expenditures by 28 billion dollars annually in 2030 and over 50 billion dollars in 2035.
- Increase average U.S. household energy costs by roughly 165 dollars per household per year in 2030 and over 280 dollars per household per year in 2035—an increase of about 7.5% in 2030 and over 13% in 2035.”

### ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

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Staff will continue to track Federal actions and identify those that may impact RCEA's ability to deliver on the goals and strategies in the RCEA strategic plan.

**FINANCIAL IMPACT**

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The TERAS project's \$88 million in federal funding has been paused.

**STAFF RECOMMENDATION**

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Receive federal activity report.

**ATTACHMENTS**

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None.



**STAFF REPORT**  
**Agenda Item 4.5**

AGENDA DATE:	July 24, 2025
TO:	Board of Directors
PREPARED BY:	Patricia Terry, Senior Portfolio Manager Lexie Perez, Senior Contracts and Grants Manager
SUBJECT:	NREN Residential Sector Needs Assessment Services Contract Award

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**Background**

The California Public Utilities Commission (CPUC) issued Decision D.24-09-031, effective September 26, 2024, that approves the Northern California Rural Regional Energy Network (also known as Northern Rural Energy Network or NREN) to deliver energy efficiency programs to underserved rural customers.

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**Summary**

RCEA, serving as Lead Portfolio Administrator of NREN, issued RFP-25-602, a solicitation for energy efficiency program needs assessments for the residential and commercial (non-residential) customer sectors. These needs assessments will provide data on the NREN communities' interests and priorities, barriers to participation in existing energy efficiency programs, and information customers need to make energy decisions. The assessments will include an analysis of all current energy efficiency and decarbonization programs available in NREN regions, identification of the gaps in programs reaching NREN customers, and an analysis of existing and proposed NREN programs' ability to meet the identified needs of the NREN communities. Staff sent the RFP to multiple qualified firms and posted it publicly on RCEA's website.

On April 7, 2025, RCEA received only one complete, responsive, and responsible bid from Energy Resources Integration, LLC for the commercial sector needs assessment services. RCEA did not receive any proposals for residential sector needs assessment services.

One potential bidder, the Sacramento Municipal Utilities District (SMUD), indicated that they did not bid because they were not able to meet the original timeframes described in the RFP, but were otherwise interested and able to perform the work. Because there was no responsive bidder to the residential sector needs assessment services portion of the RFP, NREN approached SMUD for a proposal. SMUD proposed an NTE of \$187,610 to perform the residential needs assessment with the research summary delivered in February 2026.

SMUD is qualified to perform this work, having experience with these types of assessment services, including a recent needs assessment for Sonoma Clean Power that included many of the elements sought by NREN for the residential assessment. Staff recommends authorizing RCEA to enter into an agreement with SMUD to perform the NREN residential needs assessment.

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**FINANCIAL IMPACTS**

This professional services agreement has a not-to-exceed budget of \$187,610. These expenses will be recovered through NREN revenue.

## **EQUITY IMPACTS**

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RENs in general, and the NREN in particular, are designed to reach customers that otherwise are not being reached by existing ratepayer-funded programs. The NREN residential needs assessment will ensure that hard-to-reach, disinvested, disadvantaged, and underserved rural residential customers receive the support they need from NREN's energy programs and are empowered to better manage their energy use and cost through increased awareness, support resources, a trained workforce and access to financing to improve their homes and businesses.

## **RECOMMENDED ACTIONS**

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Award professional services agreement to Sacramento Municipal Utilities District (SMUD) to perform the NREN commercial energy assessment for a not to exceed value of \$187,610 and authorize the Executive Director to execute all applicable documents.

## **ATTACHMENTS**

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- A. SMUD Proposal for Residential Needs Assessment

## Residential Needs Assessment - Proposed Scope of Work

Geography covered includes: PG&E territory within Alpine, Amador, Butte, Calaveras, El Dorado, Humboldt, Lake, Lassen, Mendocino, Mariposa, Nevada, Placer, Plumas, Sierra, Sutter, Tuolumne, and Yuba counties.

### Detailed Work Plan

#### A. INFORMANT INTERVIEW: 15 CBOs and 15 Contractors

	Activity
1.1	Kick off meeting with NREN
1.2	Develop first draft and provide to NREN overall research plan, timeline of implementation, data collection methods, prioritization of needs, format of reporting
1.3	Incorporate NREN input, discuss and make modifications to the overall research plan
1.4	Review past research, third party data, other demographic data from PG&E, RCEA & SBC
1.5	Conduct market research on comparable utility programs in other rural areas
1.6	Develop interview script and recruitment screener
1.7	Recruit participants
1.8	Conduct interviews, communicate with participants
1.9	Process interview findings and incorporate in summary
1.10	Finalize the overall research plan and provide to NREN

#### B. QUANTITATIVE RESEARCH: Residential programs needs assessment (residential survey n=400)

	Activity
3.1	Kick off meeting with NREN
3.2	Draft survey instrument for residential programs needs assessment
3.3	Receive survey instrument feedback from NREN and make modifications if need be
3.4	Translate instrument in Spanish
3.5	Program Residential survey, send link to NREN
3.6	Receive feedback from NREN and make modifications if need be
3.7	Prepare survey sample of potential respondents, including target of underserved areas
3.8	Initiate soft launch (first 100 of sample)
3.9	Provide update to NREN, make modifications if needed
3.10	Initiate full launch (remaining sample)
3.11	Send two reminders, respond to participants inquiries
3.12	Process survey data, compile statistical summaries
3.13	Review and categorize open-ended responses
3.14	Draft survey research summary in PowerPoint format
3.15	Send summary in PowerPoint presentation to NREN for review
3.16	Incorporate NREN feedback and make modifications if need be
3.17	Meet to present findings and recommendations

### C. RESEARCH WRAP-UP

Task	Activity
4.1	Draft overall research report in PowerPoint format, containing all research findings, recommendations
4.2	Send overall report draft to NREN, incorporate NREN feedback
4.3	Meet to discuss overall research with NREN
4.4	Incorporate NREN feedback

### Schedule

Tasks	From	To
Meetings	August 2025	August 2026
Contractor Interviews	September 2025	September 2025
CBO Interviews	September 2025	October 2025
Residential Survey	October 2025	December 2025
Research Summary	January 2026	February 2026

### Detailed Price

Tasks	Hours	Rate	Cost
Meetings	86	\$185	\$15,910
Market Research	40	\$180	\$7,200
Contractor Virtual Interviews (15)	200	\$180	\$36,000
CBO Virtual Interviews (15)	200	\$180	\$36,000
Online Residential Survey (400)	200	\$180	\$36,000
Residential Virtual Focus Group (6)	100	\$180	\$18,000
Research Summary	150	\$190	\$28,500
Contingency			\$10,000
<b>Total</b>	<b>976</b>		<b>\$187,610</b>

Doesn't include incentives direct to customers, if you'd like to offer those.



## STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	July 24, 2025
TO:	Board of Directors
PREPARED BY:	Faith Carlson, Regulatory and Legislative Policy Manager
SUBJECT:	The West-Wide Governance Pathways Initiative and SB 540

### BACKGROUND

The California Community Choice Association (CalCCA) is a trade organization representing the interests of existing and emerging Community Choice Aggregation (CCA) programs. CalCCA's mission is to create a legislative and regulatory environment that supports the development and long-term sustainability of locally-run Community Choice Aggregation (CCA) electricity providers in California. CalCCA supports RCEA through education, technical guidance and regulatory and legislative advocacy.

RCEA engages with CalCCA through participation in the CalCCA Board, committees, and discussion groups. RCEA is active in the Regulatory, Legislative, Billing Operations and Customer Care, Procurement, Equity, and Compliance committees and the Federal Policy discussion group.

Within the Legislative committee, RCEA uses our [Policy Platform](#) to take positions on pending legislation in order to help CalCCA build consensus and take a public position. CalCCA staff then develop legislative strategy and engage policymakers. A similar process is conducted within the Regulatory committee to develop legal strategy on active CPUC, CAISO, and CEC proceedings.

When policy falls outside of the scope of the Policy Platform or other Board guidance, RCEA staff bring the issue to the attention of the Board for discussion. Regionalization is one such policy.

"Regionalization" generally means integrating elements of electricity markets across a particular region, such as the West, under the operation and management of a single Federal Energy Regulatory Commission (FERC) regulated regional entity. Energy markets, transmission planning, transmission system operation, reliability, and other elements can be regionalized individually or in combination.

The California Independent System Operator (CAISO) currently manages California's wholesale electric grid and day-ahead and real-time energy markets under a California Governor-appointed board. The Western Energy Imbalance Market (WEIM), CAISO's regional real-time energy market, and soon to be implemented Extended Day-Ahead Market, is managed by CAISO and governed jointly by the CAISO's board and a Western Energy Markets Governing Body nominated



by a committee of western stakeholders. Governance independence has long been a barrier to regionalization in the West.

The West-Wide Governance Pathways Initiative (Pathways Initiative) was initiated in response to a call from multiple individual state commissioners across the West for a viable path to a regional energy market inclusive of all western states with independent governance. The Pathways Initiative aims to expand participation across the West in the day-ahead and real-time energy markets currently managed by CAISO by creating a governance framework independent of any single state and overseen by a new Regional Organization (RO).

SB 540, sponsored by Senator Josh Becker (D-Menlo Park), Chair of the Senate Committee on Energy, Utilities, and Communications, and Senator Henry Stern (D-Los Angeles), is an outgrowth of the Pathways Initiative and would allow California entities to participate in markets governed by a regional organization, with specific protections for individual state policies and the public interest.

Without SB 540, not only will the energy markets fail to expand regionally to their full potential, but existing CAISO markets could be undermined. Southwest Power Pool (SPP) is developing competing energy markets for the West, which are gaining traction in large part due to SPP's alternative, independent governance structure. Fueling the growth of Markets+ would create a split market – or an islanded California energy market – and would leave important benefits on the table for California ratepayers. Ratepayers would forego reduced costs, enhanced reliability, and greater ease in achieving our carbon reduction goals offered by a broader Western market and could lose the benefits ratepayers currently experience through the operation of the WEIM.

## SUMMARY

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Overall, the Pathways Initiative and SB 540 aims to lower energy bills, improve grid reliability, and reduce pollution while retaining control over California's procurement, environmental, reliability, and other public policies. Potential benefits over the status quo include:

- **Cost Savings:** It is projected to save California up to \$1.1 billion per year.
- **Enhanced Grid Reliability:** It could relieve demand on the electric grid during extreme heat events, reducing the number of hours the grid is strained by 40%
- **Reduced Air Pollution:** Gas generation could fall 7.7 TWh and California emissions could decline 35-40 percent, contributing to cleaner air and moving California closer to 100% clean energy goals
- **Optimized Resource Use:** It allows for better use of generation, storage, and transmission resources
- **Export and Import of Renewables:** It secures California's ability to export excess renewable energy and import renewable energy from other states when available
- **Reduced Use of Polluting Generators:** It decreases reliance on back-up diesel generators and the oldest, dirtiest gas plants during system peaks
- **Climate Goals:** It helps achieve climate goals in a cost-effective and reliable manner by tapping into a wider set of Western resources

The magnitude of these benefits depends on the size of the footprint of the regional energy market. The larger the regional energy market, the lower net total system costs due to more efficient dispatch and renewable energy integration. A broader market footprint also enhances reliability due to broader geographic and weather diversity, the ability to draw upon a wider resource pool during unexpected or extreme events, and a larger supply cushion.

Pathways differs from prior efforts to regionalize by focusing on the regionalization of energy markets. Past attempts to regionalize sought to remove the CAISO Governor-appointed board from oversight of all its existing functions. Pathways leaves the CAISO board intact; instead, it moves a single CAISO function—energy markets—to governance by a new regional organization (RO) and a board constituted from across the West. The Federal Energy Regulatory Commission gains no additional authority. Crucial elements of reliability and climate policies will remain in the hands of California legislators and regulators. Resource adequacy, resource procurement, the Renewable Portfolio Standard, carbon reduction programs, retail rates, programs, and other functions will remain soundly within California's control.

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**ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)**

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Not applicable.

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**EQUITY IMPACTS**

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Impacts are generally neutral, and benefits will be spread across all customers. Importantly, however, the reduction in the operating hours for natural gas resources will reduce not only carbon emissions but criteria pollutant emissions, which have a disproportionate effect on lower income areas. Note that due to current transmission constraints, the Humboldt Bay Generating Station will continue to run at the same rate, but other areas with less constraints may see their local plants run less.

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**FINANCIAL IMPACT**

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Costs for adopting the CalCCA-recommended position are included in budgeted staff costs.

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**STAFF RECOMMENDATION**

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Adopt CalCCA recommended position on SB 540.

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**ATTACHMENTS**

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None.

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# **Regional Coordination, Local Benefits The Pathways Initiative & SB 540 (Becker)**

Redwood Coast Energy Authority Board of Directors Meeting  
July 24, 2025

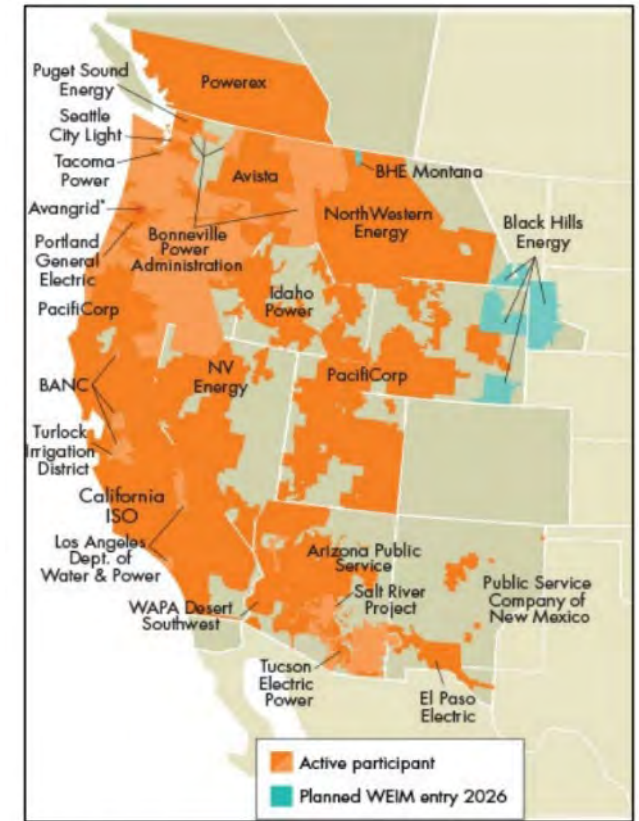
# How does RCEA work with CalCCA?

CalCCA's mission is to create a legislative and regulatory environment that supports the development and long-term sustainability of locally-run Community Choice Aggregation (CCA) electricity providers in California.



# SB 540 & Pathways Seeks Expanded Western Energy Market Overseen by an Independent Regional Organization

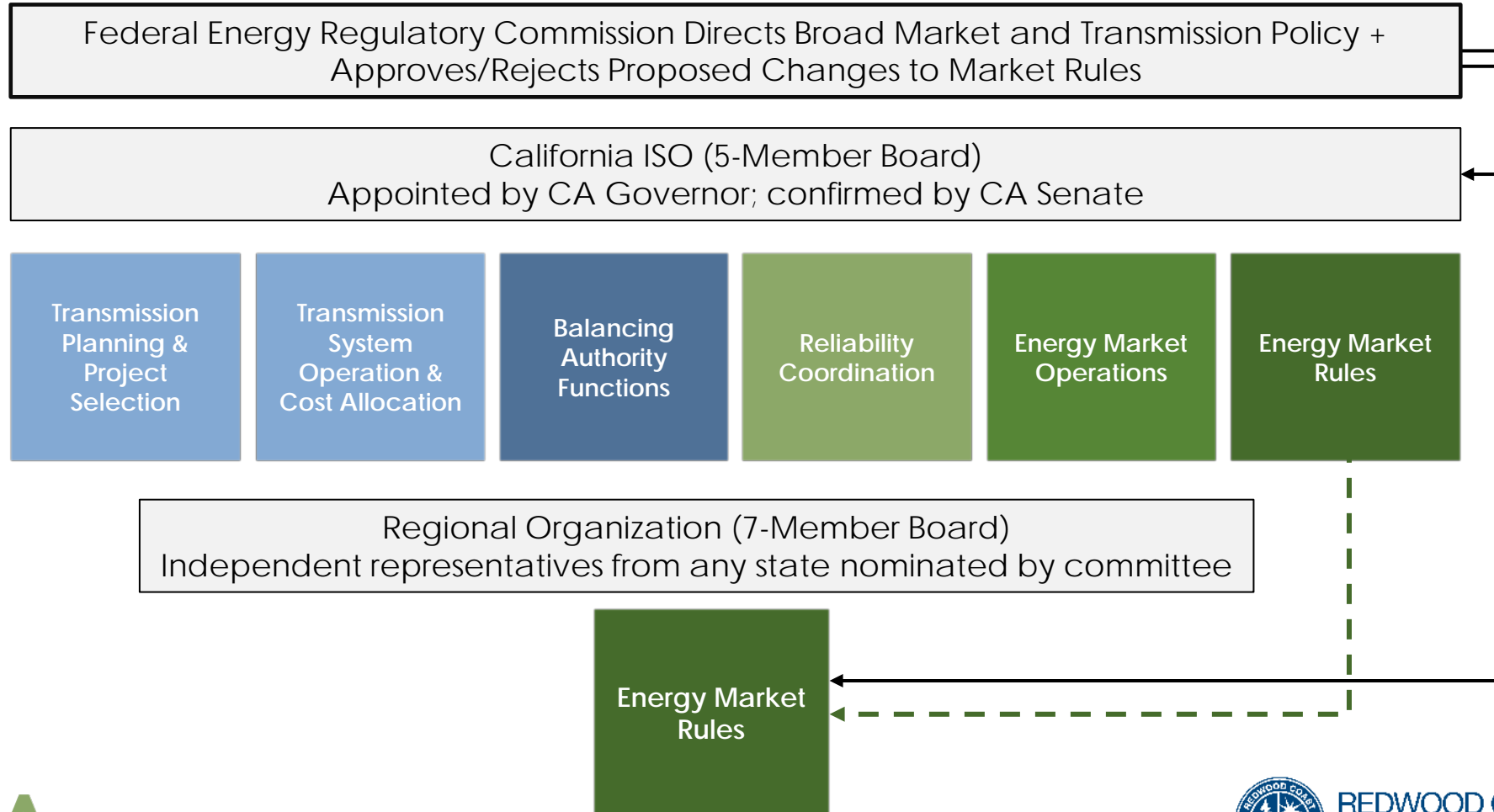
- Today, the CAISO manages California's wholesale electric grid and regional day-ahead and real-time energy markets
  - The CAISO's grid operator functions are governed by California governor-appointed board
  - The CAISO's regional electricity market functions are governed jointly by the CAISO's governor-appointed board and a Western Energy Markets Governing Body nominated by a committee of western stakeholders
- Governance independence has long been a barrier to regionalization in the West



Map of Western Energy Imbalance Market participants. Credit: WEIM.

# SB 540 Limits Shift in State Control

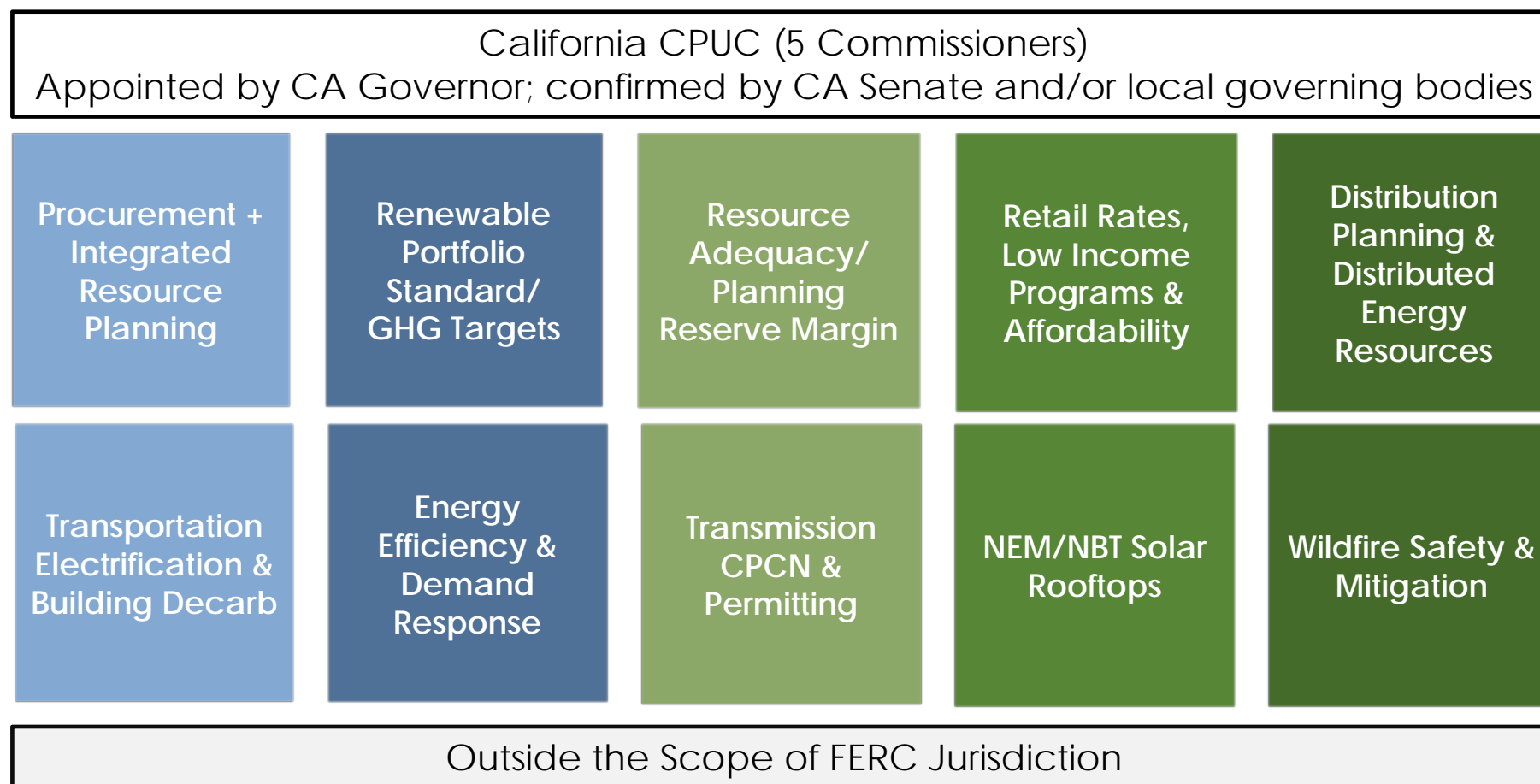
*FERC Gains No Additional Authority*





# Critical Policy Decisions Remain in CA

*No Change in Status Quo*





# Taking Action Delivers Consumer Benefits

*Expanded EDAM Improves Consumer Outcome vs. "Do Nothing" or "Split Market" Scenarios*

