

**PLANNING, IMPLEMENTATION, AND INNOVATION GRANT AGREEMENT BETWEEN CENTRAL COAST  
COMMUNITY ENERGY AND CITY OF WATSONVILLE**

This Grant Award Agreement (“Agreement”) is made by and between CENTRAL COAST COMMUNITY ENERGY (“CCCE”) and the CITY OF WATSONVILLE (hereinafter “GRANTEE”). CCCE and GRANTEE may be individually referred to herein as “Party” or collectively as “Parties.”

**WHEREAS:** CCCE’s Fiscal Year 2021 - 2022 (FY 2021/22) Operating Budget allocated funds for the Planning, Implementation, and Innovation Grant Program to support CCCE Member Agency projects and programs and promote electrification.

**WHEREAS:** CCCE agrees to provide a one-time grant award in the amount of One Hundred and Fifty Thousand Dollars (\$150,000) (the “Grant Amount”) subject to the terms and conditions of this Agreement.

**WHEREAS:** The purpose of this Agreement is to establish the terms and conditions for CCCE to provide GRANTEE with funding to implement the Project.

**WHEREAS:** Although CCCE will be providing financial assistance to GRANTEE to support the Project, CCCE will not take an active role or retain substantial control of the Project. Therefore, this Agreement is characterized as a funding agreement rather than a cooperative agreement.

**WHEREAS:** GRANTEE understands that the Planning, Implementation, and Innovation Grant Program funds derive from retail electricity transactions, which may fluctuate. CCCE’s funding commitment to Planning, Implementation, and Innovation Grant Program projects, including this Project, is subject to these fluctuations, which may impact funding availability for this Project.

**WHEREAS:** The foregoing recitals are hereby acknowledged to be true and accurate and are incorporated into this Agreement.

**THEREFORE:** In consideration of the mutual covenants and conditions set forth in this Agreement, the Parties agree as follows:

**1. PROJECT IMPLEMENTATION**

- 1.1. CCCE shall provide funding from the Planning, Implementation, and Innovation Grant Program to Grantee to support the “Existing Buildings Electrification Pilot in the City of Watsonville” project as set forth in Exhibit A of this Agreement.
- 1.2. The “Effective Date” of this Agreement is [MONTH, DAY], 2022.
- 1.3. The GRANTEE agrees to complete the Project according to the Project Schedule included in Exhibit D.
- 1.4. This Agreement was awarded to GRANTEE based on the application submitted by GRANTEE with the intention that the awarded funds would be used to implement the Project as described in the Scope of Work set forth in Exhibit A. Any substantive deviation from GRANTEE’s Scope of Work during project implementation may require reevaluation or result in

loss of funding. If GRANTEE knows or should have known that substantive changes to the Project will occur or have occurred, GRANTEE will immediately notify CCCE in writing. CCCE will then determine whether the Project is still consistent with the overall objectives of the grant program and whether the changes would have negatively affected the Project ranking during the competitive grant evaluation process. CCCE reserves the right to have grant funding withheld from GRANTEE, or refunded to CCCE, due to GRANTEE's failure to satisfactorily complete the Project or due to substantive changes to the Project.

- 1.5. GRANTEE agrees to notify and/or assist CCCE of/with any media and community outreach efforts, including presentations to community groups, other agencies, and elected officials and/or community events related to the Project. Press materials shall be provided to CCCE staff for review before they are distributed. CCCE name, abbreviation, and/or logo(s) should be included in press materials and other project collateral based on CCCE usage guidelines provided by CCCE, but may never be included in such documents without advance approval from CCCE.

## **2. CHANGES IN PERFORMANCE**

- 2.1. GRANTEE agrees to notify CCCE immediately, in writing, of any change in local law, conditions (including its legal, financial, or technical capacity), or any other event that may adversely affect the GRANTEE's ability to perform the Project in accordance with the terms of the Agreement. The GRANTEE also agrees to notify CCCE immediately, in writing, of any current or prospective dispute, breach, default, or litigation arising from GRANTEE's performance under this Agreement that may adversely affect CCCE; and agrees to inform CCCE, also in writing, before naming CCCE as a party to litigation related to or arising out of this Agreement

## **3. GRANT AWARD PROVISIONS**

- 3.1. The maximum amount payable under this Agreement by CCCE, in accordance with Exhibit B, not exceed One Hundred and Fifty Thousand Dollars (\$150,000) (the "Grant Amount").
- 3.2. It is acknowledged and agreed that the Grant Amount is a ceiling and that CCCE shall only reimburse the allowable costs of services rendered in accordance with Exhibit A and as authorized by CCCE.
- 3.3. GRANTEE shall be solely responsible for, and agrees to fund any additional funding requirements, expenses, costs, fees, taxes, or incidentals of any kind above the Grant Amount that are associated in any way with the Project, subject to any required County approval.

