



Mobile Home Rental Hearing Panel

Agenda

Mohammad Habib - Planning Commissioner
Joseph Mueller - Planning Commissioner
David Lovato - Planning Commissioner
Liam Downey - Planning Commissioner
Robyn Carillo - Library, Culture, & Arts Commissioner

**Thursday, May 7, 2026
7:00 PM**

**Hybrid Meeting in West Conference Room
17555 Peak Avenue, Morgan Hill, CA 95037
and**

Virtual (Link to join the meeting can be found below)

The City of Morgan Hill Mobile Home Rental Hearing Panel meeting is held in person with the option for the public to attend in-person or participate by teleconference/video conference. Information on how the public may observe and participate in the meeting is below.

MEETING PARTICIPATION

The community can participate by attending in person, joining via Zoom (video/teleconference).

Those wishing to participate in the meeting remotely may do so at the following link <https://bit.ly/mobilehomerents>. Additionally, Zoom participants must be running the latest version or will be required to update to the latest version before being able to join the meeting remotely.

Remote participation is also available by calling (669) 900-9128 and entering webinar id: 835 6783 5515#. Dial *9 to raise your hand, and be called upon to speak for up to 3 minutes. Dial *6 to unmute.

As a courtesy, and technology permitting, for members who attend online, the City cannot guarantee that the public's access to online technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Ralph M. Brown Act, the meeting will continue despite technical difficulties for participants using

the online option.

PUBLIC COMMENT

Public comment may be offered verbally at the meeting or in writing before the meeting.

Those attending remotely may only offer public comment for items on the agenda in any of these three categories:

- Other Business
- Public Hearings

Public comment will be heard from those attending in person first with the submission of a speaker card. Once that is complete, we will move to those on Zoom that have their hand raised. Following public comment from Zoom, we will close the public comment period for that item.

Remote public comment for items not on the agenda will not be accepted.

Written public comment may be submitted to the Housing Division:

In person at the Mobile Home Rental Hearing Panel;

- Via email to john.lang2@@morganhill.ca.gov; or
- Hand delivered or mailed to the Housing Division at 17575 Peak Avenue, Morgan Hill, CA 95037

Please email your comments to the Housing Division no later than 3:00 p.m. on Wednesday (the day before the Mobile Home Rental Hearing Panel meeting) so that your comments can be submitted to the members of the Mobile Home Rental Hearing Panel with sufficient time to review them. You may continue to provide written comments up to noon on Thursday (the day of the meeting), although Mobile Home Rental Hearing Panel may not have sufficient time to review them before the meeting. Public comments submitted to the Housing Division after noon (12:00 p.m.) the day of the meeting will be provided to the Mobile Home Rents Hearing Panel as time allows.

Written comments WILL NOT be read aloud during the Mobile Home Rental Hearing Panel Meeting. Please note that written comments are posted on the City's website. It is recommended that you do not include any personal information that you do not want to be posted on the web. Please be advised that communications directed to the Mobile Home Rents Hearing Panel are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under the applicable law. Communications will NOT be edited for redactions and will be printed/posted as submitted.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this

meeting, please contact the Housing Division at (408) 310-4637 or by email at john.lang2@morganhill.ca.gov. Requests must be made as early as possible and at least two full business days before the start of the meeting.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

This opportunity for public comment is for items that are not on the agenda. If you would like to make comments on an item that is on the agenda, please wait until we get to that item to offer your comments. Members of the public are entitled to address the Hearing Panel concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the Hearing Panel is prohibited from discussing or taking action on any item not appearing on the posted agenda. Public comment is intended for comments. Questions posed during public comment are not generally answered. If you have questions, please send them to the City Clerk at ccpubliccomment@morganhill.ca.gov to receive a response. (See additional noticing at the end of this agenda)

PUBLIC HEARING

1. WINDMILL MOBILE ESTATES REQUEST FOR HEARING-PETITION FOR RENT

Recommendation:

1. Accept Independent Analysis of Petition of Rent Increase and
2. Open/close the public hearing; and
3. Approve a monthly rent increase of \$228.80 to Windmill Mobile Estates to be phased-in, consistent with Municipal Code 5.36.320.

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the Mobile Home Rental Hearing Panel less than 72 hours prior to an open meeting, will be made available for public inspection at the front counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Mobile Home Rental Hearing Panel concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Mobile Home Rent Hearing Panel on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Mobile Home Rents Hearing Panel, but it is very helpful. When you are called, proceed to the podium and the Chair will recognize you. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the Mobile Home Rents Hearing Panel.

City Council Policies and Procedures (CP-03-01) outlines the procedure for the conduct of public hearings.

For a copy of Commission Policies and Procedures CP-97-01, please contact the City Clerk's office (408) 779-7259 or by email cityclerk@morganhill.ca.gov.

MOBILE HOME RENTAL HEARING PANEL STAFF REPORT

MEETING DATE: May 7, 2026

PREPARED BY:

John Lang, Housing and Economic Mobility Director

WINDMILL MOBILE ESTATES REQUEST FOR HEARING-PETITION FOR RENT

RECOMMENDATION(S)

1. Accept Independent Analysis of Petition of Rent Increase and
2. Open/close the public hearing; and
3. Approve a monthly rent increase of \$228.80 to Windmill Mobile Estates to be phased-in, consistent with Municipal Code 5.36.320.

REPORT NARRATIVE:

Background

On July 2, 2025, [the Morgan Hill City Clerk received a written petition](#), consistent with Chapter 5.36.100, for a Mobile Home Rents hearing from Rudderow Law Group representing the property owner of Windmill Mobile Estates (WME). Under Morgan Hill's municipal code, Chapter 5.36.150, a mobile home rent hearing is required to be held within 30 days of the hearing petition being deemed complete by the City of Morgan Hill. At the request of the City and permission granted by the applicant, additional time was required to identify a hearing panel and establish a hearing date.

On [August 28, 2025, a Mobile Home Rent petition hearing](#) was held evaluating the request to increase the monthly rents at WME by \$428.88.

City staff outlined the hearing process and provided a staff level review of the net operating income analysis prepared by the ownership of WME.

The hearing included testimony by WME expert witness, Brian Eid, on the methodology employed to determine the net operating income of the park in 2024 compared to the base year of 1981, as prescribed under the Municipal Code 5.36. Expert testimony was also provided by Dr. Baar, representing WME residents, who presented evidence of assumptions and calculations that were not consistent with the Mobile Home Park Rents Ordinance 5.36.260.

During the hearing process, the hearing panel received feedback from several community members about the validity of the capital improvements undertaken and expressed concerns associated with the petition for a rent increase.

Before the public hearing closed for the hearing panel to deliberate, WME owner representatives proposed a verbal modification to the rent petition to lower the proposed increase of \$428.88 to \$384.90 per month, allowing a phase in over an eight-year period with a 6 percent interest charge.

After brief deliberation, the Hearing Panel elected to continue the public hearing to an uncertain date and bring back and address the following:

- Obtain a formal written proposal from WME ownership based upon their verbal comments during the hearing process.
- Request that homeowner representatives engage in more in-depth discussion to clarify key issues, including capital improvements and the handling of utility expenses.
- Retain an independent consultant to conduct a comprehensive analysis, and
- Collect all relevant receipts and verifiable documentation to substantiate the expenses incurred by the property owner.

Analysis

On September 12, 2025, the City of Morgan Hill secured a retainer for the services of Keyser Marston Associates (KMA) to do an independent analysis of the WME rent petition.

On September 24, 2025, the City of Morgan Hill received an email communication from WME ownership in response to the City's request for a written proposal based upon the verbal remarks at the August 28, 2025, meeting (Att. 1).

"After considering the input of residents and city staff, this amount was reduced to \$384.90, and the park proposed a phased-in approach over 8 years where there would be annual rent increases of \$50 plus \$21 of interest. The park has decided to now offer something even lower. The park is now proposing to simply raise rents by \$50 each year for 7 years. No interest would be added. This would be the only rent increase (the park would forgo during the 7 years the 75% of CPI or 8% increase)."

Subsequently, on October 14, 2025, through some clarifying communication with City staff, the following revised proposal was provided by WME ownership (Att. 2).

1. A rent increase of \$245.42, effective now;
2. Or, in the alternative, a phased-in rent increase of \$50 each year for 7 years (without interest and with no annual CPI increases), which would be a total rent increase of \$350.

Owner representatives for WME provided access to electronic files associated with the rent petition to both KMA and legal representation for WME residents to view and access.

On October 25, 2025, the City of Morgan Hill authorized a scope of work for Keyser Marston Associates (KMA) to assess whether an immediate \$245.42 space/month rent increase is in

conformance with the City's Mobile Home Park Rents Ordinance (Municipal Code 5.36).

Review and Findings

The net operating income analysis conducted by Level Advisors associated with the August 28, 2025 hearing, determined an estimated rent increase of \$428.88 space/month. The revised net operating income analysis conducted by Level Advisors for this hearing now notes a rent increase of \$245.42 space/month (Att. 3).

Below is a summary of similarities and differences between the two net operating income reports produced by Level Advisors.

1. Both net operating income reports maintain the same income and expense estimations for the 1981 base year.
2. While there are minor changes (an increase in "utility income" line item and a decrease in line item "other income" and augmentations to adjustments) in the 2024 books and records income category, the actual net rental income remained consistent with only a \$50 change to the net operating income in 2024.
3. On the expense side, there was a significant change in two capital expense categories. A reduction in the capital expense category that "were less \$100 per space" and an increase in the capital expenses category that "were over \$100 per space."
4. The books and records for the expense category remained the same in both of the reports.

Utilizing the most recent report submitted by Level Advisors (Att. 3), Keyser Marston Associates (KMA) reviewed the calculations and supporting documentation to develop their report dated February 5, 2026. KMA's scope of work was to determine if the proposed increase is consistent with the "Fair Return" provisions contained in Article III of Chapter 5.36 of the City's Municipal Code (Att. 4).

The summary table below compares the outcome of Level Advisors' revised net operating income analysis to that of KMA.

Exhibit A – Calculation of Justified Fair Rent Increase				
Item	Ref		Level/Wndml	KMA
NOI Base Year (1981), Per Space	Table 1	A	\$2,565.00	\$2,565.00
CPI Index (February 1981)		B	260.50	84.70
CPI Index (Apr 2025) (used by Level)		C	1,093.54	355.71
CPI % Increase	(C-B)/B	D	\$3.198	\$3.200
40% of CPI Increase	D*40%	E	\$1.279	\$1.280
Inflation Factor	A*E	F	\$3,281.00	\$3,282.80
Inflation Adjusted NOI per space (Fair Return)	A+F	G	\$5,846.00	\$5,847.80
Actual NOI 2024 (Comparison Year) per Space	Table 2	H	\$2,901.00	\$3,102.21
Warranted Rent Increase to Achieve Fair Return per Space , per Year	H-G	I	\$2,945.00	\$2,745.59
Warranted Rent Increase to Achieve Fair Return per Space , per Month	I/12		\$245.42	\$228.80

The KMA analysis resulted in the following findings.

1. Based on the income and expense information provided by WME and Level Advisors, KMA estimates that a monthly rent increase of \$228.80 is warranted under the provisions of Article III of Chapter 5.36 of the City of Morgan Hill's Municipal Code.
 - The difference between KMA's monthly rent increase of \$228.80 and Level Advisors' \$245.42 stems from a particular issue around useful life of improvements.
 - Per the KMA report, "Section 5.36.020. A of Article 1 requires capital improvements to be "amortized over the useful life of the improvement pursuant to the straight-line depreciation provision of the Internal Revenue Code, and the regulations issued pursuant thereto." Per standard practices, incurred interest expenses should be capitalized and included in the cost of constructing capital improvements if borrowed funds were used to finance the cost of the improvements. WME has indicated that borrowed funds were not used to fund the improvements; therefore, interest costs should not be included in the capitalized cost of the improvements."
2. The alternative proposal by WME on October 14, 2025 for a phased-in rent increase of \$50 each year for 7 years (without interest and with no annual CPI increases), which would be a total rent increase of \$350 was not analyzed as there was no comparative analysis to review.

Additional considerations were also highlighted in the KMA report.

- The last rent petition hearing conducted by the City in 2007/2008 was approved with

phase-in requirements subject to Section 5.36.320. KMA recommends the same methodology be used to administer the phase-in of a new monthly rent increase of \$228.80 as was used to phase-in the rent increase approved in 2008.

The KMA suggestion that is referenced above was part of the approved resolution from the 2007/2008 hearing. The basic methodology from that resolution being applied to this rent hearing would result in the following estimation.

To begin the analysis, assume the historical average of the Consumer Price Index is 3%. This would then be doubled to 6% (2x3%). Additionally, let us assume the prime rate is 6.75% and we are factoring in a 1.5% index. This would be applied to the approved rent increase of \$228.80 which would result in the first year of a phase in rent of \$18.88. This leaves a balance on an approved rent increase of \$209.92. Applying a rent time value of money interest to the remaining balance results in \$227.24. In the second year the CPI factor would then be applied to the remaining balance of \$227.24 to determine the increase in rent for that year. This process repeats until the whole \$228.80 is phased in. In this example, it would take several years to phase in an approved rent increase.

Table 1. Example of a Phase-In Approach with an Interest Charge

Year	Doubling CPI	6%	Prime+ 6.75%
Year	Change in CPI (Doubled)	Annual Increase in Rent	Balance of Increase Time Value of Money on Balance (Prime+)
			\$228.80
1		\$ 18.88	\$209.92 \$227.24 \$17.32
2	6%	\$ 20.01	\$207.23 \$224.32 \$17.10
3	6%	\$ 21.21	\$203.11 \$219.86 \$16.76
4	6%	\$ 22.49	\$197.38 \$213.66 \$16.28

5	6%	\$ 23.84	\$189.83	\$205.49	\$15.66
6	6%	\$ 25.27	\$180.22	\$195.09	\$14.87
7	6%	\$ 26.78	\$168.31	\$182.19	\$13.89
8	6%	\$ 28.39	\$153.80	\$166.49	\$12.69
9	6%	\$ 30.09	\$136.40	\$147.65	\$11.25
10	6%	\$ 31.90	\$115.76	\$125.31	\$9.55
11	6%	\$ 33.81	\$91.50	\$99.04	\$7.55
12	6%	\$ 35.84	\$63.20	\$68.42	\$5.21
13	6%	\$ 37.99	\$30.43	\$32.94	\$2.51
14	6%	\$ 40.27	(\$7.33)	(\$7.93)	(\$0.60)

On April 21, 2026, staff received a letter from WME owner representatives outlining a proposed settlement that was informed by the KMA report. Given the timing of receiving the information and the posting of the agenda and hearing materials, staff is attaching the letter as Attachment 5 with no analysis or response. Supplemental information may be posted for this item ahead of the meeting on May 7, 2026.

Additionally, since the August 28, 2025, hearing, staff have received letters from the community which are also attached (Att. 6, Att. 7, Att. 8 and Att. 9).

Guidelines for helping in making hearing findings and a recommendation.

1. Were there sufficient facts and information presented during the hearing process that a rent increase is deemed reasonable to permit the park owner a just and reasonable return on their property?

1. If no, the hearing panel needs to affirm that the facts and information presented during the hearing process were not reasonable thus current rent is just and reasonable therefore, not subject this rent petition.
2. If yes, the hearing panel may consider a recommendation to phase in the rent

increase?

2. Morgan Hill Rent Commission decisions in the past have recommended a phase in approach for an approved rent increase to ensure rent increases are aligned with Municipal Code 5.36. Should there be a phase of the rent increase?

1. If no, the hearing panel needs to decide that a phase-in approach to a rent increase is not necessary
2. If yes, the hearing panel may decide the length of time to phase in the increase but should consider not exceeding 15 years due to the depreciation associated with the capital improvements.

3. Past Morgan Hill Rent Commissions recognized that with a phase-in approach, a property owner does not receive the full benefit of the rent increase for several years (time value of money), eroding the value of the approval over time given inflation. Should there be an interest rate applied to any outstanding balance of the approved increase consistent with Past Rent Commission decisions?

1. If no, the hearing panel needs to decide that the property owner is not entitled to any interest as a phase in of the rent occurs inconsistent with past Rent Commission decisions.
2. If yes, the hearing panel will need to establish the interest rate basis to be applied as part of the phase in process.

Staff's recommendation is to approve a monthly rent increase of \$228.80 to be phased- in, consistent with Municipal Code 5.36.320 and illustrated as an example in Table 1 earlier in the memorandum.

COMMUNITY ENGAGEMENT:

Inform

A Notice of Public Hearing was mailed to the WME owner, legal counsel representing both the park owner and WME residents on March 7, 2026.

ALTERNATIVE ACTIONS:

The Hearing Panel may take the following alternative actions associated with this rent hearing.

- Approve the staff recommendation with a phase-in provision, that includes a time value of money (interest) provision, resulting from a phased-in approach.
- Deny the rent petition determining that the burden of proof was not met by the

applicant related to the reasonableness of the increase.

Any action taken by the Rent Hearing Panel is deemed final and may not be appealed to the City Council.

PRIOR ACTIONS:

- A mobile home rent petition hearing for Windmill Mobilehome Estates was conducted on August 28, 2025, the hearing panel continued the public hearing to an uncertain date to evaluate a revised rent petition proposed during the hearing.
- A Mobile Home Rent Commission was conducted on March 12, 2009, when a public hearing was conducted for a space rent increase of \$19 per month filed by Windmill Mobilehome Estates.
- On December 3, 2007, and February 12, 2008, the Mobile Home Rent Commission conducted a public hearing to evaluate a \$192.55 rent increase per month filed by Windmill Mobilehome Estates.

FISCAL AND RESOURCE IMPACT:

The fiscal impact on the City of Morgan Hill for conducting the continuance of the rent hearing is estimated to be \$32,000. The original Mobilehome Rent hearing for WME on August 28, 2025, cost \$10,000 to conduct the hearing. The Mobile Home Park Rent Stabilization Fund (234) is a dedicated fund that supports the Mobile Home Rents Ordinance (5.36) and will be used to pay the expenses associated with conducting the hearing.

John Lang

From: Dan Rudderow <dan@rudderowlaw.com>
Sent: Wednesday, September 24, 2025 3:30 PM
To: John Lang
Cc: Jon Klein; brucestantonlaw@yahoo.com
Subject: [EXTERNAL] Windmill Fair Return Application
Attachments: Attachments.txt

Importance: High

Hello John,

Attached are the park's documents. Can you forward this cover email to the Hearing Panel? I am copying the residents' attorney, Bruce Stanton.

Thanks, Dan

Dear Members of the Hearing Panel:

I wish to thank the members of the panel for their time and effort in considering Windmill mobilehome park's fair return rent increase application. At the last hearing on August 28, 2025, the panel members decided to retain an independent consultant to review our client's application. Could you let us know the name of the consultant who has been retained and the timeline for scheduling the second hearing date?

In the meantime, the panel members requested that the park provide some additional information. Please allow this letter to respond to those requests.

Park's Proposal for a Phased-In Rent Increase

As you recall, the park presented the report and testimony of Certified Public Accountant, Brian Eid, who testified that, following the Ordinance's instructions, using the Maintenance of Net Operating Income (MNOI) method, the park should be granted a rent increase of \$428.88. After considering the input of residents and city staff, this amount was reduced to \$384.90, and the park proposed a phased-in approach over 8 years where there would be annual rent increases of \$50 plus \$21 of interest.

The park has decided to now offer something even lower. The park is now proposing to simply raise rents by \$50 each year for 7 years. No interest would be added. This would be the only rent increase (the park would forgo during the 7 years the 75% of CPI or 8% increase).

Under this proposal, rather than raising rents now by \$384.90, the park would raise rent by \$50 each year for 7 years, resulting in a rent increase over those years in the total amount of \$350.

Utilities

The park pays the sum of \$256,114 for utilities.

Residents are being charged the sum of \$127,885 for utilities.

Even though residents are being charged less than half of what the park pays in utilities expenses, the residents nonetheless complain that \$256,114 is somehow suspicious.

Generally, utilities expenses are 10% to 20% higher than utilities income to account for common area utilities (clubhouse, pool, lighting, etc.) that is not charged to the residents.

In this case, the percentage is approximately 50%. That said, this has been the trend for many years. The utility expenses over the past 3 or 4 years have been as follows:

- a. 2019 - \$210,107
- b. 2020 - \$236,234
- c. 2021 - \$245,052
- d. 2022 - \$267,020
- e. 2023 - \$286,068
- f. 2024 - \$274,407

As the panel can see, the utility expenses have been consistently in the \$200,000’s. This supports the park’s position that the amount of \$274,407 for 2024 is normal and not a “one-off” or “unique” amount only appearing in 2024.

The Ordinance specifically states in 5.36.260(c)1(b) that operating expenses SHALL include “Utility costs.” There is no qualification.

To further substantiate the expenses, we have provided 100% of the utility bills from the utility companies which support the total utility costs claimed in the petition.

ShareFile Attachments	Expires March 25, 2026
COMH-1224.pdf	1.2 MB
Gross Income Reconciliation for City.pdf	300.7 KB
P&Ls 2019-2024 for City.pdf	524.2 KB
Recology-0124_1124.pdf	917.1 KB
Schedule of All Utility Costs Paid for City.pdf	254.7 KB
Schedule of Only Electric Costs Paid for City.pdf	243.6 KB
Windmill PGE_Ele Stm-020525.pdf	2.5 MB
Windmill PGE_Ele Stm-021025.pdf	2.9 MB
Windmill PGE_Ele Stm-100324.pdf	2.8 MB
Windmill_COMH Utility 2024.pdf	13.3 MB

Windmill_Meterman 3915.pdf	562.2 KB
Windmill_Meterman Sev_Inv-2024.pdf	6.3 MB
Windmill_PGE_2024.pdf	11.9 MB
Windmill_Recology 2024.pdf	4.9 MB

[Download Attachments](#)

Brian Eid uses ShareFile to share documents securely.

Capital Expenses

The Ordinance in section 5.36.260(c)1(h) states that operating expenses SHALL include “Capital expenses with a total cost of less than one hundred dollars per year per benefited space, and the amortized portion of other capital expenses otherwise allowed by regulation.”

By the use of the words “other capital expenses” the Ordinance segregates each capital expenditure.

The residents’ attorney admitted that the Ordinance could have been worded better. Nonetheless, the residents contend that all capital expenditures during the year should be aggregated and the amount in excess of \$100 per space should be amortized. While the park disagrees with the residents’ interpretation, in a show of good faith, the park has recalculated what the net operating income and resulting monthly rent increase would be if we use the residents’ interpretation of the Ordinance. The total rent increase would be \$245.42, split between a permanent increase of \$213.88 and a temporary rent increase of \$31.54 which would terminate after 15 years.

Thus, there are several options available to the Hearing Panel. The panel could grant a rent increase of \$245.42, effective now. Or another option would be for the Hearing Panel to grant a phased in rent increase of \$50 each year for 7 years, which would be a total rent increase of \$350.

I have provided a copy of this email to the residents’ attorney, Bruce Stanton. Recall that Mr. Stanton represents only about half of the residents in the park.

Thank you.

