

**LAS VIRGENES - TRIUNFO
JOINT POWERS AUTHORITY
AGENDA**

899 Kanan Road, Oak Park, CA 91377

CLOSING TIME FOR AGENDA IS 8:30 A.M. ON THE TUESDAY PRECEDING THE MEETING. GOVERNMENT CODE SECTION 54954.2 PROHIBITS TAKING ACTION ON ITEMS NOT ON POSTED AGENDA UNLESS AN EMERGENCY, AS DEFINED IN GOVERNMENT CODE SECTION 54956.5 EXISTS OR UNLESS OTHER REQUIREMENTS OF GOVERNMENT CODE SECTION 54954.2(B) ARE MET.

5:00 PM

March 5, 2018

PLEDGE OF ALLEGIANCE

1 CALL TO ORDER AND ROLL CALL

2 APPROVAL OF AGENDA

3 PUBLIC COMMENTS

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

4 CONSENT CALENDAR

A Minutes: Regular Meeting of February 5, 2018 (Pg. 3)

Approve.

B Pure Water Project Las Virgenes-Triunfo: Advanced Water Treatment Plant Preliminary Siting Study (Pg. 8)

Receive and file the Pure Water Project Las Virgenes-Triunfo: Advanced Water Treatment Plant Preliminary Siting Study, Report No. 2760.00.

5 ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Pure Water Project Las Virgenes-Triunfo: Update

B Fiscal Years 2019-2020 Two-Year JPA Budget Plan Workshop Pg. 10)

6 ACTION ITEMS

A Pure Water Project Las Virgenes-Triunfo: Purchase of 30800 Agoura Road (APN 2061-001-025) (Pg. 11)

Authorize the Administering Agent/General Manager to execute the *Option Notice* and

Purchase and Sale Agreement and Escrow Instructions for 30800 Agoura Road, in the amount of \$2,100,000.

B Consulting Services for Expanded Solar Energy Generation Facility (Pg. 48)

Accept the proposal from Terra Verde Renewable Partners, LLC; authorize the Administering Agent/General Manager to execute a professional services agreement, in the amount of \$93,453; and appropriate \$150,000 for an expanded solar energy generation facility.

7 BOARD COMMENTS

8 ADMINISTERING AGENT/GENERAL MANAGER REPORT

9 FUTURE AGENDA ITEMS

10 INFORMATION ITEMS

A Pure Water Project Las Virgenes-Triunfo: Flow Chart for Technical Studies and Environmental Analysis (Pg. 83)

11 PUBLIC COMMENTS

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

12 CLOSED SESSION

A Conference with Legal Counsel – Pending Litigation (Government Code Section 54956.9(d)(1)):

Zusser Construction, Inc. v. Las Virgenes Municipal Water District

13 ADJOURNMENT

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Executive Assistant/Clerk of the Board in advance of the meeting to ensure availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

**LAS VIRGENES – TRIUNFO
JOINT POWERS AUTHORITY
MINUTES
REGULAR MEETING**

5:00 PM

February 5, 2018

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by James Wall.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **5:00 p.m.** by Chair Wall in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road in Calabasas, California. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Caspary, Orkney, Pan, Paule, Peterson, Polan, Renger, Tjulander, and Wall. Director Lewitt arrived at 5:26 p.m.

Absent: None.

2. CHAIR/VICE CHAIR**A Annual Transition of JPA Chair and Vice Chair**

The JPA Board transitioned its officers with Las Virgenes Municipal Water District Director Glen Peterson as Chair and Triunfo Sanitation District Director Paule as Vice Chair for calendar year 2018.

3. APPROVAL OF AGENDA

Administering Agent/General Manager David Pedersen requested that Item 10A be moved to immediately follow Item 6B.

Director Polan moved to approve the agenda as amended. Motion seconded by Director Paule. Motion carried by the following vote:

AYES: Caspary, Orkney, Pan, Paule, Peterson, Polan, Renger, Tjulander, Wall

NOES: None

ABSTAIN: None

ABSENT: Lewitt

4. **PUBLIC COMMENTS**

None.

5. **CONSENT CALENDAR**

A Minutes: Special Meeting of January 10, 2018

Director Caspary moved to approve the Consent Calendar. Motion seconded by Director Tjulander. Motion carried by the following vote:

AYES: Caspary, Orkney, Pan, Paule, Peterson, Polan, Renger, Tjulander, Wall

NOES: None

ABSTAIN: None

ABSENT: Lewitt

6. **ACTION ITEMS**

A Pure Water Project Las Virgenes-Triunfo: Award Design and Support Services for the Demonstration Project

Accept the proposal from Carollo Engineers, Inc., including three optional tasks, and authorize the Administering Agent/General Manager to execute a professional services agreement, in the amount of \$571,063, for project delivery services for the Pure Water Demonstration Project.

David Lippman, Director of Facilities and Operations, presented the report and a PowerPoint presentation with a review of the Pure Water Project Las Virgenes-Triunfo, including an update regarding funding and financing, public outreach, institutional items, and advocacy.

Administering Agent/General Manager David Pedersen noted that he spoke with the JPA's lobbyist, John Freshman, regarding scheduling a lobbying trip to Washington D.C. in late March or early April. He stated that the Board of Directors from Las Virgenes Municipal Water District and Triunfo Sanitation District would each need to consider designating two Board members to attend the lobbying trip.

Mr. Lippman continued the PowerPoint presentation, including an update on the demonstration project, technical studies, environmental review, and compliance schedule.

Adam Zacheis, representing Carollo Engineers, responded to a concern regarding the cost estimate for the Demonstration System Design Board Workshop by stating that the amount of personnel hours could be reduced to lessen the cost. Mr. Lippman added that the estimate would include work done in preparation for the workshop.

Director Wall moved to approve Item 6A. Motion seconded by Director Caspary. Motion carried by the following vote:

AYES: Caspary, Orkney, Pan, Paule, Peterson, Polan, Renger, Tjulander, Wall

NOES: None

ABSTAIN: None

ABSENT: Lewitt

B Pure Water Project Las Virgenes-Triunfo: Advanced Water Treatment Plant Draft Preliminary Siting Study

Consider the Advanced Water Treatment Plant Draft Preliminary Siting Study and provide any feedback to staff.

Director Lewitt arrived at 5:26 p.m.

Brian Dietrick, representing Woodard & Curran, provided a PowerPoint presentation and explained how the potential sites were narrowed down to six sites. He responded to questions posed by the Board related to construction costs for access roads and the design of an aesthetically pleasing building to house the equipment and tanks.

A discussion ensued regarding possible opposition from nearby residents and incorporating political doability in the site selection criteria, as well as taking liquefaction into consideration.

Administering Agent/General Manager David Pedersen stated that staff would bring back a recommendation for potential action on the purchase option for the Agoura Road property at the March 5th Board meeting.

10. INFORMATION ITEMS

A Pure Water Project Las Virgenes-Triunfo: Modeling of Las Virgenes Reservoir for Indirect Potable Reuse through Surface Water Augmentation

Dr. Shane Trussell, representing Trussell Technologies, provided a PowerPoint presentation. He responded to questions posed by the Board regarding concerns related to giardia, dilution in the reservoir, and how the six months' emergency water supply scenario is affected during the summer time. Administering Agent/General Manager David Pedersen stated that staff would bring back additional information regarding emergency water supply at a future meeting.

Dr. Trussell continued the PowerPoint presentation and reviewed the next steps for the reservoir modeling.

7. **BOARD COMMENTS**

None.

8. **ADMINISTERING AGENT/GENERAL MANAGER REPORT**

Administering Agent/General Manager David Pedersen noted that the JPA's lobbyist, John Freshman, would be available to meet with the Board members in Washington D.C. during the CASA/ACWA Washington D.C. Conferences.

9. **FUTURE AGENDA ITEMS**

None.

10. **INFORMATION ITEMS**

B Annual Supply and Delivery of Ferric Chloride: Award

11. **PUBLIC COMMENTS**

None.

12. **CLOSED SESSION**

A Conference with Legal Counsel – Potential Litigation (Government Code Section 54956.9): One Case

In the opinion of Legal Counsel, disclosure of the identity of the litigants would be prejudicial to the JPA.

The Board recessed to Closed Session at **6:42 p.m.**, and reconvened to Open Session at **6:58 p.m.**

Authority Counsel Keith Lemieux announced there was no reportable action taken during the Closed Session.

13. **ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:58 p.m.**

Glen Peterson, Chair

ATTEST:

Michael Paule, Vice Chair

March 5, 2018 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject : Pure Water Project Las Virgenes-Triunfo: Advanced Water Treatment Plant Preliminary Siting Study

SUMMARY:

On February 6, 2017, the JPA Board accepted a proposal from Woodard & Curran to perform an advanced water treatment plant preliminary siting study. The siting study employs a rigorous screening process and comparative analysis to develop a "short list" of sites, rather than to recommend a preferred site. The results of the siting study will be important elements for use in the Title XVI Feasibility Study and environmental review for the project. Staff recommends the Board receive and file the completed advanced water treatment plant preliminary siting study.

RECOMMENDATION(S):

Receive and file the Pure Water Project Las Virgenes-Triunfo: Advanced Water Treatment Plant Preliminary Siting Study, Report No. 2760.00.

FISCAL IMPACT:

No

ITEM BUDGETED:

Yes

DISCUSSION:

Starting with over 13,000 sites, screening criteria was applied in five steps, resulting in a preliminary list of 26 potential sites. The 26 sites were scored based on consideration of construction cost, operational cost, proximity to sensitive receptors, the need to drive through residential streets, utility access, environmental considerations and acquisition timing. This comparative analysis process resulted in a short list of six sites, two of which were previously included in the Basis of Design Report (Sites A and F). Following is a table showing the six short-listed sites along with their overall scores. A higher overall score indicates a more suitable site for the project with a maximum score of five.

Site	Description	Overall Score
F	30800 Agoura Road, the JPA has a purchase option	3.90
A	At Las Virgenes Reservoir across the lake from the filter plant, owned by LVMWD	3.80
D	Canwood Street west of Kanan, vacant property	3.60
T	Canwood Street west of Kanan, vacant property	3.50
K	Agoura Road east of Roadside Road, Brightview Landscape yard	3.40
Z	Rancho Las Virgenes spray fields, owned by JPA	3.30

On February 5, 2018, the study was presented to the Board for feedback. The report has now been completed and is ready to be received and filed.

Prepared by: David R. Lippman, P.E., Director of Facilities and Operations

March 5, 2018 JPA Board Meeting

TO: JPA Board of Directors

FROM: Finance & Administration

Subject : Fiscal Years 2019-2020 Two-Year JPA Budget Plan Workshop

SUMMARY:

Staff will present an overview of the key factors and assumptions that are anticipated to affect the Two-Year JPA Budget Plan for Fiscal Years 2018-19 and 2019-20.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

One of the first steps in the development of the Fiscal Years 2019-20 Budget Plan is review of the significant budget factors and assumptions. At the Board meeting, staff will review this information, which will also influence the wholesale recycled water rate that is calculated using Board-approved criteria.

Significant assumptions that will be discussed include projections for wholesale recycled water sales, energy costs and chemical costs. Staff will also discuss proposed capital improvement projects and seek direction on the inclusion of certain projects into the two-year budget plan.

The JPA Board will be presented with a draft budget at its May meeting.

Prepared by: Angela Saccareccia, Finance Manager

March 5, 2018 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

**Subject : Pure Water Project Las Virgenes-Triunfo: Purchase of 30800 Agoura Road
(APN 2061-001-025)**

SUMMARY:

On May 1, 2017, the JPA Board approved a *2017 Option to Purchase Property Agreement and Option Escrow Instructions* for 30800 Agoura Road with a negotiated purchase price of \$2,100,000 and a 270-day option term. The Board also authorized staff to proceed with due diligence, including an appraisal, site investigations, environmental review and discussions with the City of Agoura Hills. Based on the results of the appraisal, due diligence and siting study, staff recommends exercising the purchase option for 30800 Agoura Road.

RECOMMENDATION(S):

Authorize the Administering Agent/General Manager to execute the *Option Notice and Purchase and Sale Agreement and Escrow Instructions* for 30800 Agoura Road, in the amount of \$2,100,000.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

Sufficient funds are included in the adopted Fiscal Year 2017-18 JPA Budget for the purchase of 30800 Agoura Road. The cost of the purchase is \$2,100,000, not including the JPA's share of the transactional costs. The total cost will be allocated 70.6% to LVMWD and 29.4% to Triunfo Sanitation District, consistent with the terms of the JPA Agreement. If the option is executed prior to March 12, 2018, the initial option consideration payment of \$100 and the option payment of \$100,000 are applied toward the purchase price, resulting in a remaining cost of \$1,999,900. With respect to transactional costs, the JPA will be responsible for one-half of the escrow holder's fees, the cost of recording any instruments associated with the settlement, the premium for any title insurance endorsement to the title policy request by the

JPA at settlement and, if applicable, the cost of any ALTA survey.

DISCUSSION:

An appraisal of the property was completed by Riggs & Riggs, Inc. on May 15, 2017 (see attached executive summary), reflecting a value of \$2,290,00, which is 9% higher than the negotiated purchase price. The due diligence, site investigations and discussions with City of Agoura Hills staff did not reveal any fatal flaws for the potential future use of the property. Based on the results of the appraisal and due diligence, the Board adopted a Negative Declaration for the purchase and continued maintenance of the property in its current condition, adopted policy principles for the potential future use of the property (copy attached) and authorized a \$100,000 option payment on August 7, 2017. In addition, the property was among a “short-list” of six suitable sites for a future advanced water treatment plant in the recently completed siting study.

Prepared by: David R. Lippman, P.E., Director of Facilities and Operations

ATTACHMENTS:

Option Notice

Purchase and Sale Agreement and Escrow Instructions

Executive Summary of Appraisal

Policy Principles for Future Use of 30800 Agoura Road



Las Virgenes – Triunfo Joint Powers Authority
4232 Las Virgenes Road, Calabasas, CA 91302
818.251.2100



March 5, 2018

Via email to michael.slater@cbre.com and dhowell@firstam.com

Agoura Hills Center Properties, LLC
c/o Mr. Michael Slater, CBRE
Advisory and Transaction Services
2761 Park View Court
Oxnard, California 93036

Ms. Daisy Howell, CSEO, CEI
First American Title Insurance Company
National Commercial Services
18500 Von Karman Avenue, Suite 600
Irvine, CA 92612

Re: Las Virgenes – Triunfo Joint Powers Authority

OPTION NOTICE

Option Escrow No. NCS 851017-SA1

Ladies and Gentlemen:

Reference is hereby made to Section A.8., of that certain agreement entitled “Las Virgenes – Triunfo Joint Powers Authority 2017 Option to Purchase Property Agreement and Option Escrow Instructions (30800 Agoura Road),” dated as of May 1, 2017 (the “Agreement”), by and between the Seller and the Las Virgenes – Triunfo Joint Powers Authority (the “Authority”).

This document is the “Option Notice,” as this term is defined in the Agreement.

PLEASE TAKE NOTICE that the Authority hereby exercises the “Option” as this term is defined in the Agreement, without condition or qualification except for the satisfaction of the closing conditions set forth in the Authority Purchase and Sale Agreement and Escrow Instructions dated as of March 5, 2018 (the “PSA”) in the form attached hereto as executed by the Authority.

Glen Peterson

Chair, Las Virgenes-Triunfo
Joint Powers Authority
President, Las Virgenes Municipal Water District
Board of Directors

Michael Paule

Vice Chair, Las Virgenes-Triunfo
Joint Powers Authority
Chair, Triunfo Sanitation District
Board of Directors

The Authority shall deliver the "Deposit" as this term is defined in the PSA, to the Escrow Holder in accordance with the PSA promptly following the countersignature of the Seller and the Escrow Holder on the PSA and the return of a copy of the fully executed PSA to the Authority.

The date of this Option Notice is as set forth next to the signature of the authorized officer of the Authority whose name appears below.

AUTHORITY:

Las Virgenes-Triunfo Joint
Powers Authority, a California
joint powers authority:

Date: _____

By: _____
David W. Pedersen, P.E.,
Administering Agent/General
Manager of Authority

APPROVED AS TO FORM

Authority General Counsel

**LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY
PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
(30800 AGOURA ROAD)**

THIS AUTHORITY PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the “Agreement”) is dated as of _____, 201__, for purposes of reference and convenience, between Agoura Hills Center Properties LLC, a California limited liability company (the “Seller”) and the Las Virgenes – Triunfo Joint Powers Authority, a California joint powers authority (the “Authority”). This Agreement shall be effective on the date when this Agreement has been executed and delivered by the last party to sign, as evidenced by the dates next to the respective signatures of Seller and the Authority on the execution page(s) of this Agreement (the “Opening Date”).

IN CONSIDERATION OF THE COVENANTS AND PROVISIONS CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE SELLER AND THE AUTHORITY AGREE AS FOLLOWS:

1. Agreement to Sell and Purchase. The Seller affirms that as of the Opening Date of this Agreement the Authority is in compliance with its obligations in favor of the Seller which arise under that instrument entitled “2017 Las Virgenes – Triunfo Joint Powers Authority Option to Purchase and Option Escrow Instructions (30800 Agoura Road)” dated with an Effective Date of June __, 2017 by and between the Seller and the Authority (the “2017 Option Agreement”) and this Agreement is referred to the 2017 Option Agreement as the “Authority Purchase and Sale Agreement and Escrow Instructions. The Seller hereby agrees to sell to the Authority, and the Authority agrees to purchase from the Seller, subject to the terms and conditions of this Agreement, that certain property located in Agoura Hills, Los Angeles County, California, as more fully described in the legal description attached hereto as Exhibit “A”, together with any easements and appurtenances pertaining thereto and all the other improvements situated thereon (the “Real Property”) and all reports, documents, licenses and permits relating to the Real Property (collectively, the “Personal Property”) as described in Exhibit “B.” The Real Property and the Personal Property are collectively hereafter referred to as the “Property.”