## **4. PROJECT PERIOD**

- 4.1. The Project has been approved from the Effective Date until [MONTH DAY], 2024, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both the GRANTEE and CCCE, with CCCE's execution to be last in time. GRANTEE must make all reasonable efforts to commence work under this Agreement as soon as possible after the execution date of this letter, time is of the essence.

**5. SCOPE OF SERVICES AND ADDITIONAL PROVISIONS**

5.1. The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

1. **Exhibit A: Scope of Work**
2. **Exhibit B: Payment Terms**
3. **Exhibit C: Budget**
4. **Exhibit D: Schedule**

**6. RELATIONSHIP of PARTIES**

6.1. The parties acknowledge and agree that nothing in this Agreement creates any employment or principal-agent relationship of any kind between the Parties.

6.2. Project Managers

6.2.1. CCCE Project Manager: Tony Pastore; [tpastore@3ce.org](mailto:tpastore@3ce.org) [tpastore@3ce.org](mailto:tpastore@3ce.org)

6.2.2. GRANTEE Project Manager: Matt Orbach, [matt.orbach@cityofwatsonville.org](mailto:matt.orbach@cityofwatsonville.org)

**7. PROHIBITION OF FALSE OR FRAUDULENT STATEMENTS OR CLAIMS**

7.1. The GRANTEE acknowledges and agrees that by executing the Agreement for the Project, the GRANTEE certifies or affirms the truthfulness and accuracy of each statement it has made, it makes, or it may make in connection with the Project, including, but not limited to, the GRANTEE's application, progress reports and invoices.

**8. PAYMENTS**

8.1. The method of payment for this Agreement will be based upon eligible expenses as set forth in Exhibit B.

8.2. GRANTEE is required to submit invoices as set forth in Exhibit B.

**9. TERMINATION**

9.1. During the term of this Agreement, CCCE may terminate the Agreement for any reason by giving written notice of termination to the GRANTEE at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

**10. INSURANCE REQUIREMENTS**

10.1. Prior to commencement of this Agreement, the GRANTEE shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the GRANTEE upon request shall provide a certified copy of the policy or policies. This verification of coverage shall be sent to CCCE.

10.2. Without limiting GRANTEE's duty to defend and indemnify, GRANTEE shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

- 10.2.1. Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, and cross-liability with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence, and \$1,000,000 in the aggregate.
  - 10.2.2. Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.
  - 10.2.3. Workers' Compensation Insurance, if GRANTEE employs others in the performance of this Agreement, in accordance with California Labor Code section 3700.
- 10.3. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date GRANTEE completes its performance of services under this Agreement.
- 10.4. Commercial general liability and automobile liability policies shall provide an endorsement naming CCCE, its Directors, Board members, officers, agents, and employees as Additional Insureds with respect to liability arising out of the GRANTEE'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by CCCE and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the GRANTEE's insurance.

## **11. INDEMNIFICATION**

- 11.1. GRANTEE shall indemnify, defend, and hold harmless CCCE, its Directors, Board members, officers, agents and employees from any claim, liability, loss, injury, or damage arising out of, or in connection with, performance of this Agreement by GRANTEE and/or its agents, employees, or subcontractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by CCCE. It is the intent of the parties to this Agreement to provide the broadest possible coverage for CCCE.

## **12. NON-DISCRIMINATION**

- 12.1. During the performance of this Agreement, GRANTEE, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in GRANTEE's employment practices or in the furnishing of services to recipients. GRANTEE shall ensure that the evaluation and treatment of its employees and GRANTEES for employment and all persons receiving and requesting services are free of such discrimination. GRANTEE and any subcontractors shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to

such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

**13. NOTICES**

13.1. Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to CCCE and GRANTEE’S contract administrators at the addresses listed below:

Central Coast Community Energy	City of Watsonville
Chief Financial Officer	City Clerk
70 Garden Court, Suite 300	275 Main Street, Suite 400
Monterey, Ca 93940	Watsonville, CA, 95076

**14. MISCELLANEOUS PROVISIONS**

14.1. **Conflict of Interest.** GRANTEE represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.