**Lower Costs Due  
to More Efficient  
Dispatch**

**Reduced  
Curtailment of  
Renewable  
Resources**

**Increased Supply  
Reliability**

**Reduced  
GHG Emissions**

**Reduced Gas-  
Fired Generation  
Operation  
(criteria pollutant  
emissions  
reduction)**

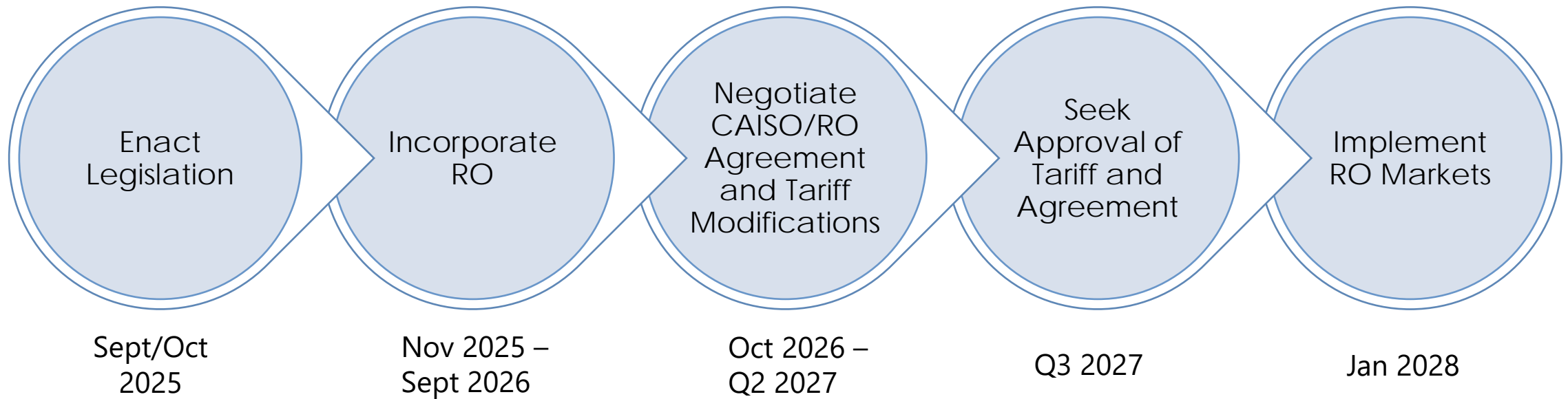
**Economic benefit  
of up to ~\$1.1 billion/yr to  
California consumers**

**Increased  
emergency  
supply cushion of  
25 GW\***

**Lower GHG  
emissions for  
CA (35-40% ) and  
WECC (~3%)**

**>7.7 TWh  
reduction in CA  
gas-fired  
Generation**

# Timeline



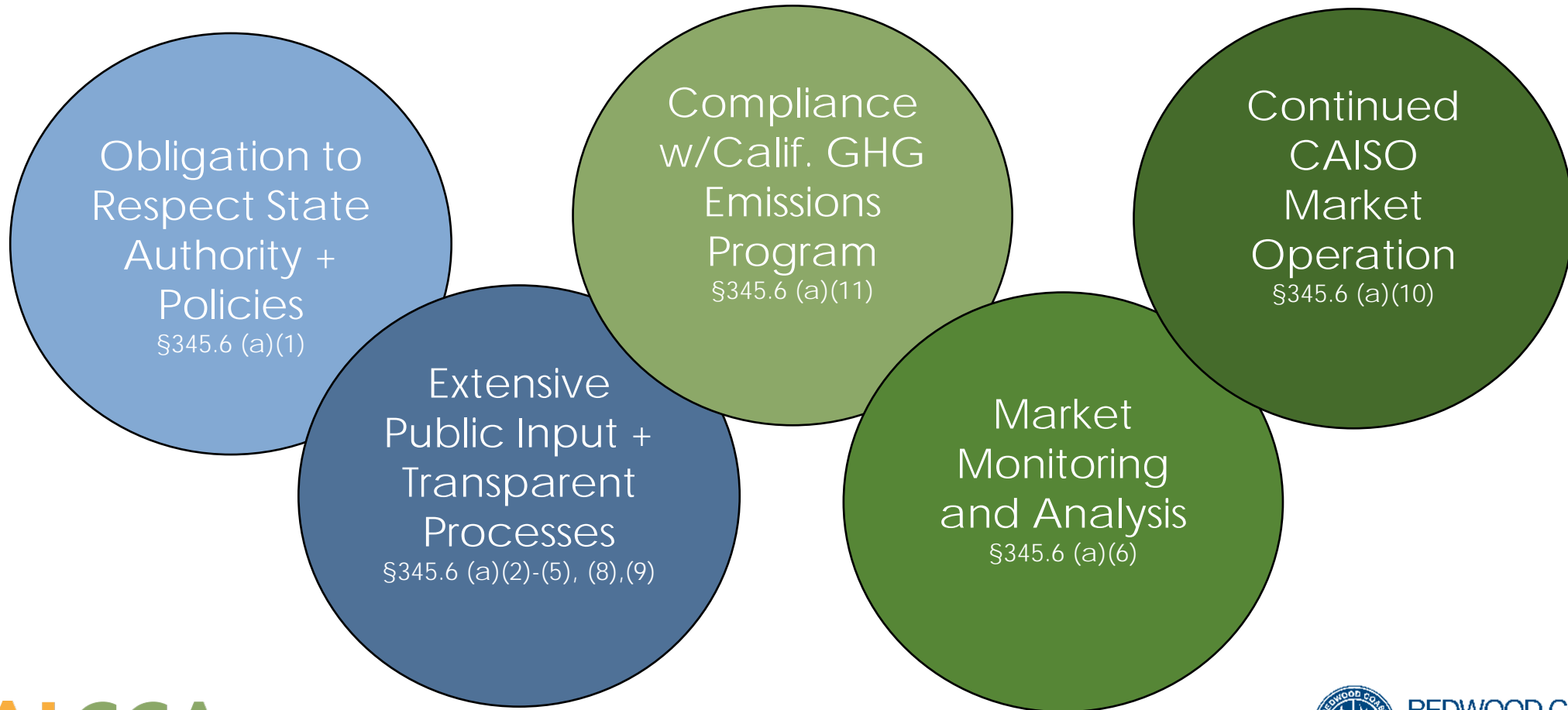
# Legislative Status

- Passed out of Senate policy committee and floor without opposition
- Changes made by Senate judiciary and floor amendments are unacceptable “poison pills” that would alienate the rest of the West
- Sitting in Assembly where “big 3” negotiations are taking place
  - Governor and Assembly Speaker have public lodged support for objectives

# Appendix

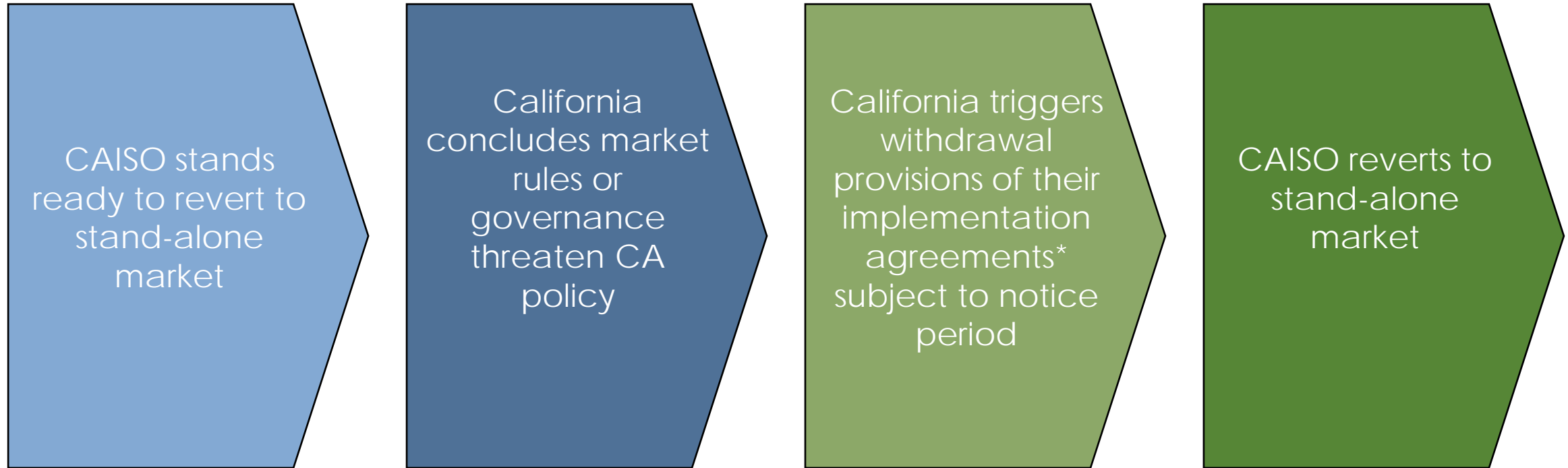
# Bill Establishes Mandatory Public Interest Guardrails

## CAISO Public Process will Confirm Guardrails



# SB 540 Creates a Secure “Ripcord” for California

## *Enables Market Withdrawal to Revert to Status Quo*



\*Today CAISO market implementation agreements include a comparable withdrawal provision

# Expected power production and procurement impacts



Humboldt Bay Generating Station  
Photo: North Coast Unified Air Quality  
Management District

## Access to clean power from outside California

- With the State's aggressive renewable energy and emissions reduction goals, it has become increasingly challenging to meet these targets with in-state resources only
- Load-serving entities are turning more to out-of-state resources (example: RCEA's participation in California Community Power's procurement of geothermal power from Nevada)
- Regionalization is expected to facilitate procurement of out-of-state resources

## Reduced generation from natural gas

- As noted earlier, regionalization is expected to reduce reliance on natural gas-fired power plants – not necessarily closing plants, but operating fewer hours
- This benefit may not be realized to as great an extent with respect to PG&E's Humboldt Bay Generating Station, given Humboldt County's tenuous connection to the statewide grid



**STAFF REPORT**  
**Agenda Item # 8.2**

AGENDA DATE:	July 24, 2025
TO:	Board of Directors
PREPARED BY:	Jaclyn Harr, TEA Account Director – California Richard Engel, Director of Power Resources
SUBJECT:	2025 California Summer Market Conditions Assessment

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**BACKGROUND**

Early each summer, the California Independent System Operator (CAISO) publishes a Summer Loads and Resources Assessment to inform stakeholders on how well prepared the state's grid is for this time of year that typically presents the greatest challenge to electric reliability. The Energy Authority (TEA) prepares an annual California Summer Market Conditions Assessment that summarizes key findings from the CAISO assessment as well as a brief summary of RCEA's work in ensuring local and statewide grid reliability.

---

**SUMMARY**

TEA California Account Director Jaclyn Harr and RCEA staff will present RCEA's "2025 California Summer Market Conditions Assessment."

---

**ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)**

Not applicable.

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**EQUITY IMPACTS**

Not applicable.

---

**RECOMMENDED ACTION**

Accept 2025 California Summer Market Conditions Assessment.

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**ATTACHMENT**

Redwood Coast Energy Authority: 2025 California Summer Market Conditions Assessment.



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# Redwood Coast Energy Authority

## 2025 California Summer Market Conditions Assessment

Prepared by The Energy Authority (TEA), June 2025

### CAISO Grid Conditions Summary

The California Independent System Operator's (CAISO) 2025 Summer Loads and Resources assessment indicates improved grid reliability due to accelerated resource development and capacity margins that exceed demand and reserve requirements.

California is expected to have sufficient capacity for this summer. This is mostly attributed to 5,534 MW of capacity of added solar, battery, and hybrid expected to be operational by June 30, 2025, as measured against a September 1, 2024 resource baseline. The forecasted peak load is 46,094 MW, which is minimally less than last year with the peak expected to occur in September at hour ending 18. June through August expect above normal temperatures across the West especially in the Intermountain West. There is also an increased chance of above-normal temperatures through August and September. Previously moved into the state's strategic reliability reserves pool, some gas-fired once-through cooling generators have had their retirements deferred to Dec 31, 2026, and will remain part of the strategic reliability reserve. Both probabilistic assessment and multi-hour stack assessment indicate there are sufficient resources to achieve a reasonable margin above the Planning Reserve Margin required to achieve a Loss of Load Expectation of 0.1.

The CAISO's fleet of emergency resource programs, such as the State Power Augmentation Project and the Electricity Supply Strategic Reliability Reserve Program (ESSRRP) remain stable from last year. The ESSRRP combined with available emergency assistance on the interties remains constant, totaling approximately 3,450 megawatts (MW). These programs generally trigger based on various CAISO emergency notifications and add emergency capacity and reserve resources to support the grid specifically during extreme events, as outlined in CAISO's Emergency Procedure 4420<sup>1</sup>. Additionally, demand-side programs administered by the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) like the Demand Side Grid Support Program and the Distributed Electricity Backup Assets program focus on load reduction as a means of ensuring grid reliability. These initiatives collectively contribute to improving grid conditions and enhancing overall system preparedness for the summer of 2025.

While TEA's analysts generally support the CAISO's observations included in its Summer 2025 Assessment, four key areas of uncertainty call for tempered confidence in the CAISO's ability to maintain reliable operations during the summer 2025 season:

- Potential for coincident heat event or wildfires to stress inter-regional deliveries;

- Potential over-confidence in expected level of intertie imports, at up to 5,500 MW in hours ending 17-23, given west-wide capacity and energy market conditions, as well as ongoing challenges with CPUC Import Resource Adequacy (RA) policy;
- Potential for the storage fleet to deliver sub-optimal dispatch over evening peak hours due to individual resource state-of-charge management; and
- Potential for uncertainty in Western Energy Imbalance Market (WEIM) transfers during tight regional or west-wide system conditions to challenge real-time market stability.

## CAISO Grid Conditions – Deeper Dive

### New Generation

The CAISO expects a total of 5,535 MW of installed capacity to be added to the grid by June 30, 2025 including about 3,600MW of battery and 1,100MW of solar since September 1, 2024. Of that, 2,163 MW are planned additions expected to reach commercial operation (COD) between April 1 and June 30 in 2025.

Resource Additions	Battery	Wind	Solar	Biofuel	Hybrid	Total Nameplate Capacity
September 1 to December 31, 2024	1,385	219	469		404	2,478
January 1 to April 1, 2025	595	0	299		0	894
April 1 to June 30, 2025 (Expected)	1,654		354	5	150	2,163
<b>Total</b>	<b>3,634</b>	<b>219</b>	<b>1,122</b>	<b>5</b>	<b>554</b>	<b>5,534</b>

(Table 1.2, p. 5 - “Actual and expected additions from September 1, 2024 through June 30, 2025 (MW)”)

Particularly notable in 2025 is the addition of significant battery capacity. Battery storage resources can provide ancillary services and load following capabilities in both charging and discharging modes. As such, the CAISO’s model co-optimizes battery charging and discharging across time intervals to minimize system costs or meet specified objectives (such as minimizing depth versus duration of shortfalls), while adhering to operational constraints.

Deliverability	Full Capacity		Interim Deliverability		Partial Deliverability		Energy Only		Total	
Fuel Type	NDC	NQC	NDC	NQC	NDC	NQC	NDC	NQC	NDC	NQC
Battery	7,062	6,986	2,886	2,811	476	325	84	0	10,507	10,122
Biogas	232	170	0	0	0	0	19	0	251	170
Biomass	421	324	0	0	0	0	5	0	426	324
Distillate	110	110	0	0	0	0	0	0	110	110
Geothermal	1,297	1,155	0	0	162	102	0	0	1,459	1,257
Hybrid	576	396	1,437	969	8	7	0	0	2,021	1,372
Hydro	9,060	6,449	0	0	2	0	17	0	9,079	6,449
Natural Gas	25,885	24,939	417	414	704	624	4	0	27,010	25,977
Nuclear	2,300	2,280	0	0	0	0	0	0	2,300	2,280
Other	273	26	0	0	0	0	0	0	273	26
Solar	12,106	4,808	2,744	1,029	2,568	547	1,986	0	19,405	6,385
Waste Heat	35	24	0	0	0	0	0	0	35	24
Wind	6,059	1,338	230	57	0	0	6	0	6,295	1,394
<b>Total</b>	<b>65,415</b>	<b>49,005</b>	<b>7,714</b>	<b>5,280</b>	<b>3,920</b>	<b>1,605</b>	<b>2,120</b>	<b>0</b>	<b>79,170</b>	<b>55,891</b>

(Table 1.1, p. 2, Technical Appendix - “Existing resources by fuel type and deliverability status (excludes tie-generators)” (MW))

## Hydro Generation

Weather conditions such as temperature, cloud cover, and precipitation directly affect system operations by influencing hydropower output, renewable generation, and load. National Weather Service (NWS) forecasts for summer 2025 indicate above normal temperatures across the Western US. The Intermountain West and Pacific Northwest are most likely to be above average with a risk of heat dome conditions. This has a direct effect on the hydro generation in CA and the Pacific Northwest and the availability of surplus power to export into the CAISO. These weather patterns are expected to lead to below normal runoff volumes, and as a result less hydro generation, in eastern Washington, northern Idaho, and portions of the Upper Columbia River Basin. NWS’s 2025 National Hydrologic Assessment states that a series of atmospheric rivers in December through March led to above normal snow conditions and runoff volumes in southern Oregon and Northern California. However, central California and Nevada should expect near to below normal runoff volumes. Overall, an average water year can be expected in California with the potential for somewhat limited imports from the Pacific Northwest. For analysis purposes, the CAISO is using an average hydro profile based on the 2018 hydro year in its probabilistic study.

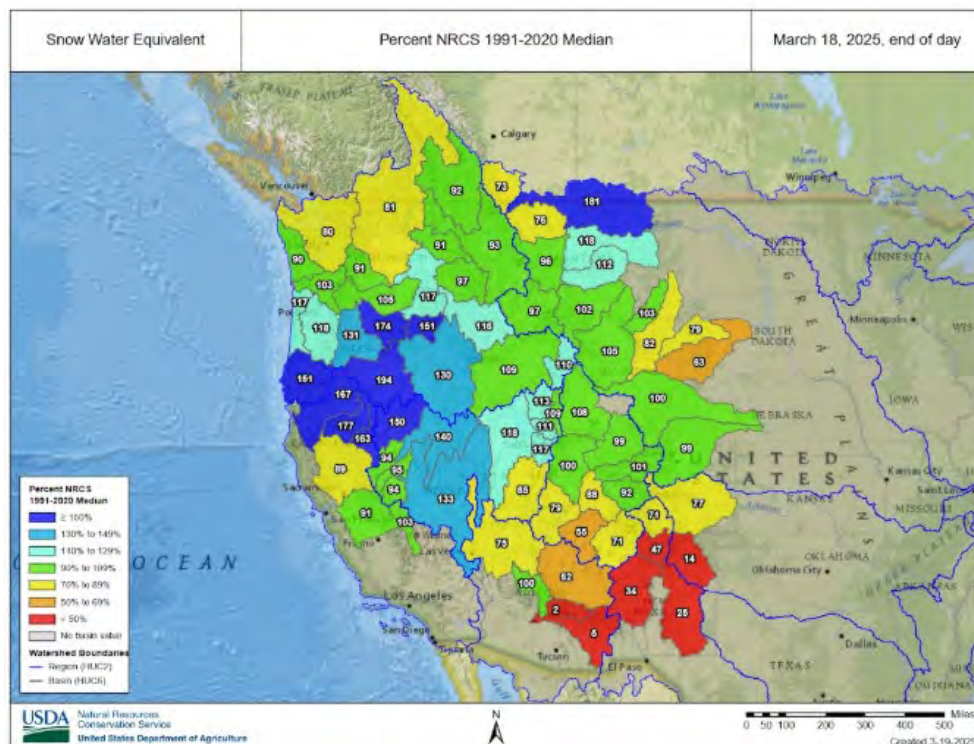
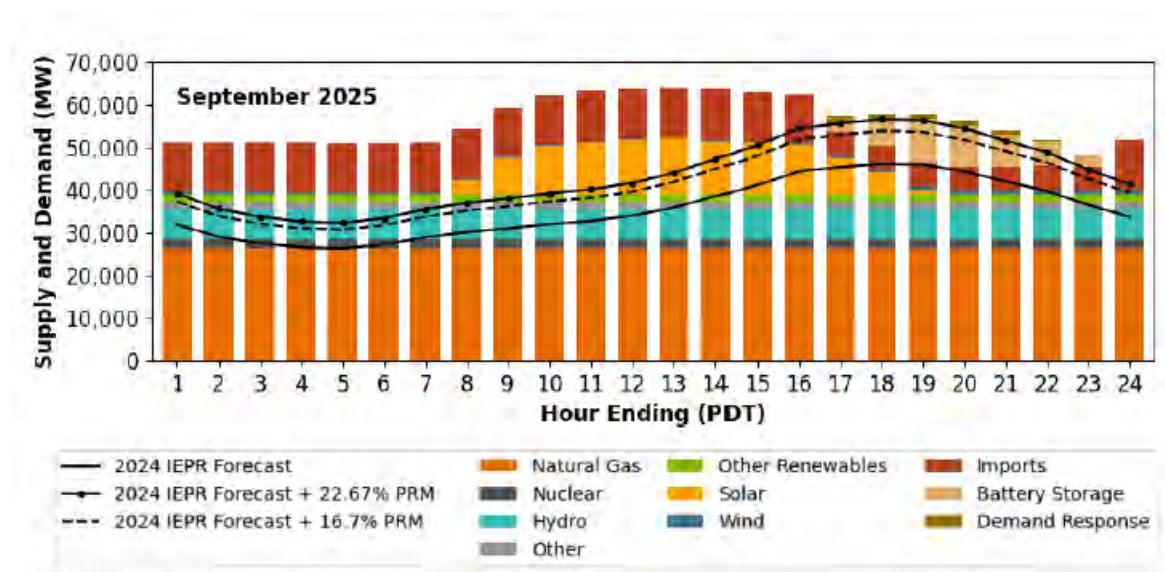


Figure 5: Snow Water Equivalent Percent of Median (NRCS) (NWS)

## Stack Analysis of Available CAISO Resources

The CAISO’s 2025 summer multi-hour stack analysis evaluates the availability of all RA-eligible resources during peak hours across each summer month. It shows that the system maintains a healthy reserve

margin above the 22.67% planning threshold needed to meet reliability standards, even during the most stressed periods. The analysis uses realistic assumptions for each resource type, including historic wind and solar profiles, storage discharge limits, and demand response availability. September emerges as the most critical month due to high demand and reduced solar output, though the system still has adequate surplus that month. Overall, the analysis confirms that resource availability is sufficient to meet hourly peak loads and reserve requirements throughout the summer, assuming normal operating conditions.



