

RESOLUTION NO. 2009-261

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE MAYOR TO SIGN LETTERS OF COMMITMENT TO BOTH THE
SACRAMENTO MUNICIPAL UTILITIES DISTRICT AND COUNTY OF SACRAMENTO
FOR BOTH AGENCIES' APPLICATIONS TO THE CALIFORNIA ENERGY
COMMISSION FOR RECEIPT OF STATE ENERGY PROGRAM GRANTS**

WHEREAS, on February 17, 2009, the President signed into law the Federal American Recovery and Reinvestment Act ("ARRA") and authorized the Department of Energy ("DOE") to grant money to state and local governments through Energy Efficiency and Conservation Block Grants ("EECBG"); and

WHEREAS, DOE has allocated the California Energy Commission (the "CEC") \$226 million in EECBG formula grant funding for the State Energy Program ("SEP") which the CEC will use to fund projects in the following program areas:

- 1) Municipal Financing Program ("AB 811-type programs").
- 2) California Comprehensive Residential Building Retrofit Program.
- 3) Municipal and Commercial Building Targeted Measure Retrofit Program.
- 4) Low Interest Energy Efficiency Financing Program; and

WHEREAS, the City of Elk Grove (the "City") is committed to meeting the green house gas emission reduction goals of AB 32, providing the best tools to its citizens to help meet these goals and to provide sustainable living options to its citizens; and

WHEREAS, the City has been approached with the opportunity to partner with the Sacramento Municipal Utilities District ("SMUD") in an application to the CEC for SEP funding to promote a unique Home Performance Program ("HPP"), a program that will go a long way in accomplishing the previously identified goals; and

WHEREAS, the City has been approached with the opportunity to partner with the County of Sacramento (the "County") in a separate application to the CEC for SEP funding to provide start up money for program fees, legal costs, transactional costs and interest rate buy downs for an AB 811 property assessment financing district to fund energy efficiency, water efficiency and renewable energy property improvements, a program that will go a long way in accomplishing the previously identified goals; and

WHEREAS, on December 9, 2009, the City Council of the City of Elk Grove adopted Resolution No. 2009-258 authorizing SMUD to apply for SEP funding on behalf of the City and Resolution No. 2009-260 authorizing the County to apply for SEP funding on behalf of the City;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby:

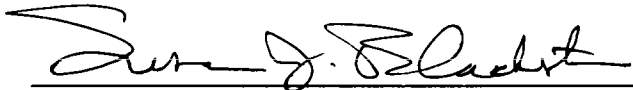
- 1) Provides its full support and commitment to the success of both the SEP application of SMUD and that of the County.
- 2) Authorizes the mayor to sign letters of commitment to both applications, attached as Exhibits A and B hereto, detailing the City's financial and in kind resource contributions to the programs.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 9th day of December 2009.



PATRICK HUME, MAYOR of the
CITY OF ELK GROVE

ATTEST:



SUSAN J. BLACKSTON, CITY CLERK

APPROVED AS TO FORM:



SUSAN COCHRAN, CITY ATTORNEY

EXIHIBIT A

December 9, 2009

Re: California Residential Building Retrofit Program, RFP # 400-09-403

Dear Proposal Review Committee:

The City of Elk Grove is pleased to offer its commitment and support to the implementation of the ***Home Performance Program***.

The Sacramento Municipal Utility District (SMUD) is applying for SEP funding on behalf of the Sacramento Regional Energy Alliance (SREA), of which Elk Grove is a member, to implement the Home Performance Program. The SREA consortium consists of local governments, educational institutions, non-profit and private companies.

SMUD is the most qualified to lead the design and implementation of the program and as such, the City supports SMUD as the primary applicant for the SEP California Residential Building Retrofit Program for the following reasons:

1. For decades, SMUD has been recognized in the utility industry for delivering best-in-class energy efficiency programs.
2. For the past 7 years, SMUD has ranked in the top 5 large utilities in the U.S. Western region in J.D. Powers residential customer satisfaction survey. SMUD's guidance on energy efficiency, solar, and sustainable practices has played a critical role in customer investment decisions.
3. As this proposal and the formation of SREA demonstrates, SMUD is fully capable of unifying a variety of civic and community partners into a coordinated strategic plan.

The SREA consortium is committed to pursuing the Home Performance Program as a regional priority. Together, all members will contribute millions in leveraged funding and in-kind contributions for the implementation of the program. Additionally, SREA will collaborate to execute a comprehensive marketing strategy to maximize impact and public awareness of the program.

Elk Grove has sub-granted \$75,000 of Energy Efficiency and Conservation Block (EECBG) funding to SMUD to further its rebate programs, and the City recognizes the SEP California Residential Building Retrofit Program application of SMUD as a "game changing" approach to energy efficiency and therefore as the best use of the City's sub-granted funds.