Within Five (5) days following the Opening Date the Seller and the Authority shall cause Fidelity American Title Insurance Company who serves as the “Option Escrow Holder” under the 2017 Option Agreement to deliver to Fidelity American Title Insurance Company as the “Escrow Holder” under this Agreement, a written statement of all funds received by the Option Escrow Holder from the Authority which are to be credited to the Purchase Price under this Agreement. The Escrow Holder shall administer the Property sale transaction as contemplated by this Agreement.

2. Purchase Price.

(a) The purchase price payable by the Authority to the Seller for the Property is TWO MILLION ONE HUNDRED THOUSAND DOLLARS (\$2,100,000) (the “Purchase Price”), which shall be payable by the Authority as follows:

(i) TWENTY THOUSAND DOLLARS (\$20,000) (such sum, together with all interest earned thereon, the “Deposit”) by wire transfer or check payable to the Escrow Holder, which the Authority shall deliver to the Escrow Holder within three (3) days after the Opening Date. The Deposit will be held by the Escrow Holder in an interest bearing, federally insured account, in accordance with this Agreement pending the “Settlement” as this term is defined in Section 3. At the completion of Settlement, the Deposit will be paid to the Seller on account of the Purchase Price; and

(ii) The Initial Option Consideration Payment as previously released to the Seller by the Option Escrow Holder shall be credited to the Purchase Price by the Escrow Holder at the completion of the Settlement; and

(iii) The Option Payment as previously released to the Seller by the Option Escrow Holder shall be credited to the Purchase Price by the Escrow Holder at the completion of the Settlement; and

(iv) The balance of the Purchase Price, as adjusted by the application of the Deposit and the credits under (ii), (iii) and (iv) above, and all other applicable prorrations as provided for herein, will be deposited into the Escrow by the Authority within sixty (60) days following the Opening Date in cash by wire transfer of immediately available federal funds, and paid to Seller by the Escrow Holder to the Seller at the completion of the Settlement.

(v) Notwithstanding any other provision set forth in this Agreement, Five Hundred Dollars (\$500) of the Deposit shall be non-refundable to the Authority in all events at any time prior to the Settlement and such sum shall be distributed to the Seller by the Escrow Holder upon any termination of this Agreement as full payment and independent consideration for execution of this Agreement by the Seller (the “Independent Consideration”). The Independent Consideration shall be applicable to the Purchase Price at Settlement as part of the Deposit. The Independent Consideration is in addition to and independent of all other consideration provided in this Agreement, and is nonrefundable in all events.

(b) If there is a dispute between the Seller and the Authority regarding whether the Deposit and/or the sum paid to the Escrow Holder under Section 2(a)(v) will be returned to the Authority or delivered to the Seller, the Escrow Holder will have no obligation to either the Seller or the Authority except to interplead such proceeds into an appropriate court of competent jurisdiction. The Escrow Holder may act upon any instrument or other writing believed by Escrow Holder in good faith to be genuine and to be signed and presented by the proper person. The Escrow Holder will not be liable in connection with the performance by the Escrow Holder of its duties hereunder, except for the Escrow Holder’s own fraudulent misconduct or gross negligence. Except as to claims for gross negligence or willful misconduct, the Escrow Holder will be under no obligation to institute or defend any action, suit or legal proceeding in connection herewith or to take any other action likely to involve Escrow Holder in expense (except to interplead the Deposit and/or the sum paid to the Escrow Holder under Section (2(a)(v)).

3. Settlement. Settlement or closing of the Escrow will be through the escrow transaction no later than sixty (60) days following the Opening Date, or on such earlier date as the Seller and the Authority may mutually agree, by means of deposits and instructions with the Title Company (defined in subsection 4(b) below) consistent with the terms, conditions and requirements of this Agreement (“Settlement” or “Closing”). The Escrow Holder will prepare a settlement statement reflecting the prorations and adjustments required under this Agreement (the “Settlement Statement”). The Settlement Statement, as prepared by the Escrow Holder, will be executed and delivered by the Authority and the Seller to the Escrow Holder at Settlement.

4. Condition of Title.

(a) The Parties hereby agree to use the Fidelity American Title Insurance Company as the “Title Company.” Title to the Real Property will be good and marketable, excepting only the exceptions set forth in the “Authority Title Insurance Commitment” (as that term is defined in the 2017 Option Agreement), including an exception for non-delinquent real estate taxes and assessments but excluding any exception for delinquent real estate taxes or assessments, and including any other title exception created by the Authority or approved in writing by the Authority in its sole and absolute discretion prior to the Opening Date (collectively, the “Permitted Exceptions”). Between the Opening Date and the earlier of (i) Settlement or (ii) termination of this Agreement, the Seller shall take no voluntary action to convey any interest in the Real Property to anyone other than the Authority. At the time of Settlement, the Seller shall cause the Real Property to be released from any lien or other encumbrance other than the Permitted Exceptions and the Title Company to issue the Title Policy to the Authority in accordance with the Authority Title Insurance Commitment.

(b) At the Settlement, the Seller shall cause the Title Company to issue to the Authority an ALTA Form 2006 Owner’s Policy of Title Insurance in the same liability amount as the Purchase Price, insuring that title to the Real Property is owned by the Authority, subject only to the Permitted Exceptions, with the title endorsements included in the Authority Title Insurance Commitment (“Title Policy”).

5. Representations and Warranties.

(a) The Seller represents warrants and covenants to the Authority as follows:

(i) The Seller has duly authorized this Agreement and the Seller has executed and delivered this Agreement to the Authority following the exercise by the Authority of the Option to purchase the Property under the 2017 Option Agreement, and the Seller hereby agrees that it shall duly execute and deliver to the Authority the deed and other documents and instruments described herein, and the deed and each of the other documents and instruments shall be enforceable against the Seller in accordance with its terms;

(ii) To Seller’s actual knowledge, there is no management, employment, consulting services, supply or service or maintenance agreement which affects the Property and to which the Seller is a party which will burden the Property or the Authority after the Settlement;

(iii) Except for the 2017 Option Agreement, there is no existing sale, lease, license or other arrangement for the disposition of the Property by the Seller, whether oral

or written, to which the Seller is a party;

(iv) To the knowledge of the Seller, the Seller has not received written notice of any pending proceeding in the nature of eminent domain concerning the Real Property, nor has the Seller received written notice from any governmental authority of any violation of any law applicable to the Real Property, except as expressly disclosed to the Authority pursuant to this Agreement;

(v) The Seller has not received any notice of any litigation or governmental proceeding pending or threatened against the Property, except as expressly disclosed to the Authority in this Agreement;

(vi) This Agreement does not, and all documents to be executed by the Seller, and delivered to the Authority at Settlement will not, as of the Opening Date or at the Time of Settlement, violate any judicial order, writ, injunction or decree to which the Seller is a party or by which the Seller or the Property is subject or bound;

(vii) The Seller is a duly existing California limited liability company and has the power and authority to enter into this Agreement and to consummate the transactions herein contemplated. Neither the execution and delivery of this Agreement, nor compliance with the terms and conditions of this Agreement by the Seller, nor the consummation of the sale, constitutes or will constitute a violation or breach of the organizational and operating documents of the Seller;

(viii) There is no proceeding pending or, to the Seller's knowledge, threatened by or against the Seller in bankruptcy, insolvency or reorganization in any state or federal court and the Seller has not made a general assignment for the benefit of creditors or filed a voluntary petition in bankruptcy or suffered the appointment of a receiver or the attachment or other judicial seizure of any of its assets that could affect the Property; and

(ix) The representations and warranties of the Seller in favor of the Authority as set forth in the 2017 Option Agreement remain true, correct and complete and are hereby reaffirmed.

Each of the representations and warranties of Seller set forth above will be deemed remade by the Seller as of the time of the Settlement and will survive the Settlement.

For the purpose of this Agreement, the phrase "to Seller's knowledge" and any phrase or words of similar import will be deemed to mean the actual knowledge of the _____ without having made inquiry or investigation beyond such individual's actual knowledge on the date that the Seller executes this Agreement. Such individual is named solely for the purpose of defining and narrowing the scope of Seller's knowledge and not for the purpose of imposing any liabilities on or creating any duties running from such individual to the Authority, and in no event shall such individual be personally liable for any representation made herein.

(b) The Authority represents, warrants and covenants to the Seller as follows:

(i) The Authority has duly authorized, executed and delivered to the

Seller this Agreement, and will duly execute and deliver to the Seller the documents and instruments described herein, and each of this Agreement and such other documents and instruments is enforceable against the Authority in accordance with its terms;

(ii) Neither the execution and delivery of this Agreement, nor compliance with the terms and conditions of this Agreement by the Authority, nor the consummation of the purchase, constitutes or will constitute a violation or breach of the organizational and operating documents of the Authority, or of any agreement or judicial order to which the Authority is a party or to which the Authority is subject;

(iii) There are no proceedings pending or, to the Authority's knowledge, threatened, by or against the Authority in bankruptcy, insolvency or reorganization in any state or federal court;

(iv) The Authority is a duly formed California joint powers authority and is validly existing and in good standing under the laws of the State of California; and

(v) The representations and warranties of the Authority in favor of the Seller as set forth in the 2017 Option Agreement remain true, correct and complete and are hereby reaffirmed.

Each of the representations and warranties of the Authority set forth above will be deemed remade by the Authority as of Settlement and will survive Settlement.

6. Conditions and Covenants of the Seller and the Authority.

(a) The obligation of the Authority under this Agreement to purchase the Property from the Seller is subject to the satisfaction of each of the following conditions and covenants (any one of which may be waived in whole or in part by the Authority at or prior to Settlement, and if Settlement occurs, the Authority will be deemed to have waived any conditions that remained unsatisfied as of Settlement):

(1) all of the representations and warranties by the Seller set forth in this Agreement will be true and correct at and as of Settlement in all material respects as though such representations and warranties were made at and as of Settlement, except for changes therein consented to by the Authority or deemed consented to by the Authority under the terms of this Agreement. Seller will have performed, observed and complied with all material covenants, agreements and conditions required by this Agreement to be performed on its part prior to or as of Settlement;

(2) the Authority causes the Title Company to issue (or be irrevocably and unconditionally committed to issue) the Title Policy to the Authority;

(3) to the extent required by the Title Agent, sufficient evidence to show the authority of the officer(s) / members executing documents on behalf of the Seller to bind the Seller to this Agreement, any other documentation reasonably requested by the Title Agent and the Authority to validate that the Seller is authorized to sell the Property to the Authority, and any other document or instrument reasonably requested by the Title Agent; and

(4) at Settlement, the Seller shall record or deliver to the Authority duly executed originals of the following:

(ii) record a grant deed to the Real Property in the form attached hereto as Exhibit “C” duly executed and acknowledged by Seller and in proper form for recording (the “Deed”);

(iii) deliver a valid bill of sale for the Personal Property, if any, without warranties except as set forth herein;

(iv) deliver a Non-Foreign Person Certification in the form attached hereto as Exhibit “D”, as required under Section 1445 of the Internal Revenue Code and a California Form 593-C;

(v) deliver an owner’s affidavit as to any mechanics’ liens created by the Seller and possession of the Property in customary form reasonably acceptable to the Seller and the Title Company;

(vi) deliver the executed Settlement Statement;

(vii) deliver an executed acknowledgement of the termination of the 2017 Option Agreement subject to the occurrence of the Settlement;

(viii) deliver a statement that all of the representations and warranties of the Seller are true and correct in all material aspects as of the Settlement Date; and

(ix) deliver such other documents that may be reasonably necessary to effectuate the purposes of this Agreement, including an affidavit of title sufficient to guarantee the issuance of the Title Policy in favor of the Authority.

(b) Unless all the foregoing conditions contained in this Section 6 are satisfied within the time period specified, the Authority may terminate this Agreement, in which event upon the request of the Authority the Deposit will be returned to the Authority (less the Independent Consideration), without offset, and there will be no further obligation or liability on either of the parties hereto, except as specifically provided herein (except that the Seller or the Authority, as the case may be, may pursue all of its rights and remedies if the failure of any such condition is due to a default by the other party hereto), or the Seller or the Authority may complete Settlement, in which event this Agreement will be read as if such conditions no longer existed.

7. Possession. Possession of the Property will be given to the Authority by delivery of the Deed at Settlement, free of any lease occupancy possession or by a third party and free of other claims except those contained in the Authority Title Insurance Commitment and the Permitted Exceptions.

8. Apportionments; Credits; Taxes.

(a) All utilities, operating expenses and other apportionable income and expenses paid or payable by the Seller under the 2017 Option Agreement shall be paid on a per

diem basis as of 11:59 P.M. on the day before the Settlement Date. Taxes will be apportioned based on the fiscal year of the taxing authority. Any property taxes and assessments arising out of the sale of the Real Property to the Authority (or its assignee) or a subsequent sale or change in ownership thereafter, following this Settlement, shall be paid by the Authority when assessed, and the Authority shall indemnify the Seller from and against any all such taxes.

(b) The Seller shall pay (i) one-half (1/2) of the Escrow Holder's fees in connection with Settlement; (ii) the premium for the Title Policy; and (iii) all documentary transfer taxes and other taxes associated with the Settlement.

(c) The Authority shall pay: (i) one-half (1/2) of the Escrow Holder's fees in connection with the Settlement; (ii) the cost of recording any instruments associated with the Settlement; (iii) the premium for any title insurance endorsement to the Title Policy which the Authority may request at Settlement; and (iv) if applicable, the cost of any ALTA survey.

(d) The Seller and the Authority shall each pay their respective attorneys' fees and costs incurred in this transaction.

(e) The Seller shall pay all amounts due CBRE arising from the Settlement under this Agreement and the 2017 Option Agreement.

9. Condemnation. If prior to Settlement any condemnation or eminent domain proceeding, or proceedings in lieu of condemnation ("Condemnation Proceeding") is commenced concerning the Real Property prior to the Settlement for which the Seller receives written notice, the Seller agrees to promptly notify the Authority thereof. The Authority then will have the right, at the Authority's option, to terminate this Agreement by giving written notice to the Seller within five (5) days after receipt of such notice if such Condemnation Proceeding is likely to materially and adversely impact the use and operation of the Property as used under the 2017 Option Agreement; if this Agreement is so terminated, the Deposit (less the Independent Consideration) will be returned to the Authority and there will be no further obligation or liability on either of the parties hereto, except as specifically provided herein. If the Authority does not so terminate this Agreement within such five (5) day period, the Authority shall proceed to Settlement hereunder as if no such proceeding had commenced and shall pay the Seller the Purchase Price in accordance with this Agreement and at the time of Settlement the Seller shall assign to the Authority all of its right, title and interest in and to any compensation for such condemnation, and Seller shall not negotiate or settle any claims for compensation prior to Settlement without the Authority's participation.

10. Default by Authority. If the Authority, without the right to do so and in default of its obligations hereunder, fails to complete Settlement, the Seller may elect to (a) terminate this Agreement by written notice to the Authority and Escrow Agent, in which event Escrow Agent shall return the Deposit to the Authority less the Independent Consideration, and pursue the Seller's other rights and remedies against the Authority, or (b) exercise the remedy of specific performance to cause the Authority to purchase the Property from the Seller.

11. Default by the Seller. If the Seller, without the right to do so and in default of its obligations hereunder, fails to complete Settlement, the Authority may elect to (a) terminate this

Agreement by written notice to the Seller and Escrow Agent, in which event Escrow Agent shall return the Deposit to the Authority less the Independent Consideration, and pursue the Authority's other rights and remedies against the Seller, or (b) exercise the remedy of specific performance to cause the Seller to convey title to the Property to the Authority.

12. Brokerage. The Authority represents and warrants to the Seller and the Seller represents and warrants to the Authority, that except for the real estate broker services provided by CBRE to the Seller, that neither the Seller or the Authority has dealt with any other broker, agent, finder or other intermediary in connection with the transaction contemplated under the Agreement and the 2017 Option Agreement. The Seller agrees to indemnify, defend and hold the Authority harmless from and against any broker's claim arising from any facts alleged which, if true, would constitute a breach by the Seller of the Seller's representation and warranty in this Section 12. The Authority agrees to indemnify, defend and hold the Seller harmless from and against any broker's claim arising from any facts alleged which, if true, would constitute a breach by the Authority of the Authority's representation and warranty in this Section 12. The foregoing indemnification obligations of the Seller and the Authority will survive Settlement.

13. Operation of the Property Prior to Settlement. Prior to Settlement:

(1) the Property will be operated, managed and continuously maintained by the Seller, as provided in the 2017 Option Agreement.

(2) the Seller shall perform all of its obligations in favor of the Authority under the 2017 Option Agreement.

(3) The Seller shall not willfully undertake or permit any activity that would render any of Seller's representations or warranties untrue or misleading in any material respect.

14. Notice. All notices, requests and other communications under this Agreement will be in writing and will be delivered (i) in person, (ii) By United States First Class Mail or by registered or certified mail, return receipt requested, (iii) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express), or (iv) by electronic mail, provided that a copy of such "email" is also sent concurrently by one of the methods described in (i), (ii) or (iii) above, addressed as follows or at such other address of which Seller or the Authority will have given notice as herein provided:

To the Seller:

Agoura Hills Center Properties, LLCc/o
Michael Slater, CBRE
Advisory and Transaction Services
2761 Park View Court
Oxnard, CA 93036
Phone: (805) 288-4710
Email: michael.slater@cbre.com

To the Authority:

Las Virgenes-Triunfo Joint Powers Authority
4232 Las Virgenes Road

Calabasas, CA 91302
Phone: (818) 251-2122
Email: dpedersen@lvmwd.com

All such notices, requests and other communications will be deemed to have been sufficiently given for all purposes hereof only upon date of delivery to the party to whom such notice is sent or refusal to accept delivery and may be given on behalf of either party by their respective attorneys.