(Figure 1.7, p. 11 – “Multi-hour stack analysis for September peak day”)

## Redwood Coast Energy Authority Summer 2025 Readiness

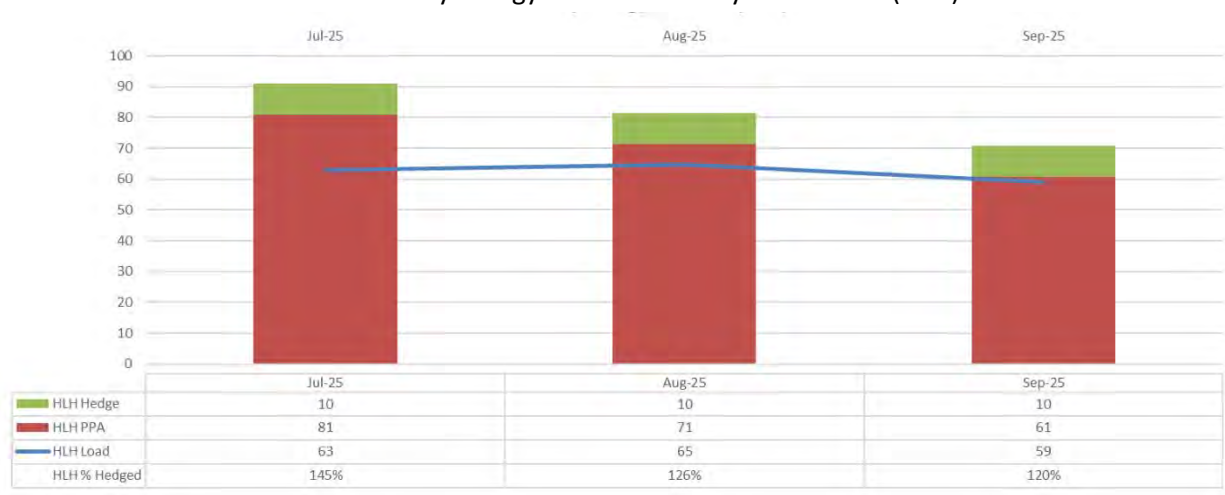
RCEA’s Energy Risk Management Policy (Risk Policy) requires annual review of summer energy hedges, RA compliance, and procured resource status. The following is a brief summary of RCEA’s work in ensuring local and statewide grid reliability.

### Energy Hedging

RCEA utilizes a programmatic approach to hedging that incrementally fills energy deficits through bilateral procurement from market counterparties. The program is designed to ensure RCEA is appropriately hedged to levels set in RCEA’s Risk Policy for quarterly and monthly periods prior to the onset of summer. This approach means that RCEA’s exposure to volatile energy prices that may occur during summer heat events is significantly mitigated. Load variation is accounted for when determining the appropriate hedge volumes. As of late May 2025, RCEA met all its targeted procurement of energy hedges for Q3 2025, with more than the minimum 80% and less than the maximum 130% of its expected load contracted in each month. RCEA’s average around-the-clock hedge percentage in Q3 2025 is 113%. The chart below shows RCEA’s heavy load hour (HLH) Q3 energy position. HLH is defined as Monday through Saturday, hour ending 0700 through hour ending 2200, excluding NERC holidays.



### RCEA Monthly Energy Position – Heavy Load Hours (MW)



### Resource Adequacy

RCEA actively monitors its RA position and pursues forward procurement of RA-only products or full offtake generation resources through Power Purchase Agreements (PPAs) to meet its assigned RA obligations. Like many load serving entities, RCEA has been impacted by delays in resource online dates that have made RA position management challenging. Further complicating this matter has been the extreme illiquidity in RA markets, which are opaque and require a combination of both formal and informal solicitation approaches to secure this product. Nonetheless, RCEA has met its RA requirements for Summer 2025 and the rest of the calendar year.

### New Resources

RCEA continues to pursue development of new, clean resources and has contracted and brought online over 100 MW of new capacity. While different types of new resources provide varying degrees of load carrying capacity on the grid, RCEA's renewable energy procurement goals will provide it with a substantial amount of clean peaking energy in the years to come. Sandrini Solar reached commercial operation at the end of 2024 and entered RCEA's RA portfolio in February. Later this year the developer will bring a fully deliverable, co-located battery online to help optimize the solar generation and reduce exposure to negative pricing. Foster Clean Power A and B are expected to reach COD this summer, and North Coast Highway Solar later this winter, bringing a combined 9 MW of solar into the portfolio along with 2.5 MW of storage. Additionally, RCEA is preparing to enter contract negotiations for new distributed solar and storage resources that were shortlisted through a recent solicitation. RCEA plans to expand its renewable energy and storage portfolio in the coming years to provide additional dispatchable peaking energy when needed. This will not only support the power grid but will also reduce RCEA's costs.

### Existing Resources

The majority of RCEA's existing fleet of resources are expected to provide summer capacity. Largest among them is Humboldt Sawmill Company's (HSC) Scotia Cogeneration biomass plant, which has provided reliable capacity during peak hours and has a steady generation shape that allows it to have a

relatively high load carrying capacity when compared to other types of renewables. RCEA's Redwood Coast Airport Microgrid (RCAM) not only supplies solar energy during the summer but also serves as a source of emergency power to the airport, U.S. Coast Guard station and an animal shelter during grid outages. Cove Hydro, has gone offline for the summer, as reduced waterflow over the summer months eliminates the ability of the facility to generate meaningful amounts of electricity, which is typical for run-of-river hydro facilities. RCEA also contracts for resource adequacy from demand response resources that help ensure grid reliability during critical periods.

#### Public Safety Power Shutoffs (PSPS)

RCEA staff has developed protocols regarding communication with its scheduling coordinator, The Energy Authority (TEA), and with PG&E in anticipation of PSPS events that may impact Humboldt County. In the case of a PSPS event and other transmission outages, PG&E may island the Humboldt Local Capacity Area using its Humboldt Bay Generating Station (HBGS), reducing the risk of significant blackout events for most customers compared to previous years. An unfortunate consequence of this islanding is that PG&E deems it operationally necessary to disconnect other generators such as HSC and RCAM for local grid stability. These disconnections have lasted days or even weeks during past islanding events, having significant negative financial impact on both RCEA and HSC. However, the HBGS plant has sufficient capacity to meet local peak loads during islanded operation.

#### Volatile Incoming Pricing Event Response (VIPER)

RCEA and TEA have collaborated to codify staff protocols should an event occur that is expected to impact grid operations and/or RCEA's costs. Events of this nature include unexpected outages by large generators or transmission lines, widespread wildfires or PSPS events, or high temperatures within California or west-wide, as occurred in the first half of July 2024. VIPER protocols include review of potential portfolio and/or financial risks during an event, mitigation measures where appropriate, and increased collaboration and communication between RCEA and TEA staff before, during, and after an event.



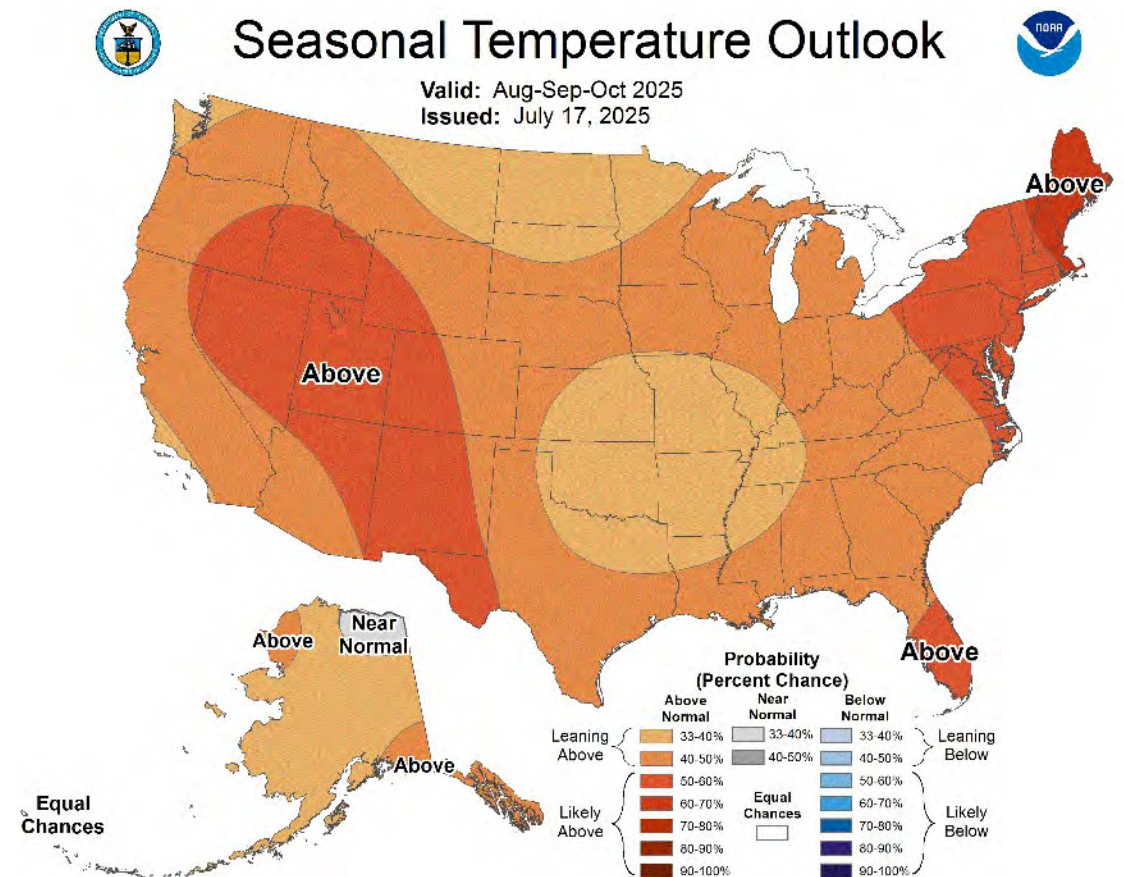
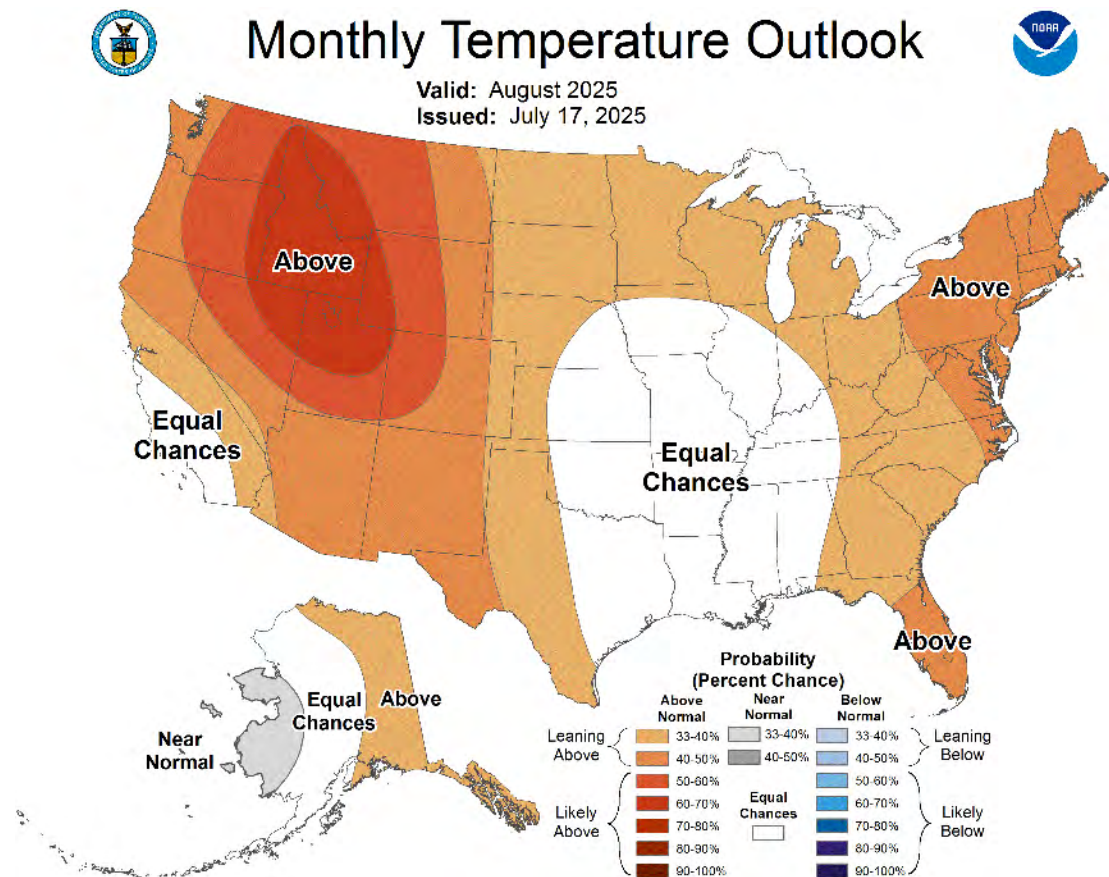
# 2025 RCEA SUMMER RISK ASSESSMENT



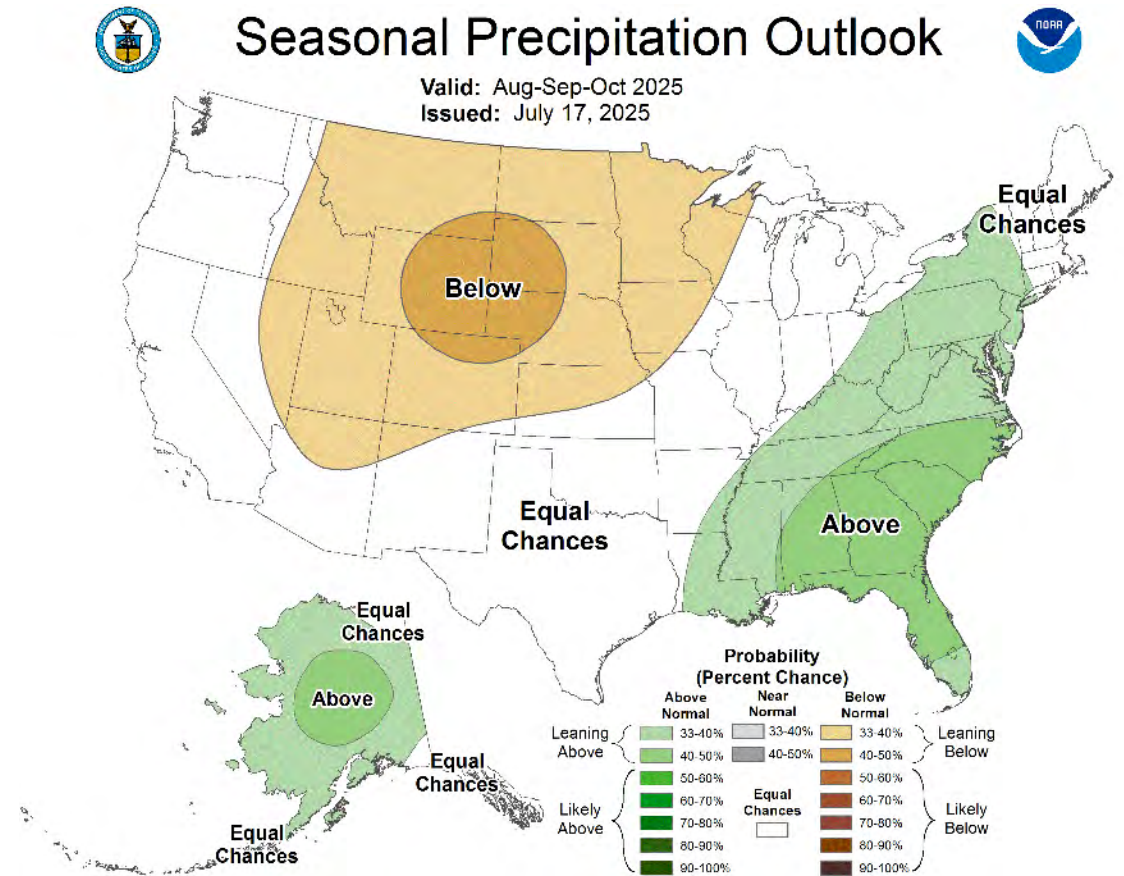
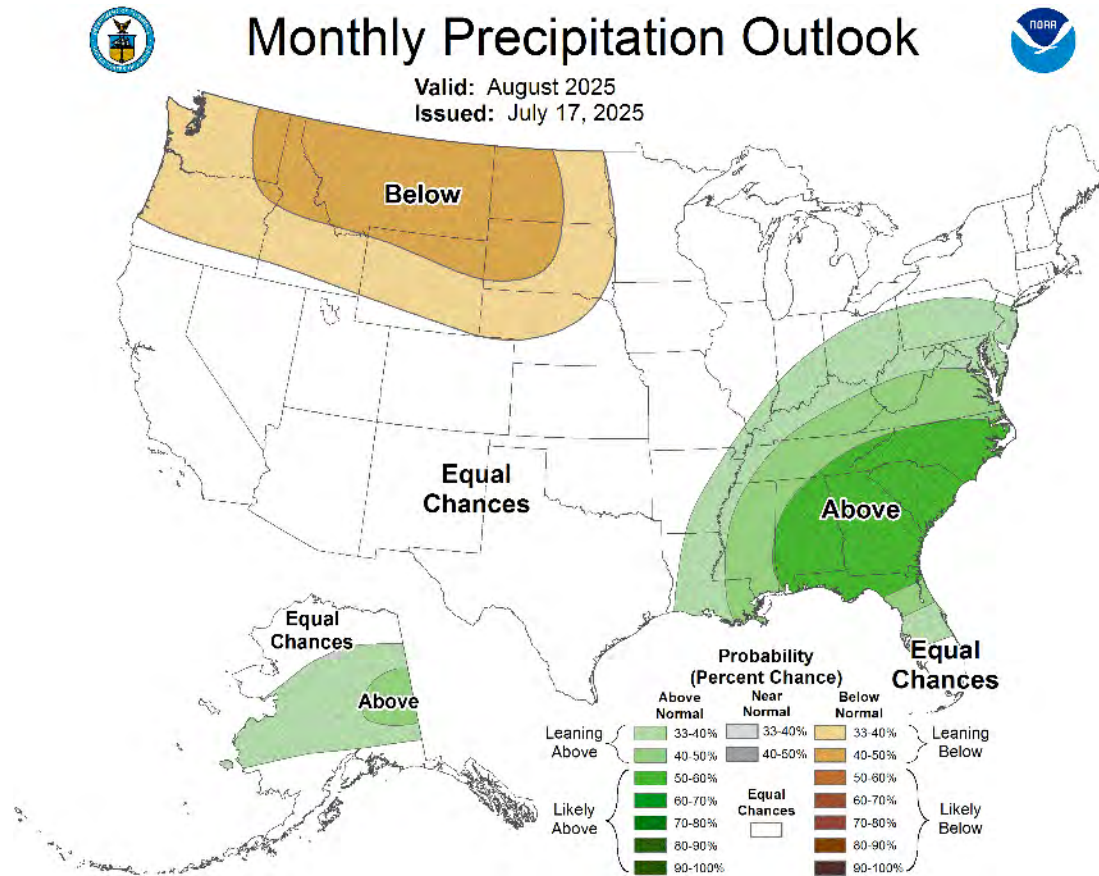
# California 2025 Summer Overview

- CAISO and CEC report an overall positive outlook for meeting peak summer demand
  - Peak load forecasted at 46,094 MW in September at HE18 (minimally less than last year)
    - Forecast is based on 1-in-2 weather year (also known as weather-normalized)
  - 5,534 MW of added nameplate capacity of solar, battery, and hybrid expected by June 30, 2025
  - Surplus of 1,451 MW above peak forecasted summer needs
- Warmer than normal temperatures are expected especially in Inland CA and PNW
  - California had an average water year, with reservoirs at healthy levels
  - Upper PNW has below normal runoff volumes and therefore less hydro generation available
- As always, there remain concerns regarding a west-wide heat events, wildfires, transmission interruption, and unexpected unit outages

