

Table of Contents

Agenda	3
Minutes	
June 1, 2016	8
June 7, 2016	12
Payroll	
Payroll Report.	13
Warrants	
Accounts Payable.	16
Resolution Approving Annual Agreement with the County of Fresno for Police Dispatch Services	
Staff Report - Dispatch Services	27
Resolution Approving Agreement with the Fresno Sheriff- Coroner's Office for Law Enforcement Investigative Services	
Staff Report - Investigative Services	34
Monthly Investment Report Ending May 31, 2016	
Investment Report	42
Second Amendment to the Solar Power Purchase Agreement	
Staff Report - Solar Amendment	45
Solar Power Documents	46
Public Hearing and Approval of Resolution Confirming Diagram and Assessments for the Annual Levy, 2016-2017, for Landscaping and Lighting District No. 1	
Staff Report - LLD Annual Levy.	73
Second Reading and Adoption Zone Ordinance Amendment, to the Kerman Municipal Code Title 17, Chapters 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to Add Cottage Food Operations to Permitted Uses in the Single Family and Multi-Family Residential Zone Districts in compliance with California AB 1616	
Staff Report - Cottage Food Operations	78
Second Reading and Adoption Rezone Gateway Villas - 61 Unit, Income Qualified, Apartment Complex Project Located on the Southeast Corner of State Route 180/Whitesbridge Avenue and Siskiyou Avenue (APN 023-700-04s)	
Staff Report - Gateway Villas Apartments.	83
Consideration of Agreement with Willow Partners, LLC	
Staff Report - Agreement Willow Partners	93
Resolution Approving Funding Agreement with the California State Water Resources Control Board for New Well No. 18 and Double L Mobile Ranch Park Water Service Projects	
Staff Report - Funding Agreement	96
Award of Contract for Vineland Avenue Tree Removal	
Staff Report - Vineland Tree Removal Award.	147
Resolution Ordering Election, Requesting County Elections Office to Conduct Election, Requesting Consolidation of Election and Determining Payment of Actual Elections Statement Charges	

Staff Report - 2016 Elections 152

Business License Fees for Special Events

 Staff Report - Business License Fees. 155

Resolution Amending 2016/2017 Miscellaneous Salary Schedules

 Staff Report - Amending Salary Scales 159

Resolution Adopting the City of Kerman Fiscal Year 2016/2017 Budget and Amending the Fiscal Year 2015/2016 Budget

 Staff Report - 2016-2017 Budget 165

AGENDA

KERMAN CITY COUNCIL



REGULAR MEETING
Kerman City Hall
850 S. Madera Avenue
Wednesday, June 15, 2016
6:30 PM

Stephen B. Hill – Mayor
Gary Yep – Mayor Pro Tem
Rhonda Armstrong – Council Member
Kevin Nehring – Council Member
Bill Nijjer – Council Member

ALL MEETING ATTENDEES ARE ADVISED THAT ALL PAGERS, CELLULAR TELEPHONES AND ANY OTHER COMMUNICATION DEVICES SHOULD BE POWERED OFF UPON ENTERING THE COUNCIL CHAMBERS, AS THESE DEVICES INTERFERE WITH OUR AUDIO EQUIPMENT.

OPENING CEREMONIES

- Welcome – Mayor
- Call to Order
- Roll Call
- Invocation

At this time the Council wishes to provide anyone an opportunity to give a brief invocation or inspirational thought. In accordance with law, we would request this opportunity not be used to recruit converts, to advance anyone, or to disparage any other faith or belief. If no one steps forward, we will observe a moment of silence so that we may all focus our thoughts on how best to serve our community.

- Pledge of Allegiance – City Clerk

AGENDA APPROVAL/ADDITIONS/DELETIONS

To accommodate members of the public or convenience in the order of presentation, items on the agenda may not be presented or acted upon in the order listed.

1. PRESENTATIONS/CEREMONIAL MATTERS

None

REQUEST TO ADDRESS COUNCIL

This portion of the meeting is reserved for members of the public to address the Council on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Council. Speakers shall be limited to three minutes. It is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Council on items on the Agenda should notify the Mayor when that Agenda item is called, and the Mayor will recognize your discussion at that time. It should be noted that the Council is prohibited by law from taking any action on matters discussed that are not on the Agenda. Speakers are asked to please use the microphone, and provide their name and address.

2. CONSENT CALENDAR

Matters listed under the Consent Calendar are considered routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, a member of the audience or a Council Member may request an item be removed from the Consent Calendar and it will be considered separately.

A. SUBJECT: Minutes

RECOMMENDATION: Council approve minutes as presented.

ATTACHMENTS: [June 1, 2016, June 7, 2016 Special Called Meeting](#)

B. SUBJECT: Payroll

Report: 05/08/2016 - 05/21/2016: \$139,013.22; Overtime: \$2,329.72; Standby: \$1,210.41;
Comp Time Earned: 52.5

RECOMMENDATION: Council approve payroll as presented.

ATTACHMENTS: [Payroll Report](#)

C. SUBJECT: Warrants

1. Nos. 8773-8863 \$284,186.86
2. Excepting Sebastian: 8814 \$164.07; 8852 \$3,197.31; Lora Nehring: 8844 \$595.00

RECOMMENDATION: Council approve warrants and electronic bank transfers as presented.
(Pursuant to Government Code 37208)

ATTACHMENTS: [Accounts Payable](#)

D. SUBJECT: Resolution Approving Annual Agreement with the County of Fresno for Police Dispatch Services (JKB)

RECOMMENDATION: Council by motion adopt resolution approving annual agreement with County of Fresno for Police Dispatch Services.

ATTACHMENTS: [Staff Report - Dispatch Services](#)

E. SUBJECT: Resolution Approving Agreement with the Fresno Sheriff-Coroner's Office for Law Enforcement Investigative Services (JKB)

RECOMMENDATION: Council by motion adopt resolution approving agreement with Fresno Sheriff-Coroner's Office for Specialized Law Enforcement Investigative Services to be performed when requested.

ATTACHMENTS: [Staff Report - Investigative Services](#)

F. SUBJECT: Monthly Investment Report Ending May 31, 2016 (TJ)

RECOMMENDATION: Council accept the Monthly Investment Report as presented

ATTACHMENTS: [Investment Report](#)

3. PUBLIC HEARINGS

A. SUBJECT: Second Amendment to the Solar Power Purchase Agreement (JK)

RECOMMENDATION: Council by motion set a public hearing for July 6, 2016 regarding the Second Amendment to the Solar Power Purchase Agreement.

ATTACHMENTS: [Staff Report - Solar Amendment/Solar Power Documents](#)

B. SUBJECT: Public Hearing and Approval of Resolution Confirming Diagram and Assessments for the Annual Levy, 2016-2017 for Landscaping and Lighting District No. 1 (JJ)

RECOMMENDATION: Council conduct a public hearing, receive public testimony, and adopt resolution confirming the diagram and assessments for Landscaping and Lighting District No. 1 