



DESERT COMMUNITY ENERGY BOARD MEETING AGENDA

**Monday, December 9, 2019
2:30 PM**

**City of Palm Desert City Hall
73-510 Fred Waring Drive, ACR conference room
Palm Desert, CA
760-346-1127 (CVAG)**

**Note change in meeting location.*

THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.

1. CALL TO ORDER

2. ROLL CALL

A. Member Roster

[P3](#)

3. PUBLIC COMMENTS ON AGENDA ITEMS

Any person wishing to address the Desert Community Energy Board on items appearing on this agenda may do so at this time. Please limit comments to 3 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

4. BOARD MEMBER / DIRECTOR COMMENTS

5. CONSENT CALENDAR

A. Approve Minutes from Board Meeting of October 21, 2019

[P4](#)

6. DISCUSSION / ACTION

A. DCE Program Schedule and Activities Update – Katie Barrows

Recommendation: Authorize the Executive Director to take all actions necessary to begin serving customers in the City of Palm Springs in April 2020.

[P7](#)

- B. Contract with Burke Rix for DCE Community Engagement and Outreach –** [P10](#)
Katie Barrows

Recommendation: Authorize Executive Director to finalize and sign a contract with Burke Rix for community engagement and outreach services for Desert Community Energy, reallocating funds from an existing contract with LEAN Energy US, for a not to exceed amount of \$150,000.

- C. DCE Pro Forma and Financial Model Scenario Analysis –** Jeff Fuller [P22](#)
Recommendation: Information only.

7. INFORMATION

A. Attendance Record [P23](#)

B. Unaudited Balance Sheet & Financial Statement, July 1, 2019 – November 30, 2019 [P24](#)

C. Community Advisory Committee Report [P26](#)

D. CARE / FERA Program Update [P27](#)

E. Meeting Schedule for 2020 [P29](#)

8. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person wishing to address the Board on items not appearing on this agenda may do so at this time. Please limit comments to 2 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

9. ANNOUNCEMENTS

Next DCE Board Meeting: Due to the Martin Luther King holiday on January 20, 2019, the next regular meeting is tentatively scheduled for January 27, 2019 at 2:30 p.m.

10. ADJOURN

ITEM 2A

**Desert Community Energy Board
Member Roster
2019-2020**



VOTING MEMBERS	
City of Cathedral City	Mayor Pro Tem John Aguilar, Vice Chair <i>Alternate: Councilmember Raymond Gregory</i>
City of Palm Desert	Councilmember Sabby Jonathan <i>Alternate: Councilmember Kathleen Kelly</i>
City of Palm Springs	Mayor Pro Tem Geoff Kors, Chair <i>Alternate: Councilmember Lisa Middleton</i>

NON-VOTING MEMBER	
City of Desert Hot Springs	Vacant

STAFF
Tom Kirk, Executive Director
Katie Barrows, Director of Energy & Environmental Resources
Benjamin Druyon, Management Analyst
Shawn Isaac, Program Manager
Libby Carlson, Senior Program Assistant

ITEM 5A

**Desert Community Energy Board
Meeting Minutes
October 21, 2019**



The audio file for this meeting can be found at: <http://www.desertcommunityenergy.org>

1. CALL TO ORDER

The meeting of the DCE Board was called to order by Chair Jonathan at 2:33 pm at 73-710 Fred Waring Drive, Palm Desert, California.

2. ROLL CALL

Roll call was taken and it was determined that a quorum was present.

Members Present

Councilmember Sabby Jonathan, Chair
Mayor Pro Tem Geoff Kors, Vice Chair

Agency

City of Palm Desert
City of Palm Springs

Members Not Present

Mayor Pro Tem John Aguilar

Agency

City of Cathedral City

Others Present

Councilmember Rita Lamb
Charlie McClendon
Ryan Stendell
Patrick Tallarico
Kim Floyd
David Freedman
Daniel Paris
Paul Murphy
Brad Anderson
Rosario Avila
Vanessa Ingalls
Elmer Diaz
Jocelyn Vargas
Hector Sanchez Perez

City of Cathedral City
City of Cathedral City
City of Palm Desert
City of Palm Springs
Sierra Club/Palm Desert Resident
DCE Community Advisory Committee
DCE Community Advisory Committee
DCE Community Advisory Committee
Rancho Mirage Resident
Cathedral City Resident
IBEW #440
IBEW #440
Lift To Rise
Lift To Rise

DCE Staff & Consultants

Tom Kirk
Katie Barrows
Benjamin Druyon
Libby Carlson
Erica Felci
Shawn Isaac

3. PUBLIC COMMENTS ON AGENDA ITEMS - Kim Floyd and Brad Anderson addressed the Board regarding Item 6A.

4. BOARD MEMBER / DIRECTOR COMMENTS – None.

5. CONSENT CALENDAR

A. Approve Minutes from Board Meetings of September 16, 2019

IT WAS MOVED BY MAYOR PRO TEM KORS AND SECONDED BY COUNCILMEMBER JONATHAN TO APPROVE THE BOARD MEETING MINUTES OF SEPTEMBER 16, 2019.

THE MOTION CARRIED WITH 2 AYES, 1 ABSENT.