## Temperature Outlook

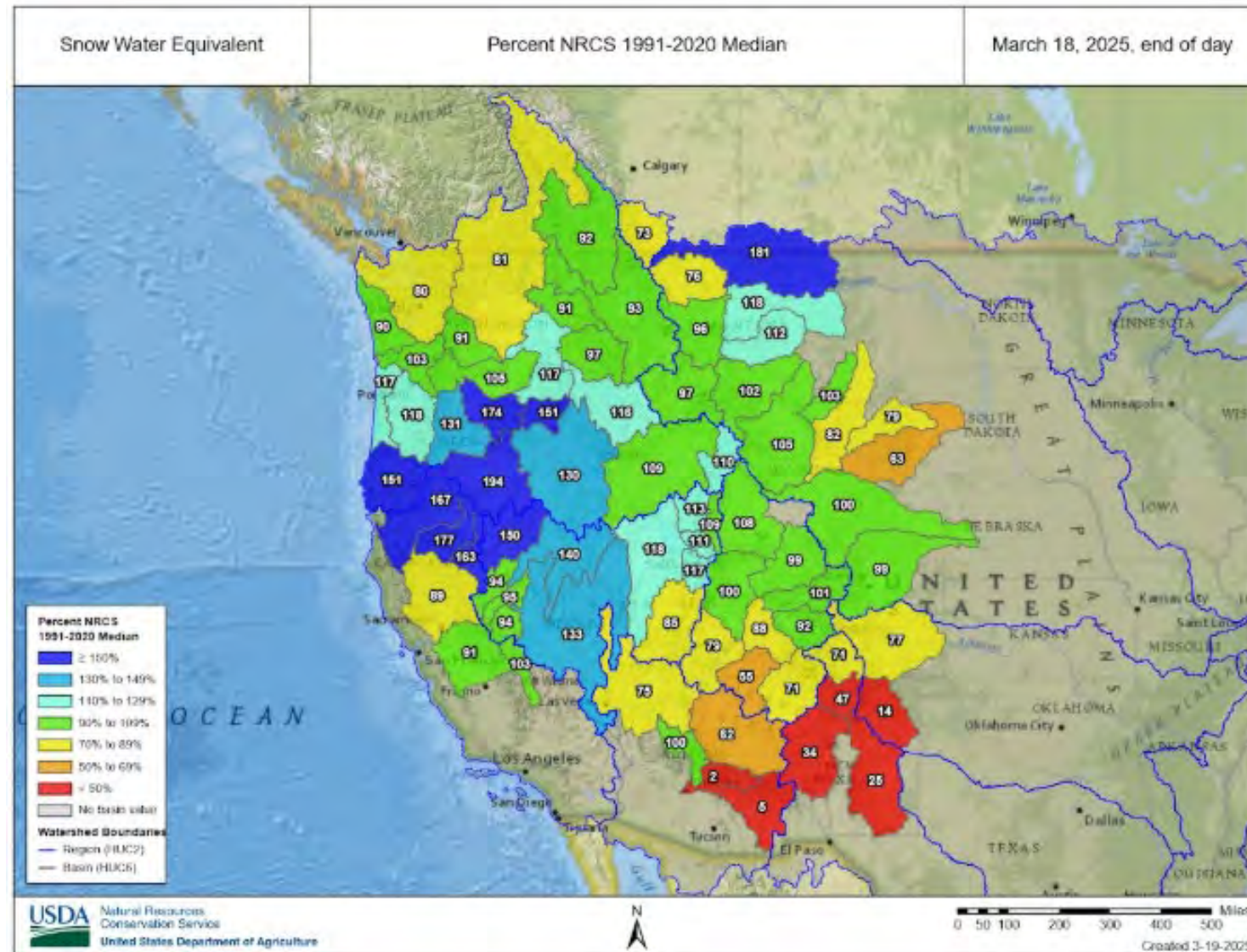


# Precipitation Outlook



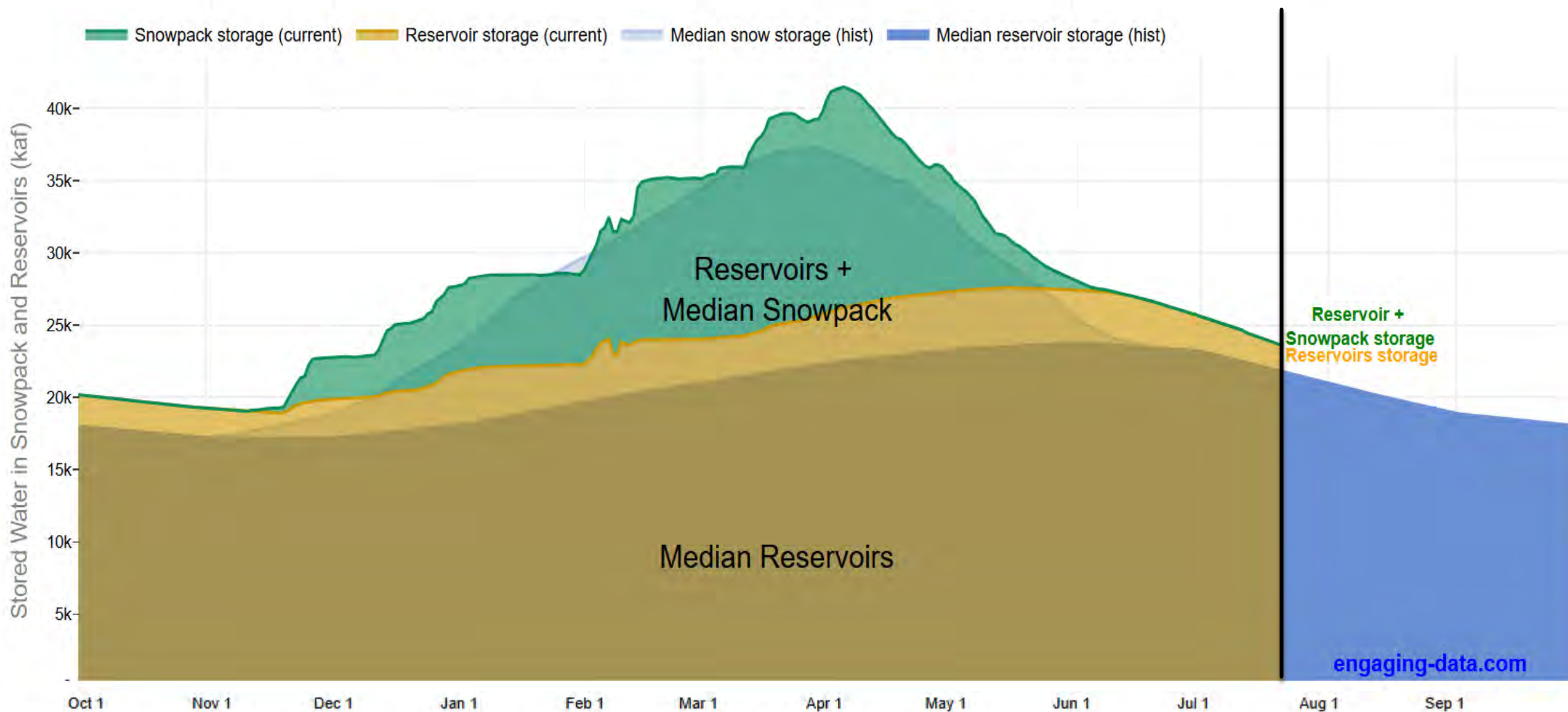


# Western US Hydro Outlook

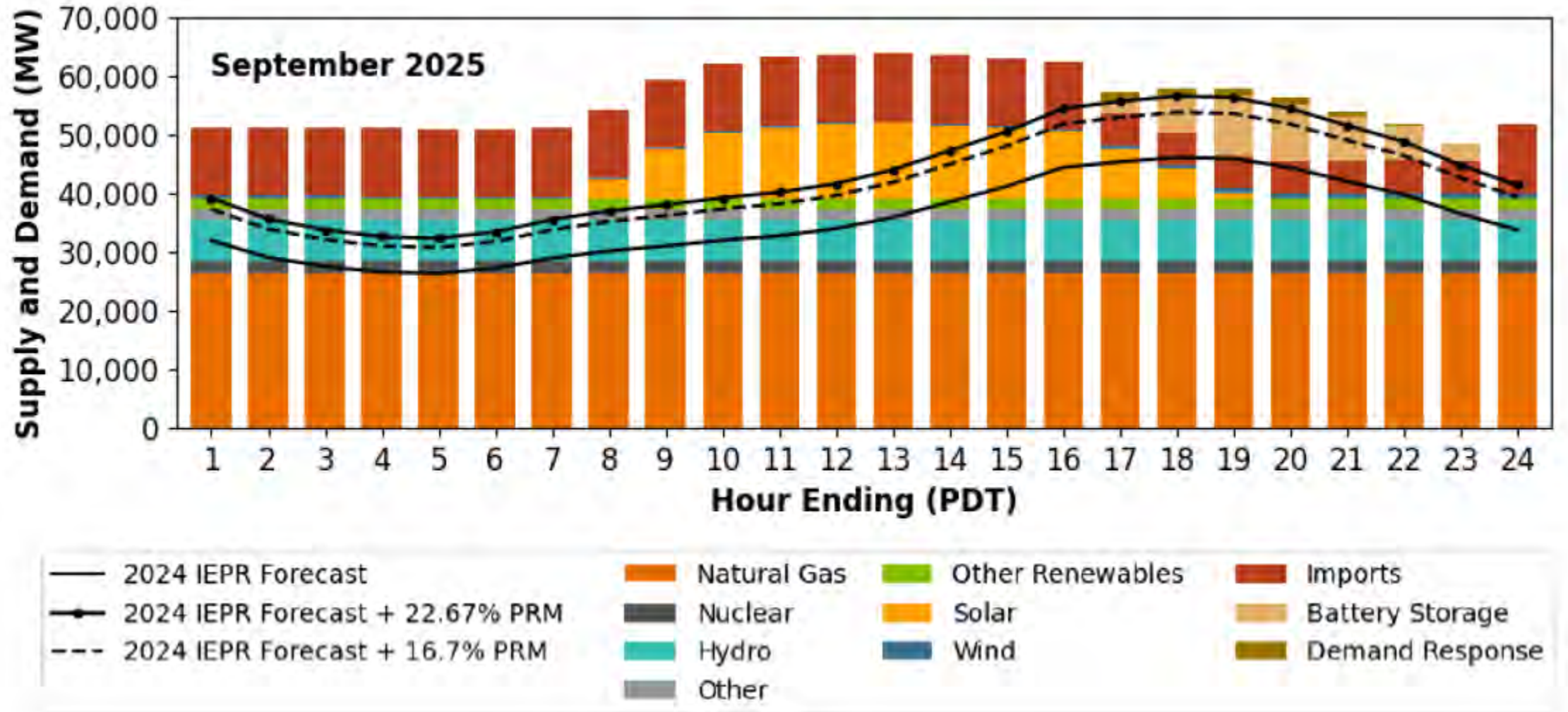


# California Seasonal Water Storage

Mid-July Data



# CAISO 2025 September Peak Load & Resources Analysis



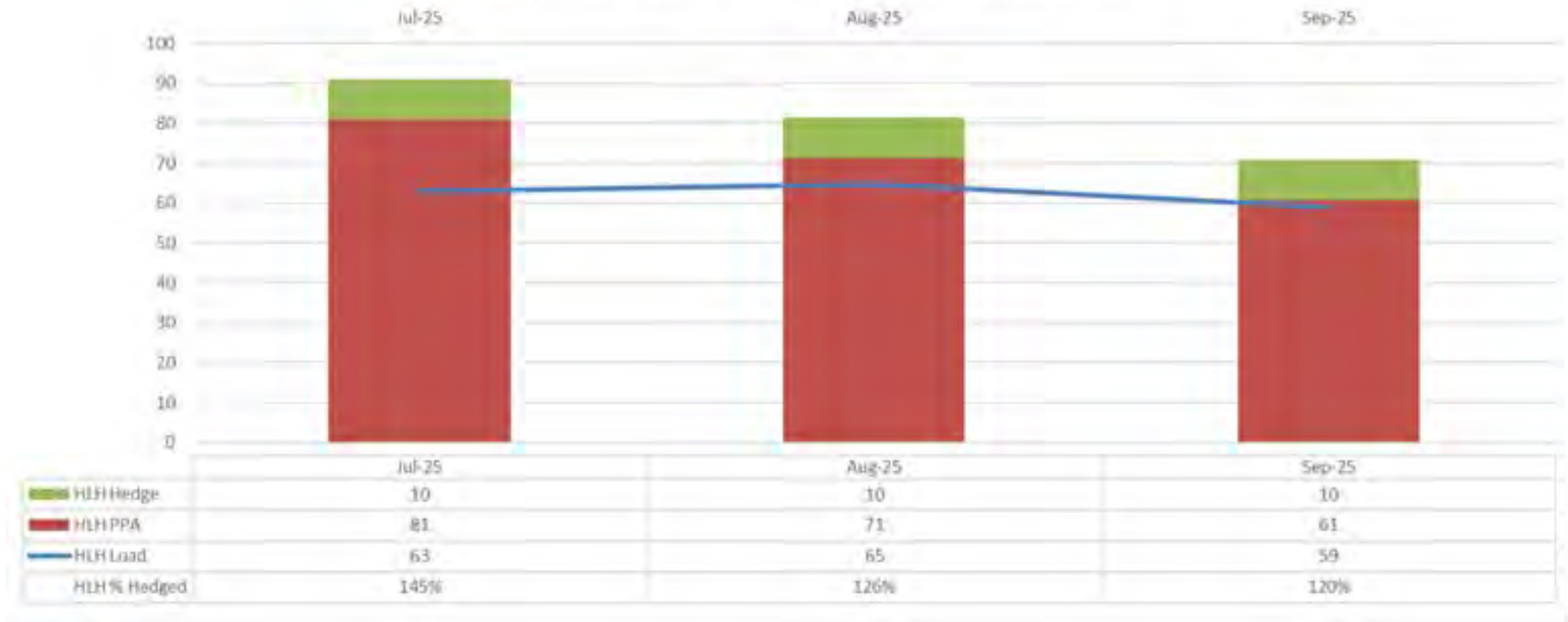


# RCEA Summer Readiness Overview

- RCEA has fully hedged its energy supply for Summer 2025
  - RCEA's Energy Risk Management Policy hedging requirements for the summer are 80% to 130% in Q3.
- RCEA has fully procured all necessary RA to meet compliance for Q3
- RCEA has multiple years of summer operating history to inform decisions, including both challenging and relatively mild summers
- RCEA and TEA have an established procedure for Volatile Incoming Pricing Event Response (VIPER) to ensure alignment on CAISO market operations and reporting in the case of a summer pricing event caused by heat or other conditions

# RCEA Summer Energy Position

RCEA Monthly Energy Position – HLH (MW)





# RCEA Contracted Generation

- **HSC Biomass**
  - **Type:** 18 MW (Biomass Plant)
  - **Status:** Operating as expected
- **Redwood Coast Airport Microgrid (RCAM)**
  - **Type:** 2.2 Solar + 7.2 MWh/2.3 MW Battery
  - **Status:** Operating as expected
- **Cove Hydro**
  - **Type:** 5.6 MW Run-of-River Hydro
  - **Status:** Offline for summer (as expected)
- **Sandrini Solar**
  - **Type:** 100 MW Solar
  - **Status:** Operating as expected; battery component under construction
- **Foster Clean Power A**
  - **Type:** 3 MW Solar + 5 MWh/1.25 MW Battery
  - **Status:** Testing
- **Foster Clean Power B**
  - **Type:** 4 MW Solar + 5 MWh/1.25 MW Battery
  - **Status:** Testing

# Overarching California Energy Industry Procurement Concerns

- CPUC's new **Slice-of-Day Resource Adequacy** is in its first year of operation under the program redesign; market is overall functional but far from efficient
- California Energy Commission's (CEC's) **Power Content Label** will be shifting to hourly **GHG (and possibly REC) reporting** in the next two to three years; policy implementation discussions underway
- CPUC's '**Reliable and Clean Power Procurement Program**' (RCPPP), a new framework that combines long-term procurement mandates for reliability and clean energy into a single regulatory structure, is under discussion with possible implementation in 2026
- **Western organized market expansion** underway with several entities in the broader west opting for either CAISO's Extended Day Ahead Market or SPP Markets+
- **New project development headwinds at all time high** due to federal policy (tariffs and potential elimination of the IRA), supply chain (shortages of component parts), significant interconnection delays, and permitting challenges for resources and transmission



## **STAFF REPORT Agenda Item # 10.1**

AGENDA DATE:	July 24, 2025
TO:	Board of Directors
PREPARED BY:	Elizabeth Burks, Executive Director
SUBJECT:	Humboldt Transit Authority Hydrogen Bus and Fuel Project Presentation

### **BACKGROUND**

---

The Humboldt Transit Authority (HTA) is transitioning to a zero-emission fleet. Thanks in part to a \$38.7 million California State Transportation Agency Transit and Intercity Rail Capital Program grant, HTA is adding 11 new hydrogen fuel cell electric buses to its fleet and installing a hydrogen fueling station at HTA's Eureka facility that is kick starting a North Coast hydrogen fueling network and supply chain for the public's cars and delivery vans. The new hydrogen buses will serve the Redwood Transit System as well as a new inter-city route to Ukiah, connecting riders to Mendocino County.

According to Humboldt County's latest draft of the Regional Climate Action Plan, transportation produces 73% of Humboldt County's greenhouse gas emissions. Roughly half of those emissions come from on-road passenger vehicles. A key part of RCEA's strategic plan is to work with other local public entities to reduce vehicle miles traveled in Humboldt County by at least 25% by 2030, and to reduce greenhouse gas emissions from transportation by over 65% by 2030.

In March 2025, Director Arroyo requested a presentation for this Board by Humboldt Transit Authority on its hydrogen fuel project and recent hydrogen bus deployment.

### **SUMMARY**

---

HTA's Transit Planner Jerome Qiriazzi will present information about the agency's hydrogen fueling station and recent hydrogen bus deployment.

### **STAFF RECOMMENDATION**

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This is an information only presentation. No action is requested.

### **ATTACHMENTS**

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None

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Humboldt Transit Authority

# HTA's Hydrogen Fleet Transition

Progress to Date

Jerome Qiriazhi  
Transit Planner  
707-443-0826 x112  
Jerome@hta.org

# WHY CHOOSE HYDROGEN OVER BATTERY ELECTRIC?



Report

Total Cost of Ownership Comparison between Fuel Cell and Battery Electric Transit Fleets for Humboldt County  
Final Report for Humboldt Transit Authority




March, 2021

Climate Resilient Battery Electric Fleet Feasibility Assessment for Humboldt County Public Transit

June, 2020

Prepared by: Schatz Energy Research Center  
For: Humboldt Transit Authority

Prepared by:  
Jerome Carman, Cassidy Ba  
Kushwah, Andrew Nisenbe  
Schatz Energy Research Cen  
Humboldt State University  
Arcata, CA 95521  
(707) 826-4345

Vehicle Blocks	Daily Miles
100/101	366.46
112/115	358.57
104/105	341.4
106/107	338.44
401	318.45
501	305.15
102/116	296.98
108	222.6
118	210.7
702	201.33
701	180.09
120	165.14
503	158.17
504	158.14
302/352	152.11
304/354	138.29
203/253	131.02
201/251	130.27
205/255	127.24
110	126.66
351	120.32
204/254	116.25
301	98.77
123	96.03
901	74
902	74
903	74
904	74
905	74

BEBs not an option because of one or more of the following:

- High daily miles
- High % highway miles
- Vehicle type used

BEBs can be used

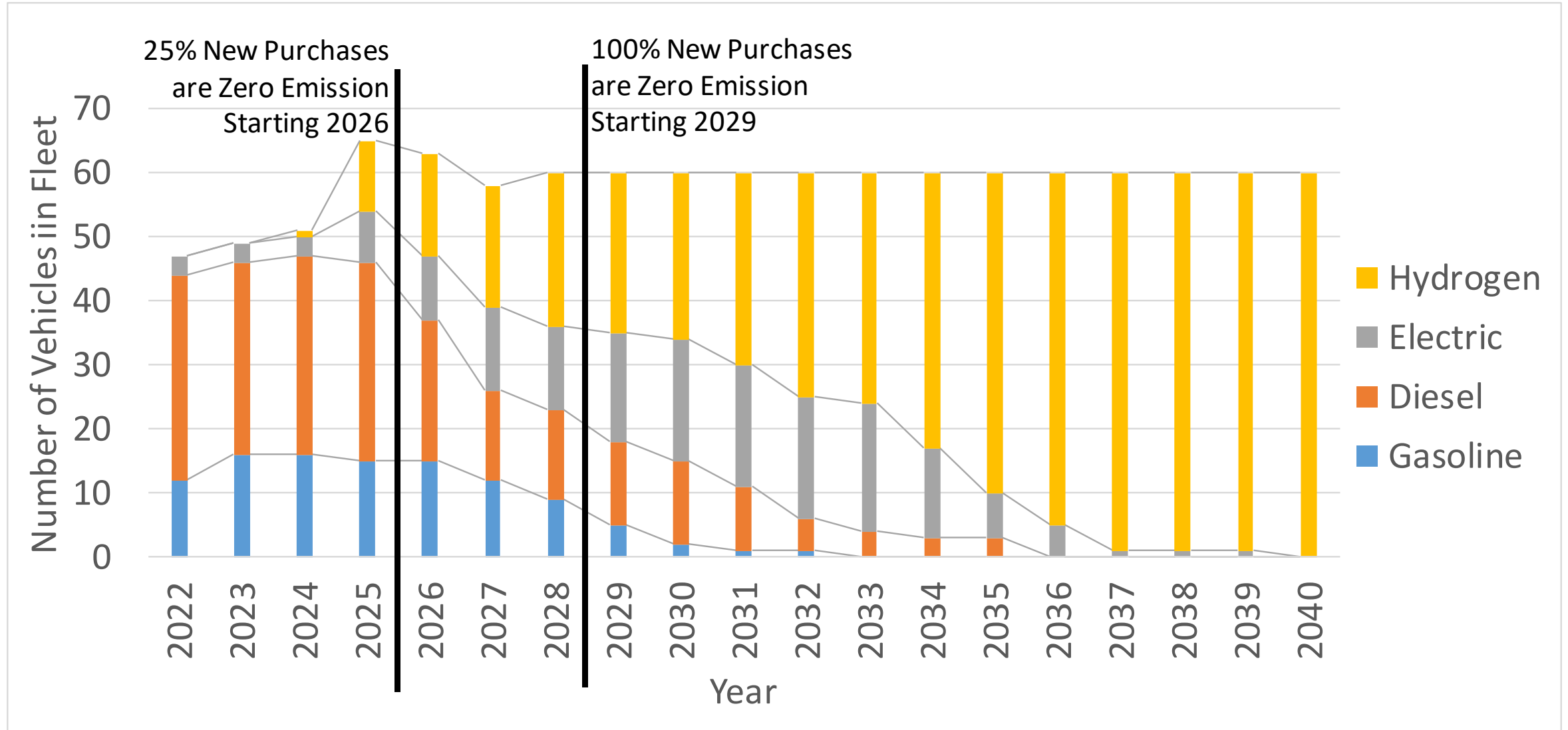
- Currently run BEBs on a few of these

BEBs challenging because of one or more of the following:

- High daily operational hours
- Vehicle type used

**Can confidently use BEBs on only 34% of current vehicle blocks**

# TRANSIT FLEET TRANSITION PLAN





# NEW FLYER EXTENDED RANGE XHE40



## Performance Report for Humboldt Transit Authority's Pilot Extended Range New Flyer Xcelsior CHARGE FC™ Fuel Cell Electric Bus

Peter Lehman and Greg Chapman  
Schatz Energy Research Center  
California State Polytechnic University, Humboldt  
May 9, 2025



46% Greater Fuel Capacity



### Summary

We report the results of a series of performance tests of Humboldt Transit Authority's new fuel cell electric bus, the New Flyer Xcelsior XHE40 CHARGE FC™ model. Over a series of six test runs, the bus performed very well, exhibiting smooth performance during full speed highway driving and hill climbing, with excellent acceleration and regenerative braking.

Measured fuel economy and range exceeded expectations. On the most demanding test run—320 miles from Eureka to Ukiah and back with a fully weighted bus—fuel economy was 8.2 miles/kg of hydrogen, resulting in a range of 435 miles. With a lightly weighted bus on the Trinidad to Scotia run, fuel economy was 12.1 miles/kg, resulting in a range of 640 miles.

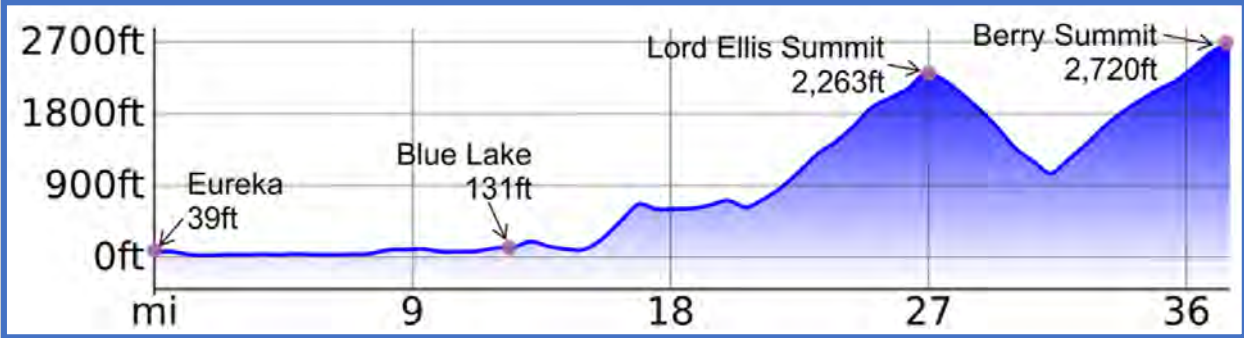
Based on the bus's performance on these test runs, we determined that the New Flyer XHE40 bus meets its contract performance specifications.



