

12935

COUNTY OF HUMBOLDT
RENEWABLE ENERGY GRANT PROGRAM
GRANT AGREEMENT



This Grant Agreement (the "Agreement") dated 3-27, 2023 ("Effective Date") is made and entered into by and between the County of Humboldt, a political subdivision of the State of California (the "County"), and Kevin Spurlock ("Grantee"). The County and Grantee are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, on January 22, 2022 Humboldt County and the state Department of Cannabis Control entered into an agreement that make Local Assistance Grant Program funds available for projects that assist transitioning cannabis farmers from provisional cultivation licenses to annual licenses and for cannabis farmers with annual licenses, maintaining those annual licenses into the future; and

WHEREAS, up to \$3,100,000 was approved to fund a Renewable Energy Grant Program (the "Program") to fund eligible projects that replace gas/diesel/propane powered generators used for commercial cannabis cultivation operations with renewable energy systems, or for other expenses if reductions in gas/diesel/propane powered generator use are documented; and

WHEREAS, a primary goal of the Program is purchase and/or installation of renewable energy system infrastructure, and engineering for renewable energy systems or by establishing a cultivation site's connection to the commercial power grid; and

WHEREAS, the Grantee has submitted an application that meets the minimum requirements of the Program, and the County wishes to enter into this Agreement with Grantee to provide Program funds to assist Grantee with transitioning from provisional cultivation licenses to annual licenses or maintaining their annual licenses into the future.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. **Grant.** Subject to the terms and conditions of this Agreement, the County agrees to provide a grant of funds to Grantee in an amount of \$30,000 (the "Grant").
2. **Scope of Work.** Grantee hereby agrees and understands that the County retains sole and absolute discretion to determine if Grantee has met the requirements for the Grant. The scope of work is that which was included as part of the original application modified by the County to eliminate the ineligible tasks, attached hereto as **Exhibit A**.
3. **Compensation.** Grantee hereby agrees to use Grant Program funds only for expenses as specified in the original application modified by the County to eliminate

the ineligible expenses, attached hereto as **Exhibit A**. The maximum payment amount shall not exceed the approved budget amount of \$30,000 or \$30,000, whichever is less.

4. Time of Performance. The Grant term shall begin on the Effective Date and shall end two full years after the disbursement under this Agreement, unless sooner terminated as provided herein. All work in the Scope of Work attached hereto as **Exhibit A** must be completed within two full years after the disbursement.

5. Payment. The County is anticipating the grant funds will be disbursed to Grantee's within 45 days of execution of this agreement, however, the timing of the disbursement(s) of grant funds to Grantees shall be solely determined by the County, but shall not be later than January 1, 2024, or any subsequent extension provided by the County.

6. Evaluation, Monitoring and Reporting. Grantee shall be monitored and evaluated by the County in terms of effectiveness and timely compliance with the provisions of this Agreement. Grantee agrees that authorized representatives of the County, may perform on-site and/or fiscal monitoring of Grantee's record-keeping and reporting to assure compliance with this Agreement. Grantee agrees to make its records and facilities available for such review.

7. Compliance with State and Local Standards. Grantee shall be responsible for complying with the terms, conditions, and requirements of all applicable local and state laws and regulations including the Program Grant Agreement between the Department of Cannabis Control and the County of Humboldt attached hereto as **Exhibit B**.

8. Indemnification. Grantee shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, Grantee's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY. This provision will survive expiration or termination of this Contract.

9. Events of Default and Remedies. The failure to comply with any term of this Agreement shall constitute a default by Grantee. In the event of a default, County may, in its discretion, take any of the following actions in addition to any other remedies under this Agreement:

- a. Terminate this Agreement, in whole or in part;
- c. Demand immediate reimbursement of any funds disbursed under this Agreement;
- d. Bring an action for equitable relief (1) seeking the specific performance by Grantee of the terms and conditions of the

Agreement, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief; and/or

- e. Pursue any other remedy allowed by law or in equity.