Mayor Pro Tem Aguilar	Absent
Chair Jonathan	Aye
Mayor Pro Tem Kors	Aye

6. DISCUSSION / ACTION

A. CARE/FERA Program Update & Services Agreement with Lift To Rise

Benjamin Druyon distributed revisions per legal counsel to the Sections 8a and 9b of the Services Agreement and noted revisions made to the staff recommendation.

Jocelyn Vargas and Hector Sanchez Perez, Lift To Rise addressed the Board.

Tom Kirk reported that Mayor Pro Tem Aguilar requested that use of the performance-based incentive be clarified and requested that the Community Advisory Committee be involved in the program.

In response to Councilmember Jonathan, the project timeline was clarified as beginning with an 11-week planning period upon contract execution; and the agreement terms will be revised to specify that the scope of work and performance incentive applies solely to enrollment of households in Cathedral City, Palm Desert, and Palm Springs.

IT WAS MOVED BY MAYOR PRO TEM KORS AND SECONDED BY COUNCILMEMBER JONATHAN TO APPROVE THE SERVICES AGREEMENT WITH LIFT TO RISE FOR IMPLEMENTATION OF THE CARE/FERA ENHANCED ENROLLMENT PROGRAM FROM JANUARY 1, 2020 TO DECEMBER 30, 2021, FOR \$336,000 PLUS A \$40 PER ENROLLEE PERFORMANCE-BASED INCENTIVE, AS MODIFIED PER LEGAL COUNSEL AND FURTHER AMENDED TO CLARIFY THAT THE SCOPE OF WORK SHALL FOCUS SOLELY ON PROGRAM ENROLLMENTS FOR HOUSEHOLDS IN CATHEDRAL CITY, PALM DESERT, AND PALM SPRINGS; AND AUTHORIZE THE EXECUTIVE DIRECTOR AND/OR LEGAL COUNSEL TO MAKE NON-SUBSTANTIVE CHANGES OR REVISIONS TO THE AGREEMENT AS NECESSARY TO ADDRESS MINOR ISSUES PRIOR TO EXECUTION.

THE MOTION CARRIED WITH 2 AYES, 1 ABSENT.

Mayor Pro Tem Aguilar	Absent
Chair Jonathan	Aye
Mayor Pro Tem Kors	Aye

B. Community Advisory Committee Appointments to Fill Vacancies

Benjamin Druyon reported on an additional vacancy in Cathedral City as of October 17, 2019.

IT WAS MOVED BY MAYOR PRO TEM KORS AND SECONDED BY COUNCILMEMBER JONATHAN TO APPOINT ELMER DIAZ, JOHN GOINS, AND SHELLEY KAPLAN TO THE COMMUNITY ADVISORY COMMITTEE TO FILL VACANCIES FOR CATHEDRAL CITY AND PALM SPRINGS.

THE MOTION CARRIED WITH 2 AYES, 1 ABSENT.

Mayor Pro Tem Aguilar	Absent
Chair Jonathan	Aye
Mayor Pro Tem Kors	Aye

- C. Desert Community Energy Program Launch and Activities Update** – Katie Barrows reported on discussions with Southern California Edison regarding a potential change to the launch date for Palm Springs.

D. Election of DCE Board of Directors Chair and Vice Chair

IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY MAYOR PRO TEM KORS TO ELECT MAYOR PRO TEM KORS AS DCE CHAIR AND MAYOR PRO TEM AGUILAR AS DCE VICE CHAIR.

THE MOTION CARRIED WITH 2 AYES, 1 ABSENT.

Mayor Pro Tem Aguilar	Absent
Chair Jonathan	Aye
Mayor Pro Tem Kors	Aye

7. INFORMATION

The following items were submitted for information only:

A. Attendance Record

B. Unaudited Balance Sheet & Financial Statement, July 1, 2019 – September 30, 2019

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

- Kim Floyd addressed the Board regarding outreach to low income households.
- Brad Anderson addressed the Board regarding the agenda format and distributed a letter.
- Elmer Diaz addressed the Board regarding infrastructure and Renewable Energy Credits.
- Rosario Avila addressed the Board regarding the agenda format and public noticing.

9. ANNOUNCEMENTS

Due to Board member availability, the next DCE Board meeting will be held on December 9, 2019 at 2:30 pm.

10. ADJOURN

The meeting was adjourned at 3:24 pm.

Respectfully submitted,
Libby Carlson

ITEM 6A

Desert Community Energy Board
December 9, 2019



STAFF REPORT

Subject: DCE Program Schedule and Activities Update

Contact: Katie Barrows, Director of Energy & Environmental Resources
(kbarrows@cvag.org)

Recommendation: Authorize the Executive Director to take all actions necessary to begin serving customers in the City of Palm Springs in April 2020.

Background: The following is a summary of some of the actions and activities that have occurred since the October meeting.

Current Status: As described at the October meeting, DCE staff has been working with Southern California Edison (SCE) to resolve issues related to DCE's launch schedule and SCE's major upgrade to its billing software planned for spring 2020. As reported at the September meeting, an agreement between SCE and DCE was signed on August 12, 2019 that would provide for DCE to begin serving customers in September 2020. SCE filed the necessary advice letter with the CPUC on August 22, 2019. In mid-October, SCE notified DCE that they anticipated a delay in the launch of their new billing system, which provided an opportunity for DCE to launch earlier in 2020. Since the October 21 meeting, DCE has held several meetings and conference calls with SCE and the California Public Utilities Commission. These conversations resulted in a revised agreement with SCE which addresses Resource Adequacy obligations and the DCE start date. On November 8, DCE and SCE jointly filed a supplement to our August advice letter moving DCE's 2020 start date to April 2020. Early spring was the preferred launch time for DCE so this is good news.