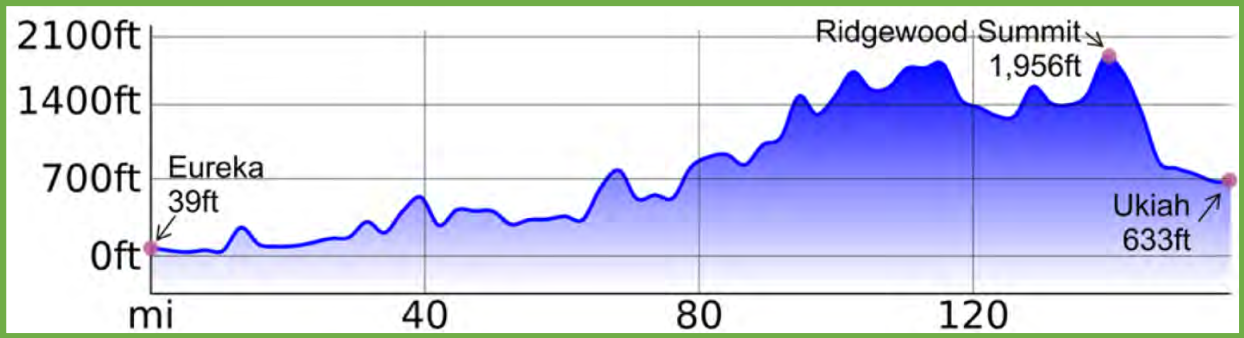
# PERFORMANCE TESTING RESULTS

Test	Weight / HVAC	Miles	Avg Speed (mph)	Min Battery SOC	Efficiency @ BUL (mi/kg)	Total Range @ BUL (miles)
1.1	Unweighted, HVAC Off	120	24	60%	12.1	641
1.2	Weighted (39 people), HVAC On – Heat	117	26	58%	9.7	514
2.1	Unweighted, HVAC Off	77	32	50%	10.4	551
2.2	Weighted (40 people), HVAC On – Heat	76	30	46%	9.2	488
3	Weighted (43 people), HVAC On – Heat	318	40	50%	8.2	435

Test 2 Elevation Profile



Test 3 Elevation Profile



# NEW FLYER EXTENDED RANGE XHE40

66% of blocks now have a ZE vehicle option

Extended range bus can be interlined across more blocks even though not all necessarily need a higher range

XHE40 Xtnd Rng	H <sub>2</sub> Bus Type Available?	Sufficient H <sub>2</sub> Range?	Vehicle Blocks	Daily Miles
Y	Y		100/101	366.46
Y	Y		112/115	358.57
Y	Y		104/105	341.4
Y	Y		106/107	338.44
Y	Not Really		401	318.45
			501	305.15
Y	Y		102/116	296.98
Y	Y	Y	108	222.6
Y	Y	Y	118	210.7
			702	201.33
			701	180.09
Y	Y	Y	120	165.14
			503	158.17
			504	158.14
	Y	Y	302/352	152.11
	Y	Y	304/354	138.29
	Y	Y	203/253	131.02
	Y	Y	201/251	130.27
	Y	Y	205/255	127.24
Y	Y	Y	110	126.66
	Y	Y	351	120.32
	Y	Y	204/254	116.25
	Y	Y	301	98.77
Y	Y	Y	123	96.03
			901	74
			902	74
			903	74
			904	74
			905	74

BEBs not an option because of one or more of the following:

- High daily miles
- High % highway miles
- Vehicle type used

- Can confidently use BEBs on only 34% of current vehicle blocks

BEBs can be used

- Currently run BEBs on a few of these

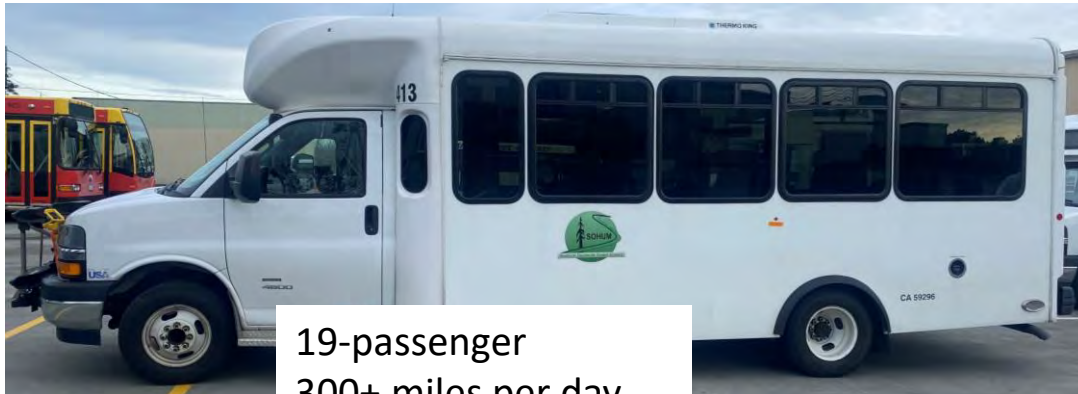
- New extended range XHE40 addresses 38% of our vehicle blocks

BEBs challenging because of one or more of the following:

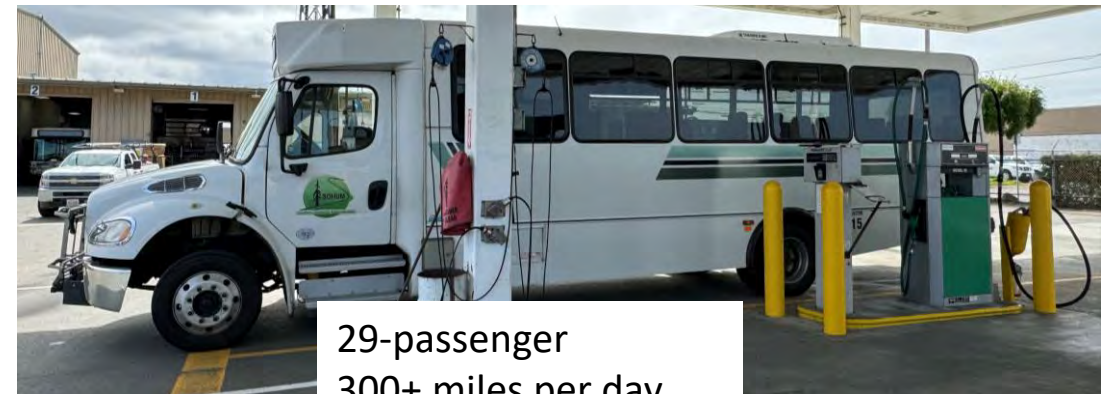
- High daily operational hours
- Vehicle type used

# REMAINING VEHICLE CLASS NEEDS

- Not all vehicle types are available with hydrogen
- Available hydrogen vehicles still don't have the required performance for all duty cycles
- Prototype over-the-road coach (state funding stalled)
- Looking to fund prototype 26,000 GVWR cutaway
- Waiting for 11,000 – 14,000 GVWR cutaway performance results



19-passenger  
300+ miles per day  
Mostly highway miles  
Winter chains



29-passenger  
300+ miles per day  
Mostly highway miles  
Winter chains



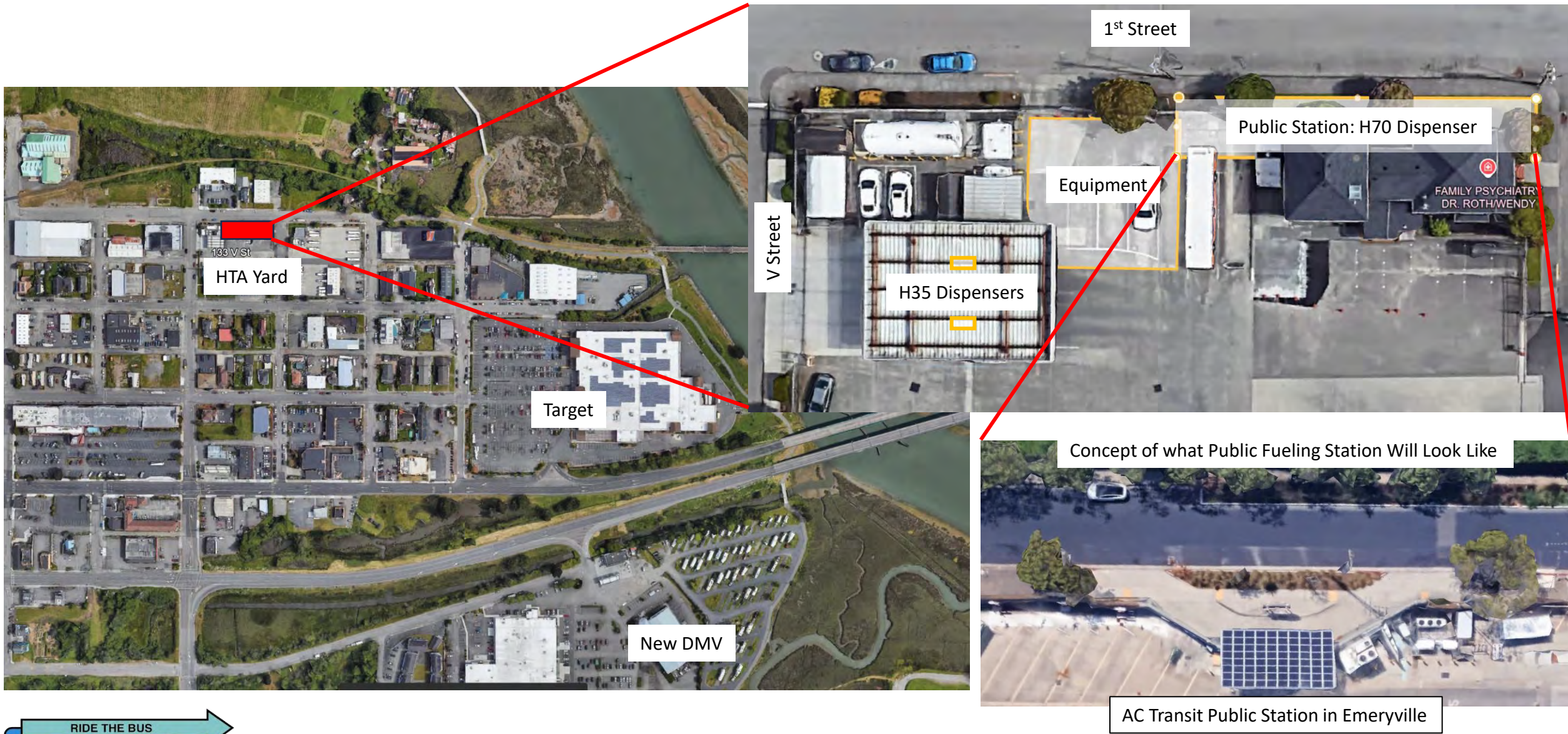
# HTA'S TEMPORARY FUELING INFRASTRUCTURE



Temporary Fueling with Linde: Simple cascade fill, low power, few moving parts.



# HTA's PLANNED LIQUID FUELING INFRASTRUCTURE





# HTA'S PLANNED LIQUID FUELING INFRASTRUCTURE

- D/B, O&M and Fuel: Linde Engineering North America
- Most equipment within a ~50'x50' area
- 18,000 gal tank
  - ~4,000 kg usable
- 2 H35 dispensers
- Capable of ~150 kg/hour
  - 42kg in 12 minutes
- HTA 2035 planned ~14,000kg per month consumption
  - One truck delivery per week



AC Transit in-yard fueling station built in 2012



# HTA'S PLANNED LIQUID FUELING INFRASTRUCTURE

- 1 public H70 dispenser (J2601/5 Category D)
  - Up to 30kg fills at H70
- Open 24/7 with credit card payment
- Can fuel light duty and future medium duty vehicles



AC Transit Public Station in Emeryville  
Built in 2012

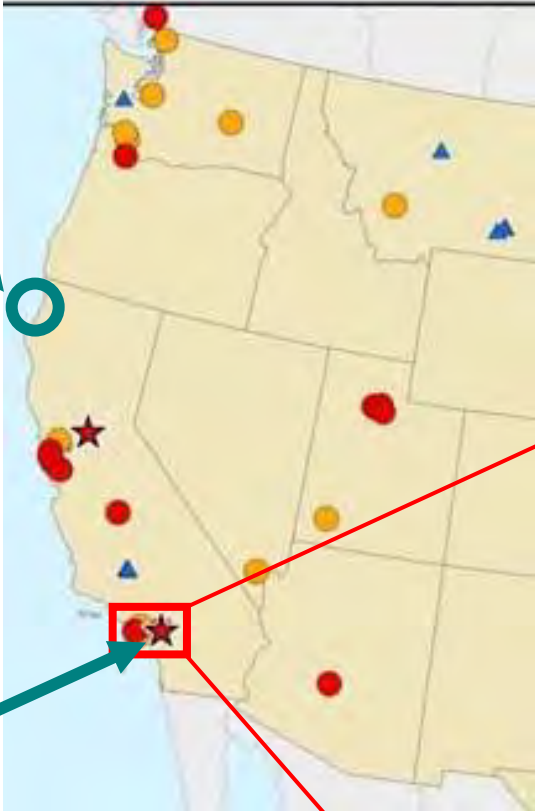




# NEAR TERM FUEL SOURCE

HTA

Linde

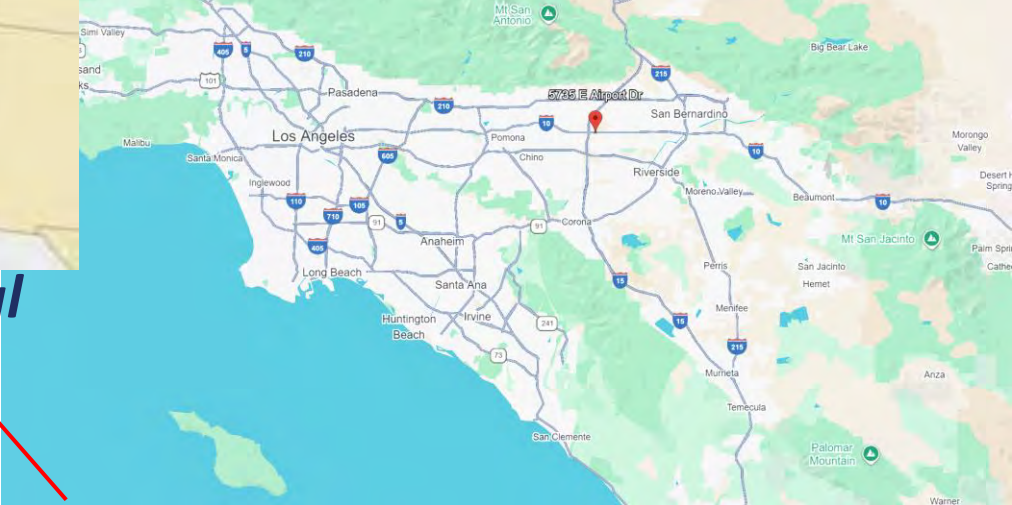


Existing Industrial  
H2 Producers



## Linde to Increase Green Hydrogen Production in California

Woking, UK, January 31, 2023 - Linde (NYSE:LIN; FWB:LIN) announced today plans to increase its green hydrogen production capacity in Ontario, California, in response to growing demand from the mobility market.





# CATALYZING A REGIONAL HYDROGEN MARKET



**Planned North Coast Zero Emission Training Center**  
**- First Phase is already funded**

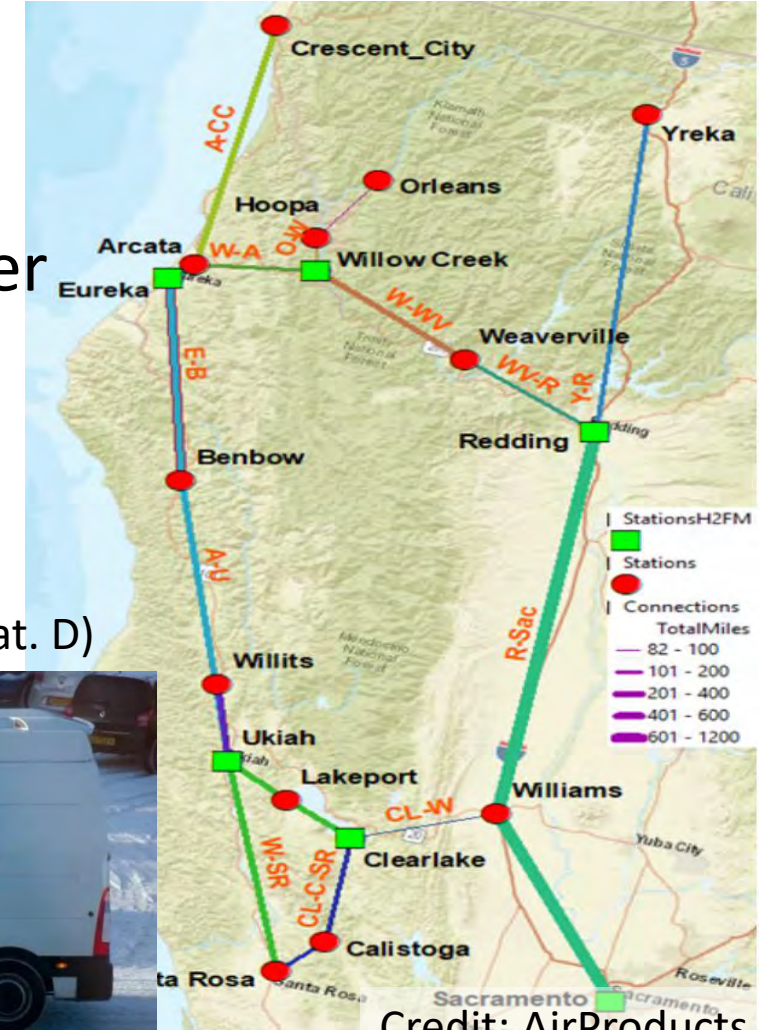
- Training a Zero Emission Workforce
- HTA needs to train current and future staff
- We need to train similar occupations (i.e. auto repair) to enable and foster a hydrogen market
- We need to train supporting sectors (i.e. industrial processes, towing)

# CATALYZING A REGIONAL HYDROGEN MARKET

- Resiliency and redundancy is important
  - We need 100% operational uptime (OK, >99%)
  - Only way to do this is with redundant systems
- Our success will rely on regional adoption by other fleets and industries

- Opportunities with local industry development

- Shared fueling network
- Offer public fueling
- Include MD H70 (J2601 Cat. D)



Credit: AirProducts





# CATALYZING A REGIONAL HYDROGEN MARKET

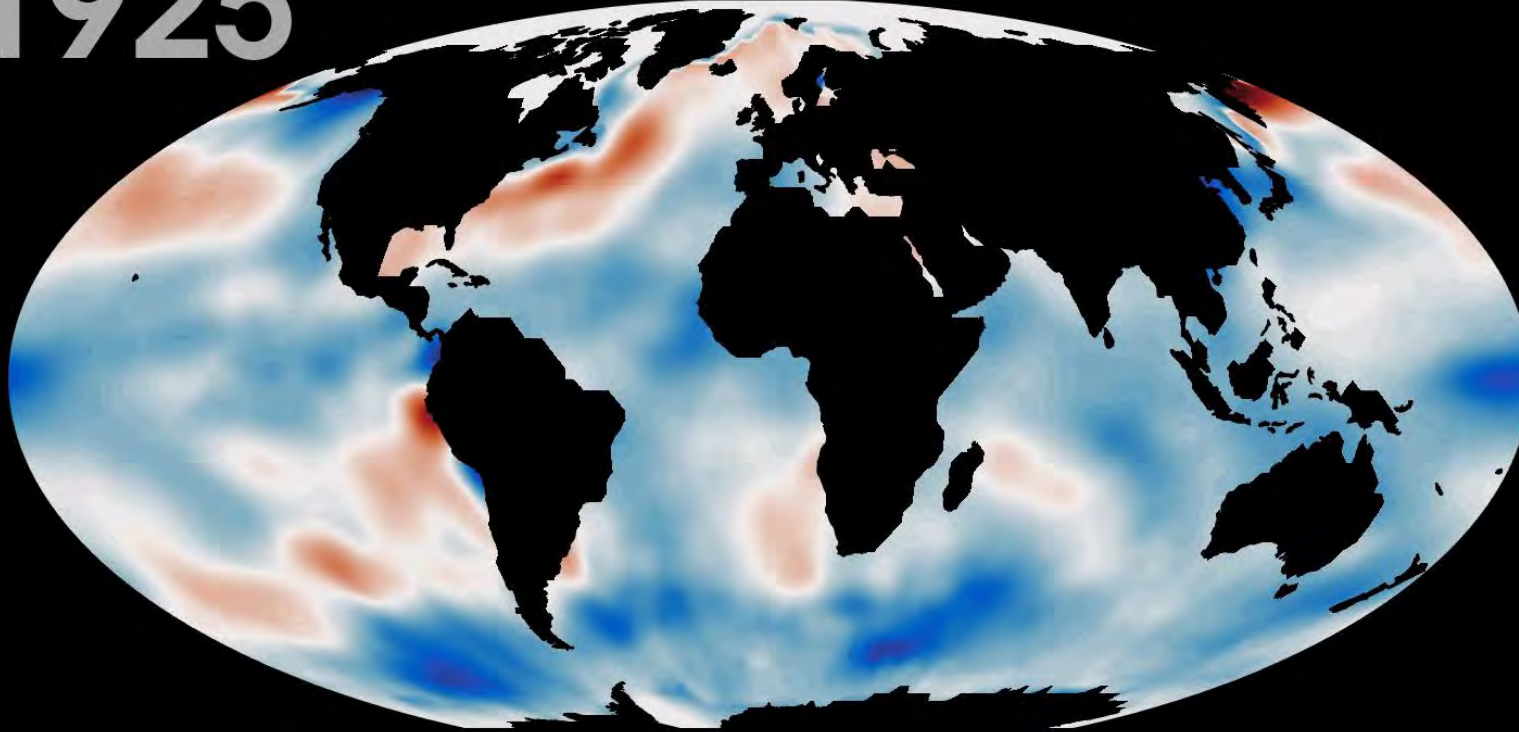
- HCAOG North State Hydrogen Network Siting Project

- Just awarded a contract to conduct a siting analysis to determine how best to leverage transit hydrogen projects to kickstart regional demand
- Identify opportunistic locations that can also support trucking and freight on key corridors
- Develop a replicable fueling station micro-siting methodology to support investment decisions



# WAIT, WHY ARE WE DOING THIS?

1925



SEA SURFACE TEMPERATURE ANOMALIES IN MARCH



GRAPHIC: Zachary Labe (@ZLabe)  
BASELINE: averaged over 1971-2000  
SOURCE: <https://www1.ncdc.noaa.gov/>  
DATA: NOAA ERSSTv5, Huang et al. (2017)

Source:

<https://fediscience.org/@ZLabe/112255457353089059>

Data Source:

<https://psl.noaa.gov/data/gridded/data.noaa.ersst.v5.html>



**STAFF REPORT**  
**Agenda Item 10.2**

AGENDA DATE:	July 24, 2025
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning & Finance Director
SUBJECT:	Cost of Service and Rate Design Services Contract Award

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**Background**

In 2024, RCEA staff became concerned with issues around setting retail electricity rates stemming from new case law that established Community Choice Aggregators (CCAs) as subject to Proposition 26 which provides that “any levy, charge, or exaction of any kind imposed by a local government” is a tax and subject to voter approval. Although the revenue that RCEA collects through the CCA program is excepted from Prop. 26 because it is payment for a “benefit, privilege, service, or product,” the rates charged must capture no more than the costs of the provided service. An adequate rate study that establishes a factual basis of cost-of-service would support this exception, prompting staff to prepare a solicitation for such a study. A rate-setting approach that diverges from the current practice of closely following Pacific Gas & Electric Company rates may also better serve RCEA’s customers.

