1. **UPDATE ON THE RESIDENTIAL ENERGY CONSERVATION ORDINANCE (RECO)**

On 11/2/10, the City Council considered the ordinance to amend the Chico Municipal Code Chapter 16.60 to include additional energy and water conservation measures to be installed upon the sale of residential housing built prior to 1991 as previously recommended by the Task Force. The Council requested additional modifications and introduced the ordinance on 11/16/10. The final reading is scheduled for 12/7/10. A copy of the 12/7/10 staff report and final version of the ordinance is attached.

2. **REPORT ON THE CITY COUNCIL CONSIDERATION OF A POSSIBLE MANDATORY “NO-BURN” CURTAILMENT PROGRAM FOR CITY OF CHICO RESIDENTS ONLY**

After the Butte County Air Quality Management District (BCAQMD) Board voted not to impose its proposed “Rule 208 Mandatory Wood Burning Curtailment Period,” the City Council received a citizen request that the City consider adopting its own mandatory no-burn ordinance. At its meeting on 12/7/10, the City Council will be considering whether to direct the City Attorney to prepare an ordinance establishing a mandatory “no-burn” curtailment program for residents living within the city limits only.

3. **UPDATE ON THE “RIGHT 2 RECYCLE” PROGRAM**

Task Force member Friedman and staff will provide an update on the “Right 2 Recycle” program.

4. **UPDATE ON DEVELOPMENT OF THE CLIMATE ACTION PLAN (CAP)**

Staff will provide an update on the presentation on the CAP given at the “This Way to Sustainability” Conference and the feedback received on the draft plan. Staff will also provide an update on the status of the development of the document.

5. **REPORTS AND COMMUNICATIONS**

   a. **Report from the Business Climate Partnership Ad-Hoc Committee** - The Committee will provide a report on its meetings held on 10/18/10 and 11/8/10, and its presentation to the Mayor’s Business Advisory Committee on 10/20/10.

   b. **Report from the Education/Outreach Ad-Hoc Committee** - The Committee will report on its meetings held on 10/25/10 and 11/29/10.

   c. **Report from the PG&E Pilot Innovators Grant Ad-Hoc Committee** - The Committee will report on the implementation status of this grant project.

   d. **Report from the Climate Adaptation Ad-Hoc Committee** - The Committee will report on its meeting held on 11/15/10.

   e. **Update on the Diversity Action Plan Ad-Hoc Committee** - Chair Schwab will provide an update on the development of the City’s Diversity Action Plan.

**Members:**
- Dwight Aitkens
- BT Chapman
- Tom DiGiovanni
- Tim Dobbs
- Trudy Duisenberg
- Cliff Friedman
- Chris Giampaoli
- Ken Grossman
- Jon Luvaas
- Scott McNall
- Jim Pushnik
- Ann Schwab, Chair
- Jon Stallman
- Jim Stevens
- Scott Wolf
- Julian Zener
6. **BUSINESS FROM THE FLOOR**
   
a. Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

7. **ADJOURNMENT** – The meeting will adjourn no later than 5:00 p.m. to a meeting scheduled for 3:00 p.m. on Monday, January 3, 2011.

**ATTACHMENTS:**
12/7/10 City Council RECO Report
DATE: November 21, 2010
TO: CITY COUNCIL
FROM: LINDA HERMAN, GENERAL SERVICES ADMINISTRATIVE MANAGER, 896-7241
RE: ADOPTION OF AN ORDINANCE AMENDING CHAPTER 16.60 OF THE CHICO MUNICIPAL CODE TO UPDATE THE RESIDENTIAL ENERGY CONSERVATION MEASURES REQUIRED UPON RESALE OF RESIDENTIAL HOUSING.

REPORT IN BRIEF:

At its 11/16/10 meeting, the City Council introduced an ordinance amending Chapter 16.60 of the Chico Municipal Code (CMC) entitled "Energy Conservation Measures Required Incident to Transfers of Residential Housing" to update the energy conservation measures to reflect the more current energy efficient standards, to add water conservation related items, and to refine the implementation process and effectiveness of the program.