15. Non-Disclosure. Neither party shall make public disclosure with respect to this transaction before the Settlement except as may be required by law;

16. “As Is” Sale and Release.

(a) The Authority has previously accepted the condition of the Property as provided under the 2017 Option Agreement. The Authority hereby represents and warrants to the Seller that, except as otherwise expressly set forth in this Agreement, and the 2017 Option, the Authority has not entered into this Agreement based upon any representation, warranty, statement or expression of opinion by the Seller or any person or entity acting or allegedly acting for or on behalf of the Seller with respect to the Seller, the Property or the “Condition of the Property” (defined in this subsection 16(a) below). The Authority acknowledges and agrees that, except for the covenants, representations and warranties of the Seller expressly contained in this Agreement, the Property shall be sold and conveyed (and accepted by the Authority at Settlement) AS IS, WHERE IS, WITH ALL DEFECTS AND WITHOUT ANY WRITTEN OR ORAL REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW. Except as expressly otherwise provided in this Agreement and the 2017 Option Agreement, the Seller makes no representation, warranty or covenant, express, implied or statutory, of any kind whatsoever with respect to the Property, including, without limitation, representation, warranty or covenant as to title, survey conditions, use of the Property for the Authority’s intended use, the condition of the Property, past or present use, development, investment potential, tax ramifications or consequences, compliance with law, present or future zoning, the presence or absence of hazardous substances, the availability of utilities, access to public road, habitability, merchantability, fitness or suitability for any purpose, or any other matter with respect to the Property (collectively, the “Condition of the Property”), all of which are, except as otherwise expressly provided in this Agreement and the 2017 Option Agreement, hereby expressly disclaimed by the Seller. Except as otherwise expressly provided in this Agreement and the 2017 Option Agreement, the Authority acknowledges that the Seller has made no representation, warranty or covenant as to the Condition of the Property or compliance of the Property with any federal, state, municipal or local statutes, laws, rules, regulations or ordinances including, without limitation, those pertaining to construction, building and health codes, land use, zoning, hazardous substances or toxic wastes or substances, pollutants, contaminants, or other environmental matters.

(b) The Authority further represents and warrants that the Authority has knowledge and expertise in financial and business matters that enable the Authority to evaluate the merits and risks of the transaction contemplated by this Agreement and that the Authority is not in any disparate bargaining position. The Authority acknowledges and agrees that it has

expressly waived its right to conduct a due diligence inspection and investigation of the Property and has agreed to purchase the Property in its “AS-IS “WHERE-IS” condition subject to the terms and conditions of this Agreement and the 2017 Option Agreement.

(c) Without limiting the above but subject to the terms and conditions of this Agreement and the 2017 Option Agreement, the Authority on behalf of itself and its successors and assigns waives any rights to recover from, and forever releases and discharges, the Seller, and its members, agents and attorneys, and their respective successors, personal representatives and assigns (collectively, the “Seller Related Parties”), from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys’ fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. section 6901, et seq.), the Clean Water Act (33 U.S.C. section 1251, et seq.), the Safe Drinking Water Act (42 U.S.C. section 300f, et seq.), and the Toxic Substance Control Act (15 U.S.C. section 2601, et seq.), and any similar environmental state or local statutes, regulations, rules or requirements.

(d) The provisions of this Section 16 will survive Settlement and the delivery of the Deed or any expiration or termination of this Agreement without limitation as to time.

(e) In connection with the releases and waivers in this Section 16, the Authority agrees that it is familiar with, and hereby waives its rights, if any, under California Civil Code Section 1542 and all similar laws, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

The Authority acknowledges that the Authority is represented by counsel and that the Authority understands the significance of executing this Agreement and the general release of claims set forth above by initialing below:

Authority: _____

17. Miscellaneous.

(a) Except as otherwise specifically provided in this Agreement, all representations and warranties contained in this Agreement shall terminate at Settlement.

(b) All times specified in this Agreement will be of the essence of this Agreement. If any date herein set forth for the performance of any obligations by the Seller or the Authority or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery will be

deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term “legal holiday” means any state or federal holiday on which financial institutions or the United States Postal Service are closed to the public for regular business.

(c) For purposes of computing any period of time specified in or relevant to performance hereunder, the day or date from which such time period is measured will be excluded and all other days, including holidays, will be counted.

(d) The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

(e) The Authority will have no right to assign this Agreement except to the Las Virgenes Municipal Water District or to another public entity designated by the Authority without the prior written consent of the Seller and such consent of the Seller shall not be unreasonably withheld, conditioned or delayed provided that no material default of the Authority then exists under the 2017 Option Agreement or this Agreement. The Authority shall provide the Seller with documentation pertaining to any proposed assignment hereunder at least fifteen (15) days before the date of such assignment. The Authority will not be released from any liability hereunder as a result of any assignment.

(f) This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and, to the extent herein permitted, assigns.

(g) This Agreement, including the exhibits attached hereto, and the documents and instruments described herein or executed and delivered in connection herewith, contain the whole agreement as to the Property between the Seller and the Authority and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise of any kind whatsoever concerning this sale and purchase. This Agreement will not be altered, amended, changed or modified except in writing executed by the parties hereto.

(h) This Agreement will be construed in accordance with the laws of the State of California.

(i) Both parties to this Agreement having participated fully and equally in the negotiation and preparation hereof, this Agreement will not be more strictly construed, or any ambiguities within this Agreement resolved, against either party hereto.

(j) This Agreement may be executed in counterparts, each of which will be deemed to be an original, but which together shall constitute one original Agreement.

(k) If either party commences legal proceedings for any relief against the other party arising out of this Agreement or any documents, agreements, exhibits or certificates contemplated hereby, the losing party shall pay the prevailing party’s actual reasonable attorneys’ fees and costs (which shall include paralegal and other paraprofessional services) upon final settlement, judgment or appeal thereof.

(l) If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable to any extent by any court of competent jurisdiction, the remainder of this Agreement will not be affected thereby, and each term, provision, covenant or condition of this Agreement will be valid and enforceable to the fullest extent permitted by law.

(m) In order to expedite the transaction contemplated herein, this Agreement may be executed in a number of counterparts and electronic signatures may be used in place of original signatures on this Agreement and any amendments thereto, each of which shall be deemed to be an original thereon, and all of which shall together constitute one and the same instrument. All parties hereto intend to be bound by the signatures on the electronic document, are aware that other parties shall rely on the electronic signatures, and hereby waive any and all defenses to the enforcement of the terms thereof based on the form of signature.

(n) Seller and the Authority each hereby knowingly and unconditionally waive any and all right to demand a jury trial in any action for the interpretation or enforcement of this Agreement.

(o) Nothing contained in this Agreement will be construed to create a partnership or joint venture between the parties or their successors in interest or permitted assigns.

(p) To the best knowledge of each of them, the Seller and the Authority each represent to the other that it is (i) in compliance with the regulations of the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the “OFAC Rules”), (ii) not listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order or regulation, and (iii) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules. This subsection 17(q) shall not apply to any person or entity to the extent that such person’s or entity’s interest in Seller or the Authority is through a U.S. Publicly-Traded Entity. As used in this Agreement, “U.S. Publicly-Traded Entity” means an entity whose securities are listed on a national securities exchange, or quoted on an automated quotation system, in the United States, or a wholly-owned subsidiary of such entity.

(q) The Seller has previously made the natural hazard disclosures to the Authority pursuant to Government Code Sections 8589.3, 8589.4 and 51183.5, and California Public Resources Code Sections 2621.9, 2694 and 4136. The Authority and Seller each acknowledge that each of them have employed the services of an expert (“Natural Hazard Expert”) to examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling the Seller to fulfill its disclosure obligations with respect to the natural hazards referred to above and to report the results of its examination to the Authority and the Seller in writing. The written report prepared by the Natural Hazard Expert for the Seller as delivered to the Authority under the 2017 Option Agreement regarding the results of its examination fully and completely discharges the Seller from its disclosure obligations referred to herein, and, for the purposes of this Agreement, the provisions of Civil Code section 1103.4 regarding the non-liability of Seller for errors and/or omissions not within its personal knowledge shall be deemed to apply, and the Natural Hazard Expert shall be deemed to be an expert dealing with matters within the scope of its expertise with respect to the examination and

written report regarding the natural hazards referred to above. the Authority agrees that nothing contained in any disclosure shall release the Authority from its obligation to fully investigate and accept the condition on the Property as provided in Section 16, including, without limitation, whether the Property is located in any natural hazard areas. The Authority further acknowledges and agrees that the matters set forth in the natural hazard disclosures made by the Natural Hazard Expert for the Seller at the time such report was delivered to the Authority under the 2017 Option Agreement may change on or prior to the Settlement and the Seller has no obligation to update, modify or supplement the natural hazard disclosures.

(r) The Authority agrees that shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Authority itself or any person claiming under or through the Authority, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property.

[SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the parties have both caused this Option Purchase and Sale Agreement (30800 Agoura Road) to be approved and executed as evidenced by the signatures of the authorized officers or principals of each of them, which appear below.

SELLER:

Agoura Hills Center Properties, LLC, a California limited liability company

Date: _____, 201__

By: _____
Steven Rice, Managing Member

AUTHORITY:

Las Virgenes-Triunfo Joint Powers Authority, a California joint powers authority:

Date: _____, 201__

By: _____
David W. Pedersen, P.E., Administering Agent/General Manager of Authority

APPROVED AS TO FORM:

Authority General Counsel

Escrow Holder hereby joins in the execution of this Agreement for the purposes of acknowledging receipt of the Deposit and agreeing to hold the Deposit and other funds and documents in accordance with the terms of this Agreement and to perform the duties of the Escrow Holder under this Agreement.

Date: _____

ESCROW HOLDER:

Fidelity American Title Insurance Company

By: _____

Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE REAL PROPERTY

That certain property in the City of Agoura Hills, County of Los Angeles, State of California, identified as Los Angeles County Parcel No. 2061-001-025 and more particularly described as:

PARCEL 2 OF PARCEL MAP 15762, IN THE CITY OF AGOURA HILLS, AS PER MAP FILED IN BOOK 175 PAGES 6 AND 7 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND; BUT WITH NO RIGHT OF SURFACE ENTRY THERETO, AS PROVIDED IN THE DEED RECORDED DECEMBER 26, 1960 AS INSTRUMENT NO. 1450 IN BOOK D1076 PAGE 565, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND; BUT WITH NO RIGHT OF SURFACE ENTRY THERETO, AS PROVIDED IN THE DEED RECORDED DECEMBER 29, 1960 AS INSTRUMENT NO. 1452 IN BOOK D1076 PAGE 568, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND; BUT WITH NO RIGHT OF SURFACE ENTRY THERETO, AS PROVIDED IN THE DEED RECORDED MARCH 4, 1983 AS INSTRUMENT NO. 83-248390.

EXHIBIT “B”

**DESCRIPTION OF PERSONAL PROPERTY AND
BILL OF SALE IN FAVOR OF THE AUTHORITY**

EXHIBIT "C"
FORM OF DEED

Exhibit "A" to Exhibit "C"

That certain real property in the City of Agoura Hills, County of Los Angeles, State of California, identified as Los Angeles County Parcel No. 2061-001-025 and more particularly described as:

PARCEL 2 OF PARCEL MAP 15762, IN THE CITY OF AGOURA HILLS, AS PER MAP FILED IN BOOK 175 PAGES 6 AND 7 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND; BUT WITH NO RIGHT OF SURFACE ENTRY THERETO, AS PROVIDED IN THE DEED RECORDED DECEMBER 26, 1960 AS INSTRUMENT NO. 1450 IN BOOK D1076 PAGE 565, OFFICIAL RECORDS.

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EXHIBIT "D"

NON-FOREIGN PERSON CERTIFICATION

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Internal Revenue Code Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by the Seller of El Monte ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and income tax regulations);

2. The correct U.S. taxpayer identification number for Transferor is _____;

3. The Transferor is not a disregarded entity as defined in the Income Tax Regulations, Section 1.1445-2(b)(2)(iii); and

4. The correct office address for Transferor is:

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

SELLER:

By: _____

Name: _____

Title: _____

Date: _____

APPRAISAL OF

VACANT COMMERCIAL LAND

LOCATED AT

**30800 AGOURA ROAD,
AGOURA HILLS, CALIFORNIA 91301**

AGOURA HILLS CENTER PROPERTIES, LLC OWNERSHIP

FOR

HAMNER, JEWELL & ASSOCIATES

AS OF

MAY 15, 2017

BY

**RIGGS & RIGGS, INC.
4195 VALLEY FAIR STREET, SUITE 207
SIMI VALLEY, CALIFORNIA 93063**

RIGGS & RIGGS, INC.
Real Estate Appraisers and Consultants
4195 Valley Fair Street, Suite 207, Simi Valley, CA 93063
Business: (805) 578-2400 • Fax: (805) 526-6097
E-mail: appraisal@riggsandrighgsinc.com

May 30, 2017

Ms. Heather Johnson
Hamner, Jewell & Associates
4476 Market Street Suite 601
Ventura, California 93003

Our File No. 17-072

Re: 30800 Agoura Road, Agoura Hills, California 91301
Advance Water Treatment Plant Site Project
Agoura Hills Center Properties, LLC, a California Limited Liability Company Ownership

Dear Ms. Johnson:

In accordance with our contract, we have made an investigation and analysis of the above-referenced property for the purpose of expressing an opinion of the Fair Market Value of the fee simple interest in the subject property, as of May 15, 2017. The intended use of the report is for negotiations with the property owner for potential acquisition of the subject property for the Advance Water Treatment Plant Site Project. A legal description of the subject property is provided in this report.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). This report presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation is retained in our file. The depth of discussion contained in this Appraisal Report is specific to the needs of the client.

This Appraisal Report has been prepared for the sole and exclusive use of representatives with Hamner, Jewell & Associates and the Las Virgenes Municipal Water District, and is not intended for any other user. We request that our written authorization be obtained before releasing this report to any other party. Any third party who relies on this report does so at their own risk. **The user of this Appraisal Report is directed to review the General Assumptions & Limiting Conditions, and Extraordinary Assumptions before making a decision on the subject. The Fair Market Value opinion is strictly contingent upon the General Assumptions & Limiting Conditions, Extraordinary Assumptions, and Hypothetical Condition.**

The attached summary and exhibits provide the basic details of the property and our analysis. Additional data has been retained in our files. This Appraisal Report is not based on a requested minimum or specified valuation.

Ms. Heather Johnson
May 30, 2017
Page Two

The Fair Market Value of the Fee Simple Interest in the subject property, as of May 15, 2017, is:

TWO MILLION TWO HUNDRED NINETY THOUSAND DOLLARS

..... \$2,290,000.

This letter of transmittal, including the General Assumptions & Limiting Conditions, Extraordinary Assumptions, Hypothetical Condition, and Certifications on the accompanying pages, must remain attached to this Appraisal Report, which contains 31 pages plus related exhibits, in order for the value opinions set forth to be considered valid. We hereby certify that we have no interest, present or prospective, in the property appraised and that our opinion is in no way contingent upon the basis of our employment.

Respectfully submitted,

RIGGS & RIGGS, INC.



Joyce L. Riggs, MAI, SR/WA
SCREA No. AG005451
Expires April 7, 2019

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EXECUTIVE SUMMARY



The subject property is an interior location on the south side of Agoura Road, 0.08 miles east of Flintlock Lane. The situs address is 30800 Agoura Road, in the City of Agoura Hills, County of Los Angeles and State of California. The U.S. Postal Zip Code is 91301.

The subject property is irregularly shaped with a gross site area of 309,712 square feet, or 7.11 acres and a net site area of 286,843 square feet, or 6.59 acres and of vacant land. **(Please refer to Extraordinary Assumption No. 22.)** The net site area is net of a flood control easement located in the northeastern corner of the subject property. The encumbered area is fenced, improved with a concrete debris basin and presumed to be for exclusive use. However, there are several other easements that encumber the site as well. The subject property is zoned SP, Ladyface Mountain Specific Plan with a General Plan Land use of Ladyface Mountain Specific Plan, Ladyface Mountain Specific Plan. The subject has rolling-to-sloping topography with a blue line stream that traverses the western portion of the subject. Visibility is considered average and accessibility is considered average. All utilities are available to the site, and site utility is considered fair.

The Las Virgenes Municipal Water District is considering acquiring the subject property for the Advance Water Treatment Plant Site Project. This will be transmitted in greater detail in the sections to follow.

SUMMARY OF SALIENT DATA

FAIR MARKET VALUE OPINIONS:

FAIR MARKET VALUE OF THE SUBJECT PROPERTY	\$2,290,000
VALUE INDICATION BY COST APPROACH.....	N/A
VALUE INDICATION BY INCOME CAPITALIZATION APPROACH	N/A
VALUE INDICATION BY SALES COMPARISON APPROACH.....	\$2,290,000

SUBJECT DATA

GROSS LAND AREA	309,712 SQUARE FEET, OR 7.11 ACRES
NET LAND AREA ¹	286,843 SQUARE FEET, OR 6.59 ACRES
PRESENT USE OF THE LAND	VACANT LAND
ZONING.....	CITY OF AGOURA HILLS, SP, (LADYFACE MOUNTAIN SPECIFIC PLAN)
GENERAL PLAN.....	CITY OF AGOURA HILLS, LADYFACE MOUNTAIN SPECIFIC PLAN (LADYFACE MOUNTAIN SPECIFIC PLAN)
HIGHEST AND BEST USE AS-VACANT	TO DEVELOP WITH A COMMERCIAL USE
OWNER OF RECORD	AGOURA HILLS CENTER PROPERTIES, LLC
DATE OF REPORT	MAY 30, 2017
DATES OF INSPECTION.....	MAY 15, 2017
DATE OF VALUE.....	MAY 15, 2017
PURPOSE OF THE APPRAISAL	FAIR MARKET VALUE
PROPERTY RIGHTS TO BE APPRAISED	FEE SIMPLE INTEREST

¹ Please refer to Extraordinary Assumption No. 22.

