



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: July 21, 2015
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: General Services Matthew P. Pontes, Director (560-1011)
Public Health Takashi Wada, MD, MPH, Director (681-5105)

Contact Info: Karen L. Miles, Assistant Director, General Services (568-2678)
Suzanne Jacobson, Assistant Director, Public Health (681-5183)

SUBJECT: Approval of a Release of All Claims with the City of Lompoc and Acceptance of a Settlement for Utility Overcharges; Fourth District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a.) Approve and authorize the Chair to execute a Release of All Claims between the County of Santa Barbara and the City of Lompoc as settlement regarding the City of Lompoc's overcharge to the County for utilities at the Lompoc Community Health Building;
- b.) Approve and authorize the Chair to accept \$234,855.22 as reimbursement from the City of Lompoc for utility overcharges; and
- c.) Determine that the proposed actions are exempt from the California Environmental Quality Act (CEQA) review per CEQA Guideline Section 15378(b)(4) since the recommended actions are governmental fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

General Services had determined that the Public Health Department Lompoc Health Care Center had been overcharged for electricity by the City of Lompoc. The City conducted an investigation and has agreed with General Services' findings. The City has proposed a \$234,855.22 settlement and has requested approval of a Release of All Claims before processing a check for the settlement amount.

Background:

The County of Santa Barbara Board of Supervisors approved grant funding in 2014 from Southern California Edison to promote energy efficiency in County buildings. The Energy Efficiency Strategic Plan Implementation Grant supported energy benchmarking, an energy management system, a development of commissioning and retro-commissioning policies to improve a building's operations and maintenance, and an Energy Action Plan.

In June 2014, the General Services Facilities Energy Management Division benchmarked the Lompoc Community Health building; the result was a poor score. Using the energy management system, it appeared that the building consumed more electricity when compared to similar buildings. General Services audited the building's electrical consumption and determined the utility meter was reporting higher consumption than expected and had been incorrectly reporting electrical consumption for several years. On August 19, 2014, General Services contacted the City of Lompoc about the incorrect meter readings. The City conducted an investigation and agreed with General Services' findings. On November 14, 2014, the City sent the County a settlement offer proposing a credit of \$234,855.22 for future utilities. On May 14, 2015, the County sent a letter to the City of Lompoc requesting the total amount be refunded in its entirety. The City of Lompoc agreed in a letter dated May 29, 2015, contingent upon approval of a Release of All Claims.

In consultation with the Auditor-Controller's Office, it was determined that the funds will be designated in the Public Health Department's restricted fund balance for required uses under the Department's Health Center grant and used for outstanding capital projects at the Department's Health Care Centers.

Performance Measure: N/A

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

Narrative:

Because the amount was known at the end of Fiscal Year 2014-15, and in consultation with the Auditor-Controller's Office, the Public Health Department prepared a budget revision request in order to accrue and designate the funds in the amount of \$234,855.22 in the department's Restricted Health Care Fund Balance. The funds will be used for outstanding capital projects and necessary repairs, and deferred maintenance at the Lompoc Health Care Center and the other PHD Health Center sites.

Key Contract Risks: N/A

Staffing Impacts: N/A

Special Instructions:

Please send an executed duplicate original Release of All Claims to Karen L. Miles, Assistant Director, General Services

Attachments:

1. City of Lompoc letter dated May 29, 2015
2. Release of All Claims
3. CEQA Notice of Exemption

Authored by:

Anne Fearon, General Services