Dan Rudderow
Attorney for the Park Applicate

Daniel T. Rudderow | Principal
1301 Dove Street, Suite 800
Newport Beach, CA 92660
Main: (949) 565-1344
Direct: (949) 565-1341
Mobile: (714) 915-4939
dan@rudderowlaw.com

A PROFESSIONAL LAW CORPORATION
Rudderow Law Gr

CONFIDENTIALITY NOTICE: This message and any attachments are confidential to the sender and addressee of this e-mail and may be privileged information. If you have received this email in error, do not copy, forward, disclose or use any part of the message.

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.

John Lang

From: Dan Rudderow <dan@rudderowlaw.com>
Sent: Tuesday, October 14, 2025 9:24 AM
To: John Lang
Cc: Jon Klein; brucestantonlaw@yahoo.com
Subject: [EXTERNAL] RE: Windmill Fair Return Application

John,

I think the best way to frame it is to say that the park owner has now amended its application to ask for:

1. A rent increase of \$245.42, effective now;
2. Or, in the alternative, a phased in rent increase of \$50 each year for 7 years (without interest and with no annual CPI increases), which would be a total rent increase of \$350.

Either option is acceptable to the park owner.

Daniel T. Rudderow | Principal
1301 Dove Street, Suite 800
Newport Beach, CA 92660
Main: (949) 565-1344
Direct: (949) 565-1341
Mobile: (714) 915-4939
dan@rudderowlaw.com

A PROFESSIONAL LAW CORPORATION
Rudderow Law Gr

CONFIDENTIALITY NOTICE: This message and any attachments are confidential to the sender and addressee of this e-mail and may be privileged information. If you have received this email in error, do not copy, forward, disclose or use any part of the message.

From: John Lang <john.lang2@morganhill.ca.gov>
Sent: Monday, October 13, 2025 9:15 PM
To: Dan Rudderow <dan@rudderowlaw.com>
Cc: Jon Klein <jon@rudderowlaw.com>; brucestantonlaw@yahoo.com
Subject: RE: Windmill Fair Return Application

Hi Dan

Can you please offer one clarification for me. Are we to assume that the written proposal noted below is amending the original application for a rent hearing?

Sincerely,

John

From: Dan Rudderow <dan@rudderowlaw.com>
Sent: Wednesday, September 24, 2025 3:30 PM
To: John Lang <john.lang2@morganhill.ca.gov>
Cc: Jon Klein <jon@rudderowlaw.com>; brucestantonlaw@yahoo.com

Subject: [EXTERNAL] Windmill Fair Return Application

Importance: High

Hello John,

Attached are the park's documents. Can you forward this cover email to the Hearing Panel? I am copying the residents' attorney, Bruce Stanton.

Thanks, Dan

Dear Members of the Hearing Panel:

I wish to thank the members of the panel for their time and effort in considering Windmill mobilehome park's fair return rent increase application. At the last hearing on August 28, 2025, the panel members decided to retain an independent consultant to review our client's application. Could you let us know the name of the consultant who has been retained and the timeline for scheduling the second hearing date?

In the meantime, the panel members requested that the park provide some additional information. Please allow this letter to respond to those requests.

Park's Proposal for a Phased-In Rent Increase

As you recall, the park presented the report and testimony of Certified Public Accountant, Brian Eid, who testified that, following the Ordinance's instructions, using the Maintenance of Net Operating Income (MNOI) method, the park should be granted a rent increase of \$428.88. After considering the input of residents and city staff, this amount was reduced to \$384.90, and the park proposed a phased-in approach over 8 years where there would be annual rent increases of \$50 plus \$21 of interest.

The park has decided to now offer something even lower. The park is now proposing to simply raise rents by \$50 each year for 7 years. No interest would be added. This would be the only rent increase (the park would forgo during the 7 years the 75% of CPI or 8% increase).

Under this proposal, rather than raising rents now by \$384.90, the park would raise rent by \$50 each year for 7 years, resulting in a rent increase over those years in the total amount of \$350.

Utilities

The park pays the sum of \$256,114 for utilities.

Residents are being charged the sum of \$127,885 for utilities.

Even though residents are being charged less than half of what the park pays in utilities expenses, the residents nonetheless complain that \$256,114 is somehow suspicious.

Generally, utilities expenses are 10% to 20% higher than utilities income to account for common area utilities (clubhouse, pool, lighting, etc.) that is not charged to the residents.

In this case, the percentage is approximately 50%. That said, this has been the trend for many years. The utility expenses over the past 3 or 4 years have been as follows:

- a. 2019 - \$210,107
- b. 2020 - \$236,234
- c. 2021 - \$245,052
- d. 2022 - \$267,020
- e. 2023 - \$286,068
- f. 2024 - \$274,407

As the panel can see, the utility expenses have been consistently in the \$200,000's. This supports the park's position that the amount of \$274,407 for 2024 is normal and not a "one-off" or "unique" amount only appearing in 2024.

The Ordinance specifically states in 5.36.260(c)1(b) that operating expenses SHALL include "Utility costs." There is no qualification.

To further substantiate the expenses, we have provided 100% of the utility bills from the utility companies which support the total utility costs claimed in the petition.

ShareFile Attachments		Expires March 25, 2026
COMH-1224.pdf		1.2 MB
Gross Income Reconciliation for City.pdf		300.7 KB
P&Ls 2019-2024 for City.pdf		524.2 KB
Recology-0124_1124.pdf		917.1 KB
Schedule of All Utility Costs Paid for City.pdf		254.7 KB
Schedule of Only Electric Costs Paid for City.pdf		243.6 KB
Windmill PGE_Ele Stm-020525.pdf		2.5 MB
Windmill PGE_Ele Stm-021025.pdf		2.9 MB
Windmill PGE_Ele Stm-100324.pdf		2.8 MB
Windmill_COMH Utility 2024.pdf		13.3 MB
Windmill_Meterman 3915.pdf		562.2 KB
Windmill_Meterman Sev_Inv-2024.pdf		6.3 MB
Windmill_PGE_2024.pdf		11.9 MB
Windmill_Recology 2024.pdf		4.9 MB
Download Attachments		

Capital Expenses

The Ordinance in section 5.36.260(c)1(h) states that operating expenses SHALL include “Capital expenses with a total cost of less than one hundred dollars per year per benefited space, and the amortized portion of other capital expenses otherwise allowed by regulation.”

By the use of the words “other capital expenses” the Ordinance segregates each capital expenditure.

The residents’ attorney admitted that the Ordinance could have been worded better. Nonetheless, the residents contend that all capital expenditures during the year should be aggregated and the amount in excess of \$100 per space should be amortized. While the park disagrees with the residents’ interpretation, in a show of good faith, the park has recalculated what the net operating income and resulting monthly rent increase would be if we use the residents’ interpretation of the Ordinance. The total rent increase would be \$245.42, split between a permanent increase of \$213.88 and a temporary rent increase of \$31.54 which would terminate after 15 years.

Thus, there are several options available to the Hearing Panel. The panel could grant a rent increase of \$245.42, effective now. Or another option would be for the Hearing Panel to grant a phased in rent increase of \$50 each year for 7 years, which would be a total rent increase of \$350.

I have provided a copy of this email to the residents’ attorney, Bruce Stanton. Recall that Mr. Stanton represents only about half of the residents in the park.

Thank you.

Dan Rudderow
Attorney for the Park Applicate

Daniel T. Rudderow | Principal
1301 Dove Street, Suite 800
Newport Beach, CA 92660
Main: (949) 565-1344
Direct: (949) 565-1341
Mobile: (714) 915-4939
dan@rudderowlaw.com

A PROFESSIONAL LAW CORPORATION
Rudderow Law Gr

CONFIDENTIALITY NOTICE: This message and any attachments are confidential to the sender and addressee of this e-mail and may be privileged information. If you have received this email in error, do not copy, forward, disclose or use any part of the message.

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.

Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and may have been automatically archived by Mimecast, a leader in email security and cyber resilience. Mimecast integrates email defenses with brand protection, security awareness training, web security, compliance and other essential capabilities. Mimecast helps protect large and small organizations from malicious activity, human error and technology failure; and to lead the movement toward building a more resilient world. To find out more, visit our website.

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.

Windmill Mobile Estates
Net Operating Income Calculation
1981-2024

	1981				2024				
	Books and Records*	Adjustments*	NOI	% Rev**	Books and Records*	Adjustments*	Income and Expenses**	NOI	% Rev**
Income									
Gross Rental Income	\$ 220,050		\$ 220,050	77.4%	\$ 848,143	\$ 28,764	\$ (154,200)	\$ 722,706	103.7%
Uncollected Rents Due To Vacancy			-	0.0%	-	(11,404)	2,800	(8,604)	-1.2%
Uncollected Rents due to Bad Debt			-	0.0%	-	(17,360)		(17,360)	-2.5%
Total Utility Income	-	-	-	0.0%	127,885			127,885	18.4%
Other Income	64,170		64,170	22.6%	56,694	(56,644)		50	0.0%
Net Rental Income	284,220	-	284,220	100.0%	1,032,722	(56,644)	(151,400)	824,677	118.4%
Wages	-		-	0.0%	(159,760)	74,688	5,671	(79,400)	-11.4%
Employer PR Taxes	-		-	0.0%	(13,073)	6,112	464	(6,497)	-0.9%
Insurance - Workers Comp	-		-	0.0%	(9,619)	4,497	341	(4,781)	-0.7%
Insurance - Liability	-		-	0.0%	(25,142)		1,676	(23,466)	-3.4%
Utilities	-	-	-	0.0%	(229,909)	(44,498)	18,294	(256,114)	-36.8%
Repairs and Maintenance	-	-	-	0.0%	(44,670)		12,209	(32,460)	-4.7%
Other operating expense	(20,250)		(20,250)	-7.1%			-	-	0.0%
Bank, CC Fees	-		-	0.0%	(325)		22	(303)	0.0%
Credit Checks	-		-	0.0%	(273)		18	(255)	0.0%
Legal	-		-	0.0%	(35,876)	10,000	1,725	(24,151)	-3.5%
Licenses - Permits	-		-	0.0%	(6,949)		463	(6,486)	-0.9%
Management Fees	(14,220)		(14,220)	-5.0%	(12,000)		800	(11,200)	-1.6%
Office Supplies	-		-	0.0%	(1,711)		114	(1,597)	-0.2%
Outside Services	-		-	0.0%			-	-	0.0%
Payroll Service	-		-	0.0%			-	-	0.0%
Postage	-		-	0.0%			-	-	0.0%
Professional Services	-		-	0.0%	(12,000)		800	(11,200)	-1.6%
Rent Stabilization Fees	-		-	0.0%			-	-	0.0%
Reserves	-	-	-	0.0%			-	-	0.0%
Telephone	-		-	0.0%	(4,627)		308	(4,319)	-0.6%
Tenant Services	-		-	0.0%			-	-	0.0%
Title Search	-		-	0.0%			-	-	0.0%
Travel	-		-	0.0%			-	-	0.0%
Security	-		-	0.0%			-	-	0.0%
Property Taxes	(18,900)		(18,900)	-6.6%	(77,682)		7,727	(69,955)	-10.0%
Depreciation	-	(6,602)	(6,602)	-2.3%		(53,896)	3,593	(50,303)	-7.2%
Amortization	-		-	0.0%		-	-	-	0.0%
Capital Expenses < \$100 per year per benefited space+	-		-	0.0%		(8,999)	600	(8,399)	-1.2%
Capital Expenses >= \$100 per year per benefited space+	-		-	0.0%		(34,062)	2,271	(31,791)	-4.6%
Mortgage Interest	-	-	-	0.0%	(235,713)	235,713	-	-	0.0%
LLC Fees	-		-	0.0%	(6,800)		453	(6,347)	-0.9%
Gain on Sale of Assets	-	-	-	0.0%		-	-	-	0.0%
TOTAL EXPENSES	(53,370)	(6,602)	(59,972)	-21.1%	(876,131)	189,554	57,551	(629,025)	-90.3%
Net Income/Operating Income	\$ 230,850	\$ (6,602)	\$ 224,249	78.9%	\$ 156,591	\$ 132,910	\$ (93,849)	\$ 195,652	28.1%

Windmill Mobile Estates
Net Operating Income Calculation
1981-2024

	1981				2024					
	Books and Records*		Adjustments^	NOI	% Rev^^	Books and Records*		Adjustments for POH Income and Expenses**	NOI	% Rev^^
Income	Records*	Adjustments^	NOI	% Rev^^	Records*	Adjustments^	Income and Expenses**	NOI	% Rev^^	
NI/NOI-5 yr cap imp	\$ 230,850	\$ (6,602)	\$ 224,249	78.9%	\$ 156,591	\$ 97,868	\$ (96,120)	\$ 158,339	22.7%	
NI/NOI-10 yr cap imp	\$ 230,850	\$ (6,602)	\$ 224,249	78.9%	\$ 156,591	\$ 124,598	\$ (96,120)	\$ 185,070	26.6%	
NI/NOI-12 yr cap imp	\$ 230,850	\$ (6,602)	\$ 224,249	78.9%	\$ 156,591	\$ 128,840	\$ (96,120)	\$ 189,312	27.2%	
NI/NOI without Depreciation and Amortization-5 yr cap imp	\$ 230,850	\$ -	\$ 230,850	81.2%	\$ 156,591	\$ 151,764	\$ (99,713)	\$ 208,642	29.9%	
NI/NOI without Depreciation and Amortization-10 yr cap imp	\$ 230,850	\$ -	\$ 230,850	81.2%	\$ 156,591	\$ 178,494	\$ (99,713)	\$ 235,373	33.8%	
NI/NOI without Depreciation and Amortization-12 yr cap imp	\$ 230,850	\$ -	\$ 230,850	81.2%	\$ 156,591	\$ 182,736	\$ (99,713)	\$ 239,615	34.4%	
NI/NOI without Depreciation and Amortization-15 yr cap imp	\$ 230,850	\$ -	\$ 230,850	81.2%	\$ 156,591	\$ 186,806	\$ (99,713)	\$ 243,684	35.0%	

**KEYSER MARSTON**
ASSOCIATES**MEMORANDUM**

To: John Lang, Housing and Economic Mobility Director
City of Morgan Hill

From: Keyser Marston Associates, Inc.

Date: February 5, 2026

Subject: Draft Review of Owner's Petition for Rent Increase for Windmill Mobile Estates
in Accordance with Chapter 5.36 of the City's Municipal Code

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has reviewed the pro forma submitted by the accounting firm of Level Advisors on November 6, 2025 on behalf of Windmill Mobile Estates (WME) in support of WME's revised request for a monthly rent increase of \$245.42 per space. The purpose of KMA's review is to determine if the proposed increase is consistent with the "Fair Return" provisions contained in Article III of Chapter 5.36 of the City's Municipal Code.

A. Background

The City of Morgan hill has a mobile home park ordinance dating to 1983, (Municipal Code Chapter 5.36), which limits the amount that space rents can be increased from year to year. The basic provision of the ordinance is that rents for leases 12 months or less can increase by no more than 75% of the annual increase in the CPI. However, Article III does provide that owners are entitled to a "just and reasonable return on their property." Under the "Fair Return" provisions, mobile home parks may request a rental increase so that the park's annual net operating income (NOI) on affected spaces increases at the rate equal to forty percent (40%) of the increase in the Consumer Price Index (CPI) over the CPI index for February 1981 (the Base Year)

WME filed a petition on July 2, 2025 to increase the monthly space rent by \$428.88 per month in accordance with the Fair Return provisions of Article III. The petition included an analysis prepared by Level Advisors, a Certified Public Accounting firm, in support of WME's petition. The attorney for the residents of the Park retained Kenneth K. Baar, Ph.D to review the rent increase petition. The Baar report was submitted to the City in August 2025.

A public hearing was conducted on August 28, 2025. City staff reviewed the petition and recommended a monthly rental increase of \$423.45 based on the requirements of Article III. The panel concluded that the City should retain an independent consultant to review WME's application and requested additional information from WME.

On September 24, 2025, the City received an e-mail from WME's attorney, Dan Rudderow, outlining the terms of a revised rent increase proposal. The revised proposal is to increase the monthly rent by \$245.42, with \$213.88 being a permanent increase and \$31.54 being a temporary increase tied to the amortization of capital improvements that would terminate at the end of the 15-year useful life of the improvements. As an alternative to the \$245.42 rent increase, WME has proposed a phased-in approach under which monthly rent would increase \$50 per year over a 7-year period, resulting in a total monthly increase of \$350 at the end of the 7-year term. Under this alternative, the annual CPI rent increases permitted by Chapter 5.36 would be suspended throughout the 7-year phase-in term and compensation for the time value of money during the phase-in period would not be requested.

On November 6, 2025, WME submitted a pro forma prepared by Level Advisor that provided the calculations in support of the revised rent increase proposal. KMA was retained by the City to review the revised pro forma and the revised proposed rent increase.

B. Review of Rent Increase Analysis

KMA used the same methodology for evaluating the proposed rent increase as the methodology we used in evaluating a prior WME rent petition in 2008.

1. Base Year NOI

In the 2008 analysis, KMA imputed the Park's 1981 Base Year NOI to be \$2,565 per space. Level Advisors (WME's consultant) has agreed with KMA's analysis and determination that WME's Base Year NOI is \$230,850 per year or \$2,565 per space per year for purposes of

implementing the “Fair Return” provisions of Article III of Chapter 5.36. The revenue and expense detail of the 1981 Base Year NOI are provided in Table 1.

2. Calculation of Justified Fair Rent Increase

Per Article III, the property owners is allowed to increase rents such that the NOI is increased at the rate of 40% of the increase in the CPI over the Base Year. This is calculated by dividing the most recently reported monthly CPI at the time of the filing by the figure for February 1981. As shown in Exhibit A, KMA’s calculation results in an allowed increase per space of \$2,745.59 per year or \$228.80 per month. In comparison, Level Advisor’s calculation results in an increase of \$2,945 per year or \$245.42 per month.

Exhibit A – Calculation of Justified Fair Rent Increase				
Item	Ref		Level/Wndml	KMA
NOI Base Year (1981), Per Space	Table 1	A	\$2,565.00	\$2,565.00
CPI Index (February 1981)		B	260.50	84.70
CPI Index (Apr 2025) (used by Level)		C	1,093.54	355.71
CPI % Increase	(C-B)/B	D	\$3.198	\$3.200
40% of CPI Increase	D*40%	E	\$1.279	\$1.280
Inflation Factor	A*E	F	\$3,281.00	\$3,282.80
Inflation Adjusted NOI per space (Fair Return)	A+F	G	\$5,846.00	\$5,847.80
Actual NOI 2024 (Comparison Year) per Space	Table 2	H	\$2,901.00	\$3,102.21
Warranted Rent Increase to Achieve Fair Return per Space , per Year	H-G	I	\$2,945.00	\$2,745.59
Warranted Rent Increase to Achieve Fair Return per Space , per Month	I/12		\$245.42	\$228.80

KMA’s calculation of the supported monthly rent increase differs from Level’s calculation due primarily to the methodology for calculating amortized capital expenses. Section 5.36.020. A of Article 1 requires capital improvements to be “amortized over the useful life of the improvement pursuant to the straight-line depreciation provision of the Internal Revenue Code, and the regulations issued pursuant thereto.” Per standard practices, incurred interest expenses should be capitalized and included in the cost of constructing capital improvements if borrowed funds were used to finance the cost of the improvements. WME has indicated that borrowed funds were not used to fund the improvements; therefore, interest costs should not be included in the capitalized cost of the improvements. As detailed in Tables 2 and 3, KMA has

calculated “amortized capital expenses” by dividing the allocated cost of the improvements (exclusive of any interest costs) by a useful life of 15 years, which results in an annual allocable amortized expense of \$17.16 million. In comparison, Level has included an imputed 9.25% annual interest expense and has included capital costs for 100% of the improvements (rather than the prorated share for 84 units) in its calculation. Level’s methodology boosts the annual amortized expense to \$34.06 million. Level’s methodology of incorporating “imputed” interest costs is not in accordance with the terms of the City’s code.

As shown in Exhibit A, the two analyses also differ with respect to CPI Index factors. Level uses the index that was in place in 1983. The Bureau of Labor Statistics adjusted the 1981 CPI figures. The adjusted February 1981 index that is published by the BLS is 84.7, which is the index factor that is assumed by the KMA analysis. The variation between the two sets of index factors is insignificant.

Tables 1, 2, 3, and 4 provide detailed assessments of the Park’s net operating income in 2024 (Tables 1 and 2), capital expenses incurred in 2024 and the calculation of amortized capital expenses (Table 3), and the calculation of a warranted rent increase in Table 4.

3. Phase-in of Justified Rent Increase

In accordance with Section 5.36.320, no rent adjustment may be authorized for any given year in an amount in excess of twice the San Francisco/Oakland Bay Area Consumer Price Index (CPI) or 15%, whichever is less. If the justified rent increase is greater than this limit, the full justified amount shall be granted over a period of years such that the rent does not increase by greater than said limit in any given year.

Based on the Level Advisors analysis, Table 5 provides an estimate of the maximum rent increase that would be allowed if 2025 were the first year of the rent increase. The CPI increased by 1.27% between April 2024 and April 2025, which would permit an increase of 2.54% in the monthly rent in 2025, or approximately \$18.39 per month. Assuming a total warranted monthly rent increase of \$228.80 (KMA analysis), \$210.41 of the justified annual rent increase would not be charged in the first year and would need to be carried over to 2026. It would likely take several years for the full \$228.80 monthly rent increase to be fully implemented, depending on the annual increase of the CPI.

Chapter 5.36 does not address whether or not it is justified to apply an imputed interest cost to the portion of the annual rent increase that must be phased-in over time and not implemented in the first year. For consistency purposes, we recommend that the same methodology that was used to implement the rent increase approved for WME in 2008 be used to implement the subject warranted rent increase.

4. Composition of Justified Rent Increase Between On-going and Temporary Components

The justified increase to monthly rents is driven partly by the cost of capital improvements with a limited useful life. The portion of the warranted increase that is driven by the amortization of capital improvement costs will only be collected over the amortization term of the capital improvements. As shown in Table 6, under KMA's analysis \$17.02 of the justified monthly \$228.80 rent increase would terminate after 15 years. Similarly, under Level's analysis, \$31.54 of the monthly \$245.42 increase would terminate after 15 years. Please see Table 6 for detailed calculations.

C. Summary of Preliminary Findings and Conclusions

1. Maximum warranted monthly rent increase

- a. Based on the income and expense information provided by WME and Level Advisors, KMA estimates that a monthly rent increase of \$228.80 is warranted under the provisions of Article III of Chapter 5.36 of the City of Morgan Hill's Municipal Code.

2. Administering the Phase-In of the Justified Rent Increase

- a. In 2008, the rent increase that was approved for WME was subject to the phase-in requirements of Section 5.36.320. For consistency purposes, we recommend that the same methodology be used to administer the phase-in of the new warranted monthly rent increase of \$228.80 as was used to phase-in the rent increase approved in 2008.
- b. WME has offered an alternative rent increase structure in-lieu of the requested increase of \$245.42 to monthly rents. Under the proposal, monthly space rental rates would increase \$50 per year for seven years, resulting in a total increase of \$350 per month. During the seven-year period, the standard permitted annual rent increase equal to 75% of the change in the CPI would be suspended and no interest carry charges would be

applied. WME did not provide a spreadsheet analysis of this proposal in comparison to the base request for an increase of \$245.42 to monthly rents. Given that the alternative proposal of an annual \$50 increase to monthly rents for seven years would not be consistent with the provisions of Chapter 5.36, we recommend that the City not pursue this alternative. The offered alternative may or may not be less expensive to lessees, depending on the future rate of inflation and any interest rate that would apply to the portion of an approved rent increase that must be phased in.