14.2. **Amendment.** This Agreement may be amended or modified only by an instrument in writing signed by CCCE and the GRANTEE.

14.3. **Disputes.** GRANTEE shall continue to perform under this Agreement during any dispute.

14.4. **Compliance with Applicable Law.** The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

14.5. **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of California.

14.6. **Non-exclusive Agreement.** This Agreement is non-exclusive and both CCCE and GRANTEE expressly reserve the right to contract with other entities for the same or similar services.

14.7. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same Agreement.

14.8. **Authority.** Any individual executing this Agreement on behalf of CCCE, or the GRANTEE represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

SIGNATURE OF THE PARTIES:

City of Watsonville

Central Coast Community Energy

BY: \_\_\_\_\_

BY: \_\_\_\_\_

René Mendez, City Manager

Tom Habashi, CEO

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

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

Approved as to Form

BY: \_\_\_\_\_

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

Brian Kimball, General Counsel

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

Approved as to Financial Terms

BY: \_\_\_\_\_

Jaya Bajpai, Chief Financial Officer

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

## Exhibit A: Scope of Work

To Agreement by and between  
Central Coast Community Energy, hereafter referred to as "CCCE"  
and  
City of Watsonville, hereafter referred to as "GRANTEE"

### Scope of Work

1. **Scope of Work.** GRANTEE shall provide services to support CCCE's mission and goals, as set forth in this scope of work:

1. Task 1: Project Initiation and Planning
  - a. Create Project Charter/Schedule/Budget
  - b. Stakeholder engagement
  - c. Building/Participant Identification
  - d. Issue RFP for Electrification Financial Consultant
  - e. Community Working Group consultation

**Deliverables: Project Charter, RFP, Stakeholders Identified, Buildings Identified**

2. Task 2: Project Implementation
  - a. Create Work Plan
  - b. Assess each building
  - c. Identify and apply for funding sources
  - d. Apply for Funding
  - e. Work with stakeholders to identify and address concerns
  - f. Find contractor to implement identified electrification elements
  - g. Permit all work
  - h. Do all electrification and other improvements
  - i. Community Working Group check in

**Deliverables: Work Plan, budget for each building, stakeholder interviews, and Midterm Report**

3. Task 3: Monitoring and Close Out
  - a. Evaluate Costs (installation and long term costs)
  - b. Create plan for long term monitoring of utility bills
  - c. Prepare Stakeholder Feedback Summary Report
  - d. Verify performance
  - e. Final report to Community Working Group
  - f. Prepare final cost analysis and project report

**Deliverables: Cost Analysis, Stakeholder Feedback Summary Report, and Project Final Report**

2. **Reporting.** As a condition of this Award, GRANTEE is required to submit a mid-term and final report. Each report will provide a brief description of activities performed under this agreement. All deliverables identified in Section 1 above must be completed and presented to CCCE before or accompanied with the Final Report. In addition, GRANTEE will prepare and present three or four brief updates to CCCE Building Electrification Working Group and one update at a CCCE Quarterly Member Agency Meeting.

**Report Deliverables:**

Mid Term Report Due: July 1, 2023

Final Report Due: July 1, 2024



## Exhibit B: Payment Terms

CCCE shall provide payments to GRANTEE, as outlined below, for a total amount not to exceed one hundred and fifty thousand Dollars (\$150,000) (the "Grant Amount") for the performance of all things necessary for or incidental to the performance of work as set forth in Exhibit A: Scope of Work. GRANTEE's compensation for services rendered shall be based on the following rates or in accordance with the following terms:

### 1) **Method of Payment.**

- a. Invoices shall be submitted once every other month on a form acceptable to CCCE for eligible expenses incurred for work performed in implementing the project during the period identified in the particular invoice.
- b. Invoice will be sent electronically to the following email addresses:
  - a. [Programs@3ce.org](mailto:Programs@3ce.org)
  - b. [invoices@3ce.org](mailto:invoices@3ce.org)
  - c. [tpastore@3ce.org](mailto:tpastore@3ce.org)
- c. Invoices shall be submitted in conformance with the Grantee and Vendor Invoice Requirements document provided by CCCE.
- d. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit A. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
- e. Supporting documentation for costs (e.g. receipts, copies of checks) must be provided as an attachment to the invoice for all non-labor costs included in the invoice.
- f. CCCE withholds the right to request additional supporting documentation, including but not limited to staff timecards/timesheets.
- g. CCCE will notify GRANTEE, in a timely manner when, upon review of an Invoice, CCCE determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to CCCE. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to CCCE to cure such deficiency(ies). If Grantee fails to submit adequate documentation curing the deficiency(ies), CCCE will adjust the pending invoice by the amount of ineligible or unapproved costs.
- h. CCCE shall certify the invoice for payment in either the amount requested, or in such other amount as CCCE determines is due in conformity with this Agreement.
- i. CCCE will issue a reimbursement check via US mail or make electronic payment via ACH within 45 days of GRANTEE satisfactorily completing the invoicing process.

### 2) **Eligible Expenses.** Reimbursable Eligible Expenses under this grant include those reasonable and necessary to complete the Project in accordance with the Agreement, and shall include:

- Staff time spent working directly on approved project

- Marketing
- Outreach
- Supplies/materials
- Other direct project and program related expenses

**3) Ineligible Expenses** The following types of expenses are not reimbursable under this grant program:

- Travel & Overhead
- Other indirect project expenses
- Costs incurred prior to this Agreement

**Exhibit C: Budget  
To Agreement by and between  
Central Coast Community Energy, hereafter referred to as "CCCE"  
and  
City of Watsonville, hereafter referred to as "GRANTEE"**

<b>Funding Sources</b>	<b>3CE</b>	<b>Other Proposals</b>	<b>Existing Operational Budget</b>	<b>Program Revenue</b>	<b>TOTAL</b>	<b>Additional Description:</b>
Requested 3CE Education Grant	\$150,000	\$0			\$150,000	
Electrification Financial Consultant		\$295,000			\$295,000	(Total value of incentives and financing mechanisms obtained by electrification financial consultant)
In-Kind			\$10,000		\$10,000	(City Staff time)
					\$0	
<b>Total:</b>	<b>\$150,000</b>	<b>\$295,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$455,000</b>	
<b>Anticipated Expenses</b>	<b># units (hours if staff time)</b>	<b>unit cost (\$)</b>	<b>3CE</b>	<b>Other Funding Sources</b>	<b>TOTAL</b>	<b>Additional Description:</b>
Electrification Financial Consultant			\$70,000		\$70,000	
Central Coast Energy Services			\$20,000		\$20,000	
Regeneracion			\$25,000		\$25,000	
Equipment Cost			\$35,000	\$295,000	\$340,000	(estimate)
					\$0	
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$295,000</b>	<b>\$455,000</b>	

**Exhibit D: Schedule**  
**To Agreement by and between**  
**Central Coast Community Energy, hereafter referred to as “CCCE”**  
**and**  
**City of Watsonville, hereafter referred to as “GRANTEE”**

Organization  
Name: **City of Watsonville**  
Proposal/Project  
Name: **Existing Building Electrification Pilot**

**Project Schedule**

<b>Task</b>	<b>Start</b>	<b>Finish</b>
Council approval of grant	August 2022	August 2022
RFP for electrification financial consultant	August 2022	October 2022
Building identification	July 2022	September 2022
Coordination with Community Advisory Committee (or similar working group)	September 2022	June 2024
Building evaluation and assessment	September 2022	October 2022
Owner Agreements	October 2022	November 2022
Create work plan for building improvements	October 2022	November 2022
Identify and obtain funding for improvements	October 2022	February 2023
Permitting	January 2023	February 2023
Midterm report	May 2023	July 2023
Electrify buildings (and other necessary improvements)	March 2023	June 2023
Evaluate utility bills	July 2022	July 2024
Ongoing community involvement and resident advocacy	August 2022	July 2024
Develop outreach and engagement strategy	July 2023	September 2023
Conduct educational events showcasing technology	October 2023	March 2024
Future planning and program expansion	August 2023	July 2024
Final report		July 2024