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

This Appraisal Report has been made with the following general assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the subject property is assumed to be good and marketable unless otherwise stated.
2. The subject property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative materials in this report are included only to help the reader visualize the subject property.
6. It is assumed that there are no hidden or unapparent conditions of the subject property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the subject property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the subject property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the subject property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
11. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the subject property described and that there is no encroachment or trespass unless noted in the report.
12. Any allocations of the total opinion of value in this report between the land and the improvements apply only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

13. The comparable properties utilized in this report were inspected and photographed where possible. Properties that could not be inspected, such as landlocked properties and properties in gated communities or remote locations, were analyzed based upon aerial imagery and information obtained from various sources. In some cases, historical imagery from CoStar/LoopNet, MLS, Google and/or Pictometry may be utilized, particularly if the property has been substantially renovated since sale or lease.
14. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of Riggs & Riggs, Inc., and in any event, only with properly written qualification and only in its entirety.
15. Riggs & Riggs, Inc., by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the subject property in question unless arrangements have been previously made.
16. Neither all nor any part of the contents of the appraisal report shall be disseminated to the public or any unauthorized third party through advertising, public relations, public meetings/hearings, news, sales, or other media without the prior written consent and approval of Riggs & Riggs, Inc. Riggs & Riggs, Inc., assumes no liability for the unauthorized release of this report.
17. An inspection of the subject property was made by Joyce L. Riggs, MAI, SR/WA. Ms. Riggs, assisted by Nicole B. Galvez, gathered the information, reviewed the data, and prepared the analyses in this report.

EXTRAORDINARY ASSUMPTIONS

An *Extraordinary Assumption* is defined in the 2016 - 2017 USPAP as: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. This Appraisal Report is strictly contingent upon the following extraordinary assumptions affecting the subject property. The client is urged to review these extraordinary assumptions and conditions and to obtain experts in the field as needed.

18. This **Appraisal Report** is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This report presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop our opinion of value; supporting documentation is retained in our file. The information contained in this report is specific to the needs of the client and for the intended use as stated in this report. Riggs & Riggs, Inc., is not responsible for unauthorized use of this report.
19. According to the City or Maps provided on the California Geological Survey's website, the subject property is not located within an Alquist-Priolo Earthquake Fault Zone, although nearly all areas in Southern California are susceptible to intermittent earthquakes. The site appears adequate to support construction standards consistent with the highest and best use conclusion. Although requested, Riggs & Riggs, Inc., was not provided with a soils or geological report for review. For the purpose of this appraisal, it is assumed that the soil and geological conditions are not unfavorable. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover any defects in the property. The client should retain experts in the field and make their own assessment of the physical condition of the subject before making a decision on the property. **Riggs & Riggs, Inc., reserves the right to amend the opinion of value if additional information is provided subsequent to the date of this report.**
20. Although requested, Riggs & Riggs, Inc., was not provided with a Phase I or II Environmental Site Assessment Report pertaining to the subject property. Unless otherwise stated in this report, the existence of any hazardous materials, which may or may not be present on the property, was not observed during the on-site inspection. Riggs & Riggs, Inc., however, is not qualified to detect such substances. The presence of substances such as contaminated soil, tainted groundwater or other potentially hazardous materials may affect the value of the property. **The opinion of value is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is strongly urged to retain an expert in this field and consider the impact on value, if any. Riggs & Riggs, Inc., reserves the right to alter the opinion of value if said information becomes available.**
21. Riggs & Riggs, Inc., was provided with a Preliminary Title Report for the subject property, dated May 9, 2017 and prepared by First American title Insurance Company, Order No, NCS-851017-SA1. According to the Preliminary Title Report, as well as the Assessor's Plat Map, there is an existing flood control easement, private driveway easement, and a slope easement that encumber the subject property. However, neither an A.L.T.A nor an encumbrance map were provided to show the exact location of any other existing encumbrances. Additionally, upon inspection of the subject, it was noted that there is also a concrete storm drain in the northwest portion of the subject property, to the adjacent south of Agoura Road. These easements are considered to limit the development potential of the subject property. It is assumed that there are no other existing encumbrances that adversely impact the subject property. **We make no legal opinion nor express any warranty about the title, properties rights, lines, encroachments, or easements affecting the subject property. Further, this Appraisal Report has been prepared assuming the property is free and clear of any liens or debt recorded against it. The user of this Appraisal Report should consult with Legal Counsel and review the Preliminary Title Report, all**

underlying documents, and consider the impact of any items that may have an effect on value before making a decision on the property. Riggs & Riggs, Inc., reserves the right to alter the opinion of value if provided with subsequent information to the date of this report.

22. The square footage of the subject property is based on the Los Angeles County Assessor's Plat Map. The Assessor's Plat Map identifies the subject property as having a gross site area of 309,712 square feet, or 7.105 acres with a net site area of 6.31 acres of land. The Assessor's Plat Map reflects a driveway easement that contains an area of 0.28 acres, a slope easement that contains an area of 0.57 acres, and a flood control easement that contains an area of 0.52 acres. The net site area on the Assessor's Plat Map of 6.31 acres does not appear to include the 0.57-acre slope easement. While all of easements identified on the Assessor's Plat Map are considered to limit the development potential of the subject property, the driveway easement and slope easement are not fenced, or physically separated from the subject property, while the flood control easement is fenced and appears to be for exclusive use. Therefore, for analysis purposes we have utilized a net site area of 286,843 square feet, or 6.59 acres, which is net of only the 0.52-acre flood control easement, but have analyzed and considered the other encumbrances in the overall subject site utility rating. Riggs & Riggs, Inc. has relied on public records dimensions and areas on the recorded plat map for analysis purposes. **Riggs & Riggs, Inc., reserves the right to alter the opinion of value if provided with a survey of the subject property site subsequent to the date of this report.**
23. This Appraisal Report has been prepared for the sole and exclusive use of representatives with Hamner, Jewell & Associates and the Las Virgenes Municipal Water District, and is not intended for any other user. We request that you seek our written authorization before releasing the report to any other party. Any third party who relies on this report does so at their own risk.
24. The liability of Riggs & Riggs, Inc., is limited to the terms of the contract. Riggs & Riggs, Inc., is not responsible for erroneous information provided by others.
25. Riggs & Riggs, Inc., is not a necessary party in any inquiry or judicial proceeding and will not be called to testify in any litigation or other proceeding arising out of their duties in this matter. If Riggs & Riggs, Inc., is compelled to incur court costs, attorney fees or other out-of-pocket expenses in connection with court proceedings, such costs or expenses together with the appraiser's usual hourly per diem of \$350.00 per hour for professional services for study preparation, testimony or travel will be paid by the party (or parties) who acts to bring any suit requiring a judicial proceeding.

HYPOTHETICAL CONDITION

A *Hypothetical Condition* is defined in the 2016-2017 USPAP as: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. **Riggs & Riggs, Inc., has appraised the subject property under the respective Hypothetical Condition. It is considered reasonable and necessary for the purpose and intended use of this report.** This Appraisal Report has been made with the following hypothetical condition:

26. In accordance with this assignment, Code of Civil Procedure (“CCP”) section 1263.330 requires the real estate appraiser to disregard any increase or decrease in the fair market value of the subject property for the project for which the property is taken, the eminent domain proceeding in which the property is taken and any preliminary actions of the plaintiff relating to the taking of the property by the acquiring agency or party. Therefore, the “Before Condition” of the subject property appraised is based on the assumption that these above conditions have had no effect on the fair market value as stated in this report. It should be noted, that this is in conflict with USPAP Standards Rule 1-4(f), which states, “When analyzing anticipated public or private improvements located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions”. Therefore, this hypothetical condition acknowledges that USPAP Standards Rule 1-4(f) has been disregarded in the Before Condition, as it conflicts with CCP section 1263.330 in requiring exclusion of the anticipated public improvements in the manner as proposed by the project in the Before Condition resulting in departure from USPAP. The information contained in this report is specific to the needs of the client and for the intended use as stated in this report. **Riggs & Riggs, Inc., is not responsible for unauthorized use of this report and reserves the right to amend the opinion of value if additional or contrary information is provided subsequent to the date of this report.**

CERTIFICATION OF THE APPRAISER

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

I have made a personal on-site inspection of the property that is the subject of this report.

Nicole B. Galvez provided significant real property assistance to the persons signing this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I have completed the continuing education program for designated members of the Appraisal Institute. As of the date of this report, I have completed the requirements of the Continuing Education Program of the Bureau of Real Estate Appraisers and the International Right of Way Association.

Respectfully submitted,

RIGGS & RIGGS, INC.



Joyce L. Riggs, MAI, SR/WA
SCREA No. AG005451
Expires April 7, 2019

POLICY PRINCIPLES FOR FUTURE USE OF 30800 AGOURA ROAD

APPROVED BY JPA BOARD ON AUGUST 7, 2017

The Las Virgenes-Triunfo Joint Powers Authority (JPA) is currently considering the purchase of a vacant 7.1-acre parcel at 30800 Agoura Road for future facilities that may be required for the Pure Water Project Las Virgenes-Triunfo. The site is one of several to be considered for the construction of an advanced water treatment plant that would purify excess recycled water during the wintertime to supplement existing water supplies.

Because the design of the Pure Water Project Las Virgenes-Triunfo is several years away, the JPA proposes to outline policy principles for the future use of the property should it be selected for the construction of an advanced water treatment plant, as follows:

1. Involve the City and the community in the development and design of facilities.
2. Preserve the natural beauty of the site.
3. Reserve a portion of the property for public benefit in coordination with the City of Agoura Hills.
4. Minimize the impact to oak trees and other natural resources on the property.
5. Design the facilities with architecture compatible with the surrounding area.
6. Minimize the overall footprint of the facility.
7. Provide for the on-site capture and/or treatment of stormwater.
8. Keep the community and recreational users informed of any project-related activities that may affect them.
9. Minimize the potential for noise, odor or light to emanate from the site.
10. Utilize renewable energy sources to offset demands at the site.

#####

March 5, 2018 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject : Consulting Services for Expanded Solar Energy Generation Facility

SUMMARY:

On August 1, 2016, the JPA Board accepted a proposal from Terra Verde Renewable Partners, LLC (Terra Verde) to perform a feasibility assessment for an expanded solar energy generation facility. The assessment included an evaluation of an expanded solar facility utilizing two different California Public Utilities Commission-approved rate tariffs, Net Energy Metering (NEM) 2.0 and Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT), along with analyzing the merits of using battery storage technology.

During the course of the work, there were several significant regulatory and legislative changes (see Attachment A) that impacted the analysis and resulted in the delay of its completion. However, it was important to evaluate these substantive factors. Based on the completed analysis, the assessment recommends moving forward with a new 4 megawatt (MW) solar generation facility in the North Canyon of Rancho Las Virgenes Farm through a Power Purchase Agreement (PPA) and utilizing the RES-BCT tariff. The assessment shows that utilizing the NEM 2.0 tariff and battery storage technology are not recommended at this time because of comparatively low overall returns and higher risk.

This RES-BCT tariff allows the transfer of bill credits from a renewable energy source using a generating account that can offset demands from multiple benefiting accounts. For comparison, the NEM 2.0 tariff only allows a renewable energy source to offset demands from a single benefiting account. The estimated savings associated with a 4 MW solar facility through a PPA using the RES-BCT tariff would be \$5.3 million over 25 years. These savings remain significant but are less than \$10 million originally estimated in January 2016 and preceding the regulatory changes, rate tariff updates, and market changes.

Terra Verde has provided a proposal, in the amount of \$93,453, to support the JPA to move forward with the recommended 4 MW solar energy generation facility. The scope of work includes developing a request for proposal (RFP), circulating the RFP, analyzing the submitted proposals, negotiating terms for a PPA and assisting to prepare a recommendation for Board consideration. Staff recommends accepting the proposal from Terra Verde.

RECOMMENDATION(S):

Accept the proposal from Terra Verde Renewable Partners, LLC; authorize the Administering Agent/General Manager to execute a professional services agreement, in the amount of

\$93,453; and appropriate \$150,000 for an expanded solar energy generation facility.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

No

FINANCIAL IMPACT:

An appropriation of \$150,000 is proposed for the expanded solar energy generation facility, which consists of \$93,453 for the Terra Verde work and the remainder for an environmental review, staff time and contingency. The cost of the work, which will be allocated 70.6% to LVMWD and 29.4% to Triunfo Sanitation District, was not included in the adopted FY 2017-18 JPA Budget.

DISCUSSION:

The assessment evaluated several options including expansion of the JPA's existing 1 MW PPA solar facility using the NEM 2.0 tariff, purchasing and installing battery storage, and a new RES-BCT tariff-based project. An evaluation of the potential expansion of the existing 1 MW solar facility using the NEM 2.0 tariff resulted in projected net savings of only \$170,000 over 20 years. The low estimated savings together with potential concerns to modify the existing PPA lead to a recommendation that this option not be considered for further development.

Seven potential battery storage installation were considered and tentatively projected to be economically viable. However, there is a relatively high-risk that some of the incentives required to generate the projected savings may not be available when the JPA is ready to apply. One key incentive that falls into this uncertain category would be from the Tier 3 Self-Generation Incentive Program. As a result, it is not recommended to pursue the battery storage option at this time.

The assessment concluded the a 4 MW RES-BCT proposal represents the best project for further development, yielding a projected 25-year net savings of \$5.3 million through a PPA. The advantage of a PPA is that it requires no capital investment from the JPA and enables the JPA to benefit from available tax incentives through a third-party. Terra Verde prepared a proforma for the 4 MW RES-BCT proposal based on a combination of nine JPA and LV-only benefitting accounts. Over 50% of the total electrical usage and savings on a yearly basis can be associated with the JPA accounts. The inclusion of LV-only accounts ensures that there is sufficient energy demand among the benefitting accounts to fully utilize the energy generated.

During preparation of the assessment, many changes occurred that significantly impacted the solar industry and financials for solar projects. These changes include: (1) increase to energy demand charges; (2) time of use (TOU) peak hours shift from 12 a.m. through 6 p.m. to 4 p.m. through 9 p.m.; and, (3) a recent Federal Trade Commission tariff of up to 30% on imported solar cells and panels. The JPA was able to mitigate the potential effects of the TOU shift, though, by submitting an application to SCE prior to December 31, 2017 that would

allow the proposed project to qualify for a 10-year “grandfathering” period, maintaining the current TOU period.

The increases in demand changes and the TOU shift will also effect the amount of savings achieved by the JPA's existing 1 MW solar facility over the 20-year PPA duration. These changes are estimated to reduce the cost-saving from the facility by approximately 660,000. The PPA agreement allows for two additional 5-year extensions beyond the initial 20-year term.

Since the JPA is not required to invest capital or operation and maintenance costs under a PPA, the \$5.3 million savings over 25 years is significant for the proposed 4 MW RES-BCT project. Therefore, staff recommends moving forward with the project by accepting the proposal from Terra Verde. The scope of work includes developing an RFP, circulating the RFP, analyzing the submitted proposals, negotiating terms for a PPA and assisting to prepare a recommendation for Board consideration.

Concurrently, staff recommends soliciting proposals for an environmental review under CEQA and related public outreach for the proposed 4 MW solar project, at an estimated cost of up to \$35,000. Staff would return to the Board with an environmental document for certification and results of the public outreach before making any recommendation for award of a PPA.

Attached for reference are a summary of the regulatory and legislative changes, feasibility assessment, proforma for the 4 MW RES-BCT proposal and Terra Verde proposal.

Prepared by: John Zhao, P.E., Principal Engineer

ATTACHMENTS:

Attachment A - Summary of Regulatory and Legislative Changes

Attachment B - Feasibility Assessment for Expanded Solar Energy Generation Facility

Attachment C - Proforma for 4 MW RES-BCT Proposal

Attachment D - Terra Verde Consulting Services Proposal



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 tvrpllc.com

February 13, 2018

Timeline of Regulatory and Rate Schedule Changes Affecting RES-BCT Project Projected Savings

2015

CPUC changes RES-BCT tariff language to include JPAs.

Impact: Allows Public Agency JPAs to use RES-BCT tariff to benefit all participating JPA members.

2016

SCE changes strategy for rate increase away from a focus on energy generation costs, to increased demand charges. Example: TOU-GS2-A rate schedule

		<u>January 2015</u>	<u>January 2016</u>
Summer	Peak	\$0.32936	\$0.24045
	Mid Peak	\$0.11680	\$0.08464
	Off Peak	\$0.03855	\$0.02723
Winter	Mid Peak	\$0.06623	\$0.04754
	Off Peak	\$0.04375	\$0.03105
Demand Charges		\$13.20/kW	\$15.11/kW

Impact: Lower UEG costs = reduced RES-BCT Bill Credit value = reduced avoided cost = reduced projected net savings.

SCE implements the TOU-GS1-C rate tariff for RES-BCT projects that do not have an existing electrical load at the site of the proposed RES-BCT solar project. This new tariff facilitates the use of sites that currently do not possess an SCE meter at the site. Assuming a minimum 12kV distribution line resides at or near the site, a request for new service would be submitted to SCE during the construction process. The new SCE meter would be placed on the TOU-GS1-C tariff.