D. Limiting Conditions

KMA's analysis is based on a review of actual property tax bills as well as 2024 data on the Park's operations, including: rental income, operating expenses, Net Operating Income, utility income and expenditures, cost of capital improvements, rent roll and Net Operating Income data provided by WME and its consultant, Level Advisors, which is a Certified Public Accountant. KMA has relied on this data as being accurate.

Table 1**1981 Net Operating Income - Source: Keyser Marston April 30, 2008 Analysis****Fair Return Rent Increase Analysis****Windmill Mobile Estates****Morgan Hill, CA**

2/5/2026

Draft

	1981	
	Imputed Books and Records based on 2006 Actuals for 90 spaces, discounted to 1981*	
<u>Income</u>		
Gross Rental Income	\$	220,050
Other Income	\$	64,170
Net Rental Income	\$	284,220
Other operating expense	\$	(20,250)
Management Fees	\$	(14,220)
Property Taxes	\$	(18,900)
TOTAL EXPENSES	\$	(53,370)
Net Income/Operating Income	\$	230,850
Per Space	\$	2,565

* Following 1981, homes on six spaces were acquired by the park. 84 spaces are now subject to the terms of Chapter 5.36 of Morgan Hill's Municipal code.

Table 2
Net Operating Income, 2024
Fair Return Rent Increase Analysis
Windmill Mobile Estates
Morgan Hill, CA

2/5/2026
Draft

Windmill / Level - 2024									KMA 2024				
Income	Books and Records*	Adjustments [^]	Adjustments for 6 Exempt unit Income and Expenses**		Adjusted NOI for 84 spaces	% Rev ^{^^}	Allocation Method	Compared to June 26, 2025 analysis	Books and Records*	Adjustments [^]	Adjustments for 6 Exempt unit Income and Expenses**		Adjusted NOI for 84 spaces
Gross Rental Income	\$ 848,143	\$ 28,764	\$ (154,200)	\$ 722,706	103.7%	Actual	Different		\$ 848,143	\$ 28,764	\$ (154,200)	\$ 722,706	
Uncollected Rents Due To Vacancy	\$ -	\$ (11,404)	\$ 2,800	\$ (8,604)	-1.2%	Actual	Same		\$ -	\$ (11,404)	\$ 2,800	\$ (8,604)	
Uncollected Rents due to Bad Debt	\$ -	\$ (17,360)		\$ (17,360)	-2.5%	Actual	Different		\$ -	\$ (17,360)	\$ -	\$ (17,360)	
Total Utility Income	\$ 127,885			\$ 127,885	18.4%	Units	Different		\$ 127,885	\$ -	\$ -	\$ 127,885	
Other Income	\$ 56,694	\$ (56,644)		\$ 50	0.0%	Units	Different		\$ 56,694	\$ (56,644)	\$ -	\$ 50	
Net Rental Income	\$ 1,032,722	\$ (56,644)	\$ (151,400)	\$ 824,677	118.4%		same		1,032,722	(56,644)	(151,400)	824,677	
Wages	\$ (159,760)	\$ 74,688	\$ 5,671	\$ (79,400)	-11.4%	Units	same		(159,760)	74,688	5,671	(79,400)	
Employer PR Taxes	\$ (13,073)	\$ 6,112	\$ 464	\$ (6,497)	-0.9%	Units	same		(13,073)	6,112	464	(6,497)	
Insurance - Workers Comp	\$ (9,619)	\$ 4,497	\$ 341	\$ (4,781)	-0.7%	Units	same		(9,619)	4,497	341	(4,781)	
Insurance - Liability	\$ (25,142)		\$ 1,676	\$ (23,466)	-3.4%	Units	same		(25,142)	-	1,676	(23,466)	
Utilities	\$ (229,909)	\$ (44,498)	\$ 18,294	\$ (256,114)	-36.8%	Units	same		(229,909)	(44,498)	18,294	(256,114)	
Repairs and Maintenance	\$ (44,670)		\$ 12,209	\$ (32,460)	-4.7%	Units	same		(44,670)	-	12,209	(32,460)	
Other operating expense			\$ -	\$ -	0.0%	Units	same		-	-	-	-	
Bank, CC Fees	\$ (325)		\$ 22	\$ (303)	0.0%	Units	same		(325)	-	22	(303)	
Credit Checks	\$ (273)		\$ 18	\$ (255)	0.0%	Units	same		(273)	-	18	(255)	
Legal	\$ (35,876)	\$ 10,000	\$ 1,725	\$ (24,151)	-3.5%	Units	same		(35,876)	10,000	1,725	(24,151)	
Licenses - Permits	\$ (6,949)		\$ 463	\$ (6,486)	-0.9%	Units	same		(6,949)	-	463	(6,486)	
Management Fees	\$ (12,000)		\$ 800	\$ (11,200)	-1.6%	Units	same		(12,000)	-	800	(11,200)	
Office Supplies	\$ (1,711)		\$ 114	\$ (1,597)	-0.2%	Units	same		(1,711)	-	114	(1,597)	
Professional Services	\$ (12,000)		\$ 800	\$ (11,200)	-1.6%	Units	same		(12,000)	-	800	(11,200)	
Telephone	\$ (4,627)		\$ 308	\$ (4,319)	-0.6%	Units	same		(4,627)	-	308	(4,319)	
Property Taxes	\$ (77,682)		\$ 7,727	\$ (69,955)	-10.0%	Actual	same		(77,682)	-	7,727	(69,955)	
Capital Expenses < \$100 per year per benefited space, which are expensed ⁺		\$ (8,999)	\$ 600	\$ (8,399)	-1.2%	Units	different		-	(8,999)	600	(8,399)	
Capital Expenses >= \$100 per year per benefited, space, which are amortized ⁺		\$ (34,062)	\$ 2,271	\$ (31,791)	-4.6%	Units	different		-	(18,387)	1,226	(17,161)	
Mortgage Interest	\$ (235,713)	\$ 235,713	\$ -	\$ -	0.0%	Actual	same		(235,713)	235,713		-	
LLC Fees	\$ (6,800)		\$ 453	\$ (6,347)	-0.9%	Units	same		(6,800)	-	453	(6,347)	
TOTAL EXPENSES	\$ (876,131)	\$ 243,450	\$ 53,958	\$ (578,722)	-83.1%		different		(876,131)	259,126	52,913	(564,092)	
Net Income/Operating Income	\$ 156,591	\$ 186,806	\$ (97,442)	\$ 245,955	35.3%		different		\$ 156,591	\$ 202,482	\$ (98,487)	\$ 260,586	
Per Space, Annual				\$ 2,928								\$ 3,102	

* Source: PW Property Investments LLC Income Statement (Table 7) with \$127,885 of utility charges to tenants deducted from revenues to yield "Gross Rental Income" figure of \$848,143. Utility revenues shown in Table 8.

[^] - Adjustments made by Level pursuant to the Net Operating Income calculation, 5.36.260A of the Morgan Hill Mobilehome Rent Ordinance. Excludes Depreciation.

^{^^} - Non-utility revenue

^{**} - 6 Spaces contain park-owned homes. Rent and related expenses of 6 spaces have been removed.

⁺ - Calculations provided in Table 3.

Table 3

Calculations of Capital Expense and Annual Amortization Expenses

Fair Return Rent Increase Analysis

Windmill Mobile Estates

Morgan Hill, CA

2/5/2026

Draft

	Level/Windmill Analysis <u>With 9.25% Imputed Interest Expense</u> Included in Calculation of Amortized Capital Expenses			KMA Analysis - <u>No Interest Expense</u> in Calculation of Amortized Capital Expenses		
	Allocated to 84 Spaces			Allocated to 84 Spaces		
	Total	93.33%	<u>Per Space</u>	Total	93.33%	<u>Per Space</u>
Capital Improvements in 2024						
Street light upgrade	\$65,200	\$60,853.33		\$65,200	\$60,853.33	
Electric meter upgrade	\$64,100	\$59,826.67		\$64,100	\$59,826.67	
Road paving upgrade	<u>\$155,500</u>	<u>\$145,133.33</u>		<u>\$155,500</u>	<u>\$145,133.33</u>	
Total	\$284,800	\$265,813.33	\$3,164.44	\$284,800	\$265,813.33	\$3,164.44
Capital Expenses < \$100 per year per benefited space, Expenses, Per 5.36.260.C1.h	<u>-\$8,999.10</u>	<u>-\$8,399.16</u>	-\$99.99	<u>-\$8,999.10</u>	<u>-\$8,399.16</u>	-\$99.99
Balance to be amortized	\$275,800.90	\$257,414.17	\$3,064.45	\$275,800.90	\$257,414.17	\$3,064.45
Amortized Capital Expenses >= \$100 per year per sp, 15 yr. life. Level/Windmill include 9.25% imputed interest . KMA does not include imputed interest because WME did not fund the improvements with borrowed funds and no interest costs were incurred.	<u>-\$34,062.26</u>	<u>-\$31,791.44</u>	<u>-\$378.47</u>	<u>-\$18,386.73</u>	<u>-\$17,160.94</u>	<u>-\$204.30</u>
Total Capital Expense, 2024 Adjustment						
Capital Expenses < \$100 per year per benefited space, Expenses	-\$8,999.10	-\$8,399.16	-\$99.99	-\$8,999.10	-\$8,399.16	-\$99.99
Amortized Capital Expenses >= \$100 per year per sp, 15 Yr. life	<u>-\$34,062.26</u>	<u>-\$31,791.44</u>	<u>-\$378.47</u>	<u>-\$18,386.73</u>	<u>-\$17,160.94</u>	<u>-\$204.30</u>
Total Capital Expense, 2024	<u>-\$43,061.36</u>	<u>-\$40,190.60</u>	<u>-\$478.46</u>	<u>-\$27,385.83</u>	<u>-\$25,560.10</u>	<u>-\$304.29</u>

* Section 020.A of Chapter 5.36 defines "Capital Improvements" as follows: "Capital Improvements" means those improvements which materially add to the value of property, appreciably prolong its useful life, or adapt it to new uses, and which are required to be amortized over the useful life of the improvement pursuant to the straight-line depreciation provision of the Internal Revenue Code, and the regulations issued pursuant thereto." In accordance with standard practices, if borrowed funds are were used to fund the capital improvements, then actual interest costs should be capitalized and depreciated. Given that borrowed funds were not used, interest costs were not incurred. Therefore, KMA has included only the cost of the capital improvements in the amortization calculation.

Table 4**Fair Return Rent Calculation, 1981-2024****Windmill Mobile Estates****Morgan Hill, CA**

2/5/2026

Draft

Item	Ref	Level/Wndm	Level/Wndml	KMA
NOI Base Year (1981)	Table 1	A	\$230,850.00	\$230,850.00
CPI Index (February 1981)	^	260.50	260.50	84.70
CPI Index (Apr 2025)	^	1,093.54	1,093.54	355.71
CPI % Increase	(C-B)/B	D	\$3.20	\$3.20
40% of CPI Increase^^	D*40%	E	\$1.28	\$1.28
Inflation Factor	A*E	F	\$295,290.20	\$295,452.02
Inflation Adjusted NOI (Fair Return)	A+F	G	\$526,140.20	\$526,302.02
Inflation Adjusted NOI (Fair Return) per Space	G/90	H	\$5,846.00	\$5,847.80
Actual NOI (2024 (Comparison Year)	Table 2	I	\$243,684.26 ¹	\$260,585.58
Actual NOI 2024 (Comparison Year) per Space	I/84	J	\$2,901.00	\$3,102.21 Per space, 84 spaces
Warranted Rent Increase, per Year	H-J	K	\$2,945.00	\$2,745.59
Warranted Rent Increase to Achieve Fair Return per Space per Month	K/ 12	L	\$245.42	\$228.80 monthly

¹ While adjusted NOI for 2024 is shown as \$245,955, Windmill / Level has assumed NOI of \$243,684 for purposes of the warranted rent calculation, which appears to reflect the inclusion of capital amortization expenses on the six park-owned spaces.

^ - Ordinance section 5.36.310. bls.gov. Series ID CUURS49BSA0. Subsequent to the adoption of the ordinance, the BLS re-adjusted the reference base year. In accordance with the adjusted schedule, the revised February 1981 CPI Index is 84.7, not the 260.5 referenced in the ordinance. KMA's 2008 analysis and this current analysis reflects the revised index figures.

^^ - Ordinance section 5.36.310

Table 5**Limitation on First year Annual Increase (5.36.320) and Projected Portion of Warranted Increase that Cannot be Implemented in First Year and Must be Phased-in Over Time****Windmill Mobile Estates**

2/5/2026

Morgan Hill, CA

Draft

			Wndml/Level	KMA
CPI April 2024		A	1,079.83	\$ 351.25
CPI April 2025		B	1,093.54	\$ 355.71
Percentage Increase	(B-A)/A	C	1.27%	1.27%
Twice the Percentage Increase (limited to 15%)	2 * C	D	2.54%	2.54%
Average Monthly Space Rent at December 2024, as reported by Windmill / Level		E	\$723.96	\$723.96
First year Max. Permitted Monthly Rent Increase - 2X inflation	D*E	F	\$18.39	\$18.39
First Year Warranted Monthly Increase	Table 4	G	\$245.42	\$228.80
Margin between Warranted Increase and Max. Permitted Increase, which must be phased-in over time. Annual margin may be subject to an interest expense to Compensate Windmill for the time value of money until the warranted rent increase is fully phased-in.	G-F	H	\$227.03	\$210.41

** - Occupied, non-exempt Spaces

Note: Average rents were used for illustration purposes. Individual Space Rents may be higher or lower, thus the dollar value of individual Rent increases may be higher or lower.

Table 6**Composition of Fair Rent Increase - Permanent and Temporary Component****Fair Return Rent Increase Analysis****Windmill Mobile Estates**

5-Feb-26

Morgan Hill, CA

Draft

Item	Ref		Windmill /		KMA
			Level		
2024 NOI per Space Including Capital Improvement	Table 2	A	\$	2,901.00	\$ 3,102.21
Remove Amortized Capital Improvement per Space from 2024 NOI	Table 3	B		378.47	204.30
Comparison Year NOI per Space Excluding Capital Improvement	A+B	C	\$	3,279.48	\$ 3,306.52
Inflation Adjusted Base Year NOI per Space (Fair Return)	Table 4	D		5,846.00	5,847.80
Annual Fair Return Shortfall per Space	D-C	E	\$	2,566.52	\$ 2,541.28
Monthly Rent Increase per Space Without Amortized Capital - Permanent Increase	E/12	F	\$	213.88	\$ 211.77
Capital Improvement Amortization per Space 2024	Table 3	G	\$	378.47	\$ 204.30
Monthly Rent Increase per Space - 15 Year Term for Amortized Capital Costs	G/12	H	\$	31.54	\$ 17.02
Total Monthly Rent Increase	F+H	I	\$	245.42	\$ 228.80

Table 7
PW Property Investments LLC
Income Statement
For the Twelve Months Ending December 31, 2024

Revenues	Year to Date
Rental Income *	\$ 975,976.37
Laundry Income	50.68
Dividend # Z26-278569	51,778.43
Fidelity Proceeds	244,441.23
Fidelity Cost/Basis	(239,525.09)
 Total Revenues	 <u>1,032,721.62</u>
 Cost of Sales	 <u> </u>
Total Cost of Sales	<u>0.00</u>
Gross Profit	<u>1,032,721.62</u>
 Expenses	
Maintenance	8,613.10
Credit check and Screening	273.00
Gardening Expenses	10,485.00
Legal Fees	35,876.46
Professional Fees	12,000.00
Insurance	25,142.38
Workers' Compensation	9,619.33
Management Fees	12,000.00
Permits and Licenses	6,949.10
Mortgage Interest-Chase#x6889	235,713.30
Painting and Decorating	375.00
Plumbing and Electrical	5,910.00
Maintenance & Repairs Expense	6,160.00
Supplies	3,753.07
Appliance	1,543.14
Property Taxes	77,681.80
Telephone & Cable Expense	4,627.37
Utilities	229,909.29
Office Expense	1,711.47
Pool Services	7,830.50
Payroll Tax Expense	13,072.92
Bank Charge	316.60
Wages Expense	159,759.75
LLC Tax	6,800.00
Investment Fee	<u>8.00</u>
 Total Expenses	 <u>876,130.58</u>
 Net Income	 <u>\$ 156,591.04</u>

Table 8
2024 Utility Expenses
Windmill Mobile Estates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	8,360	8,353	8,449	7,856	8,617	8,488	-	-	-	-	-	-	50,122
Water	960	948	915	960	1,019	1,053	1,163	1,286	1,461	1,667	1,272	1,165	13,869
Sewer	1,647	1,647	1,629	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	19,750
Trash	3,546	3,546	3,504	3,546	3,546	3,546	3,546	3,880	3,871	3,871	3,871	3,871	44,144
TOTAL	\$ 14,512	\$ 14,494	\$ 14,497	\$ 14,009	\$ 14,830	\$ 14,734	\$ 6,356	\$ 6,813	\$ 6,980	\$ 7,186	\$ 6,791	\$ 6,684	\$ 127,885

Source: Windmill Mobile Estates

April 21, 2026

VIA EMAIL ONLY

John Lang
Housing and Economic Mobility Director
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037
john.lang2@morganhill.ca.gov

Re: Windmill Mobile Estates Fair Return Application: Proposed Phased-In Resolution

Dear Mr. Lang:

Thank you for providing the report prepared by Keyser Marston Associates (“KMA”) dated February 5, 2026, on the park owner’s fair return rent increase application for Windmill Mobile Estates. On behalf of our client, PW Property Investments LLC, we submit this written proposal to narrow or eliminate the remaining issues for the continued hearing set for May 7, 2026.

Background

In 2008, Windmill Mobile Estates obtained a fair return rent increase of \$71.36 per space per month from the Mobile Home Rent Commission (Resolution MHRC-08-01), followed by an additional \$19.00 per space per month in 2009 (Resolution MHRC-09-01). The park has been owned by PW Property Investments LLC since August 2005. Because the granted amounts exceeded the annual adjustment cap under Morgan Hill Municipal Code Section 5.36.320, the Commission authorized a phased-in implementation that included three documented features: (i) annual increases at twice the applicable CPI, (ii) interest of 3.8% on the unpaid deferred balance, and (iii) annual amortization schedules provided to affected residents.

In the current application, our client seeks a fair return rent increase of \$245.42 per space per month based on the analysis of Level Advisors. KMA’s February 5, 2026, report confirms a warranted increase of \$228.80 per space per month based on the Maintenance of Net Operating Income methodology under Article III of Chapter 5.36. KMA’s report further recommends that the same phase-in methodology used in the prior fair return be applied to this proceeding.

The Park Owner’s Settlement Proposal

For settlement purposes only, and without conceding the correctness of KMA’s reduction from the owner’s \$245.42 request, the owner is willing to resolve this application using KMA’s \$228.80 figure as the principal fair-return component, implemented under the framework set forth below. The framework permits the owner to receive the constitutionally-required fair return over a defined period while

complying with the annual rent adjustment limit under Section 5.36.320 through year-by-year application of the cap to actual CPI.

Our client proposes the following framework, which follows the same general three-part structure used in the 2008 and 2009 proceedings:

- Principal increment, Year 1: Approximately \$35.86 per space per month, calculated at the Section 5.36.320 cap (twice the CPI for the controlling twelve-month period under the ordinance) applied to the current average space rent of \$723.96. The Year 1 figure will be finalized using the CPI period ending sixty days before the implementation notice of rent increase, consistent with the formula applied in Year 2 and forward.
- Principal increment, Years 2 through completion: For each subsequent year, the maximum principal increment permitted under Section 5.36.320, calculated using the actual CPI for the twelve-month period ending sixty days before that year's implementation notice of rent increase, applied to the then-current space rent. This formulaic approach mirrors the annual CPI verification feature of the 2008/2009 framework.
- Phase-in duration: The principal phase-in continues until the full \$228.80 warranted increase is fully implemented. Based on current expected inflation, full implementation is anticipated in approximately seven years; actual duration depends on CPI in each year.
- Carrying charge for deferral: For settlement purposes, the owner proposes a carrying charge of 3.8% per annum on the unpaid deferred balance, consistent with the rate approved in the 2008 and 2009 proceedings, while expressly reserving the owner's position that a higher current-market rate may be justified if this matter is not resolved. The carrying charge compensates the owner for time-value deferral of the constitutionally-required fair return and is not a "space rent" component subject to the Section 5.36.320 cap.
- Annual amortization schedule: The owner will provide each affected resident with an annual amortization schedule showing the increase amount, rent paid toward the increase during the prior twelve months, the carrying charge paid during the year, and the remaining balance of the fair return rent increase to be phased in, mirroring the 2008/2009 practice.
- Treatment of automatic CPI: The ordinary annual CPI increase otherwise permitted without review under Chapter 5.36 will be suspended during the phase-in period and will resume on the fully-adjusted base rent following completion of the phase-in, consistent with the structure reflected in the 2008 and 2009 phase-in schedules.

For avoidance of doubt, each annual increment would be implemented through an annual post-decision notice of rent increase, with the cap applied to each affected space's then-current space rent exclusive of any separately stated carrying charge. The \$723.96 figure is used in the Year 1 illustration as an average; actual increases would vary by space because the cap applies against actual rents.

Corrected CPI Period

KMA's report illustrates a year-one cap of \$18.39 per space per month using the April 2024 to April 2025 CPI period. Our client's position is that Section 5.36.320 requires use of the twelve-month CPI period ending sixty days before the implementation notice of rent increase, not the period KMA used. The Year 1 figure proposed above reflects that position. If the City or the Hearing Panel disagrees, that issue is reserved.

Reservation of Rights

This proposal is submitted for settlement purposes only. The owner does not waive and expressly reserves all legal objections, arguments, and rights available under the City's Ordinance, California law, and the federal and California Constitutions. Reserved arguments include, without limitation: (i) the owner's \$245.42 requested increase; (ii) the controlling CPI period under Section 5.36.320; (iii) the proper characterization of any carrying charge or interest as outside the scope of "space rent" under Section 5.36.020(M), and the owner's position that a higher current-market rate may be justified if this matter is not resolved; and (iv) any as-applied challenge to the operation of Section 5.36.320 in circumstances where its operation defers a constitutionally-required present-day fair return over multiple years.

Requested Response

We have copied Bruce Stanton, counsel for the tenants. We request that the City and Mr. Stanton provide a written response by May 5, 2026, and advise whether this proposal is accepted in full without modification. If so, please confirm whether the City will support submission of a stipulated proposed decision to the Hearing Panel in lieu of the May 7, 2026, hearing.