In total, Elk Grove will provide \$75,000 in direct support of the proposal, and provide substantial in-kind marketing and outreach support.

Rebate Support

Contribution from EECBG for performance-based rebates

2 Year Value

\$75,000

Marketing Support

Link to HP web portal from The City of Elk Grove website

Inclusion in utility bill package twice/year for two years

Direct mail to residents once/year for two years

Other Support

Distribution of brochures at public meetings in conjunction with preparation of:

Climate Action Plan

Sustainability General Plan Element

In the event this proposal is selected for SEP funding, the City of Elk Grove intends to provide the CEC with all appropriate fully executed governing board resolution(s) no later than January 18, 2010, to authorize SMUD to apply for and receive funding on behalf of our agency and The City's EECBG and in-kind marketing contribution.

Elk Grove recognizes the importance of bringing energy efficiency benefits to not only its own residents, but to all Sacramento area residents. The Home Performance Program will not only help lower energy costs and improve comfort in people's homes, but will also create immediate work for specialty contractors and build sustainable demand for building science professionals.

The City of Elk Grove is delighted to partner in the development of the SREA's Home Performance Program that aims to transform the Sacramento home performance marketplace and provide a model for other cities to follow.

Thank you for your consideration of this proposal. If you have any questions, please feel free to contact Laura Gill at lgill@elkgrovecity.org or (916) 683-7111.

Sincerely,

Patrick Hume
Mayor
City of Elk Grove

EXIHIBIT B

December 9, 2009

City of Elk Grove
Patrick Hume
Mayor
8401 Laguna Palms Way
Elk Grove, CA 95758

Elizabeth Stone, Contracts Officer
California Energy Commission
1516 Ninth Street, MS-18
Sacramento, California 95814

**RE: PON #400-09-401 Municipal Financing Program Application:
CaliforniaFIRST Program**

Dear Ms. Stone:

The City of Elk Grove is pleased to offer this letter of support to the State Energy Program application of Sacramento County regarding the **CaliforniaFIRST Program**, a Property Assessed Clean Energy ("PACE") program, sponsored by the California Statewide Communities Development Authority ("California Communities").

Through participation in this PACE program, the City of Elk Grove strives to create lasting market and behavioral changes while aiming to increase adoption of distributed generation renewable energy sources and energy efficiency improvements in the City.

The City of Elk Grove supports Sacramento County as the lead agency in submitting this application to provide integral project funding to counties in two program areas to ensure the long-term success of this innovative municipal financing program:

Program Financing Costs—to buy-down the interest rate on the initial round(s) of projects financed by the CaliforniaFIRST Program; cover fixed costs associated with bond counsel, bond disclosure, and bond rating; and fund set-up fees for counties and cities which cover legal and validation costs, as well as the deployment of technology to support local programs.

Local Coordination and Marketing Costs—to provide for grant administration; technical assistance; agency coordination; steering committee participation; education, outreach, incentives, and marketing; and community coordination for property owners participating in the program.

Aligned with the U.S. Department of Energy (DOE) and California Energy Commission (CEC) State Energy Program strategies, our proposed program will increase green jobs,

increase energy efficiency and deployment of renewable energy technologies, promote economic activity, and reduce greenhouse gas emissions.

The City of Elk Grove will help to guide program development and implementation in our jurisdiction and throughout the region by serving on the project Steering Advisory Committee, and coordinating with state level CaliforniaFIRST partners, local government coordination partners, and relevant internal departments. The City will work collaboratively to ensure the success of the pilot and the long-term success of the program.

The City of Elk Grove intends to provide the CEC, upon Council approval, with all appropriate fully executed governing board resolution(s) contingent upon proposal selection for funding and inclusion in the Notice of Proposed Awards. The resolutions include:

Authorization for the collaborative lead agency bidder Sacramento County to apply for and receive funding on behalf of City of Elk Grove, and

Authorization for City of Elk Grove to join the California Communities CaliforniaFIRST Program.

City of Elk Grove is grateful for your consideration of this proposal. If you have any questions regarding this request, please feel free to contact Laura Gill at lgill@elkgrovecity.org or (916) 683-7111.

Sincerely,

Patrick Hume
Mayor
City of Elk Grove

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2009-261**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) **ss**
CITY OF ELK GROVE)

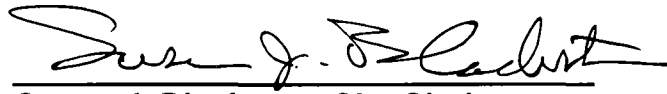
I, Susan J. Blackston, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on December 9, 2009 by the following vote:

AYES : COUNCILMEMBERS: Hume, Scherman, Cooper, Davis, Detrick

NOES: COUNCILMEMBERS: None

ABSTAIN : COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None



**Susan J. Blackston, City Clerk
City of Elk Grove, California**