



**AGENDA**  
**CITY COUNCIL OF THE CITY OF MORENO VALLEY**  
**MORENO VALLEY COMMUNITY SERVICES DISTRICT**  
**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF**  
**MORENO VALLEY**

**September 15, 2009**

**STUDY SESSION – 6:00 P.M.**

**City Council Closed Session**

First Tuesday of each month – 6:00 p.m.

**City Council Study Sessions**

Third Tuesday of each month – 6:00 p.m.

**City Council Meetings**

Second and Fourth Tuesdays – 6:30 p.m.

City Hall Council Chamber - 14177 Frederick Street

*Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office at 951.413.3001 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.*

Bonnie Flickinger, Mayor Pro Tem  
Jesse L. Molina, Council Member

Richard A. Stewart, Mayor

Robin N. Hastings, Council Member  
William H. Batey II, Council Member

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CITY COUNCIL OF THE CITY OF MORENO VALLEY  
MORENO VALLEY COMMUNITY SERVICES DISTRICT  
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO  
VALLEY**

**STUDY SESSION - 6:00 PM  
SEPTEMBER 15, 2009**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**INVOCATION**

**ROLL CALL**

**INTRODUCTIONS**

**PUBLIC COMMENTS ON MATTERS UNDER THE JURISDICTION OF THE CITY COUNCIL**

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council Member, staff member or other person.

**SPECIAL ORDER OF BUSINESS**

1. Consider Funding and Incentive Mechanisms for Solar and Alternative Energy Production for New and Existing Structures Including but not Limited to AB 811 Incentives (Stewart/ 15 Min.)
2. AB 811 - Establishment of Voluntary Energy Efficiency and Solar Assessment Districts (Batey/Molina/15 Min.) ❖
3. Co-sponsorship of 2nd Annual Cops & Clergy Car Show – October 17, 2009 (Batey/Molina/ 10 Min.) ❖
4. Code Update on Tow Trucks (Batey/Flickinger/ 10 Min.) ❖
5. Discussion Regarding December Meeting Schedule (Flickinger/Batey/ 10 Min.) ❖

6. City Council Requests and Communications

(Times shown are only estimates for staff presentation. Items may be deferred by Council if time does not permit full review.)

❖ Oral Presentation only – No written material provided

**\*Materials related to an item on this Agenda submitted to the City Council/Community Services District/Community Redevelopment Agency after distribution of the agenda packet are available for public inspection in the City Clerk's office at 14177 Frederick Street during normal business hours.**

## **CLOSED SESSION**

A Closed Session of the City Council, Community Services District and Community Redevelopment Agency of the City of Moreno Valley will be held in the City Manager's Conference Room, Second Floor, City Hall. The City Council will meet in Closed Session to confer with its legal counsel regarding the following matter(s) and any additional matter(s) publicly and orally announced by the City Attorney in the Council Chamber at the time of convening the Closed Session.

### **• PUBLIC COMMENTS ON MATTERS ON THE CLOSED SESSION AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL**

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council member, staff member or other person.

The Closed Session will be held pursuant to Government Code:

#### **1 SECTION 54956.9(a) - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

a Case: *Sierra Club v. City of Moreno Valley*  
Court: Riverside Superior Court  
Case No: RIC519566

b Case: *Moreno Valley Unified School District v. County of Riverside, a public entity; Robert E. Byrd as Auditor-Controller for the County of Riverside; Does 1-50, inclusive; City of Moreno Valley Redevelopment Agency, a California Redevelopment Agency; and Does 51-100, inclusive Real Parties in interest*  
Court: Superior Court for the State of California, County of Riverside  
Case No: RIC502670

#### **2 SECTION 54956.9(b)(1) - CONFERENCE WITH LEGAL COUNSEL - SIGNIFICANT EXPOSURE TO LITIGATION**

Number of Cases: 3

#### **3 SECTION 54956.9(c) - CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION**

Number of Cases: 2

**REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY**

**ADJOURNMENT**

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# **Moreno Valley City Council Update**

## **Funding and Incentive Mechanisms for Alternative Energy**

**Presented by George Hanson and Ted Flanigan  
City Council Study Session  
September 15, 2009**

*Draft for Review – September 8, 2009*

# Presentation Outline

- MVU's Role in the City
- Energy Efficiency Opportunities
- Solar Incentives
- A Potential New Tool: AB 811 Financing



# What's MVU all about?

- Mission: provide reliable, economical, and safe electricity and services for the benefit of the residents of Moreno Valley
- Approximately 5,350 customers
- 4,784 residential customers
- New commercial developments and their requirements (such as Stoneridge w/ Target, Walmart, etc.)
- Municipal buildings as key customer segment