Accordingly, the May 7, 2026, hearing remains on calendar. Our client will agree to a joint request that the matter be taken off calendar and submitted to the Hearing Panel on a stipulated proposed decision only if, by May 5, 2026, our client receives written confirmation from both the City and counsel for the tenants that this proposal is accepted in full without modification. On timely receipt of that confirmation, our client will promptly prepare and circulate a stipulated proposed decision for execution by all parties.

Absent that confirmation by May 5, 2026, the owner will proceed to the May 7, 2026, hearing and present all arguments in support of the application, including the reserved arguments identified above.

Thank you for your continued attention to this matter. We are available at your convenience to discuss.

Very truly yours,

RUDDEROW LAW GROUP



Luis Valencia-Moreno

cc: Bruce Stanton, Esq. (brucestantonlaw@yahoo.com)
Peter Wang, PW Property Investments LLC
Brian Eid, CPA, Level Advisors

November 22, 2025

Mark Moore

575 San Pedro Avenue, Space 19

Morgan Hill, CA 95037

Windmill Mobile Estates Rent Hearing

City of Morgan Hill

17555 Peak Avenue

Morgan Hill, CA 95037

Dear Hearing Panel:

I spoke at the Hearing on August 28. My comments were about how Section 5.36.320 limits the increase of monthly rents on a space to not more than “twice the San Francisco/Oakland Bay Area Consumer Price Index (CPI) or fifteen percent, whichever is less.” As the recent CPI increases have been under 3% per year, I would expect the maximum yearly rent increase allowed will be under 6% per year. This also means that based on average rents I would expect the maximum monthly increase to be not more than \$50.00 for the first year.

The residents presented testimony that rent increases over 75% of the CPI are not justified. The Hearing Panel might determine that a greater increase is necessary. Prior Hearings for Windmill in 2008 determined that should a greater increase be allowed, that the increase can be prorated into future years. The 2008 determination estimated proration up to eight years.

The attorney for the park owner implied that interest should be paid by residents for any rents not immediately collected. He also implied that an interest figure of 6% per year was reasonable. For example, if a \$350 per month increase was granted but limited to \$50 per year. Then six percent yearly interest on \$300 per month would be required in the first year. That adds up to \$216 per space per year or \$18,144 yearly for the park owner. I protest that this is not reasonable!

I further protest that the charging of interest on space rents is not allowed anywhere in the Morgan Hill Rent Stabilization Ordinance. I also believe that allowing an interest charge

would defeat the purpose of a phased-in rent increase, which is to limit the amount of annual rent increases to maintain affordable housing. Interest is also not standard practice in other jurisdictions. The Ordinance controls rent on mobile home spaces, not the individual residents. There are no contracts for loans signed between the parties. You cannot have loans with interest owed on mobile home spaces. If the mobile home on a space is sold, the rent remains at the same rate as for the previous owner. A loan with carryover interest does not apply to the new homeowner.

I sat on the Rent Commission for eighteen years, and interest was never considered or approved at any hearing prior to 2008. The 2008 Windmill Hearings did allow interest of 3.8%, which amazed me when I found out. I was not a party to that decision. In reviewing the decision and the minutes of those hearings, I found that the interest was recommended by an outside source, Keyser-Marsten Associates. The Hearing Panel at that time did not question Keyser-Marsten on this issue. I see that Keyser-Marsten has again been selected by the City of Morgan Hill as a consultant for this Hearing. I implore the Hearing Panel not to make the same mistake as the previous Hearing Panel.

Sincerely,

A handwritten signature in black ink, appearing to be "A. 77" or similar, written in a cursive style.

November 23, 2025

Mark Moore

575 San Pedro Avenue Space 19

Morgan Hill, CA 95037

Windmill Mobile Estates Rental Hearing

City of Morgan Hill

17555 Peak Avenue

Morgan Hill, CA 95037

Dear Hearing Panel,

I am questioning the charge of \$64,100 for Capital Improvement Project Cost for an electric service upgrade in 2024. This was allegedly part of the PG&E Utility Conversion Program costs passed on to the Park Owner. I believe this alleged cost is excessive, as most of the costs of the project would have been paid by PG&E. Only costs for changes between the utility meter and the homes may not have been covered. Those costs should have been minimal.

I suspect that most of the cost incurred may be from the type of meter installed. According to the PG&E "Agreement" that would have been signed by the Park Owner, **PG&E would handle all utility upgrades up to 100 amperes**. This the blank agreement is attached and can be viewed at https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_FORMS_79-1165.pdf. Covered costs by PG&E are specified in Section 10. Prior to the conversion our residents were limited to 50 amperes of usage. Currently all park meters and outlets are only upgraded to 100 amperes for the residents. I do note that Aclara Smart Meter Model CL200 was installed by PG&E at all residences, which could provide access to 200 ampere service. But currently only 100 ampere service is wired from the pedestals to the panels in the homes. Actual delivery of 200 ampere service to a residence could only be done at considerable additional cost to be paid by the mobile home resident! I am not even sure the Park installation could deliver 200 amperes to the meters.

I ask that the Hearing Panel obtain and review the actual "Mobilehome Park Utility Conversion Program Agreement" signed by the Park Owner and PG&E. I will note that Attachment F of that agreement specifically excludes "raising the rent of a unit because of the increased value of the unit solely due to infrastructure improvements provided by the MHP Program". I also ask that the Hearing Panel obtain the final invoice from PG&E for the Park Owner costs incurred. I believe these items are required to establish that there was a capital improvement cost AND for what it was incurred.

I believe that there has been no capital improvement cost incurred which benefits the residents.
Only additional documentation could shed light on what was done.

A handwritten signature in black ink, appearing to be 'A. J. J.', is located below the text.

Attachments:

PG&E Sample Mobilehome Park Utility Conversion Program Agreement form

https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_FORMS_79-1165.pdf

Smart Meter Model CL200

100 Ampere Service from Sample Home Outdoor Pedestal

Sample Home Indoor Panel



**Pacific Gas and
Electric Company[®]**

U 39

San Francisco, California

Cancelling Revised
Revised

Cal. P.U.C. Sheet No. 55823-E
Cal. P.U.C. Sheet No. 51599-E

**ELECTRIC SAMPLE FORM 79-1165
MOBILEHOME PARK
UTILITY CONVERSION PROGRAM AGREEMENT**

Sheet 1

**Please Refer to Attached
Sample Form**

Advice
Decision

6900-E

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

March 30, 2023
April 1, 2023



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

This Mobilehome Park Utility Conversion Program Agreement ("Agreement") is made and entered into by and between _____ ("MHP Owner/Operator"), a _____ organized and existing under the laws of the state of _____, and the Utility, "Pacific Gas and Electric Company" ("PG&E" or "Utility"), a corporation organized and existing under the laws of the state of California. MHP Owner/Operator and PG&E may be individually referred to as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, PG&E offers a ten-year program under the direction of the California Public Utilities Commission ("CPUC" or "Commission") pursuant to Decision 20-04-004 whereby master-metered Mobilehome Parks ("MHP") may elect to convert to direct utility service, with eligible costs for "To-the-Meter" and "Beyond-the-Meter" work to be borne by PG&E (MHP Program).

WHEREAS, MHP Owner/Operator desires to convert the master-metered system(s) in its MHP to direct service from PG&E under the MHP Program.

In accordance with the foregoing premises, the Parties agree as follows:

1. General Description of Agreement

- 1.1. This Agreement is a legally binding contract. The Parties agree to be bound by the terms and conditions set forth herein, incorporated herein by reference, and the requirements of Electric and Gas Rule 28 ("MHP Rules"). This Agreement and the MHP Rules shall govern the conversion of the entire private owned and operated electric and/or natural gas distribution system servicing the MHP to direct PG&E electric and/or gas distribution and service, including all HCD permitted Mobilehome Spaces (MH-Space), eligible common areas, permanent buildings, and/or structures that currently have utility service.

Utility service to be converted to direct PG&E service (check one)

☐ Electric Only ☐ Gas Only ☐ Electric & Gas

If the gas or electric service at the MHP is provided by a different Utility, please provide the name of the Utility who provides the other service.

☐ Electric ☐ Gas Name of Utility: _____

- 1.2. Prior to signing this Agreement, the MHP Owner/Operator would have already submitted the California Public Utilities Commission (CPUC or Commission's) "Form of Intent" and the MHP Application (Form 79-1164), and continue to be bound by the terms set forth in those documents.

† Information collected on this form is used in accordance with PG&E's Privacy Policy.
The Privacy Policy is available at pge.com/privacy.



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

- 1.3. The number of MH-Spaces that will be eligible for conversion to direct Utility service under the MHP Program (both "To-the-Meter" and "Beyond-the-Meter") shall be equal to the number of occupied residential MH-Spaces permitted by the California Department of Housing and Community Development or its designed agency, within the MHP that currently receives a discount under the current qualifying mobilehome rate schedule and the number of unoccupied residential MH-Space permitted by the California Department of Housing and Community Development or its designed agency, that are designated on the MHP Application that are currently able to receive electric and/or gas service from the existing master-metered system (Legacy System)
- 1.4. The MHP Owner/Operator must provide the following documents with the MHP Agreement pursuant to MHP Program criteria in MHP Rules: (1) proof that the MHP has a valid operating license from the governmental entity with relevant authority; (2) if the MHP is operated on leased real property, proof that the land lease will continue for a minimum of 20 years from the time that the MHP Agreement is executed by the Utilities; and (3) declaration under penalty of perjury/affirmation that the MHP is not subject to an enforceable condemnation order or to pending condemnation proceedings (See Attachment A).
- 1.5. This Agreement Commission conforms to (D.)20-04-004 and has been approved by the CPUC for use between PG&E and the MHP Owner/Operator. The terms and conditions of this Agreement may not be waived, altered, amended or modified, except as authorized by the CPUC. This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

2. Representations

- 2.1. Each Party agrees to the terms and conditions of the MHP Program as stated in this Agreement, the MHP Application and MHP Rules. All tariffs associated with this Program may be amended from time to time, subject to CPUC approval.
- 2.2. Each person executing this Agreement for the respective Parties expressly represents and warrants that he or she is authorized to act as signatory for such Party in the execution of this Agreement.
- 2.3. Each Party represents that: (a) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate entities; and (c) this Agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.
- 2.4. Each Party shall (a) exercise all reasonable care, diligence, and good faith in the performance of its duties pursuant to this Agreement; and (b) carry out its duties in accordance with applicable regulations, laws, City and County ordinances and recognized professional standards.



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

3. Submittal of Agreements and Documents

- 3.1. Upon receipt of the Agreement, the MHP Owner Operator will have thirty (30) calendar days to sign and submit the Agreement to PG&E.
- 3.2. If requested by either party, a post engineering meeting can be requested prior to the signing of the Agreement to resolve any outstanding issues and concerns, and/or to review the reasonableness of the Contractor's bid to perform the "Beyond-the-Meter" work. PG&E and the Commission encourage consultation and coordination between parties to ensure efficiency and avoid unnecessary (and non-reimbursable) costs. PG&E reserves the right to withdraw the MHP space approval for the MHP, and may, at its option, remove or place the MHP in the back of the queue of the pre-selected MHPs as specified in Section 10 of this Agreement.

- 3.3. Agreements and documents shall be mailed to:

Mobilehome Park Utility Conversion Program
Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, CA 94612

4. Contractor selected by the MHP Owner/Operator to Perform "Beyond-the-Meter" Work

- 4.1. MHP Owner/Operator shall select a qualified, licensed contractor to perform the "Beyond-the-Meter" work at the MHP and shall consult and coordinate with PG&E on such selection. The MHP Owner/Operator shall provide in Attachment B, multiple bids (where applicable at least three) from contractors for proposed "Beyond-the-Meter" work during the time frames specified by PG&E.
- 4.2. If PG&E and the MHP Owner/Operator fail to agree upon the qualifications of the contractor selected to perform "Beyond-the-Meter" work, the CPUC's Safety and Enforcement Division (SED) will be consulted to resolve the dispute.
- 4.3. The Contractor shall be selected based on the "most cost-effective option". PG&E reserves the right to review the reasonableness of bids for "Beyond-the-Meter" work that are received by the MHP Owner/Operator. PG&E and the CPUC encourage consultation and coordination between parties to ensure efficiency and avoid unnecessary (and non-reimbursable) costs. In all instances, the work performed by the Contractor must comply with applicable regulations, laws, ordinances, and recognized professional standards, and such work must be approved by the applicable governing inspection authority(ies).
- 4.4. The MHP Owner/Operator understands and agrees that neither PG&E's consultation and coordination with the MHP Owner/Operator regarding the selection of a Contractor, nor its review of bids or other pricing terms, constitutes an endorsement by PG&E of said Contractor or its work. Further, the MHP Owner/Operator understands and agrees that PG&E makes no guarantee or warranty, either



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

expressed or implied, with respect to the Contractor's work. The MHP Owner/Operator understands and agrees that PG&E will not be liable for any claims related to "Beyond-the-Meter" facilities, including but not limited to claims related to the planning, design, construction and/or maintenance of such facilities, and the MHP Owner/Operator agrees to indemnify, defend and hold harmless PG&E and its officers, directors, employees and/or agents from and against any such claims.

5. MHP Owner/Operator Responsibilities

5.1. The MHP Owner/Operator will continue to have sole responsibility for compliance with all applicable laws governing Mobilehome Parks and compliance with the MHP's own Rules and Regulations.

5.2. Easements

5.2.1. The MHP Owner/Operator shall provide or assist in obtaining rights-of-ways or easement as required by the Utility's Distribution and Service Extension Rules (Rule 15 & 16) and (D.) 20-04-004.

5.2.2. PG&E shall at all times have the right to enter and leave the park for any purpose connected with the furnishing of electric /gas service (meter reading, inspection, testing, routine repairs, replacement, maintenance, emergency work, etc.) and the exercise of any and all rights secured to it by law, and under all applicable PG&E tariffs.

5.3. Engineering and Planning – Electric Distribution System

5.3.1. The "Beyond-the-Meter" electrical system shall be designed to meet applicable code and regulatory requirements of any inspecting agency for installation of service equipment. Required permits must be obtained and shall be available for inspection by PG&E.

5.3.2. PG&E will normally design and install a single phase, 120/240 volts, 100-ampere electric meter service equipment at each individual MH-Space. Any requests for service modifications beyond the 100-ampere electric service or relocations beyond what is being provided by the MHP Program will be handled under PG&E's current Rules and Tariffs.

5.4. Engineering and Planning – Gas Distribution System

5.4.1. The "Beyond-the-Meter" gas system shall be designed to meet applicable code and regulatory requirements of any inspecting agency for installation of gas house lines. Required permits must be obtained and shall be available for inspection by the UTILITY.

5.4.2. PG&E will design and install a natural gas service line to deliver sufficient volume at PG&E's standard delivery. Any requests for service modifications



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

beyond the standard delivery or relocations beyond what is being provided by the MHP Program will be handled under PG&E's current Rules and Tariffs.

5.5. Engineering and Planning – General

- 5.5.1. MHP Owner/Operator shall ensure that any proposal for "Beyond-the-Meter" work prepared or received by the MHP Owner/Operator is based on a full knowledge of all conditions that would affect the cost and conduct of the conversion. The MHP Owner/Operator shall inform itself fully and convey to all potential Contractors and to PG&E the physical conditions at the work site, including as applicable, potential cultural sites, potential environmental issues, subsurface geology, borrow pit conditions and spoil disposal areas; the availability, location and extent of construction and storage area and other facilities or structures above and below ground; necessary safety precautions and safeguards; dimensions not shown on drawings; the extent of established lines and levels. MHP Owner/Operators who fail to disclose potential issues during the design phase risk removal from the program by PG&E.
- 5.5.2. MHP Owner/Operator will at all times own and is responsible for the "Beyond-the-Meter" utility service facilities.
- 5.5.3. Requests for service entrance relocations, rearrangements and upgrades not covered by the MHP Program can be made by the MHP Owner/Operator and such modifications and additional incremental costs, will be the sole responsibility of the MHP Owner/Operator. Request for service modification may be made by the owner of the mobilehome/manufactured housing unit directly to the Utilities where the MHP lots are owned by the resident residing on the lot and as permitted by the MHP's Rule and Regulations. PG&E will process such requests under current applicable tariffs. Such requests for "To-the-Meter" services may require a separate service extension contract and shall be done in accordance with the effective service extension tariff. To the extent not covered by separate contract, costs for such requests are shown in Attachments C, D and E, attached hereto and incorporated herein. All costs not covered by the MHP Program must be paid in full to PG&E prior to or with the submittal of the MHP Agreement in order for the construction phase to begin.
 - 5.5.3.1. The MHP Owner/Operator, or its representative, is responsible to collect any and all fees associated with "To-the-Meter" service modifications that are not covered by the MHP Program that were requested on behalf of the MH-Owner and due to PG&E under the current Rules and Tariffs and forward those payments to the appropriate Utility.
 - 5.5.3.2. "Beyond-the-Meter" service modifications that are not covered by the MHP Program, including installation costs that exceed the most cost-effective option (e.g. alternate routes or below ground installations), will not be eligible for reimbursement from PG&E.



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- 5.5.3.3. Any requests for service entrance relocations, rearrangements and upgrades that occur after the design and engineering phase has been completed will result in a change order that may require redesign and/or re-engineering. Additional redesigned and/or re-engineered costs will not be eligible for reimbursement from PG&E and will be the sole responsibility of the requesting party.
- 5.5.4. The MHP Owner/Operator shall keep any worksite(s) free of debris, obstructions, landscape, and temporary facilities prior to the initiation of work by PG&E and/or the contractor. Temporary facilities may include, but is not limited to, storage sheds, decks, awning, car ports, or any facility that is not normally provided by the MHP. Relocation or removal of such items will not be eligible for reimbursement from PG&E.
- 5.5.5. The MHP Owner/Operator will continue to own, maintain and be responsible for facilities located within the park's common area, such as the office, clubhouse, laundry facilities, streetlights, etc., and their associated "Beyond-the-Meter" facilities. Utility meters will be installed to serve these facilities. MHP Owner/Operator will be responsible payment of Utility bills associated with such meters. Additional facilities that may be requested (e.g. streetlight fixtures) and associated energy charges for the common area facilities will be based on the applicable tariff and will not be eligible for reimbursement from PG&E.
- 5.6. Existing Distribution System (Legacy System)
- 5.6.1. The MHP Owner/Operator must continue to operate and maintain the existing master-meter/submeter system ("Legacy System") and continue to provide utility service to the MHP residents until cutover to the new direct PG&E service system. At all times, the Legacy System will remain the property and responsibility of the MHP Owner/Operator, including ongoing maintenance, notification, post construction removal (if required), decommissioning and any environmental remediation.
- 5.6.2. If the MHP has an existing propane gas distribution system, PG&E will, upon request, replace it with a natural gas distribution system, provided that; 1) the Utility offers natural gas service and the MHP is located within the franchise area that the Utility serves; 2) a distribution line is located nearby and can be connected safely and economically to the MHP; and 3) the request would be replaced under the Utility's existing Distribution and Service Extension Rules (Rule 15 & 16) and would not qualify under the MHP Program.
- 5.7. Permits
- 5.7.1. Except for the routine, ministerial construction permits to be acquired by PG&E pursuant to Section 6 of this Agreement, the acquisition of all other permits that may be necessary will be the responsibility of the MHP Owner/Operator. This includes, but not limited to, the following:

MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- Environmental and governmental agency permits.
- Caltrans permits.
- Railroad permits.
- HCD and/or local City and County building permits for electric and/or gas service work necessary to install new service delivery facilities including, but not limited to, gas house lines, electric meter pedestals, and terminations
- Permits for the abandonment of the Legacy System.

The work performed by the MHP Owner/Operator's Contractor will include submittal of permits associated with all "Beyond-the-Meter" work to the agency with jurisdictional authority and such permits will be reimbursable under the MHP Program. Permitting costs related to the abandonment of the Legacy System will not be reimbursable under the MHP Program and are the responsibility of the MHP Owner/Operator.

PG&E may assist the MHP Owner/Operator in preparation and submittal of all other permit applications, but construction permits not covered by PG&E will be paid by the MHP Owner/Operator.

5.8. Environmental, Endangered Species and Cultural Resources Review

- 5.8.1. Any environmental, endangered species and cultural resources remediation, or other resolution of environmental issues, and the costs associated with those efforts, are the sole responsibility of MHP Owner/Operator and must be addressed as required by the agency with jurisdictional authority. No utility shall assume any remediation responsibility and utility ratepayers shall bear no costs associated with any required remediation.
- 5.8.2. Any environmental, endangered species and cultural resources issues that are identified during the conversion will result in the immediate suspension of work at the MHP. The MHP Owner/Operator shall resolve these issues prior to work resuming at the MHP. MHP Owner/Operator may be granted additional time by PG&E to resolve environmental, endangered species and cultural resources issues prior to completing the conversion, however, such time will not exceed the period of the MHP Program, unless approved by the CPUC.

5.9. Outreach and Education

- 5.9.1. The MHP Representative will be the liaison for the MHP Owner/Operator and will be responsible for relaying project information to MHP Residents and to PG&E. The MHP Representative shall provide status updates to the MHP Owner/Operator and the MHP Residents from PG&E and provide timely status updates from contractor and MHP Owner/Operator to Utility.



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

- 5.9.2. All costs associated with the MHP Representative in performing the duties associated with the Program will be the responsibility of the MHP Owner/Operator and will not be reimbursable from the MHP Program.
- 5.9.3. The MHP Representative shall be the central point of contact for all outreach, marketing and communication notices regarding the MHP Program that are intended for the MHP residents. The MHP Representative shall distribute the information to the residents in a timely manner in accordance to MHP's Rules and Regulations
- 5.9.4. The MHP Owner/Operator must allow PG&E to directly contact the MHP residents during the project regarding the MHP Program, account setup and other utility programs. As stated in Section 7.1 of the MHP Application, if the MHP Owner/Operator did not provide a complete list of MH residents with contact information with its submittal of the MHP Application, it must do so with the submission of the MHP Agreement (Attachment A). The list shall consist of a complete list of current residents for each space in the MHP, including name, address or space number, mailing address if different than physical address of unit, home phone number, cell phone number, email address, and other contact information.
- 5.9.5. The MHP Representative shall ensure that its contractor works with PG&E and keeps the MHP residents informed of the status of the "Beyond-the-Meter" work. Communications will include notices such as temporary outages, detours or street closures. The MHP Representative will also ensure that such notices will remain consistent with PG&E communications and be distributed in a timely manner.
- 5.10. Construction
 - 5.10.1. Construction of the conversion project may commence after compliance with Section D.3.b of the MHP Rules.
 - 5.10.2. The MHP Owner/Operator shall work cooperatively with PG&E to resolve construction issues that may arise during the project, such as providing an acceptable site for storage of PG&E's construction materials and equipment during the project.
- 5.11. Cutover / Completion of Conversion
 - 5.11.1. Prior to cutover, all jurisdictional authorities must inspect and approve installation of the "Beyond-the-Meter" work.
 - 5.11.2. Cutover cannot occur until PG&E is satisfied that 24 hour access is available to all utility facilities. Where such access may be restricted due to fencing or locked gating, the MHP Owner/Operator or the owner of the individual MH-Spaces shall provide a utility approved locking device with a utility keyway.

MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

Where electronic gates may be involved, the gate will be fitted with a key switch, with utility keyed keyway, which may activate the controller.

- 5.11.3. The MHP Owner/Operator is responsible for discontinuing MHP utility service to all qualifying MH-spaces no later than 90 days after PG&E is ready to cutover all qualifying MH-spaces to direct Utility service.
- 5.11.4. If requested by PG&E, the MHP Owner/Operator shall require Contractor to be available perform joint cutover with PG&E for the individual services within the MHP.
- 5.11.5. If requested by the Utility, the MHP Owner/Operator shall have their Contractor purge the gas legacy master-meter system of unpressurized gas to ensure safety of the disconnected gas system.

6. Utility's Responsibilities

6.1. Engineering and Planning

- 6.1.1. PG&E will design and install the new "To-the-Meter" electric and/or gas distribution and service system for the MHP to meet current PG&E design standards and applicable codes, regulations and requirements based on the most economic, convenient and efficient service route.

To the extent possible, PG&E will design and install the new distribution and service system up to the Service Delivery Point on a "like for like" basis to the existing system. For example, an existing 200 ampere overhead electric service will be replaced with a 200 ampere overhead electric service. If both electric and gas are requested to be replaced and electric service is provided overhead, PG&E will have the option to offer underground electric service if it is cost effective to do so. If gas service is located above ground, PG&E will underground the gas service as well as the electric service, if present.

- 6.1.2. PG&E will prepare a preliminary design package for the new electric and/or gas system and prepare all necessary land rights documents.
- 6.1.3. PG&E will consult with the MHP Owner/Operator to identify the location of each electric and/or gas meter and any protection required for the metering service equipment. PG&E will have the final approval of the location of the meter.
- 6.1.4. PG&E will include with the MHP Program additional reasonable services for common use areas at the discretion of the Commission Safety Enforcement Division within the MHP that will be served under commercial rate schedules.
- 6.1.5. PG&E will design and install the "To-the-Meter" facilities to accommodate a service equivalent to the existing service. If the existing electric service is less than 100 amperes, the utility will design and install "To-the-Meter" facilities to accommodate 100 ampere service as part of the MHP Program.

MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- 6.1.6. With the exception of the 100 ampere minimum electric service, any requests for service upgrades or relocations beyond what is being provided by the MHP Program will be handled under PG&E's current Rules and Tariffs. Such requests may be made by the MHP Owner or the individual MHP residents, and such upgrades and additional incremental costs will be the sole responsibility of the requesting party.
- 6.1.7. If applicable, PG&E will design and install a natural gas service line at each individual MH-Space to deliver sufficient volume at PG&E's standard delivery.
- 6.1.8. Vacant MH-Spaces will receive a stub to the location of the future "Service Delivery Point" during the MHP Program. When a previously vacant space becomes occupied subsequent to cutover, a line extension contract will be required to extend service per normal line extension rules (Rule 16).

6.2. Permits

- 6.2.1. PG&E will acquire routine, ministerial construction permits, such as encroachment permits necessary for trenching within public rights-of-way.
- 6.2.2. PG&E will review all permits prior to construction. No work will be performed by PG&E or the Contractor under the MHP Program until the MHP's Owner/Operator and/or PG&E obtains the required permits.

6.3. Environmental and Cultural Resources Review

- 6.3.1. PG&E shall conduct a "desktop" environmental, endangered species and cultural resources review of the proposed work at the MHP. If such review indicates any environmental, endangered species and cultural resources issues, PG&E will immediately suspend of work at the MHP. PG&E will not resume work until it has received authorization from appropriate experts and/or agency with jurisdictional authority. PG&E assumes no remediation responsibility or liability. Costs for remediation are not eligible for reimbursement from the MHP Program.

6.4. Outreach and Education

- 6.4.1. PG&E will work with the MHP Owner/Operator and/or the MHP Representative on outreach and education to MHP residents.
- 6.4.2. During the construction phase, PG&E will work with the MHP Representative to keep the MHP residents informed of the status of the project, including notice of temporary outages, detours or street closures, and other issues related to the project. Information provided by PG&E will include, but is not limited to, "transition kits" for the MHP residents with information about construction work impacts, timing, account setup instructions, utility programs and services such as California Alternate Rate for Energy (CARE), medical assistance program, energy efficiency and demand response opportunities. PG&E will work with the



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

MHP Representative to ensure all notices and project information is communicated and distributed in a timely manner.

- 6.4.3. PG&E will manage communications with the Commission, California Department of Housing and Community Development (HCD), other utilities, local government, local media, and other parties, as necessary, regarding the MHP Program activities.

6.5. Construction

- 6.5.1. PG&E will install, or select a qualified licensed contractor to install the new "To-the-Meter" electric and/or gas distribution systems that will meet all current electric and/or gas design standards, applicable codes, regulations and requirements. Facilities and services installed will be based on the agreed upon design.
- 6.5.2. PG&E will consult and coordinate conversion activities with other utilities that may also serve the MHP, including municipal utilities, water, cable and telecommunication providers, to ensure efficiency and avoid unnecessary disruption and/or costs.
- 6.5.3. PG&E may commence conversion after compliance with Rule 28, D.3.b. PG&E may elect to wait until the MHP Owner/Operator can demonstrate construction of the "Beyond-the-Meter" facilities have been substantially completed, such facilities have been approved by the governing inspection authority and PG&E receives a copy of any inspection report or verification to begin construction. PG&E may also commence construction if the MHP Owner/Operator has coordinated an acceptable construction schedule that is approved by PG&E and/or as scheduling and availability permits.
- 6.5.4. PG&E shall not remove the existing legacy system, unless necessary and the system shall be abandoned in place and PG&E shall isolate the new and existing legacy systems. PG&E shall not incur any expenses associated with the removal or retirement of the existing system under the conversion program. Should removal of the legacy distribution system be necessary to complete the conversion to direct utility service from PG&E, such costs may at PG&E's discretion be included in the MHP Program if it is necessary and can be done so efficiently.

6.6. Cutover / Completion of Project

- 6.6.1. PG&E will own, operate, and maintain all "To-the-Meter" electric and/or gas distribution and service systems within the MHP. Upon completion of the conversion, the facilities will be managed under and subject to Rule 15 and Rule 16 and other applicable tariffs.
- 6.6.2. If necessary, PG&E will coordinate with the Contractor to jointly meet to perform joint cutover with PG&E for the individual services within the MHP.

**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

- 6.6.3. PG&E will reimburse the MHP Owner/Operator for all qualifying "Beyond-the-Meter" work as summarized in Attachment C.
- 6.6.4. PG&E or its Contractor shall purge the gas Legacy System of unpressurized gas to ensure safety of the disconnected system.

7. Safety

- 7.1. **IMPORTANCE OF SAFETY:** The Parties recognize and agree that safety is of paramount importance in the implementation of the MHP Program and Parties are responsible for performing the work in a safe manner. Parties shall plan and conduct the work, and shall require all contractors and subcontractors to abide by all safety requirements incorporated herein and to perform their portion of the work, in accordance with all applicable local, state and federal rules, regulations, codes, and ordinances to safeguard persons and property from injury. The MHP Owner/Operator shall require its Contractor to provide necessary training to its employees and Subcontractors to inform them of the foregoing safety and health rules and standards. Should PG&E at any time observe the contractor, or any of its subcontractors, performing the work in an unsafe manner, or in a manner that may, if continued, become unsafe, then PG&E shall have the right (but not the obligation) to require the MHP Owner/Operator to stop contractor's work affected by the unsafe practice until contractor has taken corrective action so that the work performance has been rendered safe.
- 7.2. **Regulations and Conduct of Work:** MHP Owner/Operator shall assure that its contractor plans and conducts the work to safeguard persons and property from injury. MHP Owner/Operator shall direct the performance of the work by its contractor in compliance with reasonable safety and work practices and with all applicable federal, state, and local laws, rules, and regulations, including but not limited to "Occupational Safety and Health Standards" promulgated by the U.S. Secretary of Labor and the California Division of Occupational Safety and Health, including the wearing of "hard hats" at the worksite if applicable. Work in areas adjacent to electrically energized facilities and/or operating natural gas facilities shall be performed in accordance with said practices, laws, rules, and regulations. PG&E may designate safety precautions in addition to those in use or proposed by contractor. PG&E reserves the right to inspect the work and to halt construction to ensure compliance with reasonable and safe work practices and with all applicable federal, state, and local laws, rules, and regulations. Neither the requirement that contractor working on behalf of the MHP Owner/Operator follow said practices and applicable laws, rules, and regulations, nor adherence thereto by contractor, shall relieve MHP Owner/Operator of the sole responsibility to maintain safe and efficient working conditions.
- 7.3. **Additional Precautions:** Upon PG&E's request, the MHP Owner/Operator shall require its contractor to provide certain safeguards not in use but considered necessary and if contractor fails to comply with the request within a reasonable time, PG&E may provide the safeguards at MHP Owner/Operator's expense. Failure to

November 23, 2025

Mark Moore

575 San Pedro Avenue Space 19

Morgan Hill, CA 95037

Windmill Mobile Estates Rental Hearing

City of Morgan Hill

17555 Peak Avenue

Morgan Hill, CA 95037

Dear Hearing Panel,

I am questioning the charge of \$64,100 for Capital Improvement Project Cost for an electric service upgrade in 2024. This was allegedly part of the PG&E Utility Conversion Program costs passed on to the Park Owner. I believe this alleged cost is excessive, as most of the costs of the project would have been paid by PG&E. Only costs for changes between the utility meter and the homes may not have been covered. Those costs should have been minimal.

I suspect that most of the cost incurred may be from the type of meter installed. According to the PG&E "Agreement" that would have been signed by the Park Owner, **PG&E would handle all utility upgrades up to 100 amperes**. This the blank agreement is attached and can be viewed at https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_FORMS_79-1165.pdf . Covered costs by PG&E are specified in Section 10. Prior to the conversion our residents were limited to 50 amperes of usage. Currently all park meters and outlets are only upgraded to 100 amperes for the residents. I do note that Aclara Smart Meter Model CL200 was installed by PG&E at all residences, which could provide access to 200 ampere service. But currently only 100 ampere service is wired from the pedestals to the panels in the homes. Actual delivery of 200 ampere service to a residence could only be done at considerable additional cost to be paid by the mobile home resident! I am not even sure the Park installation could deliver 200 amperes to the meters.

I ask that the Hearing Panel obtain and review the actual "Mobilehome Park Utility Conversion Program Agreement" signed by the Park Owner and PG&E. I will note that Attachment F of that agreement specifically excludes "raising the rent of a unit because of the increased value of the unit solely due to infrastructure improvements provided by the MHP Program". I also ask that the Hearing Panel obtain the final invoice from PG&E for the Park Owner costs incurred. I believe these items are required to establish that there was a capital improvement cost AND for what it was incurred.

I believe that there has been no capital improvement cost incurred which benefits the residents.
Only additional documentation could shed light on what was done.

A handwritten signature in black ink, appearing to be 'A. J. J.', is located below the text.

Attachments:

PG&E Sample Mobilehome Park Utility Conversion Program Agreement form

https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_FORMS_79-1165.pdf

Smart Meter Model CL200

100 Ampere Service from Sample Home Outdoor Pedestal

Sample Home Indoor Panel



**Pacific Gas and
Electric Company[®]**

U 39

San Francisco, California

Revised
Cancelling Revised

Cal. P.U.C. Sheet No. 55823-E
Cal. P.U.C. Sheet No. 51599-E

**ELECTRIC SAMPLE FORM 79-1165
MOBILEHOME PARK
UTILITY CONVERSION PROGRAM AGREEMENT**

Sheet 1

**Please Refer to Attached
Sample Form**

*Advice
Decision* 6900-E

*Issued by
Meredith Allen
Vice President, Regulatory Affairs*

*Submitted
Effective
Resolution* March 30, 2023
April 1, 2023



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

This Mobilehome Park Utility Conversion Program Agreement ("Agreement") is made and entered into by and between _____ ("MHP Owner/Operator"), a _____ organized and existing under the laws of the state of _____, and the Utility, "Pacific Gas and Electric Company" ("PG&E" or "Utility"), a corporation organized and existing under the laws of the state of California. MHP Owner/Operator and PG&E may be individually referred to as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, PG&E offers a ten-year program under the direction of the California Public Utilities Commission ("CPUC" or "Commission") pursuant to Decision 20-04-004 whereby master-metered Mobilehome Parks ("MHP") may elect to convert to direct utility service, with eligible costs for "To-the-Meter" and "Beyond-the-Meter" work to be borne by PG&E (MHP Program).

WHEREAS, MHP Owner/Operator desires to convert the master-metered system(s) in its MHP to direct service from PG&E under the MHP Program.

In accordance with the foregoing premises, the Parties agree as follows:

1. General Description of Agreement

- 1.1. This Agreement is a legally binding contract. The Parties agree to be bound by the terms and conditions set forth herein, incorporated herein by reference, and the requirements of Electric and Gas Rule 28 ("MHP Rules"). This Agreement and the MHP Rules shall govern the conversion of the entire private owned and operated electric and/or natural gas distribution system servicing the MHP to direct PG&E electric and/or gas distribution and service, including all HCD permitted Mobilehome Spaces (MH-Space), eligible common areas, permanent buildings, and/or structures that currently have utility service.

Utility service to be converted to direct PG&E service (check one)

☐ Electric Only ☐ Gas Only ☐ Electric & Gas

If the gas or electric service at the MHP is provided by a different Utility, please provide the name of the Utility who provides the other service.

☐ Electric ☐ Gas Name of Utility: _____

- 1.2. Prior to signing this Agreement, the MHP Owner/Operator would have already submitted the California Public Utilities Commission (CPUC or Commission's) "Form of Intent" and the MHP Application (Form 79-1164), and continue to be bound by the terms set forth in those documents.

† Information collected on this form is used in accordance with PG&E's Privacy Policy.
The Privacy Policy is available at pge.com/privacy.



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- 1.3. The number of MH-Spaces that will be eligible for conversion to direct Utility service under the MHP Program (both "To-the-Meter" and "Beyond-the-Meter") shall be equal to the number of occupied residential MH-Spaces permitted by the California Department of Housing and Community Development or its designed agency, within the MHP that currently receives a discount under the current qualifying mobilehome rate schedule and the number of unoccupied residential MH-Space permitted by the California Department of Housing and Community Development or its designed agency, that are designated on the MHP Application that are currently able to receive electric and/or gas service from the existing master-metered system (Legacy System)
- 1.4. The MHP Owner/Operator must provide the following documents with the MHP Agreement pursuant to MHP Program criteria in MHP Rules: (1) proof that the MHP has a valid operating license from the governmental entity with relevant authority; (2) if the MHP is operated on leased real property, proof that the land lease will continue for a minimum of 20 years from the time that the MHP Agreement is executed by the Utilities; and (3) declaration under penalty of perjury/affirmation that the MHP is not subject to an enforceable condemnation order or to pending condemnation proceedings (See Attachment A).
- 1.5. This Agreement Commission conforms to (D.)20-04-004 and has been approved by the CPUC for use between PG&E and the MHP Owner/Operator. The terms and conditions of this Agreement may not be waived, altered, amended or modified, except as authorized by the CPUC. This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

2. Representations

- 2.1. Each Party agrees to the terms and conditions of the MHP Program as stated in this Agreement, the MHP Application and MHP Rules. All tariffs associated with this Program may be amended from time to time, subject to CPUC approval.
- 2.2. Each person executing this Agreement for the respective Parties expressly represents and warrants that he or she is authorized to act as signatory for such Party in the execution of this Agreement.
- 2.3. Each Party represents that: (a) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate entities; and (c) this Agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.
- 2.4. Each Party shall (a) exercise all reasonable care, diligence, and good faith in the performance of its duties pursuant to this Agreement; and (b) carry out its duties in accordance with applicable regulations, laws, City and County ordinances and recognized professional standards.



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

3. Submittal of Agreements and Documents

- 3.1. Upon receipt of the Agreement, the MHP Owner Operator will have thirty (30) calendar days to sign and submit the Agreement to PG&E.
- 3.2. If requested by either party, a post engineering meeting can be requested prior to the signing of the Agreement to resolve any outstanding issues and concerns, and/or to review the reasonableness of the Contractor's bid to perform the "Beyond-the-Meter" work. PG&E and the Commission encourage consultation and coordination between parties to ensure efficiency and avoid unnecessary (and non-reimbursable) costs. PG&E reserves the right to withdraw the MHP space approval for the MHP, and may, at its option, remove or place the MHP in the back of the queue of the pre-selected MHPs as specified in Section 10 of this Agreement.

- 3.3. Agreements and documents shall be mailed to:

Mobilehome Park Utility Conversion Program
Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, CA 94612

4. Contractor selected by the MHP Owner/Operator to Perform "Beyond-the-Meter" Work

- 4.1. MHP Owner/Operator shall select a qualified, licensed contractor to perform the "Beyond-the-Meter" work at the MHP and shall consult and coordinate with PG&E on such selection. The MHP Owner/Operator shall provide in Attachment B, multiple bids (where applicable at least three) from contractors for proposed "Beyond-the-Meter" work during the time frames specified by PG&E.
- 4.2. If PG&E and the MHP Owner/Operator fail to agree upon the qualifications of the contractor selected to perform "Beyond-the-Meter" work, the CPUC's Safety and Enforcement Division (SED) will be consulted to resolve the dispute.
- 4.3. The Contractor shall be selected based on the "most cost-effective option". PG&E reserves the right to review the reasonableness of bids for "Beyond-the-Meter" work that are received by the MHP Owner/Operator. PG&E and the CPUC encourage consultation and coordination between parties to ensure efficiency and avoid unnecessary (and non-reimbursable) costs. In all instances, the work performed by the Contractor must comply with applicable regulations, laws, ordinances, and recognized professional standards, and such work must be approved by the applicable governing inspection authority(ies).
- 4.4. The MHP Owner/Operator understands and agrees that neither PG&E's consultation and coordination with the MHP Owner/Operator regarding the selection of a Contractor, nor its review of bids or other pricing terms, constitutes an endorsement by PG&E of said Contractor or its work. Further, the MHP Owner/Operator understands and agrees that PG&E makes no guarantee or warranty, either



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

expressed or implied, with respect to the Contractor's work. The MHP Owner/Operator understands and agrees that PG&E will not be liable for any claims related to "Beyond-the-Meter" facilities, including but not limited to claims related to the planning, design, construction and/or maintenance of such facilities, and the MHP Owner/Operator agrees to indemnify, defend and hold harmless PG&E and its officers, directors, employees and/or agents from and against any such claims.

5. MHP Owner/Operator Responsibilities

5.1. The MHP Owner/Operator will continue to have sole responsibility for compliance with all applicable laws governing Mobilehome Parks and compliance with the MHP's own Rules and Regulations.

5.2. Easements

5.2.1. The MHP Owner/Operator shall provide or assist in obtaining rights-of-ways or easement as required by the Utility's Distribution and Service Extension Rules (Rule 15 & 16) and (D.) 20-04-004.

5.2.2. PG&E shall at all times have the right to enter and leave the park for any purpose connected with the furnishing of electric /gas service (meter reading, inspection, testing, routine repairs, replacement, maintenance, emergency work, etc.) and the exercise of any and all rights secured to it by law, and under all applicable PG&E tariffs.

5.3. Engineering and Planning – Electric Distribution System

5.3.1. The "Beyond-the-Meter" electrical system shall be designed to meet applicable code and regulatory requirements of any inspecting agency for installation of service equipment. Required permits must be obtained and shall be available for inspection by PG&E.

5.3.2. PG&E will normally design and install a single phase, 120/240 volts, 100-ampere electric meter service equipment at each individual MH-Space. Any requests for service modifications beyond the 100-ampere electric service or relocations beyond what is being provided by the MHP Program will be handled under PG&E's current Rules and Tariffs.

5.4. Engineering and Planning – Gas Distribution System

5.4.1. The "Beyond-the-Meter" gas system shall be designed to meet applicable code and regulatory requirements of any inspecting agency for installation of gas house lines. Required permits must be obtained and shall be available for inspection by the UTILITY.

5.4.2. PG&E will design and install a natural gas service line to deliver sufficient volume at PG&E's standard delivery. Any requests for service modifications

MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

beyond the standard delivery or relocations beyond what is being provided by the MHP Program will be handled under PG&E's current Rules and Tariffs.

5.5. Engineering and Planning – General

- 5.5.1. MHP Owner/Operator shall ensure that any proposal for "Beyond-the-Meter" work prepared or received by the MHP Owner/Operator is based on a full knowledge of all conditions that would affect the cost and conduct of the conversion. The MHP Owner/Operator shall inform itself fully and convey to all potential Contractors and to PG&E the physical conditions at the work site, including as applicable, potential cultural sites, potential environmental issues, subsurface geology, borrow pit conditions and spoil disposal areas; the availability, location and extent of construction and storage area and other facilities or structures above and below ground; necessary safety precautions and safeguards; dimensions not shown on drawings; the extent of established lines and levels. MHP Owner/Operators who fail to disclose potential issues during the design phase risk removal from the program by PG&E.
- 5.5.2. MHP Owner/Operator will at all times own and is responsible for the "Beyond-the-Meter" utility service facilities.
- 5.5.3. Requests for service entrance relocations, rearrangements and upgrades not covered by the MHP Program can be made by the MHP Owner/Operator and such modifications and additional incremental costs, will be the sole responsibility of the MHP Owner/Operator. Request for service modification may be made by the owner of the mobilehome/manufactured housing unit directly to the Utilities where the MHP lots are owned by the resident residing on the lot and as permitted by the MHP's Rule and Regulations. PG&E will process such requests under current applicable tariffs. Such requests for "To-the-Meter" services may require a separate service extension contract and shall be done in accordance with the effective service extension tariff. To the extent not covered by separate contract, costs for such requests are shown in Attachments C, D and E, attached hereto and incorporated herein. All costs not covered by the MHP Program must be paid in full to PG&E prior to or with the submittal of the MHP Agreement in order for the construction phase to begin.
 - 5.5.3.1. The MHP Owner/Operator, or its representative, is responsible to collect any and all fees associated with "To-the-Meter" service modifications that are not covered by the MHP Program that were requested on behalf of the MH-Owner and due to PG&E under the current Rules and Tariffs and forward those payments to the appropriate Utility.
 - 5.5.3.2. "Beyond-the-Meter" service modifications that are not covered by the MHP Program, including installation costs that exceed the most cost-effective option (e.g. alternate routes or below ground installations), will not be eligible for reimbursement from PG&E.



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

5.5.3.3. Any requests for service entrance relocations, rearrangements and upgrades that occur after the design and engineering phase has been completed will result in a change order that may require redesign and/or re-engineering. Additional redesigned and/or re-engineered costs will not be eligible for reimbursement from PG&E and will be the sole responsibility of the requesting party.

5.5.4. The MHP Owner/Operator shall keep any worksite(s) free of debris, obstructions, landscape, and temporary facilities prior to the initiation of work by PG&E and/or the contractor. Temporary facilities may include, but is not limited to, storage sheds, decks, awning, car ports, or any facility that is not normally provided by the MHP. Relocation or removal of such items will not be eligible for reimbursement from PG&E.