Launch Timing: With confirmation of DCE's intent to start serving customers in the City of Palm Springs in April 2020 pre-launch activities are already underway. Since early November the following activities have commenced:

- ✓ Weekly conference calls with Southern California Edison, Calpine, and The Energy Authority to plan for the April 2020 launch.
- ✓ Review of DCE brochure, website, Frequently Asked Questions (FAQs), enrollment notices and other outreach materials to refresh and update the messaging and content.
- ✓ Letter to California Public Utilities Commission advising them of DCE's April 2020 start date, reflecting the change from our 2017 Implementation Plan which identified the 2018 launch.
- ✓ Schedule for all launch related activities being finalized.
- ✓ Involvement of Community Advisory Committee in pre-launch and outreach activities.

Customer Notices: With an early April 2020 launch, four notices to customers are required – two within the 60 days prior to launch and two within 60 days after the launch date.

- ✓ First notice will go out during the first week of February 2020. It will be a self-fold letter. The notice developed for 2018 is being revised to identify Palm Springs as the only city participating in the 2020 launch with updated messaging.

- ✓ Second notice will go out during the first week of March 2020. It will be a postcard. Content is being developed by Burke Rix and the DCE outreach team.
- ✓ Third and fourth notices will go out in early May and June.

Letters to customers with special rates will receive a separate letter explaining DCE, how their rate might change, and explaining their choice to opt-out and stay with SCE. Some customer accounts will not be included in the DCE enrollment and will receive a separate notice. One example is commercial Direct Access customers that purchase their electricity from another source besides SCE.

Rate Setting: The DCE Board will be responsible for setting rates for DCE customers. The Energy Authority will assist DCE in the rate setting process. Rates are based on the rates offered by SCE. SCE released its Energy Resource Recovery Account (ERRA) filing in mid-November which identifies the proposed rates for 2020. From November to January, SCE may make minor changes to the rates. SCE provides their final rates as of January 1, 2020. A proposed rate schedule for all DCE customers will be prepared and presented to the Board for discussion and action in January.

Net Energy Metering Program for Solar Customers: One of the opportunities for DCE is to incentivize rooftop or community solar and benefit existing solar customers through a Net Energy Metering (NEM) program. Net energy metering or net metering is a billing system that credits small energy producing customers at the full retail electric price for any excess electricity they generate and sell to their local electric company via the grid from on-site small sources such as residential rooftop solar arrays. Currently, customers who install solar on their homes or businesses participate in SCE's NEM program. With Net Energy Metering, solar customers receive credit for power they do not use which is supplied to the grid. Each month, the amount of energy consumed and contributed to the grid is tallied. Customers who use less than they generate receive a credit that can be applied against amounts that would otherwise be owed in a subsequent month. On an annual true-up date, the amount of energy production (in kilowatt hours = kWh) that exceeds consumption over the preceding 12-month period is eligible for a rebate. SCE's rebate is approximately 3 cents/kWh. This rate is updated monthly based on a rolling 12-month lookback of the wholesale value of electricity.

In 2018 in anticipation of the planned summer launch, the DCE Board had a lot of discussion about options for a NEM program. Initially, the Board considered a NEM program that would exceed the incentive offered by SCE. Staff worked with TEA, Don Dame, local solar companies, and others to evaluate the benefits and financial impacts of when to implement the NEM program. An analysis was conducted of the energy use for a 12-month period of DCE NEM customers. It was determined that NEM customers consume more electricity during the hot summer months, using up saved credits, and produce more electricity during the cooler winter months, building credits up once again. The focus of this exercise was to identify the best month to enroll DCE NEM customers, allowing those customers the chance to use up their credits with SCE before the true-up and transitioning over to DCE, rather than lose them.

After considerable study and discussion including recognition of some financial uncertainties, in June 2018 the DCE Board approved a Net Energy Metering (NEM) program that would be equal to Southern California Edison's NEM program for existing and future solar customers. The Board also discussed the option to review a more robust program in the future, once DCE launched. Then when the decision was made not to proceed with the 2018 launch, no NEM program was implemented.

The Board will need to again consider the options for a Net Energy Metering program and when to implement it. Staff anticipates bringing forward an item regarding the NEM program at a future meeting for consideration by the Board. Staff is currently working with TEA and Don Dame to evaluate NEM options. Input is being sought from representatives of local solar companies who

can assist with clarifying details of the NEM program including the best month to enroll NEM customers ensuring the least amount of impact to them. Staff has also surveyed other CCAs about the NEM program they are offering. Input will be solicited from others, including from city staff as appropriate. Southern California Edison has also made a change, now offering to enroll NEM customers on a monthly or quarterly basis. In the past, SCE would only offer an annual NEM customer enrollment. The best approach will be part of the NEM program evaluation.

Palm Desert and Cathedral City: Both Palm Desert and Cathedral City have plans for a study session about DCE and Community Choice Energy at a January city council meeting. Staff is available to assist the cities as needed with information for these study sessions and other outreach. If either or both cities choose to participate in a DCE launch in 2021, a decision will need to be made by March/April of 2020.