10. Modification to the Agreement

No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all parties.

11. Representatives of the Parties and Service of Notices

11.1. The representatives of the respective parties authorized to administer this Agreement, and to whom formal notices, demands, and communications will be given are as follows:

11.2. The representative of County will be the Director or his authorized designee:

John H Ford
Director of Planning and Building
3015 H Street
Eureka, CA 95501

The Grantee shall be the Stream Protection Program Individual Applicant:

Name: Kevin Spurlock
Address: P.O. Box 278 Hydesville CA 95547
Phone: 707-599-8052
Email: Humboldtflavor@gmail.com

11.3 Formal notices, demands, and communications required hereunder by either party will be made in writing and may be affected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.

11.4 If the name of the person designated to receive the notices, demands, or communications, or the address of such person is changed, written notice will be given within five (5) business days of said change.

12. Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

13. Entire Agreement. This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employee of either party will affect or modify any of the terms and conditions of this

Agreement. The parties acknowledge that they have read and understood this Agreement and had an opportunity to consult with counsel of their choosing.

14. Counterpart Execution. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same Agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by County) and sent by e-mail shall be deemed original signatures.

[Signatures appear on next page]

COUNTY OF HUMBOLDT, a political subdivision of the State of California

By: 

Name: John H Ford, or his authorized designee
Title: Director, Department of Planning and Building

Date: 5/23/2023

GRANTEE

By: 

Name: Keya Spurlock
Title: An Individual

Date: 3-27-23

Send Signed Agreement to:

Humboldt County

Department of Planning and Building

Grant Agreement for _____

3015 H Street, Eureka, CA 95501



Exhibit A

Scope of Work

We currently utilize a 2000 sqft permitted space at 2060 Miller Creek Rd, that also has two residences on it. The property is powered by a solar panel/ battery bank wall set up with a propane generator to utilize when the batteries are depleted. On sunny days we have enough power to utilize everything required for our business. Unfortunately at night or during cloudy or smoky days we have been forced to used the generator, an expensive and noisy alternative. With the fire season becoming longer and more local this is becoming more frequent. If we were able to add enough batteries to our battery bank our business and the household around it would not have to utilize the propane for anything but the hot water heater, an appliance that uses fractions of what the generator consumes.

Installing these batteries is an important aspect of fire safety at the property as well. At this point in time running the emergency water pump requires the generator. This is something that may not be possible if there is a fire in the yard as the propane storage is set a good distance from the house. Having sufficient batteries to run the emergency water pump for the fire hose without turning on the generator is an important safety goal for our farm that this grant would allow us to accomplish.

The batteries would be installed by the owner who has done the previous installation of the other batteries. The estimate for how much power will be produced and how much fuel will be saved is based off of the system we already have.



NORTHERN
CALIFORNIA

Leach Water Systems
PO Box 1339
Trinidad CA 95570
Leach9510@gmail.com

Project location: APN 210-074-008, Bridgeville Ca
Date: 5/05/23
Attention: Humboldt Flavor, Kevin Spurlock

Proposed Scope of Work

1. Install 11SQF Grundfos solar pump in existing Drilled Well on Drop pipe, 10 awg sub.
2. Install 6 panel solar panel array on pole mount aluminum rack.
3. Install IO101 and CU200 controller for automated control to existing storage tanks.
4. Install Inverter off panels to get 115V ac for use when well not in use.

Cost \$31,780.00 materials and labor

Acceptance Signature _____

Date _____



Teisha Mechetti <teisha@agdynamix.com>

Gas useage

Kevin Spurlock <humboldtflavor@gmail.com>
To: Teisha Mechetti <teisha@agdynamix.com>

Thu, May 18, 2023 at 11:50 AM

Gas useage for well pumps and generators

May 150 gallons of gas

June 225 gallos of gas

July 225 gallons of gas

August 500 gallons

September 225

October 500 gallons

November 200 gallons



818 Broadway
Eureka, CA 95501
(707) 443-5652
office@sixriverssolar.com
License# 1091624

Estimate

August 19, 2022

Humboldt County Renewable Energy Grant Program

SMALL NANOGRID SYSTEM

Proposal for 5.9kW PV array, Sol-Ark 12k inverter, Homegrid 14.4kwh LFP battery

Six Rivers Solar proposes to design and deliver:

16 x Silfab 370 watt PV modules (made in the USA, 30 year warranty)

1 x Sol-Ark 12k hybrid inverter (12kw daytime/9kw night continuous AC output, 10-year warranty)

Sunmodo Ground Racking for 16 Modules (or equivalent)

Homegrid Stack'd 14.4kwh battery (LFP chemistry, 10-year warranty)

Balance of systems materials

Grand total for materials and design, including sales tax:	\$43,500.00
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Installation Estimate:

This does not include site-specific estimates such as trenching, conduit length, or wire runs

Installation, Inspection, and warranty services	\$10,000.00
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Total System Estimate (including installation):	\$53,500.00
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Please see attached Disclaimers, Conditions, & Assumptions. This estimate does not include site specific considerations such as trenching, conduit, wire length, or soil compaction. These factors will affect the final bid for installation and material costs.

Renewable Energy Grant Program Disclaimers, Conditions, & Assumptions:

P.C.
Initial

Presentation of this quote from Six Rivers Solar does not constitute acceptance of job. This estimate was produced for the purposes of assisting the client in preparing a budget estimate for a renewable energy/water conservation grant administered by Humboldt County.

P.C.
Initial

This is an estimate for a typical system that produces a certain amount of power and energy with no consideration for location, shading, and other environmental factors. This is not a site-specific or customer-specific proposal for a renewable energy system to meet their situational needs or expectations. Six Rivers Solar reserves the right to revise and re-bid this project once funding has been obtained, with a specific reservation of the right to revise equipment pricing and equipment offered.

P.C.
Initial

Prices shown include sales tax and standard permit fees (where applicable). Any permit fees beyond the standard will result in additional charges.

P.C.
Initial

This estimate was produced without the benefit of a full project evaluation, and therefore CERTAIN POTENTIAL LABOR-RELATED COSTS ARE NOT INCLUDED IN THIS PRICE. Additional costs may arise which include (but are not limited to): DIR registration, prevailing wage costs, travel costs, costs related to apprenticeship requirements, trenching, permitting of existing work including existing PV, equipment rental costs, or other unforeseen costs. If it is discovered that this grant funding falls under the jurisdiction of the DIR or is deemed to be prevailing wage work, Six Rivers Solar reserves the right to revise this estimate accordingly, including canceling this estimate altogether.

P.C.
Initial

Some additional fees may arise, such as unforeseen engineering required by the local building authority, or unexpected costs uncovered during a preconstruction site survey with your contractor. Six Rivers Solar is not responsible for a utility-mandated transformer upgrade due to the additional load. Major components are listed with the California Energy Commission website.

PC
Initial

This proposal assumes the availability of WiFi internet for the connection and remote monitoring of the inverter; Assumes availability of an appropriate shed, garage, outbuilding or other facility to house electrical equipment and batteries to protect from the elements and maintain equipment temperatures within the optimal range; Assumes any generator provided by the customer for integration to this system will be 2-wire start compatible split-phase; Assumes that customer will comply with any and all permitting requirements; Assumes that customer will provide Six Rivers Solar with a comprehensive loads survey, accurate fuel consumption data, and full access to the site and farm for evaluation.

By signing here, I acknowledge that I have read and understand the disclaimers, conditions, and assumptions presented here and will hold harmless Six Rivers Solar for any adjustments and revisions necessary to convert this estimate into an actionable and deliverable contract.