5.5.5. The MHP Owner/Operator will continue to own, maintain and be responsible for facilities located within the park's common area, such as the office, clubhouse, laundry facilities, streetlights, etc., and their associated "Beyond-the-Meter" facilities. Utility meters will be installed to serve these facilities. MHP Owner/Operator will be responsible payment of Utility bills associated with such meters. Additional facilities that may be requested (e.g. streetlight fixtures) and associated energy charges for the common area facilities will be based on the applicable tariff and will not be eligible for reimbursement from PG&E.

5.6. Existing Distribution System (Legacy System)

5.6.1. The MHP Owner/Operator must continue to operate and maintain the existing master-meter/submeter system ("Legacy System") and continue to provide utility service to the MHP residents until cutover to the new direct PG&E service system. At all times, the Legacy System will remain the property and responsibility of the MHP Owner/Operator, including ongoing maintenance, notification, post construction removal (if required), decommissioning and any environmental remediation.

5.6.2. If the MHP has an existing propane gas distribution system, PG&E will, upon request, replace it with a natural gas distribution system, provided that; 1) the Utility offers natural gas service and the MHP is located within the franchise area that the Utility serves; 2) a distribution line is located nearby and can be connected safely and economically to the MHP; and 3) the request would be replaced under the Utility's existing Distribution and Service Extension Rules (Rule 15 & 16) and would not qualify under the MHP Program.

5.7. Permits

5.7.1. Except for the routine, ministerial construction permits to be acquired by PG&E pursuant to Section 6 of this Agreement, the acquisition of all other permits that may be necessary will be the responsibility of the MHP Owner/Operator. This includes, but not limited to, the following:

MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- Environmental and governmental agency permits.
- Caltrans permits.
- Railroad permits.
- HCD and/or local City and County building permits for electric and/or gas service work necessary to install new service delivery facilities including, but not limited to, gas house lines, electric meter pedestals, and terminations
- Permits for the abandonment of the Legacy System.

The work performed by the MHP Owner/Operator's Contractor will include submittal of permits associated with all "Beyond-the-Meter" work to the agency with jurisdictional authority and such permits will be reimbursable under the MHP Program. Permitting costs related to the abandonment of the Legacy System will not be reimbursable under the MHP Program and are the responsibility of the MHP Owner/Operator.

PG&E may assist the MHP Owner/Operator in preparation and submittal of all other permit applications, but construction permits not covered by PG&E will be paid by the MHP Owner/Operator.

5.8. Environmental, Endangered Species and Cultural Resources Review

- 5.8.1. Any environmental, endangered species and cultural resources remediation, or other resolution of environmental issues, and the costs associated with those efforts, are the sole responsibility of MHP Owner/Operator and must be addressed as required by the agency with jurisdictional authority. No utility shall assume any remediation responsibility and utility ratepayers shall bear no costs associated with any required remediation.
- 5.8.2. Any environmental, endangered species and cultural resources issues that are identified during the conversion will result in the immediate suspension of work at the MHP. The MHP Owner/Operator shall resolve these issues prior to work resuming at the MHP. MHP Owner/Operator may be granted additional time by PG&E to resolve environmental, endangered species and cultural resources issues prior to completing the conversion, however, such time will not exceed the period of the MHP Program, unless approved by the CPUC.

5.9. Outreach and Education

- 5.9.1. The MHP Representative will be the liaison for the MHP Owner/Operator and will be responsible for relaying project information to MHP Residents and to PG&E. The MHP Representative shall provide status updates to the MHP Owner/Operator and the MHP Residents from PG&E and provide timely status updates from contractor and MHP Owner/Operator to Utility.



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- 5.9.2. All costs associated with the MHP Representative in performing the duties associated with the Program will be the responsibility of the MHP Owner/Operator and will not be reimbursable from the MHP Program.
- 5.9.3. The MHP Representative shall be the central point of contact for all outreach, marketing and communication notices regarding the MHP Program that are intended for the MHP residents. The MHP Representative shall distribute the information to the residents in a timely manner in accordance to MHP's Rules and Regulations
- 5.9.4. The MHP Owner/Operator must allow PG&E to directly contact the MHP residents during the project regarding the MHP Program, account setup and other utility programs. As stated in Section 7.1 of the MHP Application, if the MHP Owner/Operator did not provide a complete list of MH residents with contact information with its submittal of the MHP Application, it must do so with the submission of the MHP Agreement (Attachment A). The list shall consist of a complete list of current residents for each space in the MHP, including name, address or space number, mailing address if different than physical address of unit, home phone number, cell phone number, email address, and other contact information.
- 5.9.5. The MHP Representative shall ensure that its contractor works with PG&E and keeps the MHP residents informed of the status of the "Beyond-the-Meter" work. Communications will include notices such as temporary outages, detours or street closures. The MHP Representative will also ensure that such notices will remain consistent with PG&E communications and be distributed in a timely manner.
- 5.10. Construction
- 5.10.1. Construction of the conversion project may commence after compliance with Section D.3.b of the MHP Rules.
- 5.10.2. The MHP Owner/Operator shall work cooperatively with PG&E to resolve construction issues that may arise during the project, such as providing an acceptable site for storage of PG&E's construction materials and equipment during the project.
- 5.11. Cutover / Completion of Conversion
- 5.11.1. Prior to cutover, all jurisdictional authorities must inspect and approve installation of the "Beyond-the-Meter" work.
- 5.11.2. Cutover cannot occur until PG&E is satisfied that 24 hour access is available to all utility facilities. Where such access may be restricted due to fencing or locked gating, the MHP Owner/Operator or the owner of the individual MH-Spaces shall provide a utility approved locking device with a utility keyway.



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

Where electronic gates may be involved, the gate will be fitted with a key switch, with utility keyed keyway, which may activate the controller.

- 5.11.3. The MHP Owner/Operator is responsible for discontinuing MHP utility service to all qualifying MH-spaces no later than 90 days after PG&E is ready to cutover all qualifying MH-spaces to direct Utility service.
- 5.11.4. If requested by PG&E, the MHP Owner/Operator shall require Contractor to be available perform joint cutover with PG&E for the individual services within the MHP.
- 5.11.5. If requested by the Utility, the MHP Owner/Operator shall have their Contractor purge the gas legacy master-meter system of unpressurized gas to ensure safety of the disconnected gas system.

6. Utility's Responsibilities

6.1. Engineering and Planning

- 6.1.1. PG&E will design and install the new "To-the-Meter" electric and/or gas distribution and service system for the MHP to meet current PG&E design standards and applicable codes, regulations and requirements based on the most economic, convenient and efficient service route.

To the extent possible, PG&E will design and install the new distribution and service system up to the Service Delivery Point on a "like for like" basis to the existing system. For example, an existing 200 ampere overhead electric service will be replaced with a 200 ampere overhead electric service. If both electric and gas are requested to be replaced and electric service is provided overhead, PG&E will have the option to offer underground electric service if it is cost effective to do so. If gas service is located above ground, PG&E will underground the gas service as well as the electric service, if present.

- 6.1.2. PG&E will prepare a preliminary design package for the new electric and/or gas system and prepare all necessary land rights documents.
- 6.1.3. PG&E will consult with the MHP Owner/Operator to identify the location of each electric and/or gas meter and any protection required for the metering service equipment. PG&E will have the final approval of the location of the meter.
- 6.1.4. PG&E will include with the MHP Program additional reasonable services for common use areas at the discretion of the Commission Safety Enforcement Division within the MHP that will be served under commercial rate schedules.
- 6.1.5. PG&E will design and install the "To-the-Meter" facilities to accommodate a service equivalent to the existing service. If the existing electric service is less than 100 amperes, the utility will design and install "To-the-Meter" facilities to accommodate 100 ampere service as part of the MHP Program.



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- 6.1.6. With the exception of the 100 ampere minimum electric service, any requests for service upgrades or relocations beyond what is being provided by the MHP Program will be handled under PG&E's current Rules and Tariffs. Such requests may be made by the MHP Owner or the individual MHP residents, and such upgrades and additional incremental costs will be the sole responsibility of the requesting party.
- 6.1.7. If applicable, PG&E will design and install a natural gas service line at each individual MH-Space to deliver sufficient volume at PG&E's standard delivery.
- 6.1.8. Vacant MH-Spaces will receive a stub to the location of the future "Service Delivery Point" during the MHP Program. When a previously vacant space becomes occupied subsequent to cutover, a line extension contract will be required to extend service per normal line extension rules (Rule 16).
- 6.2. Permits
- 6.2.1. PG&E will acquire routine, ministerial construction permits, such as encroachment permits necessary for trenching within public rights-of-way.
- 6.2.2. PG&E will review all permits prior to construction. No work will be performed by PG&E or the Contractor under the MHP Program until the MHP's Owner/Operator and/or PG&E obtains the required permits.
- 6.3. Environmental and Cultural Resources Review
- 6.3.1. PG&E shall conduct a "desktop" environmental, endangered species and cultural resources review of the proposed work at the MHP. If such review indicates any environmental, endangered species and cultural resources issues, PG&E will immediately suspend of work at the MHP. PG&E will not resume work until it has received authorization from appropriate experts and/or agency with jurisdictional authority. PG&E assumes no remediation responsibility or liability. Costs for remediation are not eligible for reimbursement from the MHP Program.
- 6.4. Outreach and Education
- 6.4.1. PG&E will work with the MHP Owner/Operator and/or the MHP Representative on outreach and education to MHP residents.
- 6.4.2. During the construction phase, PG&E will work with the MHP Representative to keep the MHP residents informed of the status of the project, including notice of temporary outages, detours or street closures, and other issues related to the project. Information provided by PG&E will include, but is not limited to, "transition kits" for the MHP residents with information about construction work impacts, timing, account setup instructions, utility programs and services such as California Alternate Rate for Energy (CARE), medical assistance program, energy efficiency and demand response opportunities. PG&E will work with the



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

MHP Representative to ensure all notices and project information is communicated and distributed in a timely manner.

- 6.4.3. PG&E will manage communications with the Commission, California Department of Housing and Community Development (HCD), other utilities, local government, local media, and other parties, as necessary, regarding the MHP Program activities.

6.5. Construction

- 6.5.1. PG&E will install, or select a qualified licensed contractor to install the new "To-the-Meter" electric and/or gas distribution systems that will meet all current electric and/or gas design standards, applicable codes, regulations and requirements. Facilities and services installed will be based on the agreed upon design.
- 6.5.2. PG&E will consult and coordinate conversion activities with other utilities that may also serve the MHP, including municipal utilities, water, cable and telecommunication providers, to ensure efficiency and avoid unnecessary disruption and/or costs.
- 6.5.3. PG&E may commence conversion after compliance with Rule 28, D.3.b. PG&E may elect to wait until the MHP Owner/Operator can demonstrate construction of the "Beyond-the-Meter" facilities have been substantially completed, such facilities have been approved by the governing inspection authority and PG&E receives a copy of any inspection report or verification to begin construction. PG&E may also commence construction if the MHP Owner/Operator has coordinated an acceptable construction schedule that is approved by PG&E and/or as scheduling and availability permits.
- 6.5.4. PG&E shall not remove the existing legacy system, unless necessary and the system shall be abandoned in place and PG&E shall isolate the new and existing legacy systems. PG&E shall not incur any expenses associated with the removal or retirement of the existing system under the conversion program. Should removal of the legacy distribution system be necessary to complete the conversion to direct utility service from PG&E, such costs may at PG&E's discretion be included in the MHP Program if it is necessary and can be done so efficiently.

6.6. Cutover / Completion of Project

- 6.6.1. PG&E will own, operate, and maintain all "To-the-Meter" electric and/or gas distribution and service systems within the MHP. Upon completion of the conversion, the facilities will be managed under and subject to Rule 15 and Rule 16 and other applicable tariffs.
- 6.6.2. If necessary, PG&E will coordinate with the Contractor to jointly meet to perform joint cutover with PG&E for the individual services within the MHP.

MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

- 6.6.3. PG&E will reimburse the MHP Owner/Operator for all qualifying "Beyond-the-Meter" work as summarized in Attachment C.
- 6.6.4. PG&E or its Contractor shall purge the gas Legacy System of unpressurized gas to ensure safety of the disconnected system.

7. Safety

- 7.1. **IMPORTANCE OF SAFETY:** The Parties recognize and agree that safety is of paramount importance in the implementation of the MHP Program and Parties are responsible for performing the work in a safe manner. Parties shall plan and conduct the work, and shall require all contractors and subcontractors to abide by all safety requirements incorporated herein and to perform their portion of the work, in accordance with all applicable local, state and federal rules, regulations, codes, and ordinances to safeguard persons and property from injury. The MHP Owner/Operator shall require its Contractor to provide necessary training to its employees and Subcontractors to inform them of the foregoing safety and health rules and standards. Should PG&E at any time observe the contractor, or any of its subcontractors, performing the work in an unsafe manner, or in a manner that may, if continued, become unsafe, then PG&E shall have the right (but not the obligation) to require the MHP Owner/Operator to stop contractor's work affected by the unsafe practice until contractor has taken corrective action so that the work performance has been rendered safe.
- 7.2. **Regulations and Conduct of Work:** MHP Owner/Operator shall assure that its contractor plans and conducts the work to safeguard persons and property from injury. MHP Owner/Operator shall direct the performance of the work by its contractor in compliance with reasonable safety and work practices and with all applicable federal, state, and local laws, rules, and regulations, including but not limited to "Occupational Safety and Health Standards" promulgated by the U.S. Secretary of Labor and the California Division of Occupational Safety and Health, including the wearing of "hard hats" at the worksite if applicable. Work in areas adjacent to electrically energized facilities and/or operating natural gas facilities shall be performed in accordance with said practices, laws, rules, and regulations. PG&E may designate safety precautions in addition to those in use or proposed by contractor. PG&E reserves the right to inspect the work and to halt construction to ensure compliance with reasonable and safe work practices and with all applicable federal, state, and local laws, rules, and regulations. Neither the requirement that contractor working on behalf of the MHP Owner/Operator follow said practices and applicable laws, rules, and regulations, nor adherence thereto by contractor, shall relieve MHP Owner/Operator of the sole responsibility to maintain safe and efficient working conditions.
- 7.3. **Additional Precautions:** Upon PG&E's request, the MHP Owner/Operator shall require its contractor to provide certain safeguards not in use but considered necessary and if contractor fails to comply with the request within a reasonable time, PG&E may provide the safeguards at MHP Owner/Operator's expense. Failure to



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT

comply with safety precautions required by PG&E may result in termination of the Agreement for cause.

- 7.4. Parties will immediately notify each other regarding safety and hazardous conditions that may cause harm to PG&E, MHP Owner/Operator, contractors, subcontractors, MHP residents, and/or the general public. Upon notice, the responsible party shall investigate the potential safety hazard, and if necessary, take actions to remedy the situation.
- 7.5. The MHP Owner/Operator shall be responsible for notifying local emergency services, if required, about pending road closures or detours that may affect life safety and services to the MHP and MHP residents.

8. Delay and Suspension of Work

- 8.1. Suspension of Work by PG&E: PG&E reserves the right to suspend the work under the MHP Utility Conversion Program to serve the needs of the greater public.
- 8.2. Notification of Delays: MHP Owner/Operator shall cause contractor to promptly notify PG&E in writing of any impending cause for delay that may affect PG&E's schedule. If possible, PG&E will coordinate and assist contractor in reducing the delay.
- 8.3. Delays by MHP Owner/Operator: No additional compensation or other concessions will be allowed to the MHP Owner/Operator for expenses resulting from delays for which MHP Owner/Operator is responsible. If, in PG&E's opinion, the delay is sufficient to prevent MHP Owner/Operator's compliance with the specified schedule, MHP Owner/Operator shall accelerate the work by overtime or other means, at MHP Owner/Operator's expense, to assure completion on schedule.

9. Termination

- 9.1. Either Party may, at its option, terminate upon 30 day written notice to the other Party.
 - 9.1.1. PG&E may cancel or suspend this Agreement for, but not limited to, the following situations:
 - 9.1.1.1. The failure, refusal or inability of the MHP Owner/Operator to perform the work in accordance with this Agreement for any reason (except for those reasons that are beyond MHP Owner/Operator's control) after receiving notice from PG&E and an opportunity to cure and MHP Owner/Operator has failed to do so; provided however, at PG&E's option, safety or security violations may result in immediate termination; or
 - 9.1.1.2. The failure, refusal, or inability of the MHP Owner/Operator to initiate its responsibilities under this Agreement within six (6) months of the execution of this Agreement; or

**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

- 9.1.1.3. The failure or inability of the MHP Owner/Operator to complete the work and be ready to receive service from PG&E within twelve (12) months of the execution of this Agreement; or
- 9.1.1.4. A legal action is placed against the MHP Owner/Operator which, in PG&E's opinion, may interfere with the performance of the conversion.
- 9.1.2. If the MHP Owner/Operator terminates the Agreement, the MHP Owner/Operator will:
 - 9.1.2.1. Reimburse PG&E for all work and costs incurred prior to the cancellation that did not result in a direct Utility service of an individual MH-Space or common area. PG&E's costs may include, but is not limited to, "To-the-Meter" labor, material and supplies, (including long lead time materials), transportation, and other direct costs which PG&E allocates to such work; and
 - 9.1.2.2. Not be eligible for reimbursement for any "Beyond-the-Meter" work that did not result in a direct PG&E service of an individual MH-Space; and
 - 9.1.2.3. Repay in full to PG&E any reimbursements paid to the MHP Owner/Operator for partial work completed by its contractor.
- 9.1.3. In the event of termination, PG&E shall reimburse the MHP Owner/Operator for services satisfactorily completed prior to the date of cancellation that resulted in direct PG&E service which are of benefit to PG&E. In no event shall PG&E be liable for lost or anticipated profits or overhead on uncompleted portions of the work due to termination.
- 9.1.4. Cancelled MHP Agreement may, at the Utilities option, result in the removal the MHP from the MHP Program and the selection of the next MHP that is on the waiting list for the MHP Program.
- 9.1.5. MHP Owner/Operator shall be liable for additional costs to PG&E arising from termination. PG&E may terminate this Agreement, suspend work and/or the MHP Program if directed to do so by the CPUC. Liability of incomplete projects will be determined by the CPUC.

10. Costs Covered by the MHP Program and Reimbursement to MHP Owner/Operator

- 10.1. All costs incurred by PG&E to provide "To-the-Meter" facilities for a typical utility service for each qualifying MH-Space will be covered under the MHP Program.
- 10.2. Requests for service entrance relocations, rearrangements and upgrades are not covered under the MHP Program.

**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

- 10.3. Additional reasonable services at the discretion of the Commission Safety and Enforcement Division for common use areas within the MHP that will be served under commercial rate schedules are eligible for inclusion in the MHP Utility Conversion Program and will not provide "Beyond-the-Meter" reimbursements for these common area services. PG&E will not provide the service panel.
- 10.4. PG&E will reimburse the MHP Owner/Operator based on the invoice for the "Beyond-the-Meter" to be performed by the contractor. The amount that is eligible for reimbursement for the "Beyond-the-Meter" work shall not exceed the "Cost Covered by the MHP Program" amount listed on Attachment C, without prior written approval from PG&E. PG&E will review all invoices received for the "Beyond-the-Meter" work by the contractor and will reimburse the MHP Owner/Operator for all prudently occurred and reasonable construction expenditures. The MHP Program will not cover or reimburse costs for any modification or retrofit of the mobilehome or manufactured home.
- 10.5. As soon as practicable and after any jurisdictional authorities have inspected and approved operation of the "Beyond-the-Meter" work, the MHP Owner/Operator may submit invoices to PG&E for "Beyond-the-Meter" work. Invoices submitted shall be submitted in no less than twenty-five percent (25%) increments based on the number of converted MH-Space compared to the total number of eligible MH-Spaces at the MHP. The final reimbursement for the "Beyond-the-Meter" work will be paid to the MHP Owner/Operator after the final cutover has been completed and the entire MHP has been converted to direct PG&E service.
- 10.6. Invoices shall include a listing of MH-Spaces that completed the service conversion, and an itemized list and costs for equipment, materials, and labor for "Beyond-the-Meter" facilities that are both covered and not covered by the MHP Program.

11. Nondisclosure

- 11.1. Neither Party may disclose any Confidential Information obtained pursuant to this Agreement to any third party, including affiliates of such Party, without the express prior written consent of the other Party. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the Parties, customers of either or both Parties, suppliers for either Party, personnel of either Party, any trade secrets, and other information of a similar nature, whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name. Without limiting the foregoing, Confidential Information shall also include information provided by the MHP Owner/Operator regarding the MHP residents. Confidential Information shall not include information known to either Party prior to obtaining the same from the other Party, information in the public domain, or information obtained by a Party from a third party who did not, directly or indirectly, receive the same from the other Party to this Agreement or from a party who was under an obligation of confidentiality to the other Party to this Agreement, or information developed by either Party independent of any Confidential Information. The receiving Party shall use the higher of the standard of care that the receiving Party uses to preserve its own confidential

**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information.

- 11.2. Notwithstanding the foregoing, Confidential Information may be disclosed to the CPUC and any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other Party is given prompt notice of the disclosure requirement so it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure.

12. Indemnification

- 12.1. MHP Owner/Operator shall indemnify, defend and hold harmless PG&E, its officers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and legal liability connected with or resulting from injury to or death of persons, including but not limited to employees of PG&E, MHP Owner/Operator, Contractor or Subcontractor; injury to property of PG&E, MHP Owner/Operator, Contractor, Subcontractor, or a third party, or to natural resources, or violation of any local, state or federal law or regulation, including but not limited to environmental laws or regulations, or strict liability imposed by any law or regulation; arising out of, related to, or in any way connected with MHP Owner/Operator performance of this Agreement, however caused, regardless of any strict liability or negligence of PG&E, whether active or passive, excepting only such claims, demands, losses, damages, costs, expenses, liability or violation of law or regulation as may be caused by the active gross negligence or willful misconduct of PG&E, its officers, agents, or employees. The MHP Owner/Operator shall indemnify, defend and hold harmless PG&E from all causes of action or claims arising from projects which were cancelled by the MHP Owner/Operator, for which PG&E shall have no liability. A utility shall have no liability for the MHP master-metered system (referred to as legacy systems), or the "Beyond-the-Meter" infrastructure installed during conversion, and the MHP owner will hold harmless, defend and indemnify PG&E from all causes of action or claims arising from or related to these systems.
- 12.2. MHP Owner/Operator acknowledges that any claims, demands, losses, damages, costs, expenses, and legal liability that arise out of, result from, or are in any way connected with the release or spill of any legally designated hazardous material or waste as a result of the Work performed under this Agreement are expressly within the scope of this indemnity, and that the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial Work, penalties, and fines arising from the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs are expressly within the scope of this indemnity.
- 12.3. MHP Owner/Operator shall, on PG&E's request, defend any action, claim or suit asserting a claim covered by this indemnity. MHP Owner/Operator shall pay all costs

**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

that may be incurred by PG&E in enforcing this indemnity, including reasonable attorney's fees.