Recommendation:

The Sustainability Task Force (9-1-6) and General Services Administrative Manager recommend adoption of the following ordinance.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO AMENDING CHAPTER 16.60 OF THE CHICO MUNICIPAL CODE, ENTITLED "ENERGY CONSERVATION MEASURES REQUIRED INCIDENT TO TRANSFERS OF RESIDENTIAL HOUSING."

FISCAL IMPACT:

Because the CMC provisions regarding housing resales already exist, the cost to ensure compliance with the additional CMC provisions proposed is expected to be minimal.

BACKGROUND:

Existing CMC Chapter 16.60 provides for the installation of ceiling insulation, weather stripping, and other energy conservation measures upon the resale of single-family and multifamily homes built prior to 1983. The Sustainability Task Force worked with the Chico Association of Realtors and the North Valley Property Owners Association (NVPOA) to revise this Chapter to update the insulation and other energy conservation measures, and to include some additional measures, such as low-flush toilets and programmable thermostats. The City Council considered and conceptually approved the Task Force’s recommendations on 4/20/10 and requested modifications regarding the feasibility of installing low-flush toilets and thermostats. The Council also requested that property owners be given credit for installation of additional energy conservation measures not listed in the CMC.

DISCUSSION:

On 11/2/10, the City Council considered the ordinance prepared by the City Attorney with the Task Force’s and the City Council’s recommendations. After receiving additional comments from the NVPOA at that meeting, the Council requested that the City Attorney revise the ordinance to include the following additional modifications:

1. That Section 16.60.100 B. be revised to reflect the TiWe 24 Energy Code requirement that all hot water lines from water heaters located in unconditioned spaces be insulated.

2. That the feasibility of installing low-flush toilets and programmable thermostats be addressed more clearly and earlier in Section 16.60.100.

3. To allow property owners to receive a credit toward the maximum cost limitation for energy and water conservation measures installed during the 42 months, rather than the 18 months stated in the current code, proceeding the sale of the residential property.
RE: Residential Energy Conservation Ordinance (RECO)
Meeting Date: 12/7/10
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The City Council considered and introduced the revised ordinance at its meeting on 11/16/10.

PUBLIC CONTACT:

All of the agendas for the Sustainability Task Force and the City Council meetings in which this item was discussed were publicly posted, and distributed to the Sustainability Task Force, the Chico Association of Realtors and the North Valley Property Owners Association.

Reviewed by: 

[Signature]
Ruben Martinez, General Services Director

Approved by: 

[Signature]
David Burkland, City Manager

DISTRIBUTION:
City Clerk (18)
Sustainability Task Force (16)
Peggy Mead, Chico Association of Realtors
Jennifer Morris, North Valley Property Owners Association

ATTACHMENTS:
Ordinance
ORDINANCE NO._______
(Codified)

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO AMENDING
CHAPTER 16.60 OF THE CHICO MUNICIPAL CODE, ENTITLED
"ENERGY CONSERVATION MEASURES REQUIRED INCIDENT
TO TRANSFERS OF RESIDENTIAL HOUSING"

BE IT ORDAINED by the Council of the City of Chico as follows:

Section 1. Section 16.60.080 of the Chico Municipal Code is amended to read as follows:

16.60.080 Sales, exchanges, and other transfers of residential housing subject to chapter
- Exceptions.

This chapter shall not apply to the following transfers of residential housing:
A. The sale, exchange, or other transfer of residential housing which was constructed
   pursuant to a building permit issued on or after July 1, 1991;
B. The sale, exchange, or other transfer of residential housing which was constructed
   pursuant to a building permit issued before July 1, 1991, and which was previously
   inspected and certified within the ten year period immediately preceding the sale,
   exchange or transfer as being in compliance with the energy conservation standards
   adopted by this chapter;
C.-G. [No change.]
H. Sales which are short sales. Short sales are defined as sales in which the purchase price
   paid by the buyer of the property is less than the amount of the debt secured by the
   property.