Impact: The UEG cost components of the TOU-GS1-C tariff do not provide the same peak period bill credit value as the other GS series rates. However, the mid-peak and off-peak rate costs are higher than the TOU-GS2-A and TOU-GS3-A rate schedules, which will yield greater bill credit value during mid-peak and off-peak periods. The UEG cost components for TOU-GS1-C are as follows:

Summer	Peak	\$0.15667
	Mid Peak	\$0.11306
	Off Peak	\$0.08405
Winter	Mid Peak	\$0.07922
	Off Peak	\$0.06895

2017

SCE proposes changes to TOU peak period scheduling from 12noon – 6pm to 4pm – 9pm. This change was allowed by the CPUC, with precedence set in the SDG&E GRC (SDG&E implemented the 4 - 9pm TOU peak period schedule shift in Dec 2017). Implementation in SCE territory is expected in January 2019.

Impact: Lower UEG costs during Solar power plant’s peak production period = reduced RES-BCT Bill Credit value = reduced avoided cost = reduced projected net savings.

October - December 2017

CPUC decision allows public agencies to secure eligibility for grandfathering of current TOU period schedules (12noon – 6pm) for 10yrs (thru 2027) by submitting interconnection applications for any solar PV projects under consideration, or under contract for design/construction before 12/31/2017.

Impact: Allows maximum Bill Credit value for RES-BCT projects to be retained thru 2027, which mitigates a large portion of the reduced bill credit value associated with the TOU peak period shift to 4 – 9pm (which will be implemented in 2019 for accounts that are not eligible for grandfathering).

2018

Federal Trade Case (Section 201) decision to implement a tariff on foreign made solar cells and panels. Tariff specifics: The tariff will be in place for 4 years. The first 2.5 Gigawatts of imported solar cells & panels are excluded from the tariff. Year 1 tariff (2019) is a 30% cost adder, Year 2 is 25%, Year 3 is 20%, and Year 4 is 15%.

Impact: The 30% cost adder on imported PV modules represents approximately \$0.10 to \$0.12 per Watt added cost for foreign made PV panels. For PPA projects greater than 2MWs the expected PPA rate increase associated with the Tariff is approximately \$0.0025 to \$0.0055 per kWh.

SCE changes strategy for rate increases back to a focus on energy generation costs, leaving demand charges with a very minor increase from 2107. Example: TOU-GS2-A rate schedule

		<u>January 2017</u>	<u>January 2018</u>
Summer	Peak	\$0.27921	\$0.35987
	Mid Peak	\$0.07835	\$0.10070
	Off Peak	\$0.02771	\$0.03545
Winter	Mid Peak	\$0.04258	\$0.05464
	Off Peak	\$0.03354	\$0.04297
Demand Charges		\$15.44/kW	\$15.89/kW

Impact: Higher UEG costs = increased RES-BCT Bill Credit value = increased avoided cost = increased projected net savings.



Feasibility Study Summary Findings Report: LVMWD Phase 2 Solar PV Project



July 21, 2017

Prepared for: **Las Virgenes Municipal Water District**

Attention: David Lippman

Director, Facilities & Operations

4232 Las Virgenes Road, Calabasas, CA 91302

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INTRODUCTION

Project Background, Purpose and Objectives

Las Virgenes Municipal Water District (LVMWD) has developed goals for reducing existing and future energy use and cost, and increase the use of cost-effective alternative energy sources to enhance its level of sustainability. In support of its energy savings and sustainability goals, the District has developed plans for the implementation of renewable energy projects.

In February, 2014 the District completed the first phase of its Solar Photovoltaic Energy Initiative; a 1MWac single-axis tracking system installed at the Las Virgenes – Triunfo JPA’s North Canyon Recycled Water Irrigation Field using a Power Purchase Agreement (PPA).

In September of 2016, LVMWD retained TerraVerde Renewable Partners (TerraVerde) to assist the District in evaluating the feasibility of the second phase of its Solar PV Energy Plan.

The primary objective of the consulting engagement with TerraVerde was to perform a detailed feasibility study to assess possible expansion of the District’s existing Phase 1 solar PV system, and to evaluate other District-owned properties for possible new solar PV projects and/or energy storage opportunities using battery storage technologies.

The scope of the Phase 2 Solar PV Energy Plan feasibility study consisted of a set of tasks designed to determine proper system(s) sizing, site-specific logistical viability, project cost budgets for implementation of the proposed systems, projected energy cost savings, and financing structures that yielded greatest return on investment (ROI) for the District.

This report provides a summary of TerraVerde’s feasibility study process, study findings, and conclusions and recommendations for next steps associated with further development of solar PV projects (and energy storage projects) for possible implementation.

The study focused on evaluating the feasibility of site-specific projects for three categories of project development:

1. Expand the District’s existing 1MWac net metered (NEM) solar PV system to further reduce energy consumption and utility billing costs for the recycled water pump station, and to provide long-term energy cost savings.
2. Implement a new solar PV project using Southern California Edison’s (SCE) RES-BCT (Renewable Energy Systems Bill Credit Transfer) tariff to generate utility bill savings for a portfolio of the District’s/JPA’s SCE accounts that are not served by on-site renewable energy generation.
3. Evaluate behind-the-meter (BTM) Battery Storage technologies to reduce peak demand (kW) and associated demand billing costs at the District’s pumping and treatment operations where a defined set of criteria for the beneficial use of battery storage indicated potential project sites for consideration.

Summary of Analysis (NEM 1.0 and NEM 2.0)

Due to the proliferation of behind-the-meter solar PV systems in California over the past ten years, the State's net metering program cap has been reached, which has triggered a transition from the original net metering program tariff, known as NEM 1.0, to a new "successor" NEM tariff known as NEM 2.0. Effective July 1, 2017, SCE discontinued taking NEM 1.0 Interconnection Requests, and has fully implemented their NEM 2.0 tariff (NEM-ST for NEM "Successor Tariff").

The District's existing solar PV system was installed and interconnected under NEM 1.0, which has a limitation on individual system size of 1MWac. The Recycled Water Pump Station served by this PV system (the NEM meter location) has a large enough electrical load that it may benefit from additional solar PV capacity to further offset consumption and billing (in the form of a new PV system sharing the same point of interconnection (POI) as the existing NEM meter).

The new NEM 2.0 tariff does not have a cap on individual PV system size. While the new NEM 2.0 tariff does not provide the same level of retail credit value as the NEM 1.0 tariff (i.e.: no credit for non-bypassable charges), the fact that the 1MW limitation is no longer in place means solar PV systems can be sized for optimum offset of energy consumption and maximum energy cost savings potential.

TerraVerde's feasibility study approach consisted of three separate phases of analysis, starting with a comprehensive data collection process, and ending with highly refined projections of project economics using proprietary rate tariff and financial modeling programs developed by TerraVerde to identify viable projects that meet the District's cost-benefit objectives, and can be considered for further development and implementation.

The initial energy consumption profile analysis and accompanied rate analysis for the existing solar PV system provided insight into current system performance and projected savings contribution (energy use offset and annual energy cost savings), which provided a baseline that was used to calculate new NEM 2.0 expansion system capacity (kW), design/build scope and cost estimates, and 25yr energy cost savings projections.

Baseline Analysis (existing NEM 1.0 and Non-export systems)

To determine the cost effectiveness of expanding the existing NEM 1.0 solar PV system under SCE's new NEM 2.0 tariff, TerraVerde performed a "baseline" evaluation to establish its projected financial performance using current conditions and rate tariffs (2017 SCE TOU rate schedules). The baseline assessment required collecting at least 12 consecutive months of 15minute interval consumption and billing data for the NEM meter, and solar production interval data for the same period (from the SolarCity SolarGuard monitoring system).

Numerous modeling iterations were required due to SCE's proposed changes to their Time-of-Use (TOU) period schedules (i.e., shifting the peak TOU period from afternoon hours to evening hours), and TOU rate structures. The final baseline analysis delivered to the District in April included a recent proposed decision (PD) by the CPUC that directs the Investor Owned Utilities (IOUs) to grandfather the current TOU

periods (but not the TOU rates) for ten (10) years starting on the date that the PV system received its Permit to Operate from the Utility for meters interconnected to operational solar PV systems installed by July 31, 2017 (Dec 31, 2017 for school districts). A summary of the 20yr projected net savings for the existing PV system (the Baseline analysis) is shown below. This analysis shows the negative impact the TOU peak period shift from 12noon-6pm to 4pm-9pm has on net metering credit, which results in lower projected net savings over the 20yr term of the PPA (a reduction in expected net savings of \$657,933, or approximately 26%). It should be noted that even with the loss of cumulative projected net savings, the project remains cash flow positive over the entire 20yr term of the PPA, starting in 2014.

Existing 1MW PPA Project Baseline Analysis (NEM 1.0 using January 2017 rate schedules and current TOU periods)										
20yr Net Savings:	\$2,518,383									
PPA rate:	\$0.1050/kWh									
Current Avoided Cost:	\$0.1341/kWh (2017)									
Existing 1MW PPA Project Baseline Analysis (NEM 1.0 using January 2017 rate schedules and SCE's Proposed TOU period shift to 4-9pm with 10yrs grandfathering of current TOU periods)										
20yr Net Savings:	\$1,860,450									
PPA rate:	\$0.1050/kWh									
Projected Avoided Cost:	\$0.1437/kWh (2024)									

Expansion of Existing PV System Using the new NEM 2.0 Tariff

As described above, the transition from NEM 1.0 to NEM 2.0 provides LVMWD the opportunity to expand the use of solar PV to offset a greater portion of the Recycled Water Pump Station’s consumption and billing cost. Using the results of the baseline analysis, TerraVerde modeled optimum system size and production profile for this meter/site. During this process TerraVerde confirmed with SCE that the new NEM 2.0 expansion systems would not trigger a change in the NEM tariff status of the existing 1MW systems. This means the existing NEM 1.0 Interconnection Agreements with SCE can remain in place, and the sites will continue to receive the full benefits of the NEM 1.0 tariff for the 20yr term of the Interconnection Agreements. The new NEM 2.0 PV systems would share the same POI as the NEM 1.0 system; however, because the two NEM tariffs have different cost and credit structures, a Net Generation Output (NGO) meter will be installed so SCE can track each system’s production separately and administer the NEM credits per the rules of the applicable NEM tariff.

In addition, TerraVerde confirmed with SCE the CPUC’s Proposed Decision (PD) regarding the 10yr grandfathering of current TOU periods is applicable to both NEM 1.0 and NEM 2.0 interconnection agreements, including when separate NEM 1.0 and NEM 2.0 based solar PV systems are co-located on the same property and share the same POI. This means that even though the NEM 2.0 expansion system would likely be installed in 2018, it would still be eligible for TOU grandfathering because it shares a common POI with the existing NEM 1.0 system which is already eligible for the TOU period grandfathering. However, the duration of the grandfathering for new NEM 2.0 systems is tied to the PTO date of the existing NEM 1.0 systems. Thus, if the NEM 1.0 system received PTO in Feb 2014, the starting point for the 10yr grandfathering for both the existing NEM 1.0 system and a new NEM 2.0 system will be Feb 2014.

A summary of the 20yr projected net savings for the proposed NEM 2.0 expansion solar PV system (the “NEM 2.0 expansion project”) is shown below. This analysis assumes the use of a PPA. However, because

the NEM 2.0 expansion system has a smaller capacity (590kWdc) and a high-cost AC line routing to the shared POI, the PPA rate was increased to \$0.1150/kWh (with 0% annual escalation for the 20yr term).

NEM 2.0 Expansion Project using a 20yr PPA (existing 1MW NEM 1.0 IA remains in place, both systems eligible for TOU period grandfathering)										
<small>(uses NEM 2.0 tariff, Jan 2017 rate sched, and SCE's proposed TOU period shift to 4-9pm with 10yr grandfathering of current TOU periods)</small>										
20yr Net Savings:	\$170,413									
System Size:	590 kWdc									
PPA rate:	\$0.1150/kWh									
Avoided Cost:	\$0.1022/kWh									

The combination of the TOU period shift (resulting in lower calculated avoided cost), and the higher PPA rate, results in minimal projected net savings over the 20yr term of the hypothetical PPA. Positive cash flow is not achieved until the 17th year of the project.

A cash purchase option was not considered for analysis due to expected difficulty in securing modifications to the existing PPA’s terms and conditions to allow another PV system to share the same Point of Interconnection (POI). TerraVerde confirmed this situation with the PPA Provider (SolarCity/Tesla), and the Provider recommended that any expansions to the existing array could only be allowed under the existing PPA terms and conditions.

RES-BCT Project

After evaluating the potential NEM 2.0 expansion project, TerraVerde completed a separate analysis using SCE’s Renewable Energy Self-Generation Bill Credit Transfer tariff (RES-BCT), which is a non-NEM, “export energy” tariff that allows public agencies to install a grid-connected renewable energy generation system of up to 5MWac on property owned or leased by the agency, and receive monetary bill credits for the energy generated by the system and sent to the grid. The bill credits can be applied to one or more (up to 50) SCE accounts/meters (benefitting accounts), and their value is determined by the energy generation portion of the host site’s TOU rate schedule. The District owns/operates several facilities that have large electrical loads, however, many of these sites do not possess available land area to support a NEM-based PV system located at the site. The meters at these sites can achieve energy cost savings without being physically interconnected to a NEM-based PV system by being included in a portfolio of “benefitting accounts” for a RES-BCT project.

TerraVerde evaluated the JPA-owned North Canyon Recycled Water Irrigation Field as the most-feasible site capable of supporting a single 3 to 5MW array (approximately 12-20 acres required). The selection criteria included: Available area, interconnection feasibility (POI is typically a nearby SCE distribution line, 12kV – 33kV), physical conditions of the site (topography, flood zones, geotechnical, habitat issues), presence of existing SCE service and on-site District operation (pump station, etc.).

TerraVerde evaluated the ground coverage ratio of a hypothetical array layout using several different assumptions for PV module efficiency, and determined the site can support a ~4MWdc system; thus, the system size used in the financial modeling is based on available area, rather than on maximum possible Bill Credit production (which would be achieved from a 5MWac system).The analysis also included due diligence research to discover potential land use issues that could/would prevent development of the site

for a solar array covering most of the existing irrigation spray field. This investigation included: review of the existing PV system’s as-built information, geotechnical data, documented easements, flood zone applicability, the presence of any existing habitat mitigation, topography, drainage, existing on-site electrical infrastructure, and proximity to SCE distribution lines for grid interconnection.

A summary of the 25yr projected net savings for the proposed RES-BCT project is shown below. This analysis includes two financing options; cash purchase (District owned), and solar energy Power Purchase Agreement (PPA). The PPA scenario provides greater cumulative net savings for the same reasons as the NEM 2.0 expansion project described above (Investment Tax Credit availability for private 3rd party owners/investors to help subsidize project costs, resulting in lower PPA rates). It should also be noted the analysis assumes a slightly discounted PPA rate due to the estimated size of the project (4MWdc), and the nature of the project: single site, single array, single interconnection, and minimal expected site preparation scope. The difference in cumulative net savings is \$695,598, however the difference in annual cash flow is more striking: The PPA achieves positive cash flow in 11yrs, while the payback on District’s capital investment under the cash purchase scenario takes 18yrs.

RES-BCT Project using Jan 2017 rate sched and SCE's proposed TOU period shift to 4-9pm with <u>no</u> grandfathering of current TOU periods									
25yr Net Savings (PPA option):	\$4,977,120								
System Size:	4 MWdc								
Benefitting Accounts:	8								
Projected Bill Credit Value (yr1):	\$515,110								
PPA rate:	\$0.078/kWh								
Avg annual savings/kWh:	\$0.0679								
Yrs to achieve cash positive pos:	Yr 11								
25yr Net Savings (Cash Purchase option):	\$4,281,522								
Prj Cost Estimate (\$2.25/Wdc):	\$8,990,600								
Estimated Payback:	18yrs								

Because the project would be installed after the eligibility deadline for the 10yr grandfathering of current TOU periods, grandfathering is not expected to be available, and was not included in the analysis.

Energy Storage Analysis

In conjunction with the solar PV feasibility scope TerraVerde performed an energy storage feasibility assessment (using battery storage technology for behind-the-meter applications). The purpose of the analysis was to identify those District operations that would benefit from demand (kW) reduction and associated lower billed demand charges, resulting in additional energy cost savings. The analysis included:

- An initial evaluation of the District’s SCE meter account data (70+ meters/sites) using a 5-element criteria screening process designed by TerraVerde to identify meters with the proper characteristics for a next step demand profile analysis.
- Demand profile analysis using 15minute interval data sets for all meters selected using the initial evaluation methodology (approximately 10 meters/sites). This analysis was performed for meters/sites that do not have solar PV systems, and for the existing solar PV NEM meter.
- Rank ordering of the meters having the highest potential for meaningful demand reduction based on a “cluster study” approach that determines the duration of the demand reduction that provides the greatest monetary benefit (includes the value of applicable SGIP incentives and value

of demand charge offset). This process also provides optimum battery capacity sizing (battery charge/discharge durations).

- Cost-benefit analysis for the final group of standalone meters, and the existing NEM 1.0 meter (7 standalone meters/sites combined as a single portfolio, and the solar PV system NEM meter).
- Development of 10yr net savings pro-formas for cash purchase (District-owned) and Shared Saving Agreement (SSA) financing options for the selected meters/sites.

A summary of the 10yr projected net savings for the seven standalone sites, and the existing NEM meter is shown below. This analysis shows only the Shared Savings option because the cash purchase option resulted in negative savings over the 10yr life of the systems, and was not considered for further development.

The results of the battery storage analysis for behind-the-meter demand cost reduction for the group of seven standalone meters/sites and the existing NEM meter yielded total energy cost savings of \$936,307 over the term of a 10yr SSA. Both the standalone group of sites and the NEM site have positive cash flow in the first year. This is largely due to the lack of a capital cost outlay by the District to install the battery systems (the systems are installed, owned and operated by the SSA Provider), and an assumption of obtaining SGIP incentives (tier 3), which the Provider would receive to help offset their costs. In addition, since the SSA is a 3rd party ownership structure (like a solar energy PPA), the District would not incur Operations & Maintenance costs (except for an annual controls software license and maintenance fee). It should be noted that TerraVerde assumed in all cases (sites) there exists adequate area and infrastructure to support the battery systems, which require a relatively small foot print, preferably near the main meter/switchgear. Confirmation of proper siting of the battery systems would be determined in a future phase of project development as part of implementation next steps.