13. Compliance with Laws and Regulations

- 13.1. During the performance of the Work, MHP Owner/Operator, contractor and its subcontractors, agents and employees shall fully comply with all applicable state and federal laws and with any and all applicable bylaws, rules, regulations and orders made or promulgated by any government, government agency or department, municipality, board, commission or other regulatory body; and shall provide all certificates for compliance therewith as may be required by such applicable laws, bylaws, rules, regulations, orders, stipulations or plans.
- 13.2. MHP Owner/Operator shall require any contractor or subcontractor to whom any portion of the work to be performed hereunder may be contracted to comply with provisions of this paragraph, and agrees to save and hold PG&E harmless from any and all penalties, actions, causes of action, damages, claims and demands whatsoever arising out of or occasioned by failure of MHP Owner/Operator and Contractor or a Subcontractor to make full and proper compliance with said bylaws, rules, regulations, laws, orders, stipulations or plans.

14. Governing Law

This Agreement shall be deemed to be a contract made under laws of the State of California and for all purposes shall be construed in accordance with the laws of said state.

15. Entire Agreement

This Agreement consists of, in its entirety, Mobilehome Park Utility Conversion Program Agreement and all attachments hereto, the MHP Application and PG&E's Electric and Gas Rule 28. This Agreement supersedes all other service agreements or understandings, written or oral, between the Parties related to the subject matter hereof.

16. Enforceability

If any provision of this Agreement thereof, is to any extent held invalid or unenforceable, the remainder of this Agreement thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.

17. Force Majeure

Neither Party shall be liable for any delay or failure in the performance of any part of this Agreement (other than obligations to pay money) due to any event of force majeure or other cause beyond its reasonable control, including but not limited to, unusually severe weather, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

public enemy, earthquake, insurrection, riot, civil disturbance, strike, work stoppage caused by jurisdictional and similar disputes, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes ("Force Majeure Event"), which by the exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence is unable to overcome. It is agreed that upon receipt of notice from the affected Party about such Force Majeure Event to the other Party within a reasonable time after the cause relied on, then the obligations of the Party, so far as they are affected by the event of force majeure, shall be suspended during the continuation of such inability and circumstance and shall, so far as possible, be remedied with all reasonable dispatch.

18. Not a Joint Venture

Unless specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be liable individually and severally for its own obligations under this Agreement.

The Parties have executed this Agreement on the dates indicated below, to be effective upon the later date.

_____ <i>Name of Mobilehome Park</i>	PACIFIC GAS AND ELECTRIC COMPANY _____
_____ <i>Company Name of Owner/Operator</i>	_____
_____ <i>Signature</i>	_____ <i>Signature</i>
_____ <i>Print Name</i>	_____ <i>Type/Print Name</i>
_____ <i>Title</i>	_____ <i>Title</i>
_____ <i>Date</i>	_____ <i>Date</i>



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

**Attachment A
Documents and Declaration**

A. Additional Documentation

As described in the Applicability Section of Rule 28 (Section A.1) and Section 1.4 of the Agreement the MHP Owner/Operator must provide copies of the following documents along with their Agreement to participate in the Mobilehome Park Utility Conversion Program:

1. The MHP Owner/Operator must provide a copy of a valid operating license from the governmental entity with relevant authority; (Required)
2. If the MHP is operated on leased real property, a copy of the land lease agreement must be provided. The land lease agreement must supply proof that the lease will continue for a minimum of 20 years from the time that the MHP Agreement is executed by the Utilities.

As stated in Section 7.1 of the MHP Application, if the MHP Owner/Operator did not provide a complete list of MH residents with contact information with its submittal of the MHP Application, it must do so with the submission of the MHP Agreement. The list shall consist of a complete list of current residents for each space in the MHP, including name, address or space number, mailing address if different than physical address of unit, home phone number, cell phone number, email address, and other contact information.

Please attach copies of the above required documents to this page (Attachment A – Required Documents) of the Mobilehome Park Utility Conversion Program Agreement.

B. Declaration of Non-Condemnation

In accordance with CPUC Decision (D.) 20-04-004, and subject to the requirements of Gas and Electric Rule 28, all MHP participating in the MHP Utility Conversion Program must affirm that the Mobilehome Park is not subject to an enforceable condemnation order or to pending condemnation proceedings.

I, _____, (print name of authorized signatory) declare under penalty of perjury under the laws of the State of California that I am authorized to execute this document on behalf of the MHP Owner/Operator and declare that the Mobilehome Park is not subject to any enforceable condemnation order or to pending condemnation proceedings.

_____ Name of Mobilehome Park	_____ Authorized Signature
_____ Company Name of Owner/Operator	_____ Print Name
_____ Date	_____ Title



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT
Attachment B
Contractor Selection**

MHP Owner/Operator shall select a qualified, licensed contractor to perform "Beyond-the-Meter" work to MH-Spaces and shall consult and coordinate with PG&E on such selection and provide information about the selected contractor below.

Selection of the contractor shall be based on the "most cost-effective option." PG&E reserves the right to review the reasonableness of the bids received by the MHP Owner/Operator to perform the "Beyond-the-Meter" work. PG&E and the Commission encourage consultation and coordination between the Parties to ensure efficiency and avoid unnecessary (and non-reimbursable) costs.

If PG&E and the MHP Owner/Operator fail to agree upon the qualifications of the contractor, the CPUC's Safety and Enforcement Division (SED) will be consulted to resolve the dispute.

In all instances, the work performed by the contractor must meet PG&E's current standards as specified in the Utility's Electric and/or Gas Service Requirement manual and have approval from applicable governing inspection authority(ies).

- Contractor Name: _____
- State Contractor License #: _____
- Contact Person: _____
- Title: _____
- Address: _____
- City: _____ State _____ ZIP: _____
- Day Phone: _____
- Cell Phone: _____
- Fax: _____
- Email Address _____
- Total Estimated Cost to Perform all "Beyond-the-Meter"
work for the MHP (See Attachments C) \$ _____



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT
Attachment B
Contractor Selection**

Secondary Contractor (if required)

- Contractor Name: _____
State Contractor License #: _____
Contact Person: _____
Title: _____
Address: _____
City: _____ State _____ ZIP: _____
Day Phone: _____
Cell Phone: _____
Fax: _____
Email Address _____
Total Estimated Cost to Perform all "Beyond-the-Meter"
work for the MHP (See Attachments C) \$ _____



MOBILEHOME PARK UTILITY CONVERSION PROGRAM AGREEMENT Attachment C Estimated Costs for MHP Project

MHP Owner/Operator: _____

Project Name: _____

Address: _____

In accordance with California Public Utilities Commission (CPUC) Decision (D.) 20-04-004, and subject to the requirements of Gas and Electric Rule 28, PG&E is offering the Mobilehome Park Utility Conversion Program to convert existing privately owned master-meter/sub-meter electric and/or gas distribution service within a Mobilehome Park or Manufactured Housing Communities ("MHP"), to direct PG&E service for each individual space within MHP.

Utility service to be converted to direct PG&E service (check one)

☐ Electric Only

☐ Gas Only

☐ Electric & Gas

The number of MH-Spaces that will be eligible for conversion to direct PG&E service under the MHP Program (both "To-the-Meter" and "Beyond-the-Meter") shall be equal to the number of residential MH-Space spaces within the MHP and that are designated on the MHP Application. PG&E will include with the MHP Program additional reasonable services for common use areas within the MHP that will be served under commercial rate schedules.

Any service modifications and associated costs beyond what is being provided by the MHP Program will be the responsibility of the requesting party. These modifications will be handled under PG&E's current applicable Tariffs. In addition, "Beyond-the-Meter" costs to serve common use areas are the responsibility of the MHP Owner/Operator and are not eligible for reimbursements from the MHP Program. Any additional common use area meters and services that are not provided by the program will be designed and installed under the guidance of the Service Relocation and Rearrangement section of Gas and Electric Rule 16.

Table C.-1 Illustrate the financially responsible party for the "To-the-Meter" and "Beyond-the-Meter" services under the MHP Program

	"To-the-Meter" Facilities and Equipment installed by PG&E Financially Responsible Party			"Beyond-the-Meter" Facilities and Equipment installed by Contractor Financially Responsible Party		
	Covered by MHP Program	MHP Owner/ Operator	Requesting MH Owner	Reimbursed by MHP Program	MHP Owner/ Operator	Requesting MH Owner
Service to Individual MH-Spaces	X			X		
Service to Common Use Areas	X				X	
Incremental Service Modifications to the Individual MH-Spaces > 100 amperes where the MHP lots are owned by the resident residing on the lot			X			X
Service Modifications, Relocation and Rearrangement to the MHP Common Use Areas or MH-Space in where the lots are not owned by the resident residing on the lot (leased or rented spaces)		X			X	



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT
Attachment C
Estimated Costs for MHP Project**

A. PG&E's Estimated "To-the-Meter" Project Costs Not Covered by the Program
(To be completed by PG&E¹)

Costs Not
Covered by the
MHP Program

Civil Costs – Includes, but is not limited to, trenching, backfill, excavation, and surface repair activities [Project Cost to design and install "To-the-Meter" Facilities for the MHP]

\$ _____

Electric System – Includes, but is not limited to, installation of cables, switches, transformers, SmartMeters™, conduits and substructures, and other facilities required to complete the distribution and service line extensions [Service upgrades or rearrangements requested on behalf of the MHP Owner/Operator not covered by the MHP Program].

\$ _____

Gas System – Includes, but is not limited to, installation of gas piping, connectors, meters, and other facilities required to complete the distribution and service line extensions [Service upgrades or rearrangements requested on behalf of the individual MHP Residents not covered by the MHP Program].

\$ _____

Other – Includes, but is not limited to, easement estimate, SmartMeter™ network upgrade, and other cost associated with the project.

\$ _____

**PG&E's Total Estimated "To-the-Meter"
Project Costs Not Covered by the
Program**

\$

\$ _____

¹ Service Upgrades beyond what is being provided by the program are listed on Attachment C.



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT
Attachment C
Estimated Costs for MHP Project**

B. MHP Owner/Operator's "Beyond-the-Meter" Project Costs

(To be completed by the MHP Owner/Operator, Attach Contractor's Job Estimate to Attachment C)

	<u>Cost Covered by the MHP Program</u>	<u>Costs Not Covered by the MHP Program²</u>
<u>Civil Costs</u> – Includes, but is not limited to, trenching, backfill, excavation, surface repair activities, and labor.	\$ _____	\$ _____
<u>Electric System</u> – Includes, but is not limited to, service termination/meter pedestal, grounding, customer load-side wiring, breakers, related materials and labor.		
Materials: \$ _____	\$ _____	\$ _____
Labor: \$ _____	\$ _____	\$ _____
<u>Gas System</u> – Includes, but is not limited to, houseline plumbing from the PG&E riser to the customer connection including labor and materials.		
Materials: \$ _____	\$ _____	\$ _____
Labor: \$ _____	\$ _____	\$ _____
<u>Other</u> – Includes, but is not limited to, permits as provided by contractor.	\$ _____	\$ _____
	_____	_____
MHP Owner/Operator's Total Estimated "Beyond-the-Meter" Project Costs	\$ _____	\$ _____

C. Estimated Cost for MHP Service Conversion Project (A + B)

\$ _____ \$ _____

D. Number of MH-Spaces

E. Average Cost per MH-Space

\$ _____ \$ _____

² Provided breakdown of charges not covered by the program on Attachment C.



MOBILEHOME PARK PILOT SERVICES UTILITY CONVERSION PROGRAM AGREEMENT

Attachment D – Costs That The MHP Resident is Responsible for that is Not Covered Under The MHP

MHP Owner/Operator: _____

Project Name: _____

Address: _____

Any service modifications and associated costs beyond what is being provided by the MHP Program as described in Gas Rule No. 28 and the Mobilehome Park Utility Conversion Program Agreement will be the responsibility of the requesting party. These modifications will be handled under PG&E's current applicable Tariffs. Request for additional common use area meters and services that are not provided by the MHP Program, but approved by PG&E, will be designed under the guidance of the Utilities' Rules for Service Relocation and Rearrangement. Service modifications and relocations for MH-Spaces in a MHP where the lots are not owned by the resident residing on the lot (leased or rented spaces), must be requested by and is the responsibility of the MHP Owner/Operator.

The following service modifications have been requested by the MHP Owner and/or the MHP resident(s) (If Job Estimate includes an itemized breakdown of costs, it may be substituted for this sheet.)

A. Total Amount Due by MHP Owner/Operator for Service Modification and/or services not covered by the Program

1. Amount Due from MHP Owner/Operator to PG&E

- Amount due to PG&E for "To-the-Meter" work not covered by the MHP Program. \$ _____
- Amount due to PG&E for "To-the-Meter" Service Modifications, Relocation and Rearrangement for the MHP Common Use Areas \$ _____
- Total \$ _____

2. Amount Due from MHP Owner/Operator to the Contractor

- Amount due to the Contractor for "Beyond-the-Meter" Work for common use areas. \$ _____
- Amount due to the Contractor for "Beyond-the-Meter" Service Modifications, Relocation and Rearrangement for the MHP Common Use Areas \$ _____



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

Attachment D –

**Costs That The MHP Owner/Operator is Responsible
for that is Not Covered Under The MHP Program**

3. Total amount due from MHP Owner/Operator for service modifications not covered by the MHP Program

\$ _____

Itemized Service Modifications or other services not covered by the MHP Program
(Provide extra sheets as necessary). If Job Estimate includes an itemized breakdown of costs, it may be substituted for this sheet.

"To-the-Meter" Costs Not Covered By the MHP Program			
Location	Responsible Party	Requested Service Modification	Estimated Cost
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

"Beyond-the-Meter" Costs Not Covered By the MHP Program			
Location	Responsible Party	Requested Service Modification	Estimated Cost
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____



Pacific Gas and
Electric Company

**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

Attachment E –

**Costs That The MH-Owner is Responsible for
that is Not Covered Under The MHP Program**

MHP Owner/Operator: _____

Project Name: _____

Address: _____

Request for service modification may be made by the owner of the mobilehome/manufactured housing unit directly to the Utilities, where the MHP lots are owned by the resident residing on the lot and as permitted by the MHP's Rules and Regulations. These modifications, and associated costs, would be the responsibility of the requesting MH resident and will be handled under PG&E's current applicable Tariffs. All other requests for service entrance relocations, rearrangements and upgrades not covered by the MHP Program must be made by the MHP Owner/Operator and documented in Attachment D.

The MHP Owner/Operator is responsible to collect any and all fees associated with service modifications that were requested on behalf of the MH residents where the MHP lots are owned by the resident and forward those payments to PG&E with this Agreement.

A. Total Amount Due by MH Residents where the MHP lots are owned by the resident for Service Modification and/or services not covered by the Program

1. Amount Due from MH Residents to PG&E

- Amount due to PG&E for "To-the-Meter" work not covered by the MHP Program.

\$ _____

2. Amount Due from MH Residents to the Contractor

- Amount due to the Contractor for "Beyond-the-Meter" Service Modifications, Relocation and Rearrangement for the MH Residents.

\$ _____

3. Total Owned by MH Residents for the MHP Program

\$ _____



Pacific Gas and
Electric Company

**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

Attachment E –

**Costs That The MH-Owner is Responsible for
that is Not Covered Under The MHP Program**

Itemized Service Modifications or other services not covered by the MHP Program
(Provide extra sheets as necessary). If Job Estimate includes an itemized breakdown of costs, it may be substituted for this sheet.

"To-the-Meter" Costs Not Covered By the MHP Program			
Location	Responsible Party	Requested Service Modification	Estimated Cost

"Beyond-the-Meter" Costs Not Covered By the MHP Program			
Location	Responsible Party	Requested Service Modification	Estimated Cost



**MOBILEHOME PARK
UTILITY CONVERSION PROGRAM
AGREEMENT**

Attachment F –

**Consumer Protection Measures for Residents
Participating in the Mobilehome Park Utility
Conversion Program**

The MHP residents are intended third party beneficiaries with respect to the protections contained in the following clause and shall have the sole rights to enforce this clause:

The property owner cannot raise the rent of a unit because of increased value of the unit solely due to infrastructure improvements provided by the MHP Program. Allowable factors for rent increase include, but are not limited to, an increase in property taxes, operation and maintenance cost, and/or amortizing costs of property improvements other than those made by the MHP Program. The owner(s) of the MHP shall provide notice of this protection from rent increases due to participation in the MHP Utility Program in writing to each MHP resident within 3 days of transfer of the MHP infrastructure to the utility following program completion. The notice will include the current contact information for mobilehome resources such as the Mobilehome Assistance Center and the Mobilehome Residency Law Protection Program at:

Mobilehome Assistance Center (Complaints): (800) 952-8356

MHAssistance@hcd.ca.gov

P.O. Box 278690 Sacramento, CA 95827-8690

Mobilehome Residency Law Protection Program (MRL Complaints): (800) 952-8356

MRLComplaint@hcd.ca.gov

P.O. Box 278690 Sacramento, CA 95827-8690

 **APPROVED**
HCD Division of
Codes & Standards
126134

Silver Spring Networks

0013500501662C53



CONTAINS MODEL
FCC ID: OWS-NIC714, IC: 5575A-NIC714

0864
01 kW h

Aclara
I-210+c

• V2	• F2	
• J2	• U2	• N2
• T2	• K2	• E2
• R2	• A2	• Q2

94 604 757

5.0 CL 200 240V 3W FM2S
0721 727XC88009 60HZ TA 30 Kh 10.0 Kt 1.0

AR 60 MIN
DS

1011064249

PG&E
SmartMeter



1NG10110642490721

DANGER

High-voltage
may cause death, serious
injury or substantial
property damage.
Turn off power, de-energize, tag,
lockout before working on this
equipment.



Do not
touch
live parts
or
equipment
when
energized



⚠ DANGER

**Hazardous Voltage.
Will cause death, serious
injury or substantial
property damage.**

Turn off power supplying this
equipment before working inside.



1000004
REV. L

⚠ PELIGRO

**Voltaje peligroso. Causará
la muerte, lesiones graves
o daño substancial a la
propiedad.**

Desconecte el suministro de
energía a este equipo antes de
trabajar en su interior.

A/C

Bathrooms
27

Kitchen/Dining
Room #6

Gas Dryer

Laundry # 8

Microwave #24

Kitchen/Dining
Room #5

MAIN
DISCONNECT
INTERRUPTOR
PRINCIPAL

A/C
Dishwasher
18

Lights #1

Lights #2

Gas Furnace
14

Smoke Alarms
#33

Lights #3

Lights #4

This Panelboard shall be covered by a Feeder Assembly having an Overcurrent Protection rating not more than _____ A

The mobile home data plate is located in the master bedroom closet

December 2, 2025

Mike DiRubio

575 San Pedro Avenue, Space 30

Morgan Hill, CA 95037

Windmill Mobile Estates Rent Hearing

City of Morgan Hill

17555 Peak Avenue

Morgan Hill, CA 95037

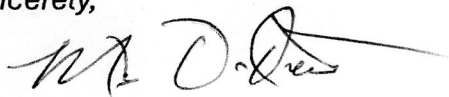
Dear Sirs:

I believe the Capital Improvement cost of \$65,200 for installation of lighting is excessive. The costs alleged are up to 300 percent more than the usual cost.

Attached is a detailed analysis of the estimated cost of installing solar lighting in Windmill. I have been doing similar work as a repairman and handyman for thirty years. The observed installers of the lighting did not appear to be licensed contractors.

I believe this information is needed by the Hearing Panel reviewing the evidence presented by the park owner. I will be available for questions at the next Hearing date.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike DiRubio', with a long horizontal flourish extending to the right.

WINDMILL MOBILE ESTATES

SOLAR LIGHTING CAPITAL PROJECT

The owner of Windmill Mobile Estates says he spent \$65,200 for the installation of 19 solar lights. The residents of the park contend that the project should not have cost more than \$17,000 as evidenced by the following analysis.

The solar lights are stand alone (no electrical) and are affixed to 2-inch galvanized steel pipes approximately 10 to 12 feet high and set in concrete.

See Exhibit 1 (actual light in park)

LIST OF MATERIALS

19 ea. Solar lights (Exhibit 2) @ \$161.49	= \$3,068.31
29 ea. 2-inch galvanized pipes (Exhibit 3) @ 85.46	= \$2,478.34
19 ea. Quick tubes for concrete (Exhibit 4) @ 23.00	= \$437.00
57 ea. bags concrete, 3 per light (Exhibit 5) @ 5.98	= \$340.86
19 ea. pipe caps (Exhibit 6) @ 9.59	= \$182.21
19 ea. couplings (Exhibit 7) @ 8.68	= \$164.92
1 gas powered auger—probably rented but	
We will allow for a new purchase (Exhibit 8)	<u>= \$899.99</u>
Sub total	\$7,572.63
Sales Tax @ 9.875%	<u>747.69</u>
Grand total materials	<u>\$8,319.32</u>

LABOR TO INSTALL SOLAR LIGHTS

Park residents observed a man and his son installing the solar lights.

Drill 19 holes with new purchased gasoline auger
which should take 2 men, 1 day. Allow 2 days **32 hours**

Install 19 solar lights on 2-inch pipes
12 fee tall set in concrete
Should take 2 men, 2 days. Allow 3 days **48 hours**

Total hours **80 hours**

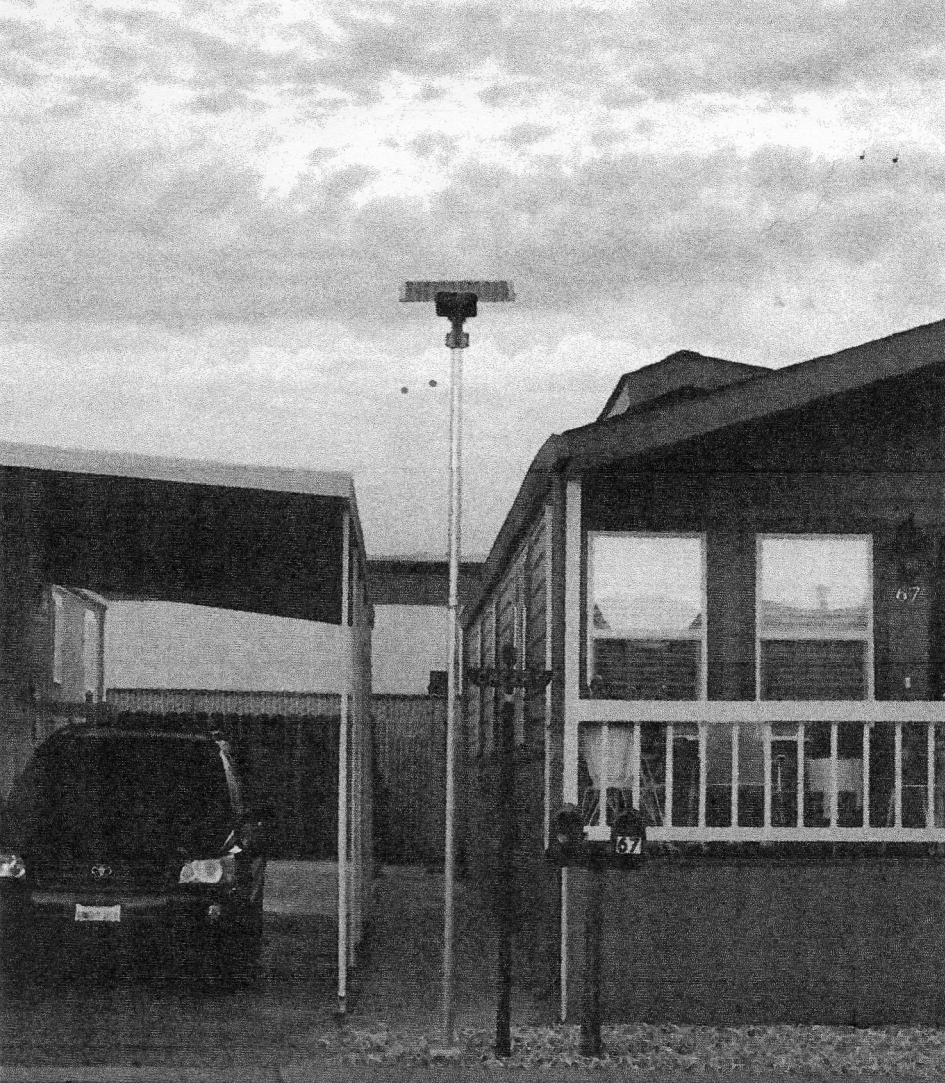
2 men could be hired to do this work at a rate of
\$50 per hour. Allow \$100 per hour

Grand total for labor 80 hours x \$100 per hour = **\$8,000.00**

Grand total for materials **\$8,319.32**

Grand total (materials and labor) **\$16,319.32**

The park residents contend the park owner inflated the cost of the solar light project by \$48,880.68. One might ask what other capital project costs were inflated by the same margin.