Community Outreach: Community outreach and engagement efforts are ramping up for April 2020. Staff is working with Burke Rix to revise and update our outreach strategy. It was discussed with the Community Advisory Committee at their November meeting to get their input and suggestions. DCE outreach materials and messaging is being updated where appropriate. City-specific messaging will be developed. We will work with city staffs to update links to Desert Community Energy's website and DCE information will be developed for city newsletters. Key stakeholders and large commercial customers in Palm Springs will be contacted individually to let them know about DCE and answer any questions they may have about their account. Community outreach efforts will involve all three DCE communities. A verbal update on community outreach will be provided at the meeting.

Fiscal Analysis: No Impact

Item 6B

Desert Community Energy Board
December 9, 2019



STAFF REPORT

Subject: Contract with Burke Rix for DCE Community Engagement and Outreach

Contact: Katie Barrows (kbarrows@cvag.org)

Recommendation: Authorize the Executive Director to finalize and sign a contract with Burke Rix for community engagement and outreach services for Desert Community Energy, reallocating funds from an existing contract with LEAN Energy US, for a not to exceed amount of \$150,000.

Background: In 2018, Desert Community Energy entered into a services contract with LEAN Energy US (LEAN) for services to support the launch of Desert Community Energy. The scope of work included Burke Rix as a subcontractor for the community outreach component. Burke Rix was selected in 2018 after a competitive bid process. The original contract with LEAN was approved for \$383,675 with the work to be performed by Burke Rix for not to exceed \$213,300. Under this scope of work, Burke Rix produced outreach materials including the brochure and video, handled outreach events, and related tasks needed for the program to launch in 2018. When the 2018 launch was put on hold, the remaining scope of work for LEAN and its subcontractors was mostly put on hold as well. Since that time, Burke Rix has continued to perform routine content updates for the Desert Community Energy website as a subcontractor to LEAN. Staff does not anticipate any additional tasks for LEAN so would like to reallocate funds already budgeted to a direct contract between DCE and Burke Rix.

In 2019, the City of Palm Springs opted to begin serving customers and launch the DCE program in its service area in 2020. In December 2019, this launch date was moved up from September 2020 to April 2020 as described in Item 6A. Recently, staff met with Burke Rix to discuss steps needed to update existing materials and implement community engagement and outreach needed for the April 2020 launch. DCE is required to notify all affected customers by mail about the program launch 60 and 30 days in advance of the date when DCE will start serving customers. For an April 2020 launch, the first of these notices is planned to reach customers in the first week of February.

With this accelerated launch date and the tight timeline, staff recommends entering into a services contract directly with Burke Rix to update, implement, and manage outreach related to the 2020 launch. Given their knowledge of the project, marketing material produced to-date, and the DCE communities, Burke Rix Communications is equipped to mobilize quickly and implement a broad community outreach campaign on short notice. The Services Contract is included as Attachment 1 for your review. We have contacted Shawn Marshall of LEAN and she is agreeable with LEAN closing out its contract with Burke Rix. The remaining budget for Burke Rix Communications scope of work under the LEAN contract is \$128,510.25. Staff proposes to reallocate this amount plus \$21,498.75 from the funds allocated to LEAN under the contract to Burke Rix, for a total of \$150,000. All services under the contract are billed on a time and materials basis to assist with the outreach activities, including branding, messaging, website content, coordination of customer noticing, and implementation of a strategic outreach campaign.

The scope of work for this services contract (see Exhibit A) with Burke Rix includes outreach related activities for the April 2020 launch in Palm Springs. Their scope of work also includes community engagement and outreach to customers in Palm Desert and Cathedral City, which may choose to begin serving customers in 2021. DCE community engagement/outreach activities conducted by Burke Rix will be coordinated with the outreach activities conducted by Lift to Rise as part of CARE/FERA program for low income households. Staff also anticipated coordination with each member city to tailor outreach activities and messages to their needs.

Fiscal Impact: This change from Burke Rix as a subcontractor to LEAN to a direct contractor with DCE simply reallocates the funds originally approved by the DCE Board in 2018. The remaining \$128,510.25 in the LEAN contract allocated for Burke Rix will be reallocated to the services contract between Burke Rix and Desert Community Energy. There is also \$46,086.15 that was allocated for service by LEAN in the original contract; \$21,498.75 of this amount will be included in the Burke Rix contract, for a not to exceed amount of \$150,000. The remaining \$24,587.40 in the LEAN contract will be available in the DCE general fund. Direct expenses for items such as updates to the video and other outreach materials are included in this amount; all such expenses require DCE staff approval. Burke Rix will bill DCE directly on a time and materials basis and the contract will be managed by Desert Community Energy staff.

Attachment:

1. Services Contract Between Desert Community Energy and Burke Rix Communications (Includes Exhibit A: Burke Rix Scope of Work and Budget)

SERVICES CONTRACT

between

DESERT COMMUNITY ENERGY
and
BURKE RIX COMMUNICATIONS

THIS AGREEMENT is made and effective as of December 9, 2019 between the Desert Community Energy ("DCE") and Burke Rix Communications ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on December 9, 2019 and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2021 unless sooner terminated or extended pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform services consistent with the following exhibit(s), which are attached and incorporated herein by reference:

Exhibit A: Scope of Services and Budget

3. COMPENSATION

DCE agrees to pay Consultant at the rates set forth in Exhibit A, Scope of Services and Budget, in an amount not to exceed \$150,000.

4. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all tasks required hereunder. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

Consultant shall submit informal progress reports to DCE's designated Project Manager by telephone, email or in person, on a weekly basis, in a form acceptable to DCE, describing the state of work performed. The purpose of the reports is to allow DCE to determine if the contract objectives and activities are being completed in accordance with the agreed upon schedule, and to afford occasions for airing difficulties or special problems encountered.

The Consultant's designated Project Manager shall meet with the DCE Project Manager as needed.

5. PAYMENT

(a) Consultant shall submit invoices on a monthly basis for services provided in accordance with Exhibit A, Scope of Services and Budget. The invoice shall be in a form approved by DCE.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth in Exhibit A, unless DCE has authorized these additional services in advance in writing.

(c) A formal report of tasks performed and tasks in process, in a form acceptable to DCE, shall be attached to each invoice.

(e) All invoices shall be consistent with current progress reports as well as the scope and budget attached as Exhibit A to this Agreement.

(f) Upon approval by DCE's Project Manager, payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If DCE disputes any of Consultant's invoiced fees it shall give written notice to Consultant within thirty (30) days of receipt of the invoice.

6. INSPECTION OF WORK

Consultant shall permit DCE the opportunity to review and inspect the project activities at all reasonable times during the performance period of this Agreement including review and inspection on a daily basis.

7. SCOPE OF WORK CHANGES

The scope of work shall be subject to change by additions, deletions or revisions by DCE. Consultant shall be advised of any such changes by written notice. Consultant shall promptly perform and strictly comply with each such notice. If Consultant believes that performance of any change would justify modification of the Agreement price or time for performance, Consultant shall comply with the provisions for dispute resolution set out hereinbelow.

8. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) DCE may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant fourteen (14) days prior written notice. Upon tender of said notice, Consultant shall immediately cease all work under this Agreement, unless further work is authorized by DCE.

(b) In the event this Agreement is terminated pursuant to this Section, DCE shall pay Consultant only for work that has been accepted by DCE. Work in process will not be paid unless DCE agrees in writing to accept the partial work, in which case, prorated fees may be authorized. Upon termination of the Agreement pursuant to this Section, Consultant will

submit a final invoice to DCE. Payment of the final invoice shall be subject to approval by the DCE Project Manager as set out above.

9. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, DCE shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. Provided, however, if such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.

(b) As an alternative to notice of immediate termination, the DCE Executive Director or his/her delegate may cause to be served upon Consultant a written notice of the default. Consultant shall then have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, DCE shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

10. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to work performed, costs, expenses, receipts, and other such information that relates to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of DCE or its designees at reasonable times to such books and records; shall give DCE the right to examine and audit said books and records; shall permit DCE to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of DCE and may be used, reused, or otherwise disposed of by DCE without the permission of Consultant. With respect to computer files, Consultant shall make available to DCE, at Consultant's office and upon reasonable written request by DCE, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION FOR PROFESSIONAL LIABILITY

To the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless DCE, its members and any and all of their officials, employees and agents from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs, which arise out of, pertain to, or relate to Consultant's alleged act(s) or failure(s) to act.

12. INSURANCE

Throughout the term of this Agreement, Consultant shall procure and maintain insurance, including:

(a) Workers' Compensation as required by law for its personnel (if applicable).

(b) A one million dollar (\$1,000,000.00) commercial general liability policy.

(c) Consultant shall include DCE, its member agencies and any other interested and related party designated by DCE, as additional insureds on this commercial liability policy for liabilities caused by Consultant in its performance of services under this Agreement and shall provide DCE with a certificate verifying such coverage. In the event said insurance coverage expires at any time or times during the term of this Agreement, Consultant agrees to provide at least five (5) days notice prior to said expiration date and, prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided herein for no less than the remainder of the term of the Agreement, or for a total period of not less than one (1) year. New certificates of insurance are subject to the approval of DCE. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided, DCE may, in addition to any other remedies it may have, terminate this Agreement.

(d) DCE, member agencies and any other interested and related party designated by DCE are to be covered as additional insured as respects liability arising out of automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the said additional insureds. Minimum requirements are \$100,000/\$300,000/\$25,000.

(e) Consultant's insurance coverage shall be primary insurance as respects DCE, its member agencies, and any other interested and related party designated by DCE as additional insureds. Any insurance or self-insurance maintained by said additional insureds shall be in excess of Consultant's insurance and shall not contribute with it and, to the extent obtainable, such coverage shall be payable notwithstanding any act of negligence of DCE, its members, or any other additional insured, that might otherwise result in forfeiture of coverage. Any failure to comply with reporting or other provisions of the policies, including breach of warranties, shall not affect coverage provided to said additional insureds. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled

by any party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to DCE.

(f) Consultant and its subconsultants shall provide worker's compensation insurance or a California Department of Insurance-approved self-insurance program in an amount and form that meets all applicable Labor Code requirements, covering all employees providing services on behalf of Consultant and all risks to such persons or entities. If Consultant does not have employees, this section is not applicable.

(g) Said insurance policy or policies shall be issued by a responsible insurance company with a minimum A. M. Best Rating of "A-" Financial Category "X", and authorized and admitted to do business in, and regulated by, the State of California.