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**Summary**

On April 11, 2025, RCEA issued a request for proposals (RFP) to assist, advise, and train RCEA staff in rate design and setting processes. Six firms submitted proposals in response to the solicitation: Aspen Environmental Group, Atrium Economics, GDS Associates, MCR Corporate Services, MWR & Associates, and NewGen Strategies and Solutions.

A committee of staff members evaluated and scored the proposals using the following criteria: 1) knowledge of electric utility rate-setting practices, the California energy market, the CCA business model, and California laws and regulations affecting utility rate-setting, 2) experience providing similar services to other clients, particularly CCAs operating in California, 3) key staff’s qualifications and availability, 4) plan for providing training and support to RCEA staff, 5) degree of acceptance of RCEA’s Standard Agreement and 6) costs and fees. The highest-scoring proposal was from NewGen Strategies and Solutions, LLC (NewGen), a consulting firm based in Colorado that specializes in serving the utility industry. Per the RFP, significant weight was given to knowledge, experience, and cost. NewGen’s team has substantial experience navigating the energy market in California, primarily with CCAs and public power clients, and they offered the lowest total cost.

Staff is recommending RCEA enter into a Professional Services Agreement with NewGen for a not-to-exceed (NTE) amount of \$116,900.

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**FINANCIAL IMPACTS**

The estimated cost for these services was included in the adopted fiscal year 2025-2026 budget under Professional and Program Services - Accounting in the Power Resources category (\$100,000). The proposed NTE amount exceeds the budget by \$16,900; staff anticipates that any overage

incurred this fiscal year would be allocated from the Accounting budget under the General and Administrative category.

#### **EQUITY IMPACTS**

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Not applicable.

#### **RECOMMENDED ACTIONS**

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Award professional services agreement with NewGen Strategies and Solutions, LLC for a not-to-exceed value of \$116,900 for cost of service and rate design services through July 2026 and authorize the Executive Director to execute the agreement and all associated documents.

#### **ATTACHMENTS**

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- A. NewGen Strategies and Solutions Response to RFP-25-604



# NewGen Strategies & Solutions

[www.newgenstrategies.net](http://www.newgenstrategies.net)



RFP-25-401

## **COST OF SERVICE AND RATE DESIGN SERVICES**

**JUNE 6, 2025**



Prepared for:  
Elizabeth Burks - Executive Director  
Redwood Coast Energy Authority  
633 3rd St,  
Eureka, CA 95501

June 6, 2025

via email: [procurement@redwoodenergy.org](mailto:procurement@redwoodenergy.org)

Elizabeth Burks  
Executive Director  
Redwood Coast Energy Authority  
633 3<sup>rd</sup> St,  
Eureka, CA 95501

**Subject: Executive Summary**

Dear Ms. Burks:

Humboldt County, home of California's Redwood Coast, offers a diverse setting rich in history, natural beauty, and opportunities for growth. The Redwood Coast Energy Authority (RCEA), a recently established community choice aggregator (CCA), was created to lead, coordinate, and integrate regional efforts to develop a cleaner, greener energy future for the community. RCEA's role is to facilitate public policy goals by purchasing and delivering cleaner, renewable power for its customers, directly empowering local control over their energy choices. However, RCEA's work extends beyond providing electricity and is focused on developing a long-term sustainable energy strategy, ensuring access to energy conservation, energy efficiency, and renewable energy programs. RCEA's goal is to enhance the affordability and reliability of energy in Humboldt County while supporting local businesses and residents with innovative solutions. To assist with this goal, we are proposing to provide RCEA with a robust, detailed, and comprehensive Cost of Service (COS) and Rate Design Study (Study).

Our proposed Project Team is comprised of industry professionals who have served the public power industry throughout their careers. As described in our Statement of Qualifications, the Project Team will be led by me and supported by Carlo Bencomo-Jasso, Alanna Daley, Brody Liebler, and Brian Dickman. We have developed cost of service and rate design studies for many of California's CCAs, as well as publicly owned utilities across California and the country.

NewGen Strategies and Solutions, LLC (NewGen) is a management and economic consulting firm specializing in serving the utility industry and market. Established in August 2012, NewGen primarily serves public sector utilities and provides nationally recognized expertise in load forecasting, utility cost of service and rate design studies, financial feasibility studies, municipalization efforts, depreciation and appraisal studies, litigation support for state and federal regulatory proceedings, utility financial planning, and stakeholder engagement for electric, water, wastewater, solid waste, and natural gas utilities.

NewGen employs over 60 professional and administrative staff. Our current staff has the capability to work on simultaneous assignments, and we have the capacity to add staff and/or expand support from a network of teaming partners, if needed. NewGen has 14 offices located nationwide.

**Understanding of Requested Services and Approach/Services to be Provided**

RCEA is committed to meeting the needs of its current and future CCA customers in its mission to support local businesses and residents using innovative energy solutions. This Study is designed to leverage our expertise working with the California energy markets and CCA business models to assist, advise, and train



RCEA management and staff during its rate setting process. We will deliver detailed and comprehensive cost of service and rate design models and provide appropriate training on how to maintain these models for future RCEA analysis. NewGen is very familiar with TEA and California Community Choice Association (CalCCA), including their support for RCEA (and other CCAs) on policy matters impacting retail electric rates, such as the development of Power Charge Indifference Adjustment (PCIA) charge.

### **Task 1: Project Startup, Data Request, and Kickoff Meeting**

Immediately upon authorization to proceed, we will begin gathering detailed information related to RCEA's operations and financials in support of the Study. NewGen will develop an initial data request to gather all supporting power supply contract costs, operating expenses, budgets and projections, customer class load data, and related data to support the development of the revenue requirement, COS, and eventual rate recommendations. NewGen will also collaborate with RCEA and their data provider to gather Pacific Gas & Electric (PG&E) advanced metering infrastructure (AMI) data to support COS allocations, strategic rate decisions, and related rate making.

NewGen will review initial data responses from RCEA and identify any gaps or additional data needs prior to the kickoff meeting. This kickoff meeting will also serve as an initial workshop to review current and desired RCEA rate-setting practices, discuss potential margins, and to facilitate a discussion on the overall rate strategy and objectives, project scope, and schedule. One of the key elements or goals of the kickoff meeting will be a thorough discussion on the overall rate and financial strategy. Initially, NewGen has assumed a three-year (Fiscal Year [FY] 2026–2028) financial forecast model with the intent of recommending rates for July 1, 2026; however, we will work with RCEA to develop a forecast period.

The financial forecast will be critical in projecting financial performance, annual cash requirements, reserve needs for rate stabilization, necessary rate changes, and related financial key performance indicators (KPIs) (e.g., minimum cash on hand, effective rates, etc.). This discussion will also include the definition or evaluation of different scenarios and sensitivities that RCEA wants to evaluate over the forecast period to better mitigate risks and understand impacts to rates and KPI performance.

### **Task 2: Development of RCEA's Test Year Revenue Requirement**

The objective of the development of the revenue requirement is to identify the current and projected revenues and expenses for RCEA's customer base. This will include the appropriate basis (cash vs. accrual) upon which the annual revenue requirement for RCEA will be developed.

NewGen will develop a multi-year Test Year Revenue Requirement; however, we will create a COS model that will allow for individual Test Years if significant variability in the load, annual expenses, or other key inputs are present or expected. The COS model will maintain the RCEA budgeting system, chart of accounts, and any existing RCEA specific accounting practices that should be tracked through the COS and allocation to customer classes or products offered. NewGen will work with RCEA to project or analyze specific system changes and refine specific cost projections as needed—such as current and projected power supply costs based on RCEA's power contracts, agreements, and knowledge of wholesale rate levels during the Test Year period. The model will also review and develop appropriate reserve fund levels based on utility industry standards and our experience with CCAs and publicly owned utilities. The model will include the cost of operation and maintenance expenses—such as customer service and data management, taxes, debt service expenses, and policy-determined margins—along with all other necessary costs associated with RCEA's operations. It will also incorporate current and projected customer program costs, PCIA, and/or other applicable non-bypassable generation charge projections, as well as specific Resource Adequacy (RA) costs applied to RCEA operations.

### *Test Year Revenue Requirement*

Using the financial model and any desired scenario analysis, NewGen will collaborate with RCEA staff to optimize cash reserves, rate stabilization strategies, rates, KPIs, and related goals to develop the Test Year Revenue Requirement based on a multi-year revenue requirement projection. This Test Year Revenue Requirement to be included in the COS analysis will encompass all costs RCEA must collect through rates for the desired period. It will also include any known and measurable adjustments necessary to account for material or significant changes to the RCEA power supply or delivery systems—such as a large, new customer addition or market fluctuations. This model will allow RCEA to see the impacts and results at a system and individual class level for any combination of Test Years.

### **Task 3: Cost of Service**

The objective of the Cost of Service analysis is to determine an equitable allocation of the annual revenue requirements developed in Task 2 to RCEA's customer classes using generally accepted cost allocation methods. Projected costs will be functionalized by infrastructure investment (either individually or in appropriate groups) and related expenses into each function or business unit as defined by RCEA, including production, distribution, customer services, and general administration. As part of the COS analysis, NewGen will work with RCEA to review the appropriate number of rate classes it serves based on the services provided to ensure the proper rate classes are being considered. The review will focus on simplifying the current rate classes where feasible; a comparison of rate classes to those served by PG&E will be conducted. NewGen will work with RCEA to develop an appropriate analysis that preserves PG&E's allocation of rates across different rate classes.

NewGen has experience revising and integrating large AMI data sets from California utilities and multiple CCAs to evaluate customer segmentation, load profiles, contributions to monthly system peak demands, and class load factors. Specific RCEA load profiles by class will be used to develop appropriate Time of Use (TOU) periods and the data used for assigning costs, in coordination with RCEA staff. Allocation factors will be applied to RCEA's rate classes based on customer usage data, including both historical and projected load by rate class. Where data is not available, industry standard data will be applied in coordination with RCEA.

Average unit costs by functional category will be provided based on the allocated costs and billing determinants developed for each rate class. Unit costs will be presented for energy (\$/kWh) and demand (\$/kW). RCEA has indicated that it prefers that RA costs be allocated to large and medium customers based on their coincident peak (CP) demand characteristics and allocated to residential and small commercial classes based on a fixed minimum charge. NewGen will develop appropriate allocation factors for RA costs in coordination with RCEA for use in the COS model. As part of the COS analysis, revenues from current rates will be compared to the system-wide and individual customer class revenue requirements to determine if potential rate subsidies exist.

### *COS Results*

This insight and our COS model structure will quickly and easily provide the detailed components to create eventual unbundled rates to support a delineation and the ability to communicate services and costs incurred by RCEA and those provided by PG&E. The COS and related Work Papers will also provide all the data required to evaluate and compare the fixed and variable costs (e.g., customer-, demand-, and energy-related costs) with the fixed and variable revenues by customer class. Our COS model integrates our experience as expert witnesses and provides a robust defense and compliance with California-related requirements. NewGen will develop a draft whitepaper with recommendations for potential changes to RCEA rate classes, which will include a comparison of PG&E's different rate classes.

NewGen will hold periodic virtual review meetings with the Project Team and RCEA staff to review the draft results at key milestones in the development of the COS model. This will include the revenue requirements, functionalization, and individual customer classes' COS with comparisons to current rate revenues, including identification of subsidies, as appropriate. The COS results and RCEA policy input regarding rate strategies and incentives will guide rate design for Net Energy Metering (NEM), Electric Vehicle (EV), TOU, demand response, and other RCEA desired rates and policy objectives. Different rate options, based upon the policy objectives identified by RCEA, will be analyzed for adjustments to the COS results which may include both bundled and unbundled pricing to show the impacts of potential retail access.

#### **Task 4: Rate Strategy and Design**

Based on COS results, current rates, policy direction, and competitive position (including benchmarking with current and projected PCIA rates), NewGen will hold a virtual meeting with RCEA staff to discuss rate strategy for this assignment. The objective of the rate strategy is to develop rate options using a variety of approaches, ranging from the current rate design to strict COS-based rates.

This will entail understanding the COS and cost-based results for each customer class, current and future PCIA rates, PG&E generation rate benchmarking, and current RCEA competitive position and customer churn. This process will include the establishing of reasonable goals for the proposed rate design which includes the development of appropriate pricing signals for each class to reflect costs associated with current and future power supply and to meet the specific policy goals of RCEA. An analysis of revenues for each of the rate options will be compared to the system-wide and individual customer class revenue requirements. The results of the discussion will lead to the development of an informed rate setting approach considering expected margin contributions, cash reserve contributions, product offerings, and other RCEA considerations for final rate recommendations.

The final analytical step in the Study is developing the rate design model which will include design rates by class, customer average bill impacts, and benchmarking to PG&E rates. Rate design will include designing base rates and related adjustments, discounts, or riders (e.g., California Alternate Rates for Energy [CARE], Energy Cost Adjustment Charges) for each of the customer class rates.

The RCEA rates will be designed with consideration of PG&E delivery and non-bypassable charges. NewGen will design rates for a period of one to three fiscal years to fully recover RCEA costs over that same period and ensure financial performance by tracking KPIs—such as annual over/under recovery, reserve levels, or fixed cost recovery. After completing the recommended rates, the revenue adequacy of the new rates will be proven by forecasting and calculating the annual rate revenue generated for each customer class by RCEA rate tariffs and comparing it to the class and total system COS (revenue requirements). NewGen will develop customer bill comparisons to determine the rate impacts on different customer classes for different rate alternatives in coordination with RCEA. New rates will also be compared to forecasted Investor-Owned Utility (IOU) rates to ensure the rate competitiveness of RCEA.

Average bills and related impacts for each class will automatically be calculated to compare existing, COS-based, PG&E, and recommended new RCEA rates. Based on feedback from the rate review, we will revise or provide an optional or alternative rate design scenario such as a phase-in of rate changes or adjustments in customer, demand, or energy rate components.

Redwood Coast Energy Authority  
June 6, 2025

**Task 5: Stakeholder/Board Presentation and Implementation Plan**

NewGen will provide the draft presentation and report to RCEA staff for feedback and any refinements. NewGen will be available for an in-person presentation to the RCEA Board as needed. NewGen will also develop a report outlining the proposed rate options with associated impacts to customer classes.

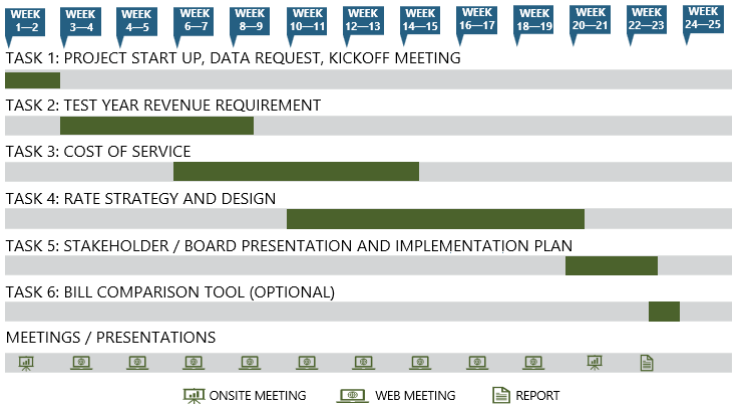
Based on feedback from RCEA Board, NewGen will prepare a Rate Implementation Plan, which will describe the deliverables and milestone dates for the new rates and/or rate structures, with the goal of implementing these by July 1, 2026. This plan may include a gradual implementation of rate and rate structure changes for individual customer classes over an appropriate period to reduce the potential for rate shock for customers. The plan will include information for customers to inform them of adopted rate design changes and expected impact to their bills (utilizing average users for each customer class). This report will also include graphics that can be incorporated into handouts to detail the proposed rate impact for each rate class for RCEA to use in community education material and public presentations. Information to be developed by NewGen (with input from RCEA) will include graphics, direct mailers, and other data applicable for the RCEA website and handouts.

*Optional Task 6 Customer Bill Comparison Tool:*

Upon request of RCEA, and as an optional task, NewGen will develop a tailored customer bill comparison tool to either be used internally or housed on RCEA’s website for staff and customers. The intent of this tool will be to compare generation rates as a CCA or PG&E customer within RCEA’s service territory that will allow the user to select the most cost-effective CCA rate option among those applicable to their customer class based on their usage data.

**Schedule for Completing the Scope of Work**

NewGen proposes to complete this assignment within a 6-month period from Notice to Proceed. Estimated schedule for completion of the tasks identified herein is provided in the graphic below:



If you have questions concerning this proposal or would like additional information, please contact me directly at (720) 259-1762 or sburnham@newgenstrategies.net. We look forward to working with RCEA.

Sincerely,

**NewGen Strategies and Solutions, LLC**

DocuSigned by:  
  
B7FBFC982DA6432...  
**Scott Burnham**  
Partner

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## A. COMPANY INFORMATION

### List of Subcontractors

NewGen Strategies and Solutions, LLC (NewGen) does not propose to use any subcontractors for this engagement. Exhibit A is Included below.

## EXHIBIT A – LIST OF SUBCONTRACTORS

Subcontractor Name: N/A

Services for which Subcontractor is being used: N/A

Subcontractor qualifications: N/A

Subcontractor's relevant experience (attach separate page(s), as needed): N/A

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

Services for which Subcontractor is being used: \_\_\_\_\_

Subcontractor qualifications: \_\_\_\_\_

Subcontractor's relevant experience (attach separate page(s), as needed): \_\_\_\_\_


(ATTACH ADDITIONAL SHEETS IF MORE THAN TWO SUBCONTRACTORS ARE REQUIRED)



## **Firm's Business Information**

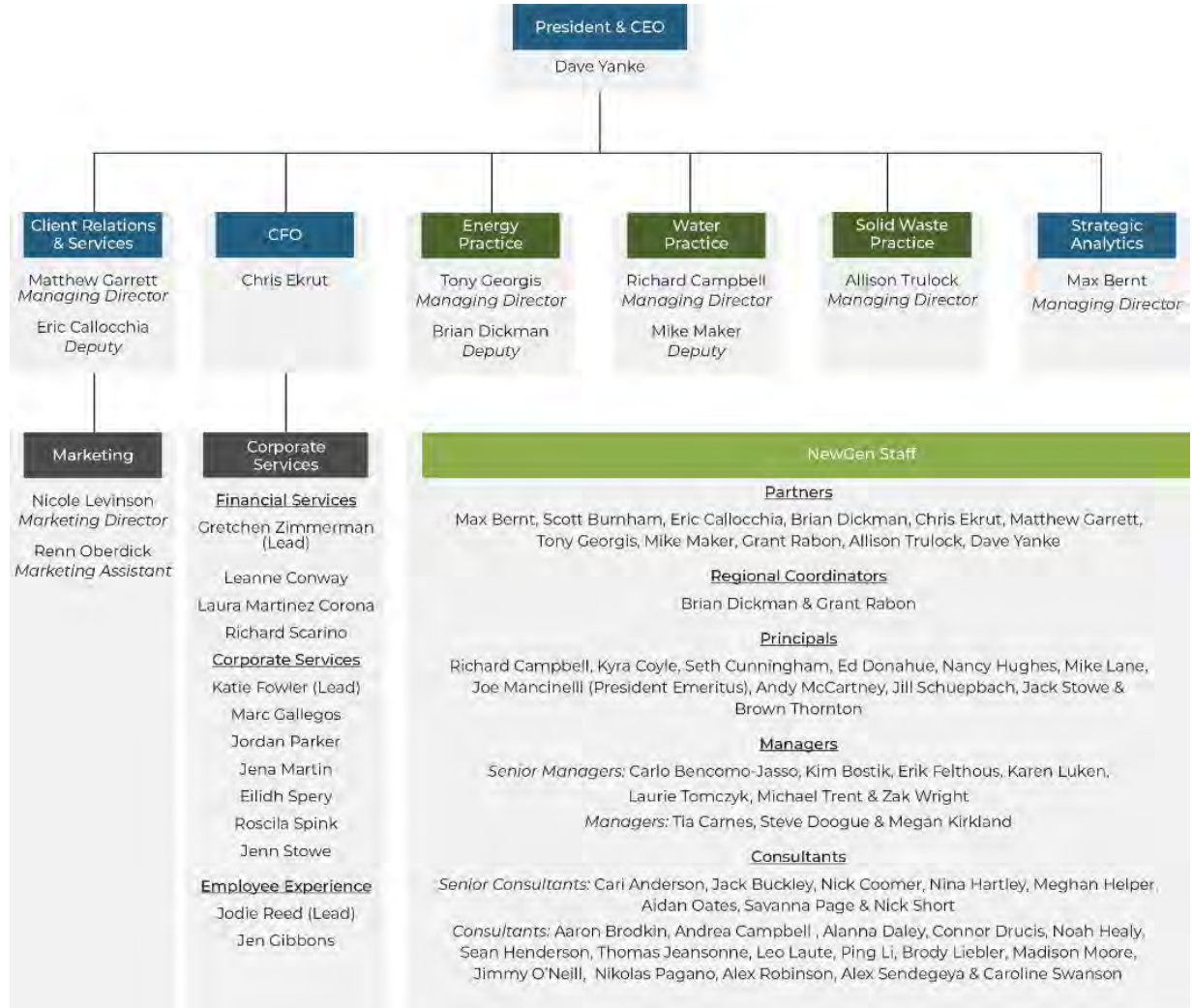
NewGen's Exhibit B is included below.

## EXHIBIT B – FIRM'S BUSINESS INFORMATION

Length of time your firm has been in business:	Over 12 years
Length of time at current location:	Over 3 years at 225 Union Blvd., Ste. 450, Lakewood, CO 80228
List types and business license number(s):	1. California Department of Industrial Relations: Registration No. PW-LR-1000817140  2. California Secretary of State Business License: Entity No. 201610410901
Names and titles of all officers of the firm:	Dave Yanke, President/CEO Chris Ekrut, Treasurer/CFO Tony Georgis, Secretary
Is your firm a sole proprietorship doing business under a different name? If yes, please indicate sole proprietorship name and the name you are doing business under:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please indicate your Federal Tax Number:	
Is your firm incorporated?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name and remittance address that will appear on invoices:	Gretchen Zimmerman 275 W. Campbell Rd., Ste. 440, Richardson, TX 75080
Physical Address:	225 Union Blvd., Ste. 450, Lakewood, CO 80228

## Organization and Staffing Chart

NewGen's company organizational and staffing chart is below.