Keep shopping for
Commercial street & area li...

Edit



1 viewed



1 viewed



2 viewed



4 viewed

Previously viewed



OKPRO 20000W Solar Street Lights Outdoor - 7000K
Solar Parking Lot Lights Commerical Dusk to Dawn,...
188

Limited time deal

-19% \$161⁴⁹ ~~\$199.99~~

Two-Day

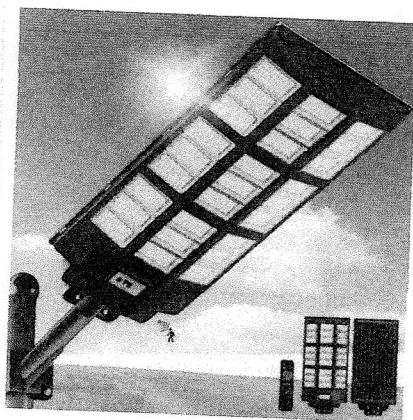
FREE delivery Fri, Sep 19

Add to Cart

Exhibit
2

For you Deals Best Sellers Top rated Bought together

Price (\$) & Up Light Source Brightness Style Material Color Power Source
Recommended Use... Special Features Control Method Brand Warranty Type Voltage Wattage



10000W Solar Street Lights Outdoor -
Solar Lights Outdoor Waterproof Motion
Sensor, Solar Parking Lot Lights...
965

100+ bought in past month

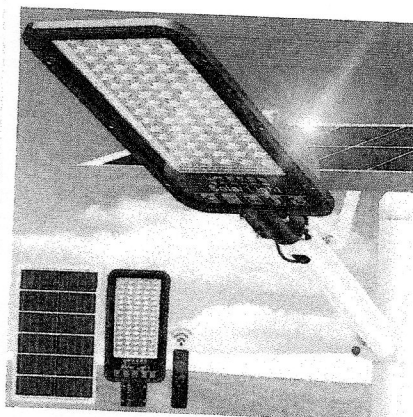
-13% \$129⁹⁹

List Price: ~~\$149.99~~

Two-Day

FREE delivery Fri, Sep 19

Add to Cart



OKPRO 12000W Solar Street Lights
Outdoor - 6500K Commercial Parking
Lot Lights Dusk to Dawn, Waterproof...
65

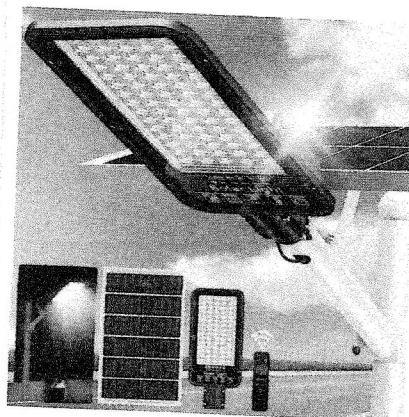
-18% \$149⁹⁹

List Price: ~~\$183.99~~

Tomorrow

FREE delivery Tomorrow, Sep 18

Add to Cart



WYWNA 12000W Solar Street Lights
Outdoor - 6500K Solar Parking Lot
Lights Commercial Dusk to Dawn, Hea...
128

50+ bought in past month

Limited time deal

-35% \$149⁹⁹

List Price: ~~\$229.99~~

Tomorrow

FREE delivery Tomorrow, Sep 18

Add to Cart



Gilroy 10PM

95020

W.



Gilroy 10PM

95020

Shop All Services



DIY



Log In

... / [Pipe & Fittings](#) / [Pipe](#) / [Galvanized Pipe](#) / [VPC Galvanized Pipe](#)

Internet # 202300535 Model # 7220 Store SKU # 689930

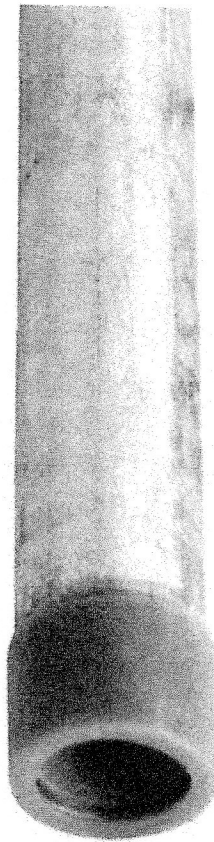
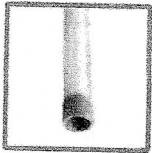


Exhibit
3



Hover Image to Zoom

VPC
2 in. x 10 ft. Galvanized Steel Threaded Pipe



★★★★★ (51) [Questions & Answers \(12\)](#)

Includes 10 ft.

\$85⁴⁶ (\$8.55 /ft.)

Pay **\$60.46** after **\$25 OFF** your total qualifying purchase upon opening a new card.
Apply for a Home Depot Consumer Card



Gilroy 10PM

95020

What can we help...



Gilroy 10PM

95020

Shop All Services

DIY

Log In

... / [Building Materials](#) / [Concrete, Cement & Masonry](#) / [Concrete Forms](#) / [Quikrete Concrete Forms](#)

Internet # 100318546 Model # 692203 Store SKU # 314636

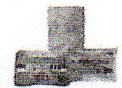
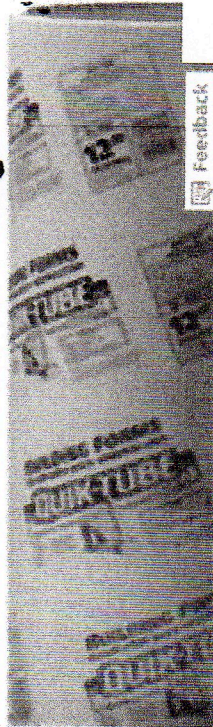


Exhibit
4



Hover Image to Zoom

Best Seller



Quikrete

QUIK-TUBE 12 in. x 48 in. Building Form Tube

★★★★★ (206) Questions & Answers (63)

\$23⁰⁰

- Rigid building forms used for a variety of column applications
- Eliminates the need for building wood forms
- Use below grade and up to 3 ft. above grade
- [View More Details](#)

Gilroy Store

✓ 18 in stock Aisle 26, Bay 007



Gilroy 10PM

95020

W.



Gilroy 10PM

95020

Shop All Services

DIY

Log In

... / [Building Materials](#) / [Concrete, Cement & Masonry](#) / [Concrete](#) / [SAKRETE Concrete](#)

Internet # 100350291 Model # 65200390 Store SKU # 533829

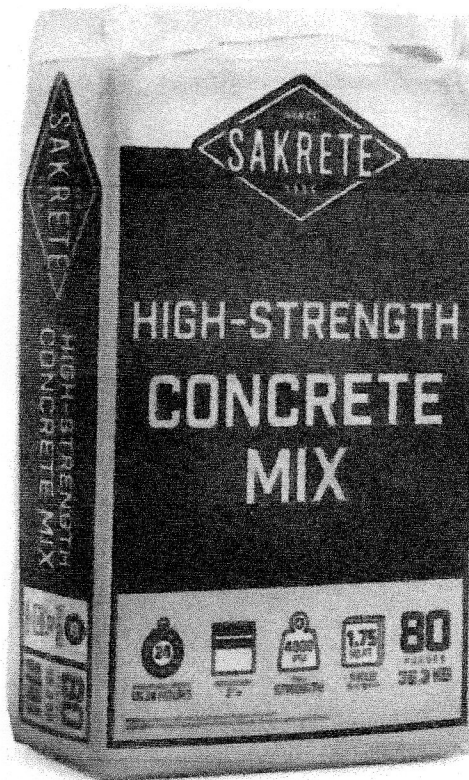
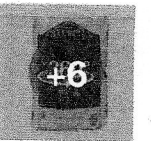


Exhibit
5

Feedback

Hover Image to Zoom



SAKRETE
80 lb. Gray Concrete Mix

★★★★★ (5472) Questions & Answers (1421)

BULK PRICE
\$5.98
ELIGIBLE

Buy 42 or more \$5.68

- Interested in purchasing a pallet? Buy 42 bags
- Ideal for all concrete construction over 2 in. thick



Gilroy 10PM 95020

What can we hel...



Gilroy 10PM 95020

Shop All Services

DIY

Log In

... / [Pipe & Fittings](#) / [Fittings](#) / [Galvanized Fittings](#) / [Southland Galvanized Fittings](#)

Internet # 100156130 Model # 511-408HN Store SKU # 103853

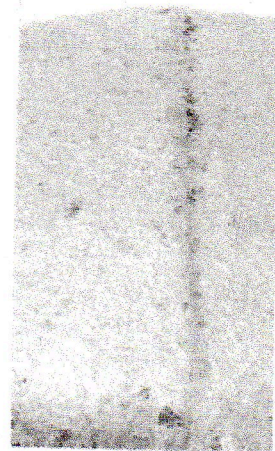


Exhibit
6

Feedback

Hover Image to Zoom

Southland
2 in. Galvanized Malleable Iron Cap Fitting



★★★★★ (19) Questions & Answers (3)

\$9⁵⁹

- Applications include potable water, air and decorative projects
- UL and FM listings certify fitting meets top industry standards
- Fittings connect with all NPT nipples and pipe of matching size
- [View More Details](#)

Gilroy Store

✓ 7 in stock Aisle 36, Bay 017

Pickup at [Gilroy](#)

Delivering to [95020](#)



Gilroy 10PM 95020

What can we help...



Gilroy 10PM

95020

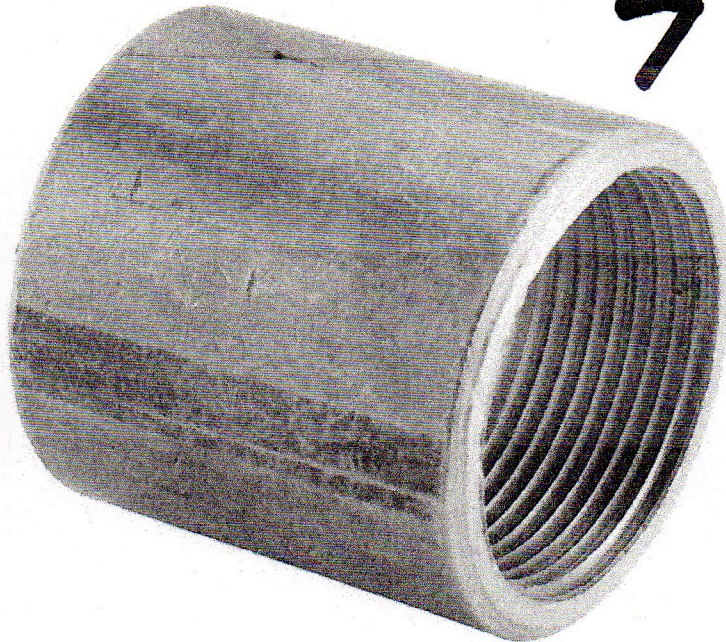
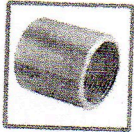
Shop All Services

DIY

Log In

... / [Electrical](#) / [Electrical Boxes, Conduit & Fittings](#) / [Conduit Fittings](#) / [Halex Conduit Fittings](#)

Internet # 100205498 Model # 64020 Store SKU # 704989 Store SO SKU #1000513906



Hover Image to Zoom



Halex
2 in. Rigid Conduit Coupling

★★★★★ (22) Questions & Answers (1)

\$8⁶⁸

- For joining two threaded rigid or IMC conduit together
- Corrosion-resistant
- Galvanized steel
- [View More Details](#)



Gilroy 10PM 95020

What can we help...



Gilroy 10PM 95020

Shop All Services

DIY

Log In

... / [Outdoors](#) / [Outdoor Power Equipment](#) / [Augers](#) / [ECHO Augers](#)

Internet # 100666166 Model # EA-410

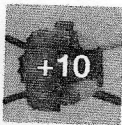
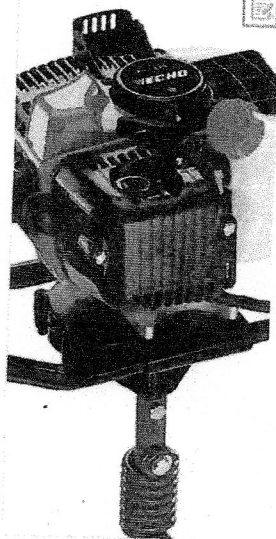


Exhibit
8



Auger bit not included

Hover Image to Zoom



Feedback

ECHO
42.7cc Gas 2-Stroke 1 or 2 Person High Torque Earth/Ice Auger Powerhead for Post Hole Digging
Fencing or Ice Boring

★★★★★ (21) Questions & Answers (17)

\$899⁹⁹

\$150.00/mo** suggested payments with 6 months** financing Apply Now

Ends Sep 30
Buy More, Save More

Spend \$1,500 10% Off
Spend \$3,000 15% Off

[Shop This Offer](#)

• Designed for a variety of digging jobs, including ice

December 4, 2025

David Rios

575 San Pedro Avenue, Space 31

Morgan Hill, CA 95037

Windmill Estates Rent Hearing

City of Morgan Hill

17555 Peak Avenue

Morgan Hill, CA 95037

Dear Hearing Panel,

I am writing you to question the \$155,000.00 "Road Paving Upgrade" listed as a Capital Improvement cost in 2024 for Windmill Mobile Estates. I believe the amount being charged is excessive for the project that was completed. I am speaking from my experience as a licensed contractor.

The paving surface was only completed in front of 11 of the 90 spaces in the park (map enclosed). A small parking lot next to the Clubhouse was resurfaced, and a gravel area for parking was also paved for the first time (2 pictures enclosed). The amount being charged seems twice the expected cost.

Previously in 2023 and 2024 PG&E had torn up the streets for a Utility Conversion Program. PG&E had only done minimum repairs to the streets after their project was completed. The current completion leaves 88% of the park with those substandard repairs (13 pictures enclosed).

I ask the Hearing Panel to request a copy of the contract and the invoices for this Capital Improvement Project. Further investigation is needed.

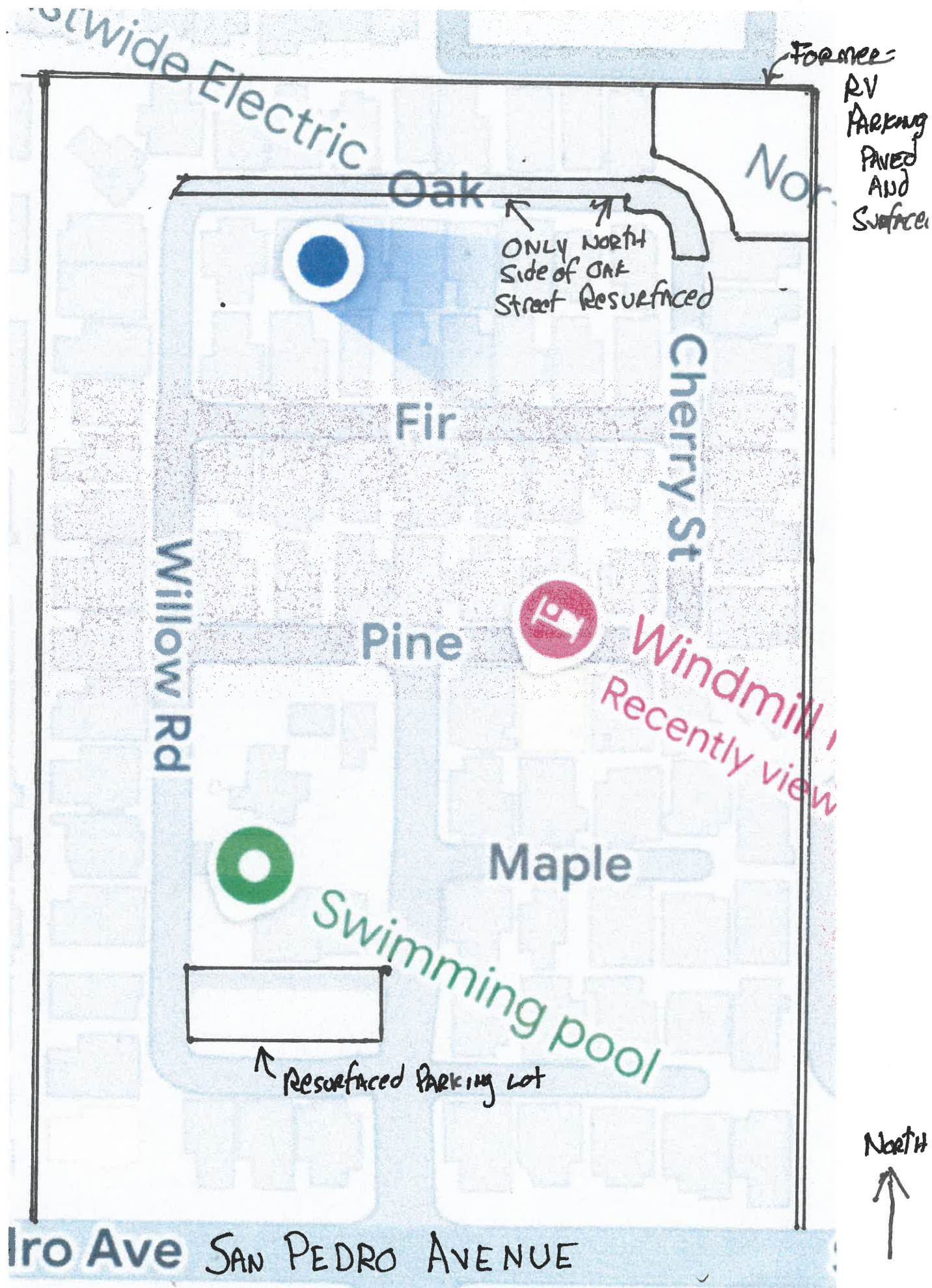
Sincerely,

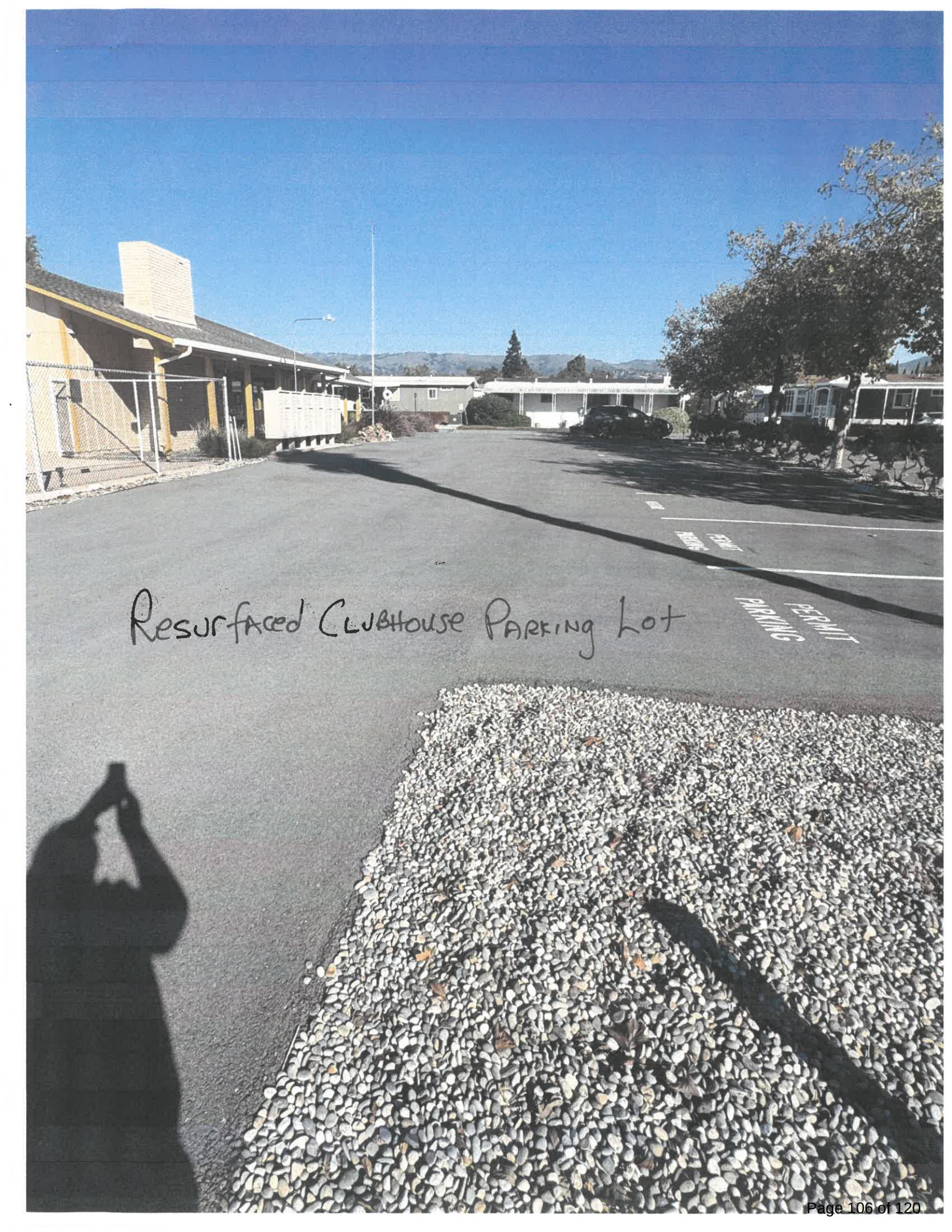
A handwritten signature in black ink, appearing to read "D. Rios", with a long horizontal flourish extending to the right.

Attachments:

Windmill Map of Areas Paved

Current Photos of the Two Parking Areas and the Streets





Resurfaced Clubhouse Parking Lot

R.V. PARKING PAVED AND SURFACED