Standalone Battery Storage SSA, 7 meters using Jan 2017 rate sched, and SCE's proposed TOU period shift to 4-9pm with no grandfathering of current TOU periods	
10Yr Net Savings (7 sites portfolio):	\$761,346
SGIP value estimate:	Tier 3 - \$0.40/Wh (~August 2017 availability)
Shared Savings rate:	50% savings split
System Size(s):	total capacity for 7 systems: 3,680 kWh
Battery Storage SSA for exist NEM meter uses Jan 2017 rate sched and SCE's proposed TOU period shift to 4-9pm with 10yrs grandfathering of current TOU periods	
Battery Storage 10Yr Net Savings:	\$174,961
SGIP value estimate:	Tier 3 - \$0.40/Wh (~August 2017 availability)
Shared Savings rate:	50% savings split
System Size:	1,500 kWh

Feasibility Study Schedule and Deliverables

The feasibility study (Phases 1 through 3) required eight months to complete. The original proposed schedule for phases 1 through 3 was 5.5 months, but did not include unforeseen delays associated with interpretations and clarifications from SCE that were necessary to complete various stages of the rate analysis tasks. An extension of the project schedule was necessary to:

- Address regulatory changes (CPUC Decision impacting TOU rate design), and changes proposed by SCE for their upcoming General Rate Case (TOU period schedules and rate changes).
- Address tariff interpretations and clarifications by SCE regarding NEM 2.0 projects that share a common POI with existing NEM 1.0 projects.

Deliverables for the feasibility study consisted of:

- Descriptions of all analyses performed (detailed list of assumptions, project variables, and financial pro-forma inputs).
- Energy consumption and cost analysis for each meter/site.
- Baseline financial pro-forma for the existing system (projected 20yr net savings, yearly cash flow basis).
- Financial pro-formas for the NEM 2.0 expansion project, RES-BCT project (projected 25yr net savings, yearly cash flow basis), and Battery Storage projects, for cash purchase (District owned) and PPA financing scenarios, with numerous modeling iterations for each project as variables changed over the course of the study.
- Initial array layout for the RES-BCT project.
- Summary report of Financials for all iterations of the individual project savings cash flow pro-formas.
- SCE Rule 21 interconnection investigation report and SCE IR Pre-app results report for RES-BCT project.
- Workshop meeting agendas, and meeting minutes.

Summary of Conclusions & Recommendations

As described above, the cost/benefit analysis for the NEM 2.0 expansion project yields a relatively high-risk situation (17yrs to achieve a positive cash flow position, and projected savings of only \$170,413 for 20yrs). In addition, the challenges associated with modifying the existing PPA terms and conditions to include the new NEM 2.0 expansion system in the existing PPA, or considering a second standalone PPA with terms that address the shared POI for the new system represents added complexity and risk.

The projected net savings of the standalone battery storage portfolio of meter/sites over the 10yr term of a hypothetical SSA is reasonably good (and annual cash flow remains positive). However, the analysis assumes the SGIP incentives that are used to help offset the cost of the system (SGIP benefits go to the SSA Provider), are projected to be available at \$0.40/Whr. If SGIP funding is not available at this level when the incentives are applied for, the cumulative net savings will be reduced, and the annual cash flow could drift negative, which represents significant downside risk.

The SGIP program has seen many changes over the past two years, primarily due to the substantial demand for incentives by the California battery storage market, which the current program funding levels cannot sustain. High hopes were being placed on a new State Senate Bill – SB700, which was intended to provide battery storage incentive funding similar to the highly successful California Solar Initiative (CSI) program. However, the bill failed to move forward during a recent vote, and has been tabled for 2yrs.

Of the solar PV and battery storage projects evaluated during the feasibility assessment, only the RES-BCT project using a PPA shows reasonable cost/benefit (\$4.98M in projected net savings, and cash flow positive by the 11th year). During the Workshop meetings, the District indicated the RES-BCT project economics seemed attractive enough to warrant continuing the project development process through a RFP to confirm PPA rates and terms. This conclusion was made easier knowing that if the project were to proceed to the implementation stage with a qualified PPA Provider, expenses incurred by the District for project development can be reimbursed by the PPA Provider by including these costs in the PPA financing.

Based on the results of the analysis, the recommended course of action is to secure firm PPA rate pricing from the market by running a RFP process structured specifically for solar energy PPA Providers. The PPA rate pricing obtained from the competitive bid process can then be loaded back into the cash flow analysis, and the net saving pro-formas re-issued to confirm the projected 25yr savings and annual cash flows for the RES-BCT project. The District may also want to consider pursuing some parallel tasks during development of the RFP package, such as: Concurrent civil engineering efforts to develop site grading plans, further verification of the interconnection strategy proposed by TerraVerde, and creation of an informed design/build schedule showing the probable construction start date prior to Dec 31, 2019, which is when the value of the current federal ITC is due to be reduced. Not meeting this milestone could result in increased PPA rates, a reduction in 25yr net savings, and additional years to achieve positive cash flow. Results of the parallel work that become available during the RFP process can be shared with the proposers (with the District's approval) to provide more informed proposals.

The District may also want to consider further development of the battery storage projects using a 3rd party ownership model (much like a solar energy PPA). The battery storage market is still young, and there are a number of ownership and financing models currently being tested and marketed; thus, LVMWD may want to consider running a separate RFP process for the storage projects following the Solar PV project RFP process.



Las Virgenes Municipal Water District



Pro Forma Feasibility Study

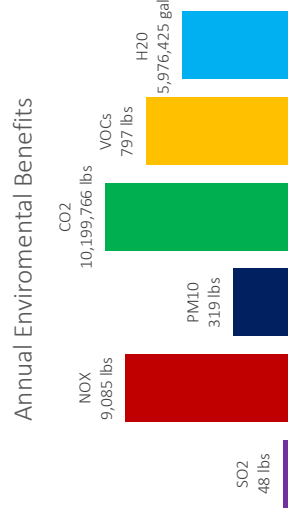
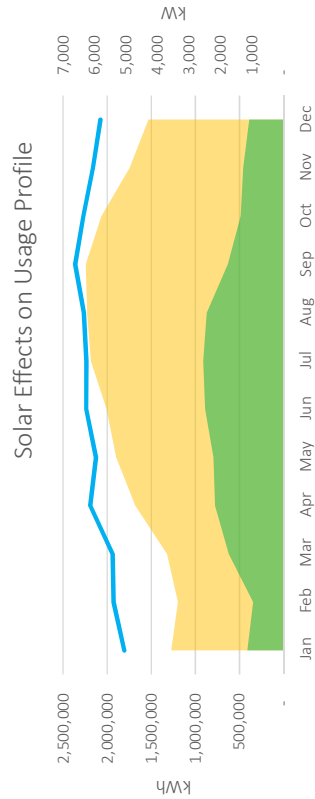
Scenarios Included in this Pro Forma:

- #1 - RES-BCT: Power Purchase Agreement
- #2 - RES-BCT: Cash Purchase

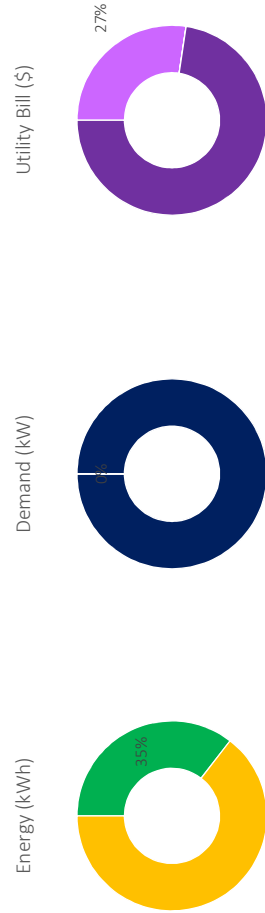


Summary of Results

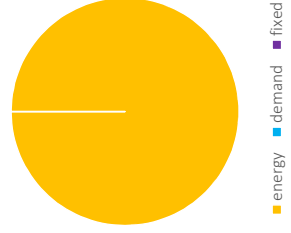
Financing Scenario	PPA Start Price		PPA Escalator		Cumulative Cash Position		Cumulative Cash Position		Years to Payback
	Year 1	Year 1-10	Year 1-10	Year 1-25	Year 1	Year 1-10	Year 1-25	Year 1-25	
#1 - RES-BCT: Power Purchase Agreement	\$ 101,213	\$ 2,079,223	0.00%	\$ 5,339,522	\$ (8,889,572)	\$ (2,727,524)	\$ 4,896,936	n/a	16
#2 - RES-BCT: Cash Purchase	\$ 0.0822								



Offsets from Renewable Energy Programs



Gross Utility Savings by Bill Component



Project Portfolio



Meter Name	Service Account ID	Meter Number	Current Rate	Proposed Rate	Program	Customer Usage (kWh)	Max Demand (kW)
#1 - 3810 Las Virgenes Rd Pmp, Calabasas, Ca 91302	3000436862	256000-169208	TOU-GS-2 B	TOU-GS-2 A	RES-BCT	3,064	39
#2 - 731 Malibu Canyon Rd, Calabasas, Ca 91302 (RES-BCT with # 1)	3000436856	359150-000363	TOU-8 CPP	TOU-8 CPP	RES-BCT	11,693,213	2,488
#3 - 23589 Calabasas Rd Pmp, Calabasas, Ca 91302 (RES-BCT with # 1)	3001339585	V349N-000662	TOU-PA-3 B	TOU-PA-3 B	RES-BCT	744,181	451
#4 - 3240 Las Virgenes Road, Calabasas, Ca 91302 (RES-BCT with # 1)	3000436860	259000-058556	TOU-PA-2 B	TOU-PA-2 B	RES-BCT	605,061	123
#5 - 32601 Torchwood Plwestlake Village Ca 91361 (RES-BCT with # 1)	3000436852	0	TOU-PA-2 B	TOU-PA-2 B	RES-BCT	428,080	219
#6 - 4815 El Canon Ave Pmp, Calabasas, Ca 91302 (RES-BCT with # 1)	3001397791	259000-071515	TOU-PA-2 B	TOU-PA-2 B	RES-BCT	348,913	118
#7 - Upper & Lower Oaks, Boosters, 25301 Prado De Los Arboles (RES-BCT with # 1)	3031816954	256000-191085	TOU-PA-2 B	TOU-PA-2 B	RES-BCT	242,384	134
#8 - 6651 Valley Circle, Calabasas, Ca 91307 (RES-BCT with # 1)	3000131355	259000-078545	TOU-PA-2 B	TOU-PA-2 B	RES-BCT	135,268	253
#9 - 4232 Las Virgenes Rd Unit 2A, Calabasas, Ca 91302 (RES-BCT with # 1)	3010653473	259000-073759	TOU-GS-2 B	TOU-GS-2 B	RES-BCT	108,313	120
Portfolio Totals						21,382,629	2,488

Project Savings



Meter Name	Service Account ID	Customer Usage (kWh)	Solar Production (kWh)	Solar Sizing	Solar Array Size (kW)	Solar Savings (\$/kWh)	Solar Savings (\$/kWh)
#1 - 3810 Las Virgenes Rd Pmp, Calabasas, Ca 91302	3000436862	3,064	7,589,111	53%	4,000	\$ (180)	\$ 0.1005
#2 - 731 Malibu Canyon Rd, Calabasas, Ca 91302 (RES-BCT with # 1)	3000436856	11,693,213	-	-	-	\$ 624,161	\$ 0.1005
#3 - 23589 Calabasas Rd Pmp, Calabasas, Ca 91302 (RES-BCT with # 1)	3001339585	744,181	-	-	-	\$ 38,790	\$ 0.1005
#4 - 3240 Las Virgenes Road, Calabasas, Ca 91302 (RES-BCT with # 1)	3000436860	605,061	-	-	-	\$ 32,744	\$ 0.1005
#5 - 32601 Torchwood Plwestlake Village Ca 91361 (RES-BCT with # 1)	3000436852	428,080	-	-	-	\$ 22,731	\$ 0.1005
#6 - 4815 El Canon Ave Pmp, Calabasas, Ca 91302 (RES-BCT with # 1)	3001397791	348,913	-	-	-	\$ 19,344	\$ 0.1005
#7 - Upper & Lower Oaks, Boosters, 2530I Prado De Los Arboles (RES-BCT with # 1)	3031816954	242,384	-	-	-	\$ 11,367	\$ 0.1005
#8 - 6651 Valley Circle, Calabasas, Ca 91307 (RES-BCT with # 1)	3000131355	135,268	-	-	-	\$ 6,999	\$ 0.1005
#9 - 4232 Las Virgenes Rd Unit 2A, Calabasas, Ca 91302 (RES-BCT with # 1)	3010653473	108,313	-	-	-	\$ 7,028	\$ 0.1005
Totals		14,308,476	7,589,111	53%	4,000	\$ 762,984	\$ 0.1005

Scenario Dashboard



Scenario: #1 - RES-BCT: Power Purchase Agreement

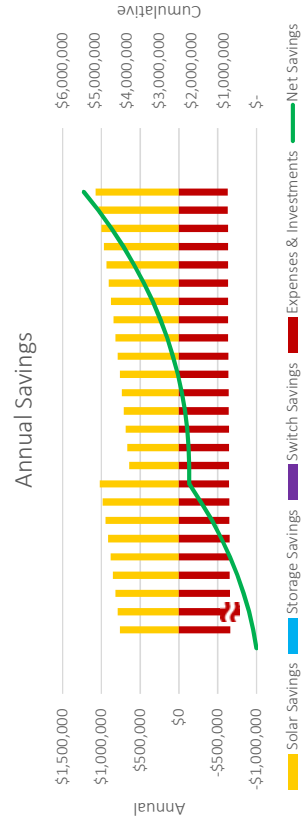
Technical Assumptions	
Total Solar Project Size	4.00 MW, DC
Annual Solar Yield	1.897 kWh/kW
Year-1 Solar Production	7,589,111 kWh
Annual Solar Degradation Factor	0.50%
Number of SCE Accounts	9

Avoided Cost & Revenue Sources	
Savings from Solar Production	\$0.1005 /kWh
Estimated Utility Energy Cost Escalator	3.00%
Estimated Utility Demand Cost Escalator	4.00%
Estimated Utility Fixed Cost Escalator	1.00%
Average 25-year REC Price	\$0.0006 /kWh

PPA Assumptions	
PPA Rate	\$0.0822
PPA Annual Escalator	0.00%

Asset Management Services Assumptions	
Asset Management Services, Solar (PPA)	\$0.0050 /kWh
Asset Management Services Escalator	3.00%

Total Net Benefit (25 years)	
Gross Project Benefit	\$21,417,779
Operating Expenses	(\$1,383,467)
Power Purchase Agreement (PPA) Payments	(\$14,694,790)
Total Net Benefit	\$5,339,522



Cash Flow



Project: Las Virgenes Municipal Water District
 Scenario: #1 - RES-BCT: Power Purchase Agreement