## Project Team

NewGen evaluates the needs of each project and responds by assembling a Project Team of knowledgeable professionals who are uniquely qualified to provide the services needed. Our Project Teams include experts in cost of service (COS) and rate design, distributed energy resource (DER) technologies, application of emerging technologies at utilities, transmission rates and tariffs, and analytical support needed to accurately execute the work. NewGen seeks to be a trusted advisor to all our clients, and our team is committed to completing the identified services in a timely and professional manner. Team members have significant and recent experience in the development of CCA rate strategies, analyzing and integrating system and customer load profiles, financial planning, standby rates, and litigation. A summary of our proposed project Team bios are provided below.

**Scott Burnham, Partner | Project Role: Project Manager**



Scott Burnham, Partner at NewGen, offers over 25 years of experience in the areas of project management, cost of service and rate design, asset valuation, and financial feasibility analysis. Scott leads efforts to create financial models that develop revenue requirements, cost allocation, financing for strategic capital and operating objectives, and rate/rate structure alternatives, ensuring our clients have reliable and defensible results. Additionally, Scott routinely presents study findings and recommendations to utility management, boards, city councils, and other governing bodies. He has developed and reviewed pro forma financial models to determine projected revenue and costs associated with various projects and financing approaches for a variety of power generation facilities. Scott is well-versed in cost allocation theories and methodologies, rate design concepts, and approaches, and in providing summary analyses and recommendations to industry clients. Scott co-leads the semi-annual Cost of Service and Rate Design class through EUCL, an industry conference organization, which is routinely attended by all types of utility stakeholders.

**Carlo Bencomo-Jasso, Manager | Project Role: Assistant Project Manager**



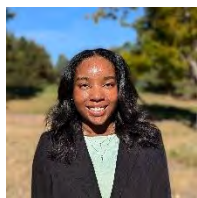
Carlo Bencomo-Jasso joined NewGen as a Manager in April 2022. Mr. Bencomo-Jasso has over ten years of experience in the energy industry, with prior experience working on regulatory and resource planning issues in California, including rate and feasibility analysis for CCAs.

**Brody Liebler, Consultant | Project Role: Project Analyst**



Brody Liebler joined NewGen as a full-time consultant in July 2024. He assists on cost of service and rate design projects, emphasizing data-driven analytics and applying his econometric analysis skills. Brody's experience includes financial modeling, rate calculation, cost allocation analysis, and Microsoft Excel.

**Alanna Daley, Consultant | Project Role: Project Analyst**



Alanna Daley joined NewGen as a Consultant in September 2024, applying financial modeling skills to a broad range of rate design projects for clients. Alanna has extensive experience analyzing utility billing data to project cash flow and financing scenarios as a part of utility rate studies.

**Brian Dickman, Partner | Project Role: CCA Liaison**



Brian Dickman is a Partner in NewGen's Energy Practice with over 20 years of experience in the utility industry and with a focus on regulatory analytics. He has extensive experience preparing and evaluating utility revenue requirement and cost allocation studies, developing utility avoided costs, and evaluating the impact of new initiatives (including green tariffs) and transactions on a utility and its customers. Brian's work has also included regulatory and financial modeling support for potential

mergers and acquisitions, variable production cost simulations, valuations of potential asset acquisitions and other commercial opportunities, and pricing for Qualifying Facilities under the Public Utility Regulatory Policies Act. In addition to his extensive technical experience, Brian understands the regulatory governance process and has personally testified as an expert witness before the public utility commissions of California, Idaho, Indiana, Oregon, Utah, Washington, and Wyoming. Brian has led utility regulatory teams in the development of cost recovery filings in multiple state jurisdictions and the Federal Energy Regulatory Commission.

## B. STATEMENT OF QUALIFICATIONS

### Qualifications and Experience (Firm and Personnel)

#### Firm's Expertise

NewGen is well qualified to provide Redwood Coast Energy Authority (RCEA) with the services identified in their Request for Proposal (RFP). We have significant national and local California experience, including our previous work with RCEA; we have completed numerous COS and rate studies, financial planning and analysis, expert witness testimony filings, appraisals and depreciation studies, and strategic planning projects for electric utility clients in California as shown in the following graphic. We also have specific experience with Community Choice Aggregators (CCAs), having completed financial planning and COS studies for seven CCAs.

Our team has a long history of working with municipal entities in California and across the country on a variety of critical regulatory, financial, and economic issues. As a company, we routinely provide insight and analysis for electric, water, wastewater, solid waste, natural gas, and other municipal utility areas. We also understand the nuances of California's wholesale power market as we routinely provide financial and utility consulting services for the growing number of CCA entities.



Our team members have substantial experience navigating the dynamic electric market in the state of California, primarily with CCAs and public power clients who maintain diligent benchmarking against the state's investor-owned utilities. Our experience includes:

- A wide range of publicly owned power utilities in California such as CCAs, cities just beginning to offer service (e.g., Moreno Valley), established public power utilities (e.g., Alameda Municipal Utilities), and communities considering municipalization (e.g., San Francisco).
- Multiple COS analyses and rate studies completed for public power utilities and CCAs in California, as well as strategic planning efforts, depreciation studies, and performance benchmarking studies.
- Evaluating assets for possible acquisition from California IOUs. Our franchise, municipalization, and acquisition work includes the City of San Francisco, the City of San Diego, and South San Joaquin Irrigation District.
- Unique insight into CCA efforts and cost-related issues or concerns as we support CCAs' intervention in IOU regulatory proceedings before the California Public Utilities Commission (CPUC). We have assisted CCAs with their review and protest of PCIA rate applications for PG&E, Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E). We have also evaluated each of the three IOU's general rate cases on behalf of CCA clients, focusing on the functionalization or unbundling of costs and underlying issues that will further benefit the CCAs' cost structure and strategic goals.

NewGen's engagement with California public power clients often involves understanding the evolution of the California energy market as it pertains to increasing Renewable Portfolio Standards, DER impacts, NEM successor tariffs, and end-use customers' desire for greater flexibility and control in choosing clean power resources for their energy consumption. We are also very aware of the issues surrounding Proposition 26 and have developed various strategies and solutions in coordination with internal and external counsel, including representatives from Colantuono, Highsmith & Whatley, P.C. We have supported our clients in navigating the convergence of multiple distributed energy resources including solar, fuel cells, energy storage, and electric vehicles as it pertains to their operations, financial condition, and planning efforts.

### **Project Experience with Electric Utilities**

NewGen has national expertise and local California experience, having completed numerous COS and rate studies, appraisals and depreciation studies, and strategic planning projects for electric utility clients. We have had over 100 Municipal/Public Utility clients in various utility areas.

- Our specific CCA financial planning and COS experience includes studies for the following entities:
  - Clean Power Alliance
  - San Jose Clean Energy
  - Central Coast Community Energy
  - Peninsula Clean Energy
  - Orange County Power Authority
  - Clean Power San Francisco

- San Diego Community Power
- NewGen was also engaged by San Diego Community Power to review the SDG&E forecast for the Energy Resource Recovery Account (ERRA), PCIA, and Portfolio Allocation Balancing Account (PABA).
- NewGen was retained by a confidential California CCA to assist with the development of initial analytics for AMI data.
- NewGen worked with CalCCA to build an analytical tool to dynamically project PCIA rates for multiple IOUs and to assist CCAs with their own financial planning and analysis, including potential impacts on customers' rates.

In addition to the aforementioned CCA-specific experience, NewGen has completed more than 50 projects in the past five years in California. Specifically, members of the NewGen team were involved in COS and/or rate-related studies for the following California entities:

- City of Alameda (2015–2020)
- City of Anaheim (2016–2017 and 2019, 2023)
- City of Burbank (2022–2023)
- City of Banning (ongoing)
- City of Glendale (2017– Present)
- City of Pasadena (2018–Present)
- City of Redding (2016–2017, 2020, 2023, and ongoing)
- City of Riverside (2016–2018 and 2022-2023)
- City of Santa Clara (2020–2021)
- City of Vernon (2015–Present)
- Confidential Client (2017–2019)
- Imperial Irrigation District (2020–Present)
- Merced Irrigation District (2015–Present)
- Turlock Irrigation District (2015, 2024)

### **Recent Experience**

The NewGen Project Team is well qualified to provide RCEA with the services identified in the RFP. As described above, we have worked with a large number of utilities and other entities in California. In addition, we have worked with other utilities and other entities around the country on issues for cost of service and rate issues, as well as load and load shape forecasting, distributed generation economic feasibility and electric bill savings, and AMI data analytics.

Following are five project descriptions related to client engagements that NewGen has completed which we believe are relevant to RCEA's Study.



### **Central Coast Community Energy – Cost-Based Retail Rate Study, Ongoing Rate Design Support, and AMI Data Analytics**

Central Coast Community Energy (3CE) retained a separate consulting firm in 2019 to undertake a Cost of Service Analysis (COS) and rate design study with the intention of developing cost-based rates for certain customers. The COS and rate design study were completed in May 2020, but the convergence of several factors resulted in 3CE postponing adoption of cost-based rates. 3CE retained NewGen in August 2020 to conduct a peer review of the prior COS and rate design study, which resulted in recommendations in four main areas: 1) class cost allocation, 2) rate design, 3) competitiveness, and 4) net energy metering. Based on the peer review findings, 3CE requested that NewGen perform a new COS and rate design study to incorporate the recommendations, update financial projections, and develop new cost-based rates in collaboration with 3CE's executive team.



In May 2020, NewGen was retained by 3CE to develop a cloud-based AMI data analytics platform. The platform combines over 20 billion data points from interval data, account data, billing data, geographic information, regional weather, and other datasets into a relational server. Users can access the server with near-instantaneous response through dashboarding tools (Power BI, Tableau, etc.), Microsoft Excel connections, and Python packages. The platform also incorporates machine learning for advanced load forecasting, anomaly detection, and customer segmentation.

NewGen has also provided ongoing rate making and rate analytics support for 3CE since 2022. This support has included the development of a rate calculator tool to calculate bill comparisons quickly and dynamically for existing or prospective 3CE customers to benchmark against PG&E's and SCE's current rates. The rate calculator tool includes the capacity to evaluate more than 100 meters, each with 15-minute interval data, to quantify the savings offered by 3CE as compared to the incumbent IOU. The tool was adopted and is currently used by 3CE staff to quantify the value of 3CE's offerings. NewGen also provided quality control and assurance for 3CE rate and financial staff's rate modifications or adjustments to 3CE rates in response to changes in the regulatory policy, IOU billing requirements, or IOU rates.

### **Clean Power Alliance – Community Choice Aggregator (CCA) Cost of Service Study**

NewGen worked with Clean Power Alliance (CPA) to complete its first full COS and Rate Design Study (Study) since forming as a CCA. CPA is one of the largest CCAs in the country with a revenue requirement approaching \$1 billion. The objective of this Study was to quantify the cost to provide generation service to CPA's various customer groups and to provide strategic insight into CPA's competitive position relative to the incumbent IOU. NewGen designed a COS model that applied traditional COS methods to functionalize and classify costs for allocation to each customer class, while also considering CPA's financial management targets. Detailed AMI and procurement cost data was analyzed to support defensible allocations of costs and to develop cost-based rate adders for CPA's renewable energy program offerings.



Because CCA customers are allowed to return to IOU bundled service at any time, CCAs must view their rates through a competitive lens while ensuring adequate cost recovery and financial security. After determining the cost to serve CPA's customers, NewGen first evaluated whether CPA's current rates were

adequate to recover projected costs by customer class. The project team then developed a rate comparison tool to analyze how CPA's cost-based rates compared to rates customers would pay to the incumbent IOU. NewGen's extensive experience representing CCAs in regulatory proceedings to review IOU generation rates and departing load exit fees enabled us to provide unique and timely insight into CPA's competitive position and to develop a strategy that allowed CPA to set rates at a competitive level, increase operating reserves, and plan for future contingencies. NewGen also trained the CPA staff on the COS and rate tools for their future use. CPA has successfully maintained the COS model and updated it after the completion of our project.

#### **Orange County Power Authority – Financial/Economic Consulting**

Orange County Power Authority (OCPA) is a joint powers authority located within Orange County, formed on November 20, 2020, for the purpose of implementing a community choice aggregation program for the municipalities of Buena Park, Fullerton, Huntington Beach, and Irvine as well as the County of Orange. In October 2021, OCPA engaged NewGen to provide support in development of OCPA's implementation plan, stakeholder engagement, rate setting strategy, financial planning and analysis, and customer load/information analysis. In support of these tasks, NewGen developed several models for OCPA's internal use including a 10-year budget and planning model, cost of service model, and rate design model.



Working with OCPA staff, NewGen engaged OCPA's board and member city councils to present and provide scenario analysis, rate impacts, and industry knowledge to help in the selection of each entity's default product choices. These engagements resulted in more than 90% of OCPA's projected power mix coming from renewable resources at launch.

NewGen continues to work with OCPA to provide ad-hoc financial planning and analysis support, support of launch requirements, and customer data analytics.

#### **Peninsula Clean Energy – Data Warehousing, Cost of Service, Rate Design, and Legislative Support**

Peninsula Clean Energy (PCE) is the community-led electricity provider for San Mateo County and, beginning in 2022, for the City of Los Banos. PCE's mission is to reduce greenhouse gas (GHG) emissions and reinvest in its community. To support this mission, PCE engaged NewGen to develop a data warehouse to support rapid, accurate, secure, and flexible analysis of large volumes of energy data and associated attributes. The warehouse currently provides users access to a wide range of pertinent datasets such as interval data, invoice data, customer information, weather patterns, California Independent System Operator (CAISO) market prices, and PCE power project performance and datasets to support electrification studies including housing stock, vehicle stock, and gas usage. The data warehouse architecture is based in Google Cloud Services and includes automated data pipelines to data sources, import and cleaning functions within the data warehouse, and linkage to a suite of analysis tools including but not limited to Excel, Tableau, BigQuery, Data Studio, specialized analysis systems, or custom-built analysis tools.



In 2022 and 2023, PCE contracted with NewGen for ongoing support of the data warehouse and to assist with various strategic studies in support of PCE's customer and energy programs. NewGen also supported

policy efforts to develop a new electrification incentive rate to support additional electrification efforts in the state. The innovative approach to rate designs evaluated options such as marginal pricing for additional or new electrification energy consumption above identified baselines.

In 2023, NewGen also began work on a COS and rate study. NewGen designed a COS model that applied traditional COS methods to functionalize and classify costs for allocation to each customer class, while also considering PCE's desired financial performance and targets/goals. PCE's territory is diverse from a weather and climate perspective; thus, NewGen evaluated the impacts of the coastal versus inland and warmer territories. PCE has utilized a strategy of remaining competitive with and tracking PG&E's rate changes. The COS results informed the competitive position of PCE and eventual rate recommendations for each class. The COS was used to inform margins on the total revenues and by class for the rate recommendations while fully understanding their product's competitive position with the IOU.

### **San Jose Clean Energy – Cost of Service and Rate Study**

NewGen worked with San Jose Clean Energy (SJCE) to complete its first full COS and Rate Design Study (Study) since forming as a CCA. The goal of the Study was to quantify the cost to provide generation service to SJCE's various customer groups and to provide strategic insight into SJCE's competitive position with PG&E, the incumbent IOU generation services provider, while understanding different scenarios that would further contribute to the CCA's financial stability. NewGen designed a COS model that applied traditional COS methods to functionalize and classify costs for allocation to each customer class while also considering SJCE's financial performance and goals. As SJCE had utilized a strategy of aligning with and tracking PG&E's rate changes, the CCA desired a more forward-looking, quantitative, and detailed analysis of their costs while fully understanding their product's competitive position with the IOU.



Because CCA customers have the power to choose providers, CCAs must view their rates through a competitive lens while ensuring adequate cost recovery and financial security. After determining the cost to serve SJCE's customers, NewGen then evaluated if current rates were adequate to recover projected costs overall and by each customer class. This benchmarking included scenario analyses to evaluate varying levels of overall margin contributions and additional contribution to cash reserves for the CCA. Based on the scenario analyses, SJCE chose a rate strategy to take advantage of elevated IOU pricing to offer a higher value product at a lower cost than the competition, while simultaneously ensuring financial stability and performance in the current and subsequent years.

The project team then developed a rate model to analyze cost-based rates compared to rates customers would pay to the incumbent IOU. NewGen integrated its extensive experience with CCA-related regulatory proceedings to provide unique and timely insight into the trends for the PCIA rates and SJCE's competitive position for each customer class. NewGen also trained the SJCE staff on the COS and rate tools for their future use.

### **Resumes**

Full resumes for each of the proposed team members follow this section.





## SCOTT H. BURNHAM

Partner

### CONTACT

225 Union Blvd., Ste 450  
Lakewood, Colorado 80228

[www.newgenstrategies.net](http://www.newgenstrategies.net)

### EDUCATION

Master of Business Administration in  
Finance, University of Colorado

Master of Public Affairs and Master of  
Science, Indiana University

Bachelor of Science, Texas A&M  
University

### KEY EXPERTISE

Economic Evaluation

Feasibility and Financial Analyses

Rates Negotiation

Retail Rate and Cost of Service

Unbundled Cost Analysis

Mr. Scott Burnham joined NewGen Strategies and Solutions, LLC (NewGen) in April 2016. He offers over 25 years of experience in cost of service (COS) and rate design analysis, financial feasibility, municipalization studies, and restructuring for electric utilities. Mr. Burnham leads the comprehensive and independent review of cost of service and retail rate design practices for various electric utilities, including analyzing the impacts of net metering, electric vehicle charging, and ways to enhance fixed cost recovery in the face of increasing levels of distributed generation on clients' systems. Additionally, he has taught numerous classes on cost of service and rate design methodology, including semi-annual courses for EUCI, an industry conference organization.

Mr. Burnham conducts acquisition, privatization, and competitive assessments, which include the development and evaluation of financial models that provide clients with an assessment of the impacts associated with several technical and financial feasibility alternatives. These analyses include impacts on projected net operating results from potential financings, investments, and other client actions. His efforts have involved assessing public versus private utility ownership, developing sales and revenue summaries, analyzing utility investment options, and reviewing power price trends.

### RELEVANT EXPERIENCE

#### Cost of Service and Rate Design

Mr. Burnham participates in and leads the review of cost of service and retail rate design practices for numerous electric utilities. The services provided include the development of historical and projected revenue requirements and defensible cost allocation methodologies to apply to clients' customer classes. He has utilized COS methodologies, unbundling approaches, cost classification techniques, cost allocation methods, and rate design alternatives. He has provided the technical and financial analysis associated with the utility's distribution, transmission, and generation functions.

Mr. Burnham has led projects requiring re-classification of large energy users within the system from contract rates to tariff rates. Mr. Burnham has determined fixed cost allocation by customer class from detailed feeder analysis, provided testimony supporting revenue requirements in a litigated hearing process, and developed testimony to support utility cost allocation methodologies.

Mr. Burnham has provided the methodology and analysis to determine the value associated with various distributed solar technologies. He has also explored rate options designed to improve fixed cost recovery in the face of increasing levels of distributed generation on clients' systems. This has included working with clients on reforming existing net energy metering rates. He has also reviewed existing COS analysis associated with electric vehicle charging, street lighting and traffic lighting retail rate classes. He has developed specific rates and rate programs for the industrial customer base, including developing interruptible rate offerings that benefit both the industrial customer and the client.

Mr. Burnham has been responsible for leading the analysis and development of the presentations and reports and presenting results and recommendations, including proposed rates, before city councils and governing boards.

## SCOTT H. BURNHAM

Partner

Additionally, he has facilitated citizen advisory groups and stakeholder processes to solicit input into rate design. Mr. Burnham's cost of service and rate design clients include:

- American Samoa Electric Utility, American Samoa
- Arizona Public Service Company, AZ
- Aurora, CO
- Austin Energy, TX
- Brenham, TX
- Brownfield, TX
- City of Longmont (CO) / Longmont Power and Communications (LPC)
- Colorado Springs Utilities, CO
- Dover Electric System, DE
- Farmington Electric Utility System, NM
- Fayetteville Public Works Commission (NC)
- Fort Collins Utilities, CO
- Georgetown Electric Utility, TX
- Lafayette Consolidated Government, LA
- New England States Committee on Electricity (NESCOE)
- Peninsula Clean Energy, CA (CCA)
- Pedernales Electric Cooperative, Inc.
- Platte River Power Authority, CO
- Port of Oakland, CA
- Redding Electric Utility, CA
- Riverside Public Utilities, CA
- San Francisco Public Utility Commission, CA
- Silicon Valley Power, CA
- South Carolina Public Service Authority (Santee Cooper), SC
- Turlock Irrigation District, CA
- Vermont Public Service Department, VT
- Virgin Islands Water and Power Authority, U.S. Virgin Islands

### Feasibility Studies and Financial Analyses

Mr. Burnham has developed financial models to inform clients' decisions regarding the associated impacts of multiple technical and financial feasibility scenarios. Mr. Burnham reviews clients' financial projections and structures. He also develops pro forma financial models to determine projected revenue and costs associated with various projects and financing approaches for power generation and distribution facilities. These financial models focus on developing operating results, debt service coverage ratios, and other applicable financial metrics within the terms of a proposed financing effort. His models and associated reports have been relied upon to assess investment decisions in capital markets. Mr. Burnham has developed projected operating results for consulting engineering reports and associated financing certifications. Further, he provided financial models that included the technical, financial, and economic input parameters to optimize the value of multiple generation sitting alternatives. He also developed a pro forma financial model for portfolio financing over 7,500 megawatts of generation capacity. Clients include:

- Arizona Public Service, AZ
- Black Hills Energy, CO
- Brownsville Public Utilities Board, TX
- Central Electric Cooperative, SC
- City of Ann Arbor, MI
- City of Chicago, IL
- City of Decorah, IA
- City of San Diego, CA
- City of Slayton, MN
- City of Valley Center, KS
- CORE Electric Company, CO
- Duke Energy, NC
- El Paso County, CO
- Ember Infrastructure LLC, NY
- Escalante H2 Power, TX
- Fortis Capital Corp., Santiago, Chile
- Lafayette Consolidated Government, LA
- Vistra Energy
- Wyoming Municipal Power Agency, WY





## CONTACT

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## EDUCATION

Master of Environment and Energy,  
Boston University – Boston,  
Massachusetts

Master of Environmental Science and  
Management, Bren School of  
Environmental Science & Management –  
University of California, Santa Barbara

Bachelor of Arts in History, Princeton  
University – Princeton, New Jersey

## KEY EXPERTISE

Economic and Regulatory Analysis

Financial Advisory

Financial Planning

Rate Design and Strategy

Ratemaking Activities

Regulatory

Resource Planning

# CARLO BENCOMO-JASSO

Manager

Mr. Carlo Bencomo-Jasso joined NewGen as a Manager in April 2022. Mr. Bencomo-Jasso has over ten years of experience in the energy industry, with prior experience working on regulatory and resource planning issues in California, including rate and feasibility analysis for Community Choice Aggregators.

## RELEVANT EXPERIENCE

### Electric Cost of Service, Rate Design, and Regulatory Analysis

Mr. Bencomo-Jasso assists with preparing cost of service and rate design studies and performing financial and regulatory analyses for electric utilities. A sample of the utility clients that Mr. Bencomo-Jasso has supported includes the following:

- Central Coast Community Energy, CA
- City of Burbank, CA
- Orange County Community Power, CA
- San Diego Community Power, CA
- Silicon Valley Clean Energy, CA
- Sonoma Clean Power, CA

## PRIOR RELEVANT EXPERIENCE

Below is a small sample of Mr. Bencomo-Jasso's work within the energy utility industry.