Signature

9/1/22
Date

Renewable Energy Grant Program Task List

Time Frame	Tasks
Months 1-2	<u>Six Rivers Solar LLC</u> <u>General Design & Planning:</u> <ul style="list-style-type: none"> <input type="checkbox"/> Site analysis <input type="checkbox"/> Energy load calculations <input type="checkbox"/> Prepare engineering design & submit permit application <input type="checkbox"/> Complete project funding proposal
Month 3	<u>Six Rivers Solar::</u> <ul style="list-style-type: none"> <input type="checkbox"/> Await approval by Building Dept. & make corrections as needed <input type="checkbox"/> Installation of solar equipment
Months 6-9	<u>Six Rivers Solar LLC:</u> <ul style="list-style-type: none"> <input type="checkbox"/> Follow-up with client on system performance <u>Consultant:</u> <ul style="list-style-type: none"> <input type="checkbox"/> Communicate with client & report progress to county
Months 9-12	<u>Six Rivers Solar LLC:</u> <ul style="list-style-type: none"> <input type="checkbox"/> Monitor equipment <u>Consultant:</u> <ul style="list-style-type: none"> <input type="checkbox"/> Report to county

Renewable Energy Grant Program Timeline

Project Consultants:

Dan Johnson (Operations Officer of Six Rivers Solar) (530) 367-1216

Larry Goldberg (Design Consultant) (707) 845-7272

Teisha Mechetti (Grant Project Management) (707) 798-6199

Time Frame	Tasks
Months 1-3	<u>Six Rivers Solar LLC: Funding Proposals/Financing Options:</u> Larry Goldberg & Teisha Mechetti <u>Consultant</u> *Coordinate with Client on Funding Options & Develop Strategy <ul style="list-style-type: none"> <input type="checkbox"/> Larry Goldberg (Financing Options) <input type="checkbox"/> Teisha Mechetti (Equity/Finance Strategy/Lender Application Assistance)
Months 3-6	<u>Six Rivers Solar LLC: General Design & Planning:</u> Dan Johnson <ul style="list-style-type: none"> • Site Analysis • Energy Load Calculations & Metering • Logistics <input type="checkbox"/> Dan Johnson (Site Design & Planning)
Months 6-9	<u>Six Rivers Solar LLC: Project Scope Progress Assessment to County Consultant:</u> <ul style="list-style-type: none"> <input type="checkbox"/> Teisha Mechetti (Scope of Work Assessment/Project Status Update to County) <input type="checkbox"/> Larry Goldberg (Follow Up with Client on Financing and Installation Planning/Scheduling.) <input type="checkbox"/> Dan Johnson (Pre-site Inspection for Final Designs for Permitting)
Months 9-12	<u>Six Rivers Solar LLC: Project Implementation</u> <ul style="list-style-type: none"> <input type="checkbox"/> Site Prep <input type="checkbox"/> Deliver Equipment/Install <input type="checkbox"/> Set up System Monitoring Programs <input type="checkbox"/> Educate Client on Use of Software & Monitoring <input type="checkbox"/> Final Sign Off/Inspection from County Planning & Building <u>Consultant:</u> <ul style="list-style-type: none"> <input type="checkbox"/> Teisha Mechetti (Project Delivery Update Progress Report)

Renewable Energy Calculations Methodology

Six Rivers Solar, LLC (SRS) is a well-established local solar contractor, working in Humboldt Co. since 1980. We have installed thousands of solar energy systems on and off-grid throughout Humboldt Co. The narrative below summarizes our solar calculations and estimated fuel savings from generator-based off-grid clients.

Step 1

A comprehensive survey of all loads in consideration to be powered by solar, generators through solar inverters, or generators directly. This establishes a baseline power demand profile and an energy requirement for the project. This data is entered in a spreadsheet of columns divided monthly to correlate seasonal needs with seasonal solar availability. Data is broken down by kW power required for the load (e.g. lighting x # of units (e.g. 5 LED strings) x hours of operation in each month.) Monthly summaries are calculated in the summary row at the bottom. This is the basis for annual kWh requirement for solar calculations.