Section 2. Section 16.60.100 of the Chico Municipal Code is amended to read as follows:

16.60.100 Energy conservation standards to be complied with incident to the sale,
   exchange or other transfer of residential housing.

Where meeting the energy conservation standards set forth in this section are feasible and
subject to the applicable cost limitations as determined pursuant to section 16.60.110 below, no
person shall sell, exchange, or otherwise transfer residential housing subject to this chapter unless
and until the building official has certified that such housing is in compliance with the following
energy conservation standards:

A. Insulation. The ceilings of all inhabitable portions of such residential housing shall be overlaid with insulation which has a minimum thermal resistance rating of R-30 except where the attic of a building has a headroom of less than 30 inches at the attic peak.

B. Additional energy conservation measures.

1. All major cracks, joints, and other openings in building exteriors or portions of a building exposed to unheated or uncontrolled areas, and all openings from heated or air conditioned spaces into an attic or under floors including, but not limited to, openings around doors, windows, plumbing vents, pipes, electrical wiring, or furnace flues, shall be caulked, weather stripped, or otherwise sealed to limit air infiltration.

2. All sink and lavatory faucets shall be fitted with low-flow faucets with a maximum flow rate of 2.75 gallons per minute or an aerator.

3. All shower fixtures shall be fitted with in-line shower restrictors or low flow shower heads which restrict the maximum flow of water to not more than three gallons per minute except:
   a. Where the shower head has an existing flow rate of less than three gallons per minute as a result of reduced water pressure behind the shower head; or
   b. Where the shower head and shower arm are of a ball joint type which is connected within a wall.

4. All toilets shall be low-flow toilets rated at 1.6 gallons per flush or less.

5. Thermostats shall be programmable.

6. All exposed cold water lines connected to and within five feet of existing water heaters, and all hot water lines from water heaters in unconditioned spaces, shall be insulated at a minimum thermal resistance rating of R-3.

7. All electric resistance domestic water heaters, and all natural gas or other fossil fueled domestic water heaters, shall be fitted with external insulation blankets with a minimum thermal resistance rating of R-6 except:
   a. Where the thermal resistance rating of insulation within the water heater is at least
R-12; or

b. Where it is impractical to wrap the water heater with an external insulating blanket by reason of the fact that the distance between the heater and an adjoining wall is less than two inches; or

c. Where the manufacturer's instructions for the water heater would preclude the water heater from being fitted with an external insulation blanket.

8. All ducts in accessible areas shall be visually inspected to determine if they are intact and functioning properly.

Section 3. Section 16.60.110 of the Chico Municipal Code is amended to read as follows:

16.60.110 Cost limitations on and priority for compliance with energy conservation standards.

A. Insulation. The owner of residential housing subject to the provisions of this chapter shall be required to install all of the insulation necessary to comply with the standard set forth in section 16.60.100.A., above, without regard to the cost of such compliance.

B. Additional energy conservation measures.

1. An owner shall not be required to install any additional energy conservation when the required insulation has been installed within the 42 month period immediately preceding the sale, exchange, or transfer of the property and the cost of installing the insulation was $800 or more for a detached, single family residence, or $560 or more per dwelling unit for residential housing consisting of two or more units.

2. An owner shall be required to install additional energy conservation measures when any of the following apply:

   a. The required insulation is present and was installed prior to the 42 month period preceding the sale, exchange or transfer;

   b. The insulation is not required because the attic of a building has a headroom of less than 30 inches at the attic peak; or

   c. The required insulation was installed within the 42 month period preceding the sale, exchange, or transfer, at a cost of less than $800 for a detached, single family
residence, or less than $560 per dwelling unit for residential housing consisting of
two or more units.

3. Priority of additional energy conservation measures. The additional energy
conservation measures to be installed shall be those set forth in section 16.60.100.B,
and they shall be installed in the order listed in that section unless a different priority is
approved by the building official. The building official may approve implementation
in a different priority when it is determined that doing so would achieve better overall
energy conservation or that the implementation of one or more of the items listed in
section 16.60.100.B would not be feasible.