Term Year	Electricity		Utility Savings		Expenses			Net Savings		Cumulative Net Benefits	Cumulative Cash Position
	Annual Solar Production (kWh)	Solar Savings per kWh Produced	Savings from Solar	Subtotal: Annual Gross Benefits	PPA Payments	Asset Management Service	Subtotal: Annual Operating Expenses	Net Benefits (Solar)			
2018	-	-	-	-	-	-	-	-	-	-	-
2019	7,589,111	0.1005	\$ 762,984	\$ 762,984	\$ (623,825)	\$ (37,946)	\$ (661,771)	\$ 101,213	\$ 101,213	\$ 101,213	
2020	7,551,166	0.1048	\$ 791,221	\$ 791,221	\$ (620,706)	\$ (39,084)	\$ (659,790)	\$ 131,431	\$ 232,645	\$ 232,645	
2021	7,513,410	0.1092	\$ 820,458	\$ 820,458	\$ (617,602)	\$ (40,256)	\$ (657,859)	\$ 162,599	\$ 395,244	\$ 395,244	
2022	7,475,843	0.1138	\$ 850,729	\$ 850,729	\$ (614,514)	\$ (41,464)	\$ (655,978)	\$ 194,751	\$ 589,995	\$ 589,995	
2023	7,438,464	0.1186	\$ 882,071	\$ 882,071	\$ (611,442)	\$ (42,708)	\$ (654,150)	\$ 227,921	\$ 817,916	\$ 817,916	
2024	7,401,271	0.1236	\$ 914,521	\$ 914,521	\$ (608,385)	\$ (43,989)	\$ (652,374)	\$ 262,147	\$ 1,080,063	\$ 1,080,063	
2025	7,364,265	0.1287	\$ 948,118	\$ 948,118	\$ (605,343)	\$ (45,309)	\$ (650,652)	\$ 297,466	\$ 1,377,529	\$ 1,377,529	
2026	7,327,444	0.1341	\$ 982,901	\$ 982,901	\$ (602,316)	\$ (46,668)	\$ (648,984)	\$ 333,917	\$ 1,711,447	\$ 1,711,447	
2027	7,290,806	0.1398	\$ 1,018,913	\$ 1,018,913	\$ (599,304)	\$ (48,068)	\$ (647,373)	\$ 371,541	\$ 2,082,987	\$ 2,082,987	
2028	7,254,352	0.0885	\$ 642,054	\$ 642,054	\$ (596,308)	\$ (49,510)	\$ (645,818)	\$ (3,764)	\$ 2,079,223	\$ 2,079,223	
2029	7,218,081	0.0920	\$ 664,416	\$ 664,416	\$ (593,326)	\$ (50,996)	\$ (644,322)	\$ 20,094	\$ 2,099,317	\$ 2,099,317	
2030	7,181,990	0.0957	\$ 687,556	\$ 687,556	\$ (590,360)	\$ (52,526)	\$ (642,885)	\$ 44,671	\$ 2,143,988	\$ 2,143,988	
2031	7,146,080	0.0996	\$ 711,502	\$ 711,502	\$ (587,408)	\$ (54,101)	\$ (641,509)	\$ 69,993	\$ 2,213,981	\$ 2,213,981	
2032	7,110,350	0.1036	\$ 736,282	\$ 736,282	\$ (584,471)	\$ (55,724)	\$ (640,195)	\$ 96,087	\$ 2,310,068	\$ 2,310,068	
2033	7,074,798	0.1077	\$ 761,923	\$ 761,923	\$ (581,548)	\$ (57,396)	\$ (638,944)	\$ 122,979	\$ 2,433,047	\$ 2,433,047	
2034	7,039,424	0.1120	\$ 788,458	\$ 788,458	\$ (578,641)	\$ (59,118)	\$ (637,759)	\$ 150,699	\$ 2,583,746	\$ 2,583,746	
2035	7,004,227	0.1165	\$ 815,915	\$ 815,915	\$ (575,747)	\$ (60,891)	\$ (636,639)	\$ 179,276	\$ 2,763,022	\$ 2,763,022	
2036	6,969,206	0.1212	\$ 844,329	\$ 844,329	\$ (572,869)	\$ (62,718)	\$ (635,587)	\$ 208,742	\$ 2,971,764	\$ 2,971,764	
2037	6,934,360	0.1260	\$ 873,731	\$ 873,731	\$ (570,004)	\$ (64,600)	\$ (634,604)	\$ 239,127	\$ 3,210,890	\$ 3,210,890	
2038	6,899,688	0.1310	\$ 904,156	\$ 904,156	\$ (567,154)	\$ (66,538)	\$ (633,692)	\$ 270,464	\$ 3,481,355	\$ 3,481,355	
2039	6,865,190	0.1363	\$ 935,641	\$ 935,641	\$ (564,319)	\$ (68,534)	\$ (632,852)	\$ 302,788	\$ 3,784,143	\$ 3,784,143	
2040	6,830,864	0.1417	\$ 968,221	\$ 968,221	\$ (561,497)	\$ (70,590)	\$ (632,087)	\$ 336,134	\$ 4,120,276	\$ 4,120,276	
2041	6,796,709	0.1474	\$ 1,001,935	\$ 1,001,935	\$ (558,690)	\$ (72,708)	\$ (631,397)	\$ 370,537	\$ 4,490,814	\$ 4,490,814	
2042	6,762,726	0.1533	\$ 1,036,822	\$ 1,036,822	\$ (555,896)	\$ (74,889)	\$ (630,785)	\$ 406,037	\$ 4,896,851	\$ 4,896,851	
2043	6,728,912	0.1594	\$ 1,072,923	\$ 1,072,923	\$ (553,117)	\$ (77,136)	\$ (630,252)	\$ 442,671	\$ 5,339,522	\$ 5,339,522	
2044	178,768,738		\$ 21,417,779	\$ 21,417,779	\$ (14,694,790)	\$ (1,383,467)	\$ (16,078,257)	\$ 5,339,522	\$ 5,339,522	\$ 5,339,522	

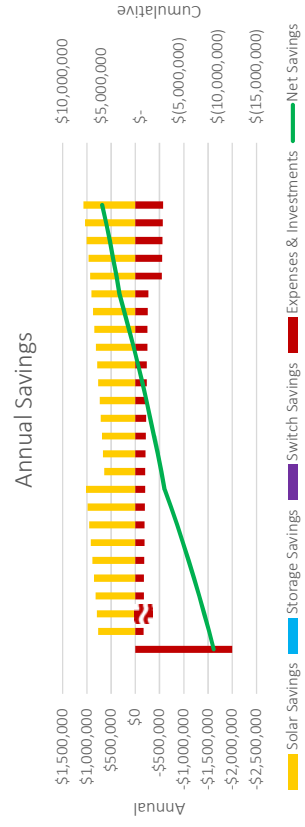
Scenario Dashboard



Scenario: #2 - RES-BCT: Cash Purchase

Technical Assumptions	
Total Solar Project Size	4.00 MW, DC
Annual Solar Yield	1.897 kWh/kW
Year-1 Solar Production	7,589,111 kWh
Solar System Cost	\$2.37 /Wp
Annual Solar Degradation Factor	0.50%
Number of SCE Accounts	9
Avoided Cost & Revenue Sources	
Savings from Solar Production	\$0.1005 /kWh
Estimated Utility Energy Cost Escalator	3.00%
Estimated Utility Demand Cost Escalator	4.00%
Estimated Utility Fixed Cost Escalator	1.00%
Average 25-year REC Price	\$0.0006 /kWh
Asset Management Services Assumptions	
Asset Management Services, Solar (client-owned)	\$0.0150 /kWh
Asset Management Services Escalator	2.50%

Total Net Benefit (25 years)	
Gross Project Benefit	\$21,417,779
Total Initial Project Cost	(\$9,483,158)
Operating Expenses	(\$7,132,609)
Total Net Benefit	\$14,285,170
Sources of Project Capital (Year-1)	
Client Contribution	100% \$9,483,158



Disclaimers and Assumptions

- 1) Projections of future savings are calculated based on patterns of previous electricity usage with billing data from March 2017, and assume that historical usage patterns hold at the same level over the life of the project.
- 2) Projections based on stated assumptions. Final solar project size and costs will be based on site audit results.
- 3) The CPUC is in the process of developing guidelines for the transition of time of use periods, and changes made may affect projected savings. The estimated impact from this transition is reflected in this pro forma and uses CALSEIA's TOU rate schedule estimates for post-grandfathering, starting in year 2026. Proposed TOU details will be validated when the new TOU periods are established, and are currently as follows: summer (Jun-Sep) — offpeak 12AM-4PM and 9PM-12AM, all days; partpeak 4PM-9PM weekends; onpeak 4PM-9PM, weekdays; winter (Jan-May and Oct-Dec) — offpeak 12AM-8AM and 9PM-12AM, all days; partpeak 4PM-9PM, all days; superoffpeak 8AM-4PM, all days.
- 4) Projections are subject to tariff eligibility over the life of the installation. This analysis uses SCE rates published January 2018.
- 5) System size (kW) will be confirmed upon site audit and is subject to real estate availability and electrical service capacity. This analysis assumes the electrical service will not require significant upgrades.
- 6) Net Operating Benefit does not include repayment of any client capital that may be invested.
- 7) PPA contracts are for 20 years. Savings shown beyond year 20 are subject to change based on an extension with the provider and a renegotiated PPA price.
- 8) Proposed TOU details will be validated when the new TOU periods are established, and are currently as follows:

PROPOSED SCE TIME OF USE PERIODS

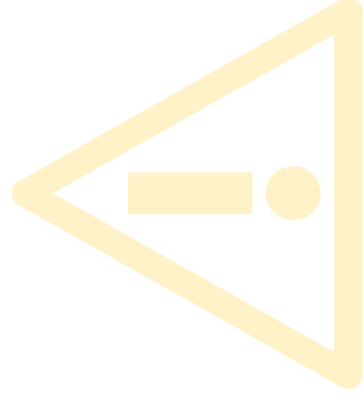
	On-Peak	4 pm - 9 pm, weekdays
Summer	Mid-Peak	4 pm - 9 pm, weekends
	Off-Peak	All other hours
	Mid-Peak	4 pm - 9 pm, all days
Winter	Off-Peak	9 pm - 8 am, all days
	Super Off-Peak	8 am - 4 pm, all days

- 9) The generating credits are modeled using TOU-GS-2 Option A. The UG component of the effective rates are listed below:

TOU-GS-2 Option A (Effective January 1, 2018)

UG Charges \$/kWh

Summer		Winter	
On Peak	0.35987	Mid Peak	0.05464
Mid Peak	0.1007	Off Peak	0.04297
Off Peak	0.03545		





Proposal: Consulting Services for RES-BCT Solar Energy Project RFP
Process (LVMWD Phase 2 Solar PV)



February 13, 2018

Prepared for: **Las Virgenes Municipal Water District**

Attention: David Lippman

Director, Facilities & Operations

4232 Las Virgenes Road, Calabasas, CA 91302

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EXECUTIVE SUMMARY

In support of Las Virgenes Municipal Water District's (LVMWD's) Phase 2 solar energy project implementation plan, we would like to thank the District for the opportunity to submit our proposal for professional consulting services associated with the District's proposed RES-BCT (Renewable Energy Self-Generation Bill Credit Transfer) project. This proposal includes a scope of services requested by the District at the June 14 Solar Project Feasibility Workshop meeting, consisting of:

1. Gather all necessary information for the RFP process.
2. Prepare and submit the SCE Rule 21 Interconnection Request and monitor the review process.
3. Create a set of project-specific specifications, RFP instructions and related documents, including template solar energy Power Purchase Agreement (PPA) contracts. And, assist with legal review of the RFP documents by the District's attorney.
4. Run a comprehensive and transparent RFP process for the District to confirm PPA pricing and terms consistent with the project feasibility assessment previously provided by TerraVerde.
5. Provide evaluation of RFP responses to the District, arrange shortlist interviews, and manage a value engineering process if necessary.
6. Provide updated financial analysis for projected net savings, cash flows, and ROI based on the results of the RFP process.
7. Assist the District with negotiating and executing a PPA contract with the selected proposer.
8. Assist the District with a CEQA study process and the Government Code Section 4217 process.

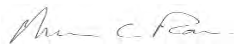
TerraVerde's level-of-effort estimate for creating the RFP documents, running the RFP process, and assisting the District with the PPA contract (Phases 1 through 4) can be found on page 6 of this proposal. Our not-to-exceed price is: \$75,056 (not including estimated expenses and contingency of \$18,397).

Per the District's request, TerraVerde has included a description of follow-on, owner's rep services for design/build project management, including: pre-design tasks, PPA contract oversight, design/engineering review, construction management, system commissioning, performance validation, PTO and COD oversight, and project close out (Phases 5 and 6, see page 5-6).

As LVMWD is already aware, TerraVerde is the leading independent renewable energy and energy efficiency consulting firm focused exclusively on California public agencies and is highly experienced in providing the complex feasibility analysis and owner's rep services required to properly evaluate and implement solar energy and energy storage projects. Please reference our Statement of Qualifications (SOQ) for additional information.

We trust the District will find our industry leading experience, analytical capabilities, and knowledge of export energy solar projects to be an excellent fit for further evaluation of LVMWD's proposed RES-BCT solar project. In good faith, TerraVerde is prepared to initiate RFP development tasks with a Letter of Intent (LOI) from the District to enter into a consulting services agreement. If you have any questions, please feel free to contact me.

Sincerely,



Kevin Ross, VP Business Development
TerraVerde Energy, LLC
520 E. Avenida Pico #3793
San Clemente, CA 92674-9998
949-212-6555, Kevin.Ross@tvrpllc.com

SECTION A. SCOPE OF WORK

In support of our project planning, development, and implementation management service model, TerraVerde has developed proprietary software, documents, templates, and methods specific to California public agency operations, and energy-centric contracting. The result is an efficient, comprehensive set of services that fully support the best practices of turnkey project development, transparent competitive bidding, and effective design/build management carefully aligned with the District's goals and requirements.

The following scope of work description is based on the District's desire to enter into a consulting services agreement for the purposes of further evaluating the proposed RES-BCT project by running a highly competitive and transparent RFP process for the single-site, single-array project of up to 5MW in capacity at the District's North Canyon Irrigation Spray Field site on Las Virgenes Road near District headquarters, and assisting LVMWD with PPA contract negotiations following selection of a PPA Provider. The project will be evaluated for implementation under SCE's Renewable Energy Self-Generation Bill Credit Transfer tariff (RES-BCT), which is a non-NEM, "export energy" tariff that allows public agencies to install a grid-connected renewable energy generation system of up to 5MWs capacity on property owned or leased by the agency, and receive monetary bill credits for the energy generated by the system and sent to the grid. The bill credits can be applied to one or more (up to 50) SCE accounts/meters (benefitting accounts), and their value is determined by the energy generation portion of the host site's time of use (TOU) rate schedule.

The RFP process and PPA contracting consist of four (4) phases; each phase consisting of a group of tasks that must be completed to progress to the next phase. There are defined deliverables for each phase (see the Description of Deliverables table below), and the deliverables schedule also defines the proposed fee payment milestones (see Section C).

In addition to the RFP process, updated project financials, and assistance with PPA contract negotiations, LVMWD has requested a description of optional follow-on owner's rep services as described in Phases 5 and 6 (see below).

Phase 1 Tasks – Pre-RFP Development Tasks

1. Attend an in-person kick-off meeting with the District to discuss processes and schedules for Phases 1 thru 4.
2. Using the financial analysis performed during the feasibility assessment, confirm the list of proposed RES-BCT benefitting accounts that will be included in the financial savings calculator for inclusion in the RFP.
3. Gather all applicable parcel survey data, entitlements data and related easement agreements, geotechnical study information, and CEQA study report (existing 1MW project), research requirements related to the authorities having jurisdictional (AHJ) purview and project approval.
4. Review information with the District and include relevant pieces in the RFP package as applicable.
5. Prepare and submit the interconnection request (IR) for RES-BCT Rule 21 Generating Interconnection Agreement (GIA, SCE form 14-788), including electrical design and single line diagrams required for the submittal (District to pay \$800 IR submittal fee). Note: Initiating this task ahead of the RFP process is recommended due to the long queue times and extended review periods for export energy interconnection requests. TerraVerde will also prepare and submit the Benefitting Account Designation (form 14-789) which is required by SCE to apply for the GIA.
6. Manage communication and coordination with SCE during the IR review process. And, include any relevant findings from SCE's IR review process in the RFP, and/or share with RFP respondents during the proposal preparation stage.

Phase 2 Tasks – Prepare RFP Package

1. Prepare project scope overview and relevant project details to be included in RFP package.

2. Prepare project technical specifications and review with the District for inclusion in the RFP.
3. Prepare RFP instructions and applicable forms to be included in the RFP package.
4. Prepare template PPA contract documents for inclusion in the RFP package, and deliver to the District. Participate in review/comments meetings with LVMWD and the District's legal counsel, as required. Note: There will be a \$1,500 fee for use of template contract documents, which is included in the expenses estimate for Phase 2.
5. Deliver a complete set of documents for the draft RFP package to the District for review and approval by staff and legal counsel (Tasks 1, 2, 3, 4).
6. Schedule RFP package release date with District. Assemble RFP packages and release to a select group of respondents, including any requests for specific vendors by the District.
7. Manage SCE IR Supplemental Review process and/or advanced study requirements, and report status to District, as applicable.

Phase 3 Tasks – Run RFP Process

1. Manage RFP process including responding to questions from RFP participants, setting up and attending a meeting and site walk with RFP respondents and managing any changes to the RFP.
2. Evaluate RFP responses and provide qualitative and quantitative written review to the District.
3. If requested by the District, schedule short-list interviews with selected RFP respondents and attend interviews with District. Provide written feedback on the interviews and respond to District's questions regarding interviews.
4. Assist the District with communications to shortlisted RFP respondents, and if determined to be beneficial, manage a best and final offer (BAFO) process with District selected RFP respondent(s), including conducting a value engineering process.
5. Using the results of the RFP process, update the financial analysis for projected net savings, cash flows, and ROI. Review the updated financials with the District and discuss next steps.

Phase 4 Tasks – PPA Contract Negotiation and Execution

1. Assist the District with PPA contract negotiations.
2. Assist the District with public outreach as needed to create local community support for the project.
3. Assist the District with any permitting activities required by applicable authorities having jurisdiction.
4. Assist the District's CEQA consultant with relevant solar project scope/technical details as needed.
5. Assist the District during public comment period for CEQA MND filing as needed.
6. Assist the District with Government Code Section 4217 process (notification and Board resolution), and Board approval of final PPA contract.

Optional Follow-on Services, post-PPA Contract Execution

Phase 5 Tasks – Owner's Rep Project Manager: Pre-design and System Design Process Assistance

1. During the handoff of interconnection scope to the PPA provider, continue communication with SCE regarding the IR, and oversee the GIA development process as owner's rep, as applicable.
2. Assist the District in managing all pre-design activities with the PPA provider, including but not limited to: geotechnical study, site surveys, CEQA mitigation steps (if applicable), site prep planning, pump station meter panel/switchgear assessment (RES-BCT generating account).
3. Review PPA provider's project schedule and assist the District in optimizing PPA provider's schedule to fit District's operations requirements.

4. Assist the District in managing the project design/engineering process with the PPA provider, including oversight of the design review process, management of PPA provider's design updates and submittals, and assistance with all design approval milestones (30%, 50%, 90%, 100%).
5. Review all generating interconnection agreement (GIA) documents, assist District's staff and legal counsel in negotiating the final RES-BCT GIA with SCE, and assist District in managing GIA payment milestones.
6. Assist the District with design review of SCE's planned interconnection facilities upgrades (as described in the GIA), if applicable.