Step 2

A fuel consumption survey is used to accurately estimate the amount of energy consumed by a site monthly. These monthly requirements are compared to solar energy available in those same months per a given system size based on budget, need, or a combination of the two. This monthly consumption data informs the necessary amount of solar and batteries to reduce or eliminate generator runtime. Fuel consumption is listed by month in the blue highlighted column under the load consumption calculations. This data is then input into the bottom spreadsheets to produce before-and-after calculations.

Step 3

Annual summary info and savings projections are calculated and #'s of CO₂ are calculated based on fossil fuel consumption. This data then informs CO₂ offsets required annually and annual greenhouse gas intensity as compared to PG&E. In all cases, utilizing solar directly reduces the greenhouse gas intensity of energy production with the goal of site emissions being equal to or lower than PG&E.

The limitations for calculating electrical loads depends on several factors:

1. **Accuracy of data provided by the client** – While SRS attempts to do a site visit to complete an accurate analysis of energy loads, we sometimes cannot go on-site due to distance, scheduling conflicts, and practical considerations. As a result (and particularly for this Renewable Energy grant) we are dependent on the information clients provide us on various loads (e.g. lighting, fans, dehumidifiers, etc...), wattage, time of use and seasons of heavy use. All our calculations, therefore, are conditioned on the accuracy of client-provided data.

2. **Estimates of solar energy kW contributions are based on scientifically based solar data** (NREL and other government sources), but **we derate the estimated savings** based on experience from actual system performance. Many system performance estimates are derived from laboratory conditions which, in reality, seldom exist in the real world. We therefore derate our solar contribution estimates by 10-20% in order to provide more accurate calculations. By this means, we hope to provide realistic estimates about system performance.
3. **Generators (gasoline and diesel) are notoriously overrated as far as kWh production.** Generator efficiency varies widely depending on the electrical load. In many cases in these calculations, generators are running at extremely low efficiency because they're either idling most of the time or under minimal loads. As a result, we down-rated generator kW production. For example, while online sources may quote 38 kWh per gallon of diesel, we downscale the production to 10 kWh because most generators are only running at 30% efficiency (see attached graph) or idling for extended hours.

SRS procedures for calculating energy loads and fuel savings:

1. SRS interviews the client and determines the estimated energy load for lights, fans, pumping, dehumidifiers, residential loads and any other existing energy uses. This data is entered into our proprietary spreadsheet to determine monthly and seasonal energy demand.
2. SRS interviews the client to determine the number of generators, sizes, fuel type, hours of operation and monthly fuel consumption. This, of course, can be highly variable because most cannabis operations run multiple generators and don't keep detailed records of fuel consumption. We do try to reconcile the numbers to calculate the expected production and compare with electrical loads. Naturally, there is wide variability that can't be accurately determined.
3. SRS spreadsheet calculates monthly loads, fuel consumption, # CO2, carbon intensity of generation and fuel saved with proposed solar solution.
4. In many cases, a generator will still be required to manage large loads infrequently. For example, when cannabis harvest is drying, an enormous amount of energy is required 24/7 for dehumidifiers. Since they are only used infrequently (typically twice a year in August and October for 2-4 weeks) we don't size the solar system to meet this high, infrequent demand, but rather size the system for the average power usage during normal business operation.
5. Since most cannabis operations only run 8 months per year, energy calcs are concentrated on 8 or 9 months of production, not the full year. Power will still be produced in Winter months, but no demand is generally anticipated, thus that power is not included in energy calculations for fuel savings.

Caveats to solar designs:

1. SRS retains the right to do on-site “ground-truthing” to determine accurate load calculations before a final system design is completed. A solar analysis, real-time metering and other analysis may be required before a final estimate can be completed.
2. Equipment quotes do not include dismantling of existing on-site equipment, reconfiguring generators to run with solar equipment and other unforeseen situations.
3. SRS is not responsible for pre-existing conditions (e.g. existing solar equipment) at the client site. We cannot be responsible for any equipment that we have *not* installed that does not meet code standards or was installed without a permit originally. SRS follows all State and local building codes and regulations for all installations and will require permits for all jobs approved under this grant program.