4. Maximum expenditure. When the installation of additional energy conservation
measures is required pursuant to paragraphs B.2.a or B.2.b of this section, the
maximum amount that an owner shall be required to spend on additional energy
conservation measures shall be $800 for a detached, single family residence, or $560
per dwelling unit for residential housing consisting of two or more units. When the
installation of additional energy conservation measures is required pursuant to
paragraph B.2.c of this section, the maximum amount that an owner shall be required
to spend on additional energy conservation measures shall be the difference between
$800 and the cost of installing the required insulation for a detached, single family
residence, or the difference between $560 per dwelling unit and the cost of installing
the required insulation for residential housing consisting of two or more units. The
cost of the installation of any of the additional energy conservation items listed in
section 16.60.100.B, which occurred during the 42 months preceding the sale,
exchange, or transfer shall count toward meeting this requirement.

C. Credit for energy conservation measures not listed in section 16.60.100.B. The building
official may grant an owner a credit toward some or all of the additional energy
conservation measures listed in section 16.60.100.B that would otherwise be required to
be installed upon the owner providing the building official with documentation that the
owner has made other improvements to the building, or buildings, which resulted in a

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documented energy or water savings and that such improvements were installed within the
ten year period immediately preceding the sale, exchange, or transfer of the property.
Examples of the types of improvements for which such credits may be granted include, but
are not limited to, replacement of single with dual pane windows or the replacement of
HVAC or water heater systems with more efficient systems.

Section 4. Section 16.60.120 of the Chico Municipal Code is amended to read as follows:

16.60.120 Certification of compliance with energy conservation standards.

The building official shall issue a certificate evidencing that residential housing subject to
the provisions of this chapter is in compliance with the energy conservation standards adopted by
this chapter if:

A. The building official or a city building inspector has inspected such housing and found it
to be in compliance with such standards; or

B. A person authorized to make energy conservation inspections in the manner hereinafter
provided by this chapter has filed a declaration with the building official, in a form
prescribed by the building official, stating that such person has inspected such housing and
found it to be in compliance with such standards.

Section 5. Section 16.60.140 of the Chico Municipal Code is amended to read as follows:

16.60.140 Authorization of other persons to conduct energy conservation inspections.

The building official shall authorize other persons to conduct the energy conservation
inspections which are necessary in order to certify compliance with the energy conservation
standards adopted by this chapter if such person is certified as a building inspector, holds a license
as a general contractor or insulation contractor issued by the Contractors’ State License Board,
holds a license as a structural pest control operator issued by the Structural Pest Control Board, or
is otherwise determined by the building official, on the basis of education and/or experience, to be
qualified to conduct such inspections. Applications for such authorization shall be filed with the
building division, shall be in a form and contain the information prescribed by the building
official, and shall be accompanied by a fee in an amount established by resolution of the council.

If, after authorizing a person to conduct energy conservation inspections necessary in order
to certify compliance with the energy conservation standards adopted by this chapter, the building
official determines that such person misrepresented such person’s qualifications for such
authorization, no longer holds the certification or license relied upon by the building official as
the basis for granting such authorization, or filed a declaration certifying that such residential
housing is in compliance with such energy conservation standards without having inspected such
housing or when it is clear that the housing did not comply with such standards, the building
official shall revoke the authorization granted to such person. However, the building official shall
not revoke an authorization to conduct energy conservation inspections unless the building
official has given reasonable prior notice of the building official's proposed action to the person
granted such authorization and given to such person an opportunity to appear before the building
official and be heard on the proposed revocation.

This ordinance was adopted by the City Council of the City of Chico at its regular
meeting held on ______________________ by the following vote:

AYES:

NOES:

DISQUALIFIED:

ABSENT:

ATTEST:

Deborah R. Presson
City Clerk

APPROVED AS TO FORM

Lori J. Barker
City Attorney