# Energy Efficiency Programs, Incentives

- Website recommendations for residents
- Proposed Energy Efficiency Retrofits at City Hall, Police Department, Animal Shelter, Fire Station
- Technical assistance
  - Savings by Design for Stater Brothers (value \$31,378)
  - Efficiency program for Val Verde USD (value \$60,555)

# Solar Program Incentives

- Solar Electric Incentive Program
  - Required by SB 1, State of California
  - Started January 1, 2008, continues for 16 years
- MVU 2008 Solar Special
  - Increased rebate from \$2.20 to \$4/watt
  - Highest incentive level in State of California
  - Residential participant installed 5.5kW system, received \$22,000 rebate
  - Special ended December 31, 2008 (reverted back to \$2.20/watt incentive level)

# Solar Program Incentives, (Cont'd)

- Commercial and Industrial customers have contacted MVU with plans for significant solar installations
- MVU offers solar rebate and technical assistance
- Current program sets incentive at \$100,000 per project

# Future Initiatives

Energy Efficiency Programs funded by Public Benefit Funds generate immediate savings and create local, “green” jobs

1. Potential efficiency programs
  - CFL giveaways
  - Residential, commercial “Tune-ups”
  - Enhanced website/educational materials
2. Enhanced solar program
  - Consider adding “solar services” for commercial installs
3. AB 811 Financing

# AB 811 Background

1. Assembly Bill 811 was spearheaded by the City of Palm Desert to build on Berkeley's pilot financing district model for solar systems.
2. Amends California Streets and Highways Code; defines permanent energy improvements on private properties as public benefits.
3. Governor Schwarzenegger signed the bill into law as an urgency measure on July 21, 2008.
4. Palm Desert launched AB 811 program Aug 29, 2008.
5. Within a month, over 250 Palm Desert property owners had signed up and the first \$2.5 million in 7% loans were made.
6. In Sonoma County, \$18 million has been reserved already in a program that launched March 25, 2009.

# AB 811 Program Features

Easy for property owners to participate...

- Minimal document means of investing in permanent energy improvements
  - A no money down opportunity
  - 100% of measure costs financed at 7%
  - All you need is a title check and not to be in arrears
- Secured by a lien on the property, assessment repaid over 5 – 20 years.
- Assessment stays with the property if the home or business is sold before the loan is paid off.

# Benefits for the City

- Program would be available to entire city – not just MVU.
- Low-cost means of achieving energy and environmental goals.
- Increases “green” activity, creates local jobs.
- Can be completely outsourced, or managed in regional collaborations that lessen costs.
- Can be designed to be zero net cost after two years, then continuing to deliver results at no cost to city or county.



# Eligible Equipment: Efficiency fixtures and renewable systems

- Air conditioning and duct zoning
- Pool pumps
- Roof and wall insulation
- White roofs and roof coatings
- Energy-efficient windows, doors, and skylights
- Water heating equipment
- Efficient lighting systems and controls retrofits)
- Building controls
- Motors and controls
- Irrigation pumps and controls
- Solar photovoltaic and solar thermal systems
- Wind and geothermal systems

# Program Highlights

- **Berkeley**
  - Kicked it off, but then went dark
  - Lots of PR but only a handful of installations
  - \$1.5 million pilot program, 9-minute sign-up
  - Outsourced to Renewable Funding
- **Palm Desert**
  - 222 loans
  - \$7.5 million reserved, with \$3.1 million funded
  - Funded internally initially, now secured by city

# Highlights continued

- **Sonoma County**
  - \$100 million funded
  - County Treasury and Water Agency “seed” funds
  - Energy storefront plus extensive outreach
  - \$18 million reserved in four and a half months
- **Boulder, Colorado**
  - Signs up block of reservations before bonding
  - Successful bond sale, taxable and non-taxable
  - Going now to second block of financing

# Keeping Up with Developments

- Financing in current market
  - Short term financing
  - Bond market conditions
  - Underwriting standards
  - Judicial Validation
- Current real estate conditions
  - Equity or Loan-to-value ratio requirements
  - Mortgage lender waivers
- Availability of Stimulus Funds

# City Options for Considerations

- Go it alone; benefit from “the spread”
  - Finance internally
  - Administer internally
- Outsource to 3<sup>rd</sup> party
- Join Riverside County program
- Hang on for the CSCDA statewide program

# Conclusion

MVU welcomes guidance from the Council on adding to its portfolio of services for the community.