### Project Manager & Senior Associate in Energy Utility Industry

- Assess Integrated Resource Plans of community choice aggregators.
- Assess renewable resource buildouts in Integrated Resource Plans.
- Conduct analysis and research of the feasibility of community choice aggregators in new jurisdictions.
- Conduct forecasting of Southern California Edison, Pacific Gas & Electric, and San Diego Gas & Electric's electric utility rates.
- Conduct research and analyses for electric generation, transmission, and distribution services unbundling.
- Create official proposal responses to Requests for Proposals.
- Create proxy price estimates and evaluate bids for power procurements.
- Track and review regulatory proceedings.
- Provide expert witness testimony for clients on utility general rate cases.

# CARLO BENCOMO-JASSO

Manager

## Energy Utility Industry Analyst

- Conduct economic impact and cost-benefit analyses for energy projects, including renewable energy development projects.
- Create project data analytics reports, discovery requests, and case testimony.
- Perform collection, cleaning, and statistical analysis of energy commodity pricing and power data for various projects using Excel and R.
- Perform load forecasting and capacity market modeling.

## Solar Rooftop Program Analyst

- Aid in identifying and creating leasing agreements with commercial property owners for installing solar arrays 1 MW and larger in size.
- Create presentations and weekly status reports on site acquisitions and leasing agreements for senior management.
- Help create marketing materials and emails for program promotions and outreach.
- Maintained program databases and addressed program inquiries.

## PREVIOUSLY FILED TESTIMONY

- Rhode Island Public Utilities Commission Docket No. 4692 and 4805 – Conclusions and Summary of Opinions of Richard Hahn, Matthew Loiacono, and Carlo Bencomo-Jasso on Behalf of the Rhode Island Division of Public Utilities and Carriers. March 19, 2018.
- Rhode Island Public Utilities Commission Docket No. 4692 and 4805 – Testimony of Carlo Bencomo-Jasso on Behalf of the Rhode Island Division of Public Utilities and Carriers on National Grid's 2018 Annual Retail Rate Filing and 2018 Renewable Energy Standard Charge and Reconciliation Filing. March 28, 2018
- CPUC Application 19-11-019 – Direct Testimony of William A. Monsen and Carlo Bencomo-Jasso on Behalf of the California Farm Bureau Federation Concerning Revenue Allocation and Agricultural Rate Design. November 20, 2020.
- CPUC Application 22-05-025 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2023 ERRA Forecast Proceeding. August 22, 2022.
- CPUC Application 22-06-001 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in
- CPUC Application 22-05-023 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power in San Diego Gas and Electric Company's 2022 Green Access Programs Proceeding. January 20, 2023.
- CPUC Application 23-05-013 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2024 ERRA Forecast Proceeding. August 18, 2023.
- CPUC Application 23-06-002 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2022 ERRA Compliance Proceeding. December 22, 2023.
- CPUC Application 23-01-008 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2024 General Rate Case Phase 2 Proceeding, January 8, 2024.
- CPUC Application 23-05-010 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of the California Community Choice Association in Southern California Edison's 2025 General Rate Case Proceeding, February 29, 2024.





## BRODY LIEBLER

Consultant

Mr. Brody Liebler joined NewGen as a Consultant in July 2024. He assists on cost of service and rate design projects, emphasizing data-driven analytics and applying his econometric analysis skills. Mr. Liebler's experience includes financial modeling, rate calculation, cost allocation analysis, and Microsoft Excel.

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### EDUCATION

Bachelor of Science in Business  
Administration, Marquette University

International Business Immersion  
Program, Universidad Loyola

### KEY EXPERTISE

Economic Analysis

Rate Studies

Financial Modeling

## PRIOR RELEVANT EXPERIENCE

### Honey Smoked Fish Co.

#### Sales and Marketing Coordinator

- Provided strategic direction to all outsourced partners including social, email, design, experiential, and public relations agencies. Ensured consumer-facing content aligned with the company's brand standards and positioning.
- Managed syndicated data platforms, including Nielsen Byzzer, Costco CRX, and 8451 OnDemand/Stratum (Kroger).
- Responsible for presenting KPI's, velocity lifts, and returns on marketing investments to leadership team.
- Coordinated all company events and experiential activations. Notable projects include Natural Product ExpoWest and Costco Roadshows.
- Supported launch and development of the first refrigerated seafood snack pack to market, Honey Smoked Salmon Stackers®, now sold nationwide.

### The Martec Group

#### Market Analyst

- Executed 20+ commercial due diligence engagements for private equity clients across various industries including ESG utility management, renewable energy, building & construction, food & beverage, healthcare, chemical manufacturing, automotive, and professional associations.
- Conducted in-depth qualitative and quantitative research through 500+ in-depth interviews, focus groups, online discussion boards, and surveys, producing comprehensive data analyses and strategic recommendations tailored to client needs.
- Composed 20+ market research reports and PowerPoint presentations.

## BRODY LIEBLER

Consultant

### Huron Capital Partners

#### Private Equity Intern

- Examined CIMs for potential platform and add on acquisitions for Flagship and Flex Equity Funds.
- Engaged in calls with bankers regarding logistics of companies to better understand their investment thesis and value proposition.
- Conducted detailed diligence on prospective investments, including analysis of business model and assisted in financial modeling to value potential targets.



## ALANNA DALEY

Consultant

Ms. Alanna Daley joined NewGen as a Consultant in September 2024, applying financial modeling skills to a broad range of rate design projects for clients. Ms. Daley has extensive experience analyzing utility billing data to project cash flow and financing scenarios as a part of utility rate studies.

### CONTACT

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### EDUCATION

Bachelor of Business Administration in  
Management Information Systems,  
University of Texas at Austin

### KEY EXPERTISE

Cost of Service & Rate Design

Financial Modeling

Python

SQL

C++

## PRIOR RELEVANT EXPERIENCE

### Indeed

#### Central Strategy & Operations Intern

- Partnered with a team of 5 Strategy Analysts to update 15+ Total Addressable Market Sizing models; results released publicly in the Recruit Holdings FY22 Annual Report.
- Designed an estimation model to size Diversity, Equity, Inclusion, and Belonging opportunity providing a data basis to the company's 2030 ESG commitments.
- Performed comprehensive research of the U.S labor force demographics to support a senior stakeholder campaign.
- Conducted competitive and pricing analysis to power the international share of wallet estimation for over 1,000 clients.
- Developed intricate snowflake query statements to carry out extract, transform, and load operations for revenue analysis.

#### US Finance Strategy & Operations Intern

- Examined distinct revenue forecasting methodologies to assess the accuracy of a software generated forecasting model.
- Researched average quarterly spend of 490 large clients and compiled data to help facilitate stakeholder decision-making.
- Employed skills in MS Excel and SQL to analyze vast amounts of data and systematize the summary of findings then constructed dynamic graphs and charts in Google Sheets to explain findings.





## BRIAN DICKMAN

Partner

### CONTACT

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Lakewood, CO 80228

[www.newgenstrategies.net](http://www.newgenstrategies.net)

### EDUCATION

Master of Business Administration,  
Finance Emphasis, University of Utah

Bachelor of Science, Accounting, Utah  
State University

### KEY EXPERTISE

Cost of Service and Rates

Financial Analysis and Modeling

Power Charge Indifference Amount

Regulatory Strategy

Revenue Requirement

Mr. Brian Dickman is a partner in NewGen's energy practice with over 20 years of utility industry experience. Mr. Dickman's career includes over a decade working for PacifiCorp, a vertically integrated investor-owned utility, including senior-level positions in regulatory, financial, and commercial roles. He began consulting in 2017, assisting a wide array of clients across the United States and internationally, including utilities, large consumers, and private investment firms. Mr. Dickman has extensive experience preparing and evaluating utility revenue requirements and cost allocation studies, developing utility-avoided costs, and analyzing the impact of new initiatives and transactions on a utility and its customers. In addition to his extensive technical experience, Mr. Dickman understands the regulatory governance process, and he has personally testified as an expert witness before state public utility commissions in California, Idaho, Indiana, Oregon, Utah, Washington, and Wyoming.

Mr. Dickman advises numerous Community Choice Aggregator (CCA) clients in California, focusing on regulatory and rate issues such as the state-mandated exit fee known as the Power Charge Indifference Adjustment (PCIA). He also represents California CCAs as a member of the Cost Allocation Mechanism Procurement Review Groups for PG&E and Southern California Edison, which the California Public Utility Commission established to provide an independent review of the centralized procurement of local generation capacity requirements.

### RELEVANT EXPERIENCE

#### Electric Cost of Service, Rate Design, and Regulatory Analysis

Mr. Dickman leads projects developing utility revenue requirements, preparing cost of service and rate design studies, and performing financial and regulatory analyses for electric utilities. Mr. Dickman previously held leadership positions at a multi-billion-dollar utility. He interfaced with state regulatory agencies in support of revenue requirements, cost recovery mechanisms, avoided costs, valuations of potential asset acquisitions and other commercial opportunities, and financial impacts of utility initiatives. Mr. Dickman now works with clients and stakeholders to prepare pro forma financial models to determine revenue sufficiency, evaluate the cost of service studies and rate design proposals, and support such proposals before local and state governing bodies. Mr. Dickman's experience also includes evaluating the financial and rate impact of proposed mergers and acquisitions, acquisition and divestiture of utility assets, negotiated retail service contracts, changing business models, and stranded costs due to exiting load. A sample of Mr. Dickman's utility clients includes the following:

- Abu Dhabi Distribution Company, UAE
- Central Coast Community Energy, CA
- City and County of San Francisco, CA
- Clean Power Alliance, CA
- Duke Energy, NC
- East Bay Community Energy, CA
- Hydro One, Ontario, Canada
- Liberty Utilities, CA

## BRIAN DICKMAN

Partner

### Electric Cost of Service, Rate Design, and Regulatory Analysis (cont.)

- Lubbock Power and Light, TX
- Minnesota Power, MN
- New York Power Authority, NY
- Portland General Electric, OR
- San Diego Community Power, CA
- San Jose Clean Energy, CA
- Silicon Valley Clean Energy Authority, CA
- Vermont Gas Systems, VT

### Non-Utility Clients

A sample of Mr. Dickman's non-utility clients includes the following:

- Blackstone Group, NY
- California Community Choice Association, CA
- Facebook, CA
- Hemlock Semiconductor, MI
- Newmont Mining, NV
- SABIC Innovative Plastics, IN
- Tri-County Metropolitan Transportation District, OR
- Vistra Energy, TX

### Expert Witness and Litigation Support

Mr. Dickman provides comprehensive expert witness testimony related to utility revenue requirements, cost of service, rate design, and other ratemaking issues before state and local regulatory bodies. He has provided litigation support in wholesale and retail jurisdictions, including California, Idaho, Indiana, Oregon, Washington, Wyoming, Utah, the Federal Energy Regulatory Commission, and Ontario Energy Board. Mr. Dickman offers expert witness testimony and litigation support in the following areas.

#### Revenue Requirement | Cost Allocation | Rate Design

Mr. Dickman prepared revenue requirements, inter-jurisdictional cost allocation, coincident peak allocation studies, and supporting testimony for PacifiCorp over many years. He now provides litigation support and expert testimony for clients wishing to review utility filings on revenue requirements, cost allocation, and rate design, including program-specific rate tariffs.

#### Power Supply Costs | Stranded Costs | Rate Adjustment Mechanisms

Mr. Dickman has prepared and evaluated variable power supply cost forecasts, power supply cost balancing accounts and other rate mechanisms, stranded costs, and exit fees for departing loads. Since 2019, Mr. Dickman has actively participated in PCIA matters in California on behalf of CCA clients.

#### Avoided Costs | Resource Valuation

Mr. Dickman provided expert testimony for PacifiCorp on various components included in a proposed method for valuing solar generation resources, the calculation of Public Utility Regulatory Policies Act avoided costs for large resources and support of modifications to the avoided cost calculation for small resources.

## WORKSHOPS AND PRESENTATIONS

Host organizations and the topics Mr. Dickman presented are displayed below.

### Advanced Workshop in Regulation and Competition, Center for Research in Regulated Industries, 2018

*Customer Choice at a Vertically Integrated Utility*

Advanced Workshop in Regulation and Competition, Center for Research in Regulated Industries, 2018

### **Qualifications, Licenses, and Affirmative Statement**

All qualifications and licenses are described in the Project Team members' resumes. NewGen affirms that our firm and all assigned key professional staff are licensed to practice in California.

### **Availability**

NewGen is committed to remaining available and actively participating in meetings as outlined in the proposal requirements. We understand the significance of effective communication and collaboration in achieving successful project outcomes, and we are dedicated to ensuring that these aspects are upheld throughout our partnership.

Our Project Team recognizes that regular meetings are essential for establishing a solid working relationship, fostering transparency, and promoting progress. We are committed to being responsive, reliable, and accessible at all project stages. The following bullets outline our approach to maintaining availability:

- **Prompt and Reliable Communication:** During our kick-off meeting, we will establish clear communication channels to facilitate efficient communication exchange. Our team will promptly respond to emails, phone calls, or other preferred methods of communication and address urgent matters immediately.
- **Regular Meeting Schedule:** We will work closely to establish a meeting schedule accommodating the project's needs. Our proposal includes regular check-ins to review project progress, address challenges, and align our efforts with the project requirements.
- **Flexibility and Adaptability:** We understand unforeseen circumstances may arise, requiring meeting schedule adjustments. In those instances, we will work to accommodate any necessary changes. Our team's flexibility ensures that we can meet your needs and maintain progress without compromising the quality of our collaboration.

Prioritizing availability and regular meetings fosters a productive partnership based on open communication, shared insights, and timely decision-making. This collaborative approach will contribute to the achievement of project goals.

## References

NewGen encourages RCEA to contact any of the representative professional references below. These clients can speak to our ability to provide quality work similar to the services requested by the PLC. We are happy to provide additional references upon request.

Reference Details	Principal Representative Details
Central Coast Community Energy Project Name: Cost-Based Retail Rate Study, Ongoing Rate Design Support, and AMI Data Analytics Approximate Cost of Project: \$86,000 for 2022 Rate Study Address: 70 Garden Ct, Ste 300, Monterey, CA 93940 Completion Date: June 2023 <i>Project description is included under Recent Experience.</i>	Contact: Mary Federico, Billing Operations and Rates Analyst [REDACTED] [REDACTED]
Orange County Power Authority Project Name: Financial/Economic Consulting Address: P.O. Box 54283, Irvine, CA 92619-4283 Approximate Cost of Project: \$123,000 for 2021 Financial and Economic Consulting Services Completion Date: Ongoing <i>Project description is included under Recent Experience.</i>	Contact: Tiffany Law, Chief Financial Officer [REDACTED] [REDACTED]
San Jose Clean Energy Project Name: Cost of Service and Rate Study Address: 200 E. Santa Clara St., San José, CA 95113 Approximate Cost of Project: \$50,000 for General Consulting Completion Date: 2023 <i>Project description is included under Recent Experience.</i>	Contact: Zachary Struyk, Assistant Director [REDACTED] [REDACTED]



## C. COSTS AND FEES

NewGen proposes to conduct the enclosed Scope of Services on a time-and-materials basis for an estimated not-to-exceed budget of \$106,300, which includes all estimated labor and expenses (including reasonable travel-related expenses) but excludes the optional Rate Comparison Tool task. Table 1 below provides a summary of the estimated labor and expense-related costs by task to provide the scope of work described herein.

Table 1  
Costs and Fees

Task	Labor Estimate	Expense Estimate	Total
Task 1: Data Request/Kickoff Meeting	\$8,900	\$1,600	\$10,500
Task 2: Revenue Requirement	\$26,500	\$0	\$26,500
Task 3: COS Analysis	\$20,900	\$0	\$20,900
Task 4: Rate Strategy and Rate Design	\$24,600	\$0	\$24,600
Task 5: Report/Present Results	\$22,200	\$1,600	\$23,800
Total Without Optional Task	\$103,100	\$3,200	\$106,300
Rate Comparison Tool (Optional)	\$10,600	\$0	\$10,600
Total with Optional Task	\$113,700	\$3,200	\$116,900

**REDWOOD COAST ENERGY AUTHORITY**  
**RFP-25-401**  
**COST OF SERVICE AND RATE DESIGN SERVICES**

NewGen proposes to conduct this Study on a time-and-materials basis utilizing the hourly rates and estimated hours for staff, as indicated by task in Table 2 below. NewGen does not propose to work with any subcontractors.

Table 2  
Estimated Hours and Rates

Tasks	Burnham	Bencomo- Jasso	Daley	Liebler	Dickman	Admin	Expenses	Total <sup>(1)</sup>
Task 1: Data Request/Kickoff Meeting	12	10	4	4	2	4	\$1,600	\$10,500
Task 2: Revenue Requirement	16	16	48	48	2	0	\$-	\$26,500
Task 3: Cost of Service Analysis	16	16	32	32	2	0	\$-	\$20,000
Task 4: Rate Strategy and Rate Design	24	24	32	32	0	0	\$-	\$24,000
Task 5: Report/Present Results	24	24	16	16	2	18	\$1,600	\$23,800
Total Without Optional Task	92	92	132	132	8	22	\$3,200	\$106,300
Rate Comparison Tool (Optional)	4	4	24	24	0	0	\$-	\$10,600
Total With Optional Task	96	94	156	156	8	22	\$3,200	\$116,900

(1) Values may not add due to rounding.

## D. CONTRACT EXECUTION

There are none.



**THANK YOU!**



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# Cost of Service and Rate Design

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- A Request for Proposals was issued on April 11 for:
  - Cost of Service Analysis
  - Rate Design and Impact Analysis
  - Rate Implementation Plan (if RCEA moves forward with changes)
- Six proposals received June 6
- Due to planned time off and other delays, a committee of three Staff Directors completed proposal review on July 8

# Proposal Evaluation



- The proposal from NewGen Strategies & Solutions scored 98 out of 100; the second highest score was 82.

Evaluation Criteria	Weight of Score
<b>Knowledge</b> of electric utility rate-setting practices, the California energy market, the CCA business model, and California laws and regulations affecting utility rate-setting	30%
Company <b>Experience</b> providing similar services to other clients, particularly CCAs operating in California	30%
Key staff's <b>qualifications and availability</b>	10%
Plan for providing <b>training and support</b> to client staff	10%
Additions, Deletions and/or Exceptions taken to the Standard Agreement	5%
<b>Cost and fees</b>	15%



# NewGen Strategies & Solutions

- Completed Cost of Service and rate studies for several CA CCAs
- Provides financial and utility consulting for CCAs
- Experience supporting CCA's intervention in regulatory proceedings before the CPUC
- Understands CA energy market and is aware of issues surrounding Proposition 26
- Large team with seasoned leaders
- Lowest cost

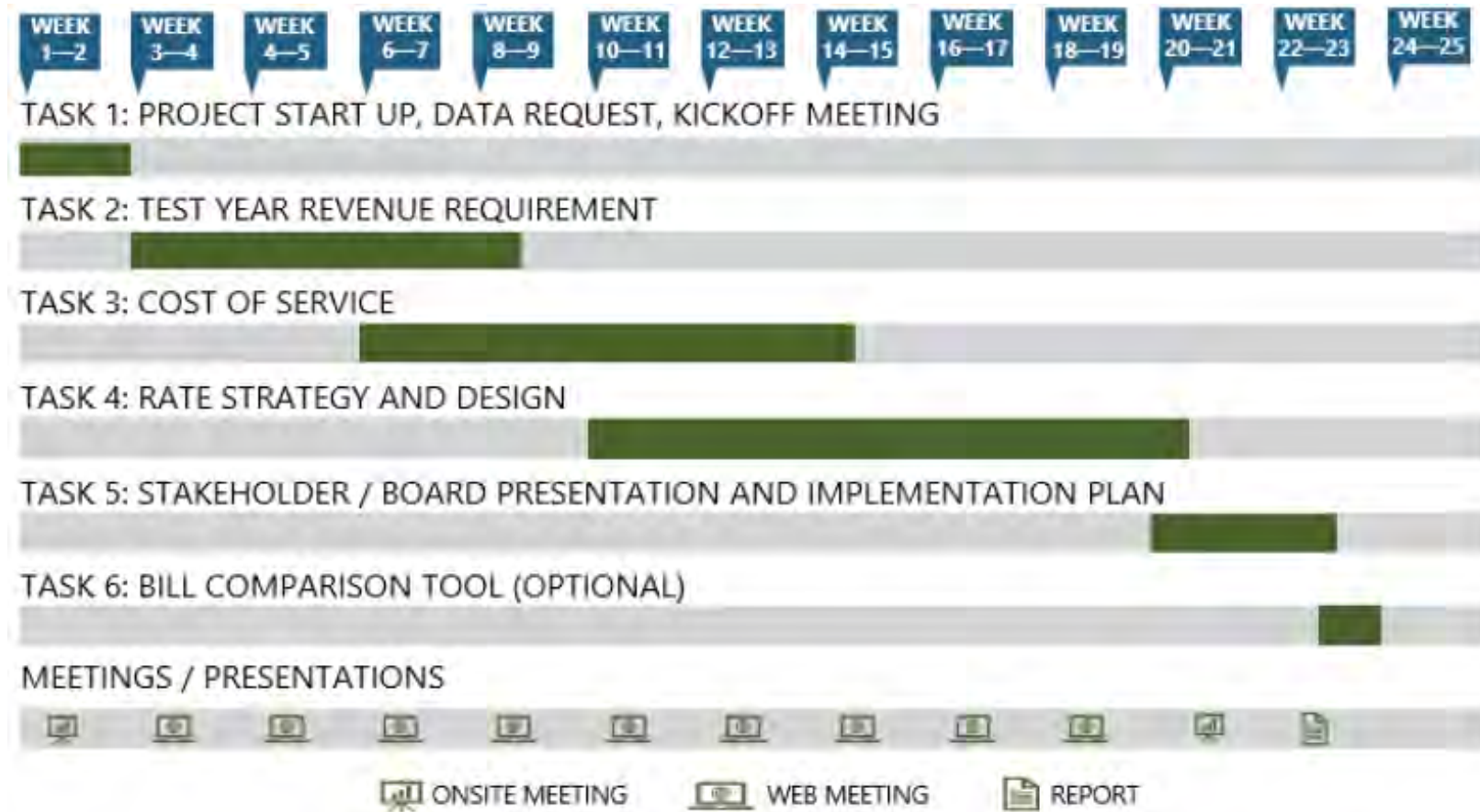


Image: NewGen's proposed timeline



# REDWOOD COAST **Energy**Authority

## **STAFF REPORT** **Agenda Item # 11.1**

AGENDA DATE:	July 24, 2025
TO:	Board of Directors
FROM:	Elizabeth Burks, Executive Director
SUBJECT:	Executive Director's Report

### **SUMMARY**

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Executive Director Elizabeth Burks will provide updates on topics as needed.

### **RECOMMENDED ACTION**

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None. (Information only.)

### **ATTACHMENT**

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None.

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