(h) Evidence of all insurance coverage shall be provided to DCE prior to issuance of the first Work Order. Consultant acknowledges and agrees that such insurance is in addition to Consultant's obligation to fully indemnify and hold DCE, its members and any other additional insureds free and harmless from and against any and all claims arising out of an injury or damage to property or persons caused by the acts or omissions of Consultant.

13. INDEPENDENT CONTRACTOR

(a) Consultant is and shall at all times remain as to DCE a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither DCE, its members, nor any of their officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of DCE or its members. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against DCE or its members, or bind DCE or its members in any manner except as expressly authorized by DCE.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, DCE shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder. DCE shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State, Federal and local laws and regulations which in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. DCE, its members, and their officers and employees, shall not

be liable at law or in equity for any liability occasioned by failure of Consultant to comply with this Section.

Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, national origin, or any other unlawful basis.

15. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was or will be used against or in concert with any officer or employee of DCE in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of DCE will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling DCE to any and all remedies at law or in equity.

16. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of DCE, nor its designees or agents, and no public official who exercises authority over or responsibilities with respect to the subject of this Agreement during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the services performed under this Agreement.

17. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without DCE's prior written authorization. Consultant, its officers, employees, agents, or sub-consultants, shall not without written authorization from the DCE Project Manager or unless requested by the DCE Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property of DCE. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives DCE notice of such court order or subpoena.

(b) Consultant shall promptly notify DCE should Consultant, its officers, employees, agents, or sub-consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property of DCE or its members. DCE retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with DCE and to provide the opportunity to review any response to discovery requests provided by Consultant. However, DCE's right to review any such response does not imply or mean the right by DCE to control, direct, or rewrite said response.

(c) Consultant covenants that neither it nor any officer or principal of Consultant's firm has any interest in, or shall acquire any interest, directly or indirectly, which will conflict in any manner or degree with the performance of services hereunder. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by Consultant as an officer, employee, agent, or subcontractor.

18. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To DCE:	Executive Director Desert Community Energy 73-710 Fred Waring Drive, Suite 200 Palm Desert, CA 92260
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To Consultant:	Brian Rix, Senior Partner Burke Rix Communications 431 S. Palm Canyon Drive, Suite 205 Palm Springs, CA 92262
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19. ASSIGNMENT/PERSONNEL

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of DCE.

Because of the personal nature of the services to be rendered pursuant to this Agreement, there shall be no change in Consultant's Project Manager or members of the project team without prior written approval by DCE.

20. MANAGEMENT

DCE's Executive Director shall represent DCE in all matters pertaining to the administration of this Agreement, review and approval of all services submitted by Consultant.

During the term of this Agreement, Consultant shall provide sufficient executive and administrative personnel as shall be necessary and required to perform its duties and obligations under the terms hereof.

21. SUBCONTRACTS

Consultant shall obtain the prior written approval of DCE before subcontracting any services related to this Agreement. DCE reserves the right to contract directly any subcontractors in the unlikely event it becomes necessary.

22. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect all licenses required of it by law for the performance of the services described in this Agreement.

23. GOVERNING LAW

DCE and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the Riverside County Superior Court, Desert Branch.

Any dispute arising under this Agreement shall first be decided by the DCE Executive Director or designee. Consultant shall give DCE written notice within seven (7) days after any event which Consultant believes may give rise to a claim for an increase in compensation or a change in the performance schedule. Within fourteen (14) days thereafter, Consultant shall supply DCE with a statement supporting the claim. DCE shall not be liable for and Consultant hereby waives any claim or potential claim which Consultant knew or should have known about and which was not reported in accordance with the provisions of this paragraph. Consultant agrees to continue performance of the services during the time any claim is pending. No claim shall be allowed if asserted after final payment.

24. FINAL PAYMENT CERTIFICATION AND RELEASE

DCE shall not be obligated to make final payment to Consultant until Consultant has fully performed under this Agreement and has provided DCE written assurances that Consultant has paid in full all outstanding obligations incurred as a result of Consultant's performance hereunder. All obligations owing by DCE to Consultant shall be deemed satisfied upon Consultant's acceptance of the final payment. Thereafter, no property of DCE shall be subject to any unsatisfied lien or claim arising out of this Agreement.

25. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

26. FORCE MAJEURE

Neither party hereto shall be liable to the other for its failure to perform under this Agreement when such failure is caused by strikes, accidents, acts of God, fire, war, flood, governmental restrictions, or any other cause beyond the control of the party charged with performance; provided that the party so unable to perform shall promptly advise the other

party of the extent of its inability to perform. Any suspension of performance by reason of this paragraph shall be limited to the period during which such cause of failure exists.

27. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

DESERT COMMUNITY ENERGY

Geoff Kors, Chair

Date:

BURKE RIX COMMUNICATIONS

Brian Rix, Senior Partner

Date:

Exhibit A
Scope of Work and Budget
Burke Rix Communications
Desert Community Energy Community Engagement and Outreach

SCOPE

Burke Rix will develop and implement a community engagement and outreach campaign for the 2020 launch of Desert Community Energy in the City of Palm Springs, to include updated messaging, public relations, enrollment notices, collateral material, social media management, website content, and other communications materials and activities as needed. Burke Rix will also conduct outreach after the launch and track performance.

Communications activities will also include outreach to the communities of Cathedral City and Palm Desert which are considering launch in 2021. These efforts will focus on community engagement and outreach to educate and inform customers about DCE and the benefits and opportunities of Community Choice Energy.

