



CITY OF POMONA COUNCIL REPORT

June 3, 2024

To: Honorable Mayor and Members of the City Council

From: Anita D. Gutierrez, City Manager

Submitted by: Chris Diggs, Water Resources Director
Michael Ellis, Chief of Police

SUBJECT: ADOPT A RESOLUTION TO AMEND THE FY 2023-24 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET AND APPROVE A LOAN AGREEMENT

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Adopt the following resolution:

RESOLUTION NO. 2024-82 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE FY 2023-24 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET BY INCREASING REVENUE ESTIMATES BY \$568,500 FROM SOCALREN REVOLVING SAVINGS FUND LOAN PROCEEDS AND BY CREATING A NEW PROJECT, "POMONA POLICE STATION/FIRE STATION 181 ENERGY EFFICIENCY UPGRADES," PROJECT NO. 428-2590-XXXXX-71119, AND APPROPRIATING THIS \$568,500 OF SOCALREN REVOLVING SAVINGS FUND LOAN PROCEEDS TO THE PROJECT

- 2) Approve a loan agreement between the City of Pomona and the County of Los Angeles in the amount of \$568,500 for a SoCalRen Revolving Savings Fund Loan; and,
- 3) Authorize the City Manager to execute a loan agreement on behalf of the City of Pomona with the County of Los Angeles to fund energy efficient equipment replacements, contingent on City Attorney review.

EXECUTIVE SUMMARY

The recommended actions include amending the FY 2023-24 CIP Budget, approving a loan agreement between the City of Pomona and the County of Los Angeles for a SoCalREN Revolving Savings Fund Loan (Loan) to receive \$568,500, and delegating the authority to execute the loan

agreement. The Loan will fund energy efficient upgrades. Additionally, the proposed action will create and fully fund a new CIP project, the “Pomona Police Station/Fire Station 181 Energy Efficiency Upgrades,” Project No. 428-2590-XXXXX-71119 (Attachment No. 1 and No. 2).

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

☐ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$250 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$250 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer; or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity; or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

The estimated cost of the Police Station/Fire Station 181 energy efficiency upgrades is \$568,500. Staff has secured the Revolving Savings Fund (RSF) Loan to pay for upfront construction costs, and have secured SCE On-Bill Financing (OBF) funds. Once the project is completed and SCE has reviewed and verified the project installation report, then the City will receive the OBF Check to pay the RSF Loan back. Once SCE has received the \$568,500 amount paid back through the monthly energy savings on the bills, then the City will see the energy savings, see Table 1 for details.

Table 1

Facility	Estimated Project Cost	RSF Loan (Upfront Funds for Const)	OBF (Pays back RSF Loan)	* 91 Monthly Payments on SCE Bill	* 1 Payment on SCE Bill
Pomona Police Station/Fire Station 181	\$568,500.00	\$ 568,500.00	\$ 568,500.00	\$ 6,179.35	\$6,179.15

*Preliminary Loan Term Calculations - actual terms will be calculated based on final review and verification of the project installation report

Financing Descriptions

SoCalREN Revolving Savings Fund

The SoCalREN Public Agency programs are currently administered by the County of Los Angeles and funded by California utility ratepayers. Energy retrofits save money, but financing energy projects can be challenging. SoCalREN’s RSF was designed to support energy efficiency upgrades of public facilities through zero percent interest loans with a five-year payback. The Loan can provide upfront construction financing to enable projects to move forward, and can be paired with other financing options such as OBF, incentives or rebates, and other external financing options. The City has already secured the RSF Loan in the amount of \$568,500 to assist in the upfront cost for

the project. Any unused portion of the fund will be returned to the program.

SCE On-Bill Financing (OBF)

SCE's OBF program is a zero percent interest program. This program supports agencies with services and/or incentives on retrofit projects that bring equipment up to current efficiency standards. OBF is issued after project completion and installation report approval by SCE. The OBF loan repayments are made through the monthly SCE utility bill (bill neutral) up to a ten year term for government customers.

DISCUSSION:

In May of 2022 SoCalREN and TRC Solutions conducted a building audit and analysis of the Pomona Police Station/Fire Station 181 to determine if energy efficiency upgrades were viable and and if so, could funding be obtained for said upgrades. As expected, efficiency improvements were identified at both the Police and Fire Stations. SoCalREN was also able to identify funds via its RSF funding, and SCE's On Bill Financing.

Within the list of upgrades, the ones yielding the most savings are lighting and HVAC improvements. Based on the evaluation completed it is estimated the payback for the project is seven years. After such time the City will enjoy an estimated \$85,000 annual savings to the City's energy expenses.

If approved, City staff will work with SoCalREN to develop a bid package and bid the project for construction.

Prepared by:

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Environmental Compliance Supervisor

ATTACHMENTS:

Attachment No. 1 – Resolution No. 2024-82 with Exhibit A – New CIP Project Details Sheet