Phase 6 Tasks – Owner's Rep Project Manager: System Construction and Start-Up

1. Oversee issuance of all applicable AHJ approvals and permits to PPA provider.
2. Facilitate construction kickoff meeting in person and on-going project progress meetings by phone.
3. Manage PPA provider during all phases of construction to ensure adherence to contract terms, project specifications and general conditions, including work-in-progress field audits as needed.
4. Respond to all questions and RFIs, issue written responses, and address any change orders with the District.
5. Review project schedule throughout the project and oversee update process.
6. Oversee Utility infrastructure upgrades installation and coordination with SCE and PPA provider, as applicable.
7. Oversee PPA provider's installation and programming/calibration of weather station, telemetry system and monitoring system.
8. Conduct final-completion site walk and manage final punch list completion.
9. Oversee system commissioning to ensure that specifications for system operation are met. Provide and oversee use of commissioning forms for logging performance data.
10. Use logged performance data to validate the equipment is operating per specifications and provide written confirmation to the District. Advise District on any necessary corrective actions for anomalies and equipment adjustments and oversee corrective actions.
11. Oversee Utility (SCE) signoff and issuance of Permission to Operate (PTO).
12. Oversee fulfillment of all conditions per the PPA contract terms.
13. Manage project closeout and delivery of as-built documentation per PPA contract terms.
14. Confirm monitoring system operation and prepare handoff to AMS provider.
15. Provide an updated financial analysis for projected net savings, cash flows, and ROI based on the as-built system characteristics.

Deliverables and Payment Milestones – Phase 1, 2, 3, 4

<u>Phase</u>	<u>Task #</u>	<u>Description of Milestone/Deliverable</u>	<u>Fee Amount</u>
1	4	Assemble Draft RFP package	\$9,745
1	5	Receive confirmation of Interconnection Request submittal to SCE	(prior contract)
2	5	District confirms agreed upon RFP inclusions, deliver updated RFP	\$12,061
2	6	RFP Package release and conduct pre-proposal mtg & site walk	\$5,040
3	2	Deliver evaluation of RFP responses to the District	\$19,188
3	5	Deliver updated project financials based on results of the RFP process	\$4,115
4	6	Negotiated PPA contract approved by the Board	\$24,907
Subtotal:			\$75,056
Estimated Expenses and Contingency:			\$18,397
Total:			\$93,453

SECTION B. FEE PROPOSAL

Per the District’s request, TerraVerde offers a traditional level-of-effort fee structure based on standard hourly rates (see rate table below, which includes the ACWA member 10% discount), and the scope of work described in Section A.

TerraVerde Hourly Rate Table

<u>Resource Classification</u>	<u>Hourly Rate</u>	<u>ACWA Discounted Rate</u>
Principal, Technical Advisor	\$225	\$203
EVP Structured Finance	\$210	\$189
Engineering Director	\$205	\$185
Sr. Engineer, Project Developer	\$195	\$176
Account Manager	\$190	\$171
Project Manager	\$185	\$167
Energy Engineer / Audit Mgr	\$165	\$149
Energy / Financial Analyst	\$155	\$140
Data Administrator	\$80	\$72

Expenses are estimated (travel expenses, materials, supplies, incidentals). Actual expenses will be billed at cost separately.

Note: 100% of TerraVerde’s fee can be folded into the PPA financing, which allows the District to be reimbursed by the selected PPA Provider for the consulting fees to achieve a true no-capital cost PPA project implementation.

Level of Effort Estimate Summary

RFP process and PPA contract assistance services for Proposed RES-BCT Solar Project (Scope of Work Phases 1 - 4)

	<u>Phase 1*</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Phase 4</u>	<u>Total</u>
Cost per Phase:	\$9,746	\$17,101	\$23,302	\$24,907	\$75,056
Estimated Expenses:	\$3,939	\$2,526	\$1,398	\$2,779	\$10,642
Contingency:	\$1,278	\$1,687	\$2,318	\$2,472	\$7,755
Total Cost:	\$19,963	\$21,314	\$27,018	\$30,158	\$93,453

Expenses to be billed separately at actual cost.

*: Per the District’s direction, the tasks and expenses associated with the SCE Interconnection Request (IR) submittal process (a total of \$5,000) has been removed from this proposal, and added to the Feasibility Assessment scope as an amendment to the Feasibility Assessment contract (not including the \$800 submittal fee which will be reimbursed directly by the District). This proposal was updated to reflect this change on February 13, 2018.

Estimated level of effort for post-RFP Owner’s Rep Services (Scope of Work Phases 5 and 6) available upon request.

SECTION C. PROJECT SCHEDULE & FEE PAYMENT MILESTONES

The following schedule is based on the scope of work described in Section A, Phases 1 - 4. A detailed schedule will be presented at the kick-off meeting. Project schedules and milestones for optional follow-on work (Phases 5 and 6) is available upon request.

<u>Project Scope Phase</u>	<u>Work Schedule Duration</u>	<u>Fee Payment Milestones</u>
Phase 1 Tasks	6 weeks	Task 4 and 5 Deliverables
Phase 2 Tasks	6 weeks	Task 6 Deliverable
Phase 3 Tasks	10 weeks	Task 2 & 5 Deliverables
Phase 4 Tasks	6 weeks	Task 6 Deliverable
Total:	28 weeks	

SECTION D. DESCRIPTION OF OPTIONAL FOLLOW-ON OWNER'S REP SERVICES

Solar Energy PPA Contracts Guidance:

To date TerraVerde has successfully facilitated 18 solar energy PPAs for public agency clients, representing 38 megawatts. In addition, several of TerraVerde's principals and staff have substantial past experience in structuring PPA contracts that minimize client risk. The following outline describes TerraVerde's approach to mitigating client risk for solar energy PPAs using our standard template documents:

The TerraVerde template contracts incorporate key structures that protect clients from downside risks while remaining "bankable" to the industry's top tier financiers. These documents have been refined over many years of project development, inclusive of many lessons learned, and reviewed by many of the major legal firms serving California public agencies. Key structures and protections include, but are not limited to:

- PV system removal and site restoration at end of term or upon termination event
- Performance/Production Guaranty, shortfall remedies, and enforcement procedures
- Contractor qualifications requirements
- Permitting requirements
- O&M requirements (including post-buyout O&M proposals)
- Commercial Operation Deadlines including liquidated damages
- Site License provisions
- PV system purchase options and negotiated termination values
- General Conditions & Technical Specifications included in the PPA contract
- Conditions Precedent ("CPs") to Construction: Most client risk exists prior to commissioning the system. For example, in the event a Provider fails to secure financing for the project after the PPA is executed. To mitigate these and other risks, TerraVerde designed a set of CPs that provides client-monitored checkpoints before the Provider can proceed deeper into the project implementation process. For example:
 - Within 30 days after the Effective Date, Provider is required to submit Proof of Insurance.

- Within 90 days after the Effective Date, Provider is required to submit executed contracts with subcontractors to complete the project.
- Within 120 days after the Effective Date, Provider is required to submit a 90% design of the project for client approval, a detailed construction schedule, and a detailed project safety plan.
- Within 120 days after the Effective Date, Provider is required to show evidence of securing sufficient financing to fund Provider's obligations under the Agreement.
- Within 180 days after the Effective Date, Provider is required to obtain all necessary permits, entitlements, and agreements required to complete the installation, to operate/maintain the PV system(s) and deliver the requisite electricity to the client.

These critical checkpoints prevent the PPA Provider from becoming further entrenched in the project without obtaining satisfactory supply, construction, financing, and insurance commitments. In addition, the client (and their independent advisor) have had the opportunity to review the design before authorizing notice to proceed to construction.

Many clients desire to own the solar project before the designated end of term. Given this preference for ownership, we require that Providers to utilize TerraVerde's form General Conditions & Technical Specifications to ensure quality construction, quality materials and a safe implementation process that remains in compliance with all contract requirements and regulations for the life of the system (assuming proper asset management). This contracting technique is unique in the industry as most PPA customers expect the Provider to handle all aspects of implementation and typically have little (or no) say in the design and implementation of the project.

Cost Reimbursement Agreement: Requires the Provider to have substantial economic skin in the game at key checkpoints. These up-front payments occur at key milestones and require the Provider to be economically vested in the project before being granted Notice to Proceed with various phases of implementation. **We have found that the exchange of reimbursable funds early in the project lifecycle results in better Provider performance and heightened focus to the deadlines and requirements of the agreement.**

Rule 21 Interconnection Implementation Management:

Drawing upon our knowledge and experience in developing and implementing NEM and "export energy" projects requiring Rule 21 Interconnection rules/regulations and associated Utility interconnection application screening and study processes, TerraVerde has developed a comprehensive program for assessing distribution level interconnection feasibility and driving Utility confirmation and acquiring NEM agreements and GIAs (Generating Interconnection Agreements). These services may include (on an as needed basis):

- Initial investigation and evaluation using the Utility's regional capacity maps
- Assessment of customer electrical infrastructure and Utility transformer(s)
- Assessment of Utility infrastructure at proposed project POI
- Utility interconnection Pre-application process
- Budgetary Interconnection scope/cost estimates
- Preparation and Submittal of Interconnection Requests/Applications
- Oversee Utility application review and screening process
- Oversee Supplemental review process
- Oversee Independent and/or Group Study process
- Oversee System Impact Study process (and Facilities Study process if required)
- Oversee Utility scope development and cost estimates for Interconnection facilities upgrades
- Assist clients with GIA negotiation and execution process
- Oversee GIA schedules/milestones and Utility billing associated with new interconnections
- Oversee Utility design/engineering process for Interconnection facilities upgrades
- Oversee Utility facilities upgrades and issuance of Permission to Operate (PTO)

We have integrated this scope into our multi-phase project development task descriptions (please see Scope of Services Section). In addition, TerraVerde is actively involved in interconnection regulatory policy at the CPUC, and provides frequent updates to ACWA's Energy Committee, and individual members.

Project Management Services:

TerraVerde provides turnkey owner's rep design/build project management services, which helps reduce district staff overhead associated with the project management role and mitigates the possibility of project scope/cost creep. Projects are managed as if TerraVerde were an integral part of the District's in-house staff. Our project management role facilitates resolution of issues quickly and effectively, driving a well-defined process, that in turn pushes contractors to meet all contract requirements, resulting in on-schedule and on-budget project execution (see TerraVerde SOQ for more details).

TerraVerde also offers comprehensive project commissioning management and performance validation (commissioning specifications available upon request) and follow-on asset management services (AMS) conducted by in-house employees to ensure the systems meet projected energy production, projected energy cost savings, and that the PPA provider/contractor meets all of the terms/conditions of the Performance Guarantee and PPA contract. In addition, our AMS operation has amassed a substantial database of factors that affect system performance, including specific equipment performance and reliability metrics that we use in the systems design and specification phase of new projects to assure optimum system reliability, performance, and operability.

Asset Management Services (AMS) – O&M, Performance Tracking and Administrative Oversight:

TerraVerde provides custom-tailored AMS programs for the maintenance and management of any solar and/or battery systems that are installed for the District, which can provide improved monitoring, performance, contract management (performance guarantee terms compliance), and accurate financial reporting. A typical AMS oversight scope may include:

- Comprehensive review all relevant data, drawings, specs, contracts, guarantees, production projections, savings projections, rate schedules, maintenance logs, warranty claims, performance reports, etc. associated with the project. Plus, field inspections, as needed.
- Monitor system performance daily through TerraVerde's AMS platform to ensure that all operational issues are caught immediately. Confirm the Provider is aware of and effectively communicating about open service cases.
- Ensure all preventive maintenance work is performed per manufacturer's warrantee terms.
- Ensure that warranty and corrective maintenance work is performed according to specs and timelines specified in the contracts. Enforce all obligations to perform warranty support, preventive maintenance and repairs as needed.
- Verify that all contractual obligations defined in the O&M Agreement are being met by the service providers.
- Verify accuracy of PPA Provider's weather-adjusted expected energy calculations going back to project PTO/COD.
- Validate and enforce Performance Guarantees to their contractual levels of production, and oversee the process for short fall reimbursement, as applicable.
- Provide updated savings and bill projections based on energy use profiles and most current TOU rate schedules and periods.

- Provide Annual Savings Report by back-calculating savings based on 15minute interval data, which provides a more accurate view as compared to simply applying an avoided cost calculation to all production (sample report available upon request).
- If Provider is contractually obligated to provide monthly or quarterly reports. TerraVerde will review and validate these reports. If not, TerraVerde can create and provide these reports.
- Confirm preventive maintenance scope and module washing is being performed properly, evaluate timing of cleaning, and perform cost/benefit analysis to determine if additional cleanings would add value.
- Validate monthly RES-BCT Bill Credit values and postings to the Benefitting Accounts. Review Client's Utility bills to verify proper Bill Credit allocations to the Benefitting Accounts. And perform annual benefitting accounts allocation updates to the Utility to achieve maximum Bill Credit value.
- Verify accuracy of PPA billing.
- Complete the Green-e certification process to increase the value of the Renewable Energy Credits (RECs) and assist in annual REC sales if requested.

INFORMATION ONLY

March 5, 2018 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject : Pure Water Project Las Virgenes-Triunfo: Flow Chart for Technical Studies and Environmental Analysis

SUMMARY:

Attached is a flow chart that illustrates the relationships between the various technical studies; major Board decision points; and public, local government and regulatory engagement for the Pure Water Project Las Virgenes-Triunfo.

FISCAL IMPACT:

No

ITEM BUDGETED:

Yes

DISCUSSION:

On August 1, 2016, the Board selected the use of Las Virgenes Reservoir for indirect potable reuse as the preferred alternative from the Basis of Design Report. On September 6, 2016, staff presented next steps for the project that fell into six categories: (1) funding and financing, (2) advocacy, (3) outreach, (4) institutional issues, (5) a demonstration project; and, (6) technical studies and environmental analysis. Progress has been made in each of these categories, and staff will continue to provide verbal updates at each Board meeting.

Each category is complex and involves a series of interrelated activities. The one for technical studies and environmental analysis is probably the most complex. As a result, staff prepared the attached flow chart to illustrate the relationships between the various technical studies; major Board decision points; and public, local government and regulatory engagement. The dates shown for major activities represent the regulatory deadlines per the TMDL Implementation Plan and Tapia's NPDES Permit.

The next major activity that will be undertaken is moving forward with preliminary design and environmental review of the project. Although the regulatory deadline for the activity is May

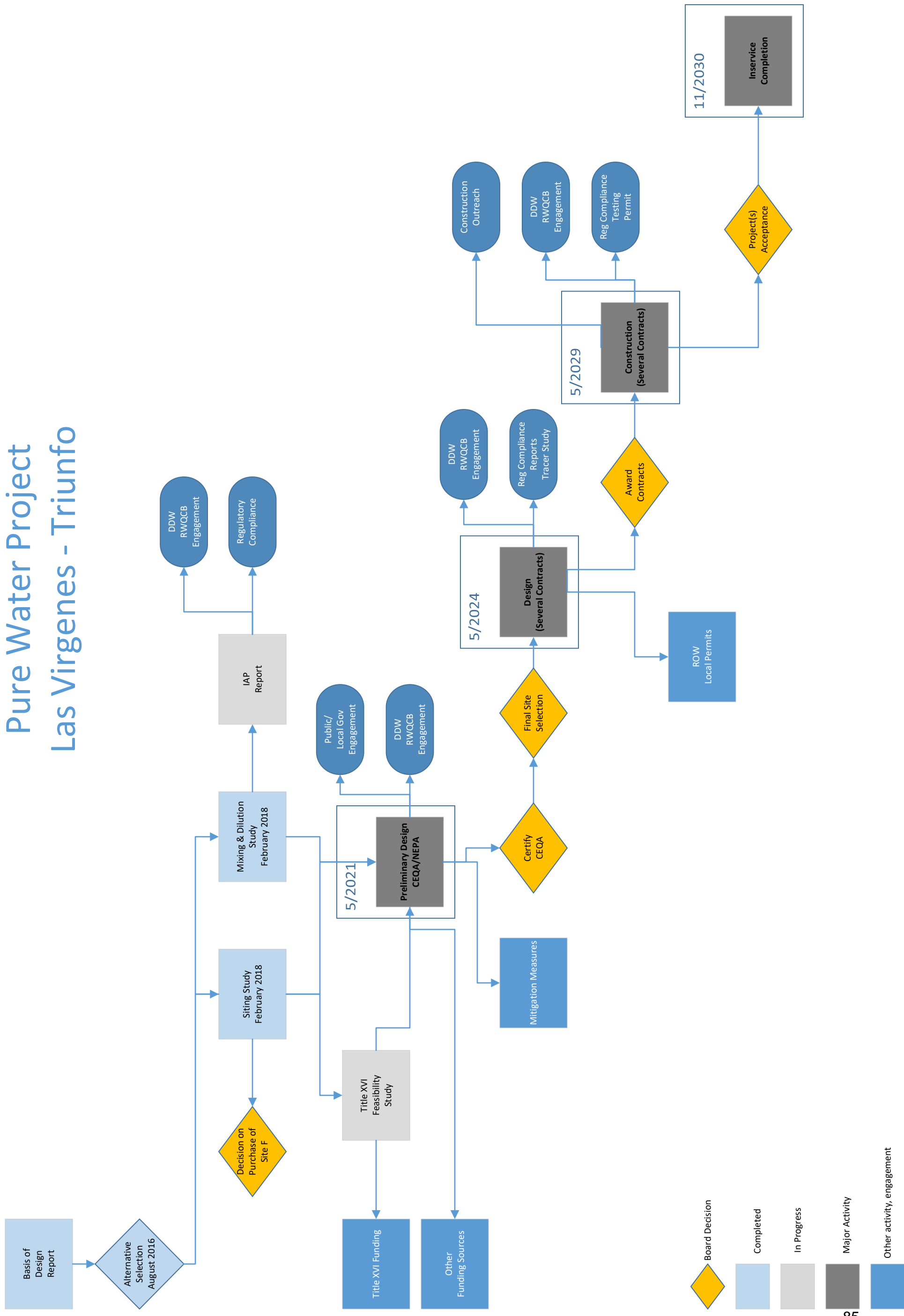
2021, it should be completed by late-2019 or mid-2020.

Prepared by: David R. Lippman, P.E., Director of Facilities and Operations

ATTACHMENTS:

Flow Chart for Technical Studies and Environmental Analysis

Pure Water Project Las Virgenes - Triunfo



Board Decision
 Completed
 In Progress
 Major Activity
 Other activity, engagement