Outreach materials and activities will also be done in coordination with the campaign to increase enrollment in the CARE and FERA programs for low income households in all three cities.

This scope of work will reuse existing materials as possible and developed in accordance with the Desert Community Energy branding package.

Tasks include, but are not limited to:

- ✓ Finalize communications and outreach strategies and identify specific task lists and budget(s)
- ✓ Manage DCE product branding and program style guide
- ✓ Email and social media design and content
- ✓ Website content, updates, and design
- ✓ Video content and design
- ✓ Core messaging and content development for program collateral and customer notifications
- ✓ Content development and execution of public outreach/paid and earned media campaign
- ✓ Manage and implement customer noticing and mailing process, requirements and timelines
- ✓ Development of ongoing/post-launch media and communications strategy

BUDGET

Costs for services provided by Burke Rix will be billed on a time and materials basis, not to exceed \$150,000 for the term of the contract. Hourly rates are as follows:

- Senior Partner - \$185 per hour
- Senior Associate - \$145 per hour
- Associate - \$110 per hour
- Photography - \$100 per hour
- Design subconsultant - \$125 per hour
- Videographer subconsultant - \$150 per hour

ITEM 6C

Desert Community Energy Board
December 9, 2019



STAFF REPORT

Subject: DCE Pro Forma and Financial Model Scenario Analysis

Contact: Jeff Fuller, The Energy Authority (jfuller@teainc.org)

Recommendation: Information only.

Background: Jeff Fuller from The Energy Authority will present an overview of the updated DCE pro forma and financial model scenario analysis, based on the launch plans of member agencies.

ITEM 7A

**DESERT COMMUNITY ENERGY BOARD
FY2019-2020 ATTENDANCE RECORD**

Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
City of Cathedral City	✓	*	✓		*							
City of Palm Desert		*	✓	✓	*							
City of Palm Springs	✓	*	✓	✓	*							
Non-Voting Member												
City of Desert Hot Springs		*			*							

Ex Officio / Absent
No Meeting *

ITEM 7B**DESERT COMMUNITY ENERGY
UNAUDITED BALANCE SHEET
FROM JULY 1, 2019 TO NOVEMBER 30, 2019****ASSETS**

River City Bank

- Operating Account	4,888.71	
- Money Market Account	3,091,851.21	
- ICS Account	1,296,032.38	
- Lockbox Account	2.00	
Total Cash		4,392,774.30

Deposits/Bonds

- CPUC	100,000.00	
- CA ISO	500,000.00	
Total Deposits/Bonds		600,000.00

TOTAL ASSETS**4,992,774.30****LIABILITIES**

Accounts Payable

0.00

TOTAL LIABILITIES**0.00****FUND BALANCE**

Fund Balance

4,992,774.30

TOTAL LIABILITIES AND FUND BALANCE**4,992,774.30**

ITEM 7B**DESERT COMMUNITY ENERGY
UNAUDITED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FROM JULY 1, 2019 TO NOVEMBER 30, 2019****REVENUES**

Electricity Sales		0.00
Other Revenue		0.00
Investment Income		39,436.24
TOTAL REVENUES		<u><u>39,436.24</u></u>

EXPENDITURES

Cost of Electricity		
Electricity Purchase	0.00	
Low Carbon Settlement	0.00	
Renewable Energy Credit Settlement	0.00	
Market Charges	0.00	
Total Cost of Electricity		0.00
Accounting / Bank Services		517.59
Legal Services		0.00
Professional Services		
- LSL, CPAs	2,880.00	
Total Professional Services		2,880.00
Consultants		
- Donald D. Dame	1,461.25	
- White Rabbit Group	800.00	
Total Consultants		2,261.25
Postage		0.00
Printing		0.00
Interest Expense		0.00
TOTAL EXPENDITURES		<u><u>5,658.84</u></u>
Excess of Revenues over Expenditures		33,777.40
Fund Balance - Beginning of the Year		<u>4,958,996.90</u>
Fund Balance - End of the Year		<u><u>4,992,774.30</u></u>

Item 7C

Desert Community Energy Board
December 9, 2019



STAFF REPORT

Subject: Community Advisory Committee Update

Contact: Benjamin Druyon, Management Analyst, Energy & Environmental Resources
(bdruyon@cvag.org)

Recommendation: Information only.

Background: The Community Advisory Committee (CAC) has met three times and has had engaging and enthusiastic discussions at each meeting. The following is a brief summary of their activities to date.

At the July 11 meeting, DCE staff provided a general overview of CCA's and DCE and introduced the CARE/FERA Enhanced Enrollment program. There were some very good questions and recommendations that came from the meeting, including ensuring we provide materials in Spanish to accommodate our bilingual communities. The CAC also requested information about each of DCE's consultants.

At the October 29 meeting, a Chair and Vice Chair were selected by the CAC. David Freedman of Palm Springs was elected as Chair, and Shelley Kaplan of Cathedral City was elected as Vice Chair. DCE staff provided another overview of CCAs and DCE with more focus on DCE's consultants and their tasks. Again, some great questions and conversations came out of the meeting. We also introduced staff members from Lift To Rise and discussed some of the ways we would like to have the CAC assist in engaging their communities. The Chair recommended a representative from each city provide DCE staff with a list of all community-based organizations, faith-based organizations, and events in their respective city where outreach on the CARE/FERA program could be done. The CAC then requested having a representative from The Energy Authority present at the next meeting, so they could learn more about the power procurement process.

At the November 21 meeting, DCE staff gave an update on the progress of the CARE/FERA Enhanced Enrollment program and provided continuing education about CCA's and DCE with questions and answers from the CAC, followed by a presentation from Jeff Fuller of The Energy Authority (TEA). The CAC was very engaged and eager to learn about DCE's power purchasing process. Some of the topics discussed were:

- Who does DCE buy power from?
- What sources of energy does DCE buy?
- Where does the power come from?
- How can we be sure it is 100% Carbon Free?

The next CAC meeting is scheduled for December 19, 2019 at 5:30pm at CVAG offices.

**Desert Community Energy Board
December 9, 2019**



STAFF REPORT

Subject: CARE/FERA Program Update

Contact: Benjamin Druyon, Management Analyst, Energy & Environmental Resources
(bdruyon@cvaq.org)

Recommendation: Information only.

Background: California Alternate Rates for Energy (CARE¹) and Family Electric Rate Assistance (FERA) are two CPUC authorized low income assistance programs offered by Southern California Edison (SCE) and SoCalGas. CARE customers receive a savings reduction of up to 30% on their energy bill, while FERA customers can save up to 18%. Customers may qualify for CARE or FERA if someone in their household already participates in a public assistance program, such as CalWorks, food stamps, or Medi-Cal. Customers may also qualify based on household income.

Recent SCE reports to the Low Income Oversight Board (LIOB) and customer data previously provided to DCE by SCE identify a combined total of about 18,500 customers currently enrolled in CARE in Cathedral City, Palm Desert and Palm Springs. Our estimates are that up to 5,000 additional eligible accounts are not enrolled. SCE reports currently about 300 enrolled FERA accounts within DCE member communities and about 3,000 to 4,000 likely qualified additional accounts that are not enrolled. Based on SoCalGas's recent LIOB monthly reporting, there are likely between 500 to 2,500 eligible residential gas accounts that are not enrolled as well.

At both the March 18 and April 15 DCE Board meetings, the Board discussed the possibility for DCE to find ways to increase awareness and participation in the CARE and FERA programs, and staff was directed to move forward with these efforts, including working with the Community Advisory Committee as well as agencies and organizations that could maximize enrollment rates among potential DCE qualified customers.

At the June 17 Board meeting, the Board directed DCE staff to proceed with the release of a Request for Proposals to find a qualified organization to assist with increasing participation in the CARE and FERA programs in DCE's service territory. Five proposals were received and two were selected for interviews.

At the September 16 meeting the Board conducted interviews with two well qualified organizations, Lift To Rise and Richard Heath & Associates, Inc. Lift To Rise was selected by the Board as the consultant to implement the CARE/FERA enhanced enrollment program.

At the October 21 meeting the Board approved a two-year services agreement with Lift To Rise to launch a program by January 1, 2020 with a goal of enrolling 3,000 new CARE/FERA customers and to implement a plan to make the program sustainable beyond the 2-year term.

¹ CARE/FERA is funded through a rate surcharge paid by all other utility customers. These income limits may be adjusted each year depending on inflation. California has a Low-Income Oversight Board (LIOB), which was established by the Legislature to advise the PUC on energy related low-income assistance programs of utilities under the PUC's jurisdiction.

DCE and Lift To Rise staff have been preparing for the January 2020 launch of this program. Some of the steps taken are listed below.

- Presented to the Community Advisory Committee about program and asked for assistance.
 - CAC provided DCE staff and Lift To Rise with lists of community-based and faith-based organizations to contact about the program.
 - CAC also provided lists of community events and activities where DCE and Lift To Rise could have a presence.
- Both DCE and Lift To Rise have submitted applications to SCE to become capitation contractors (contractors which SCE pays a small fee to “capture” new enrollments). Once approved, SCE will assign an identification number to help track applications submitted by contractors.
 - Lift To Rise was approved on December 3.
 - DCE’s application is still pending.
- Lift To Rise attended an event in Palm Springs called The Posadas to engage and educate the public.
- DCE staff and Lift To Rise met with multiple community-based organizations who expressed enthusiasm about the program and want to assist where possible.
- DCE staff and Lift To Rise met with city staff in Palm Springs, Cathedral City, and Palm Desert to discuss the program and enlist assistance with:
 - Obtaining lists of low-income housing areas.
 - Obtaining lists of mobile home communities.
 - Obtaining lists of events in the city.

Next steps:

- Once DCE or Lift To Rise obtains a capitation contractor identification number, we will begin disbursing applications to the agencies we have met with.
- We will begin attending community events and making presentations to other organizations about the program.
- We will begin identifying low-income areas to canvas.

We will have more to report as we begin to implement this program and assess what strategies work best.

ITEM 7E



DESERT COMMUNITY ENERGY

Board Meeting Dates - 2020

Meeting Time: 2:30 p.m.

Location: Coachella Valley Association of Governments
73-710 Fred Waring Drive, Suite 200, Palm Desert – Phone: 760.346.1127

Fourth Monday (due to holidays)

January 27 (tentative)

February 24

Remaining 2020 dates are third Monday

March 16

April 20

May 18

June 22

July 20

August – 17 (if needed)

September 21

October 19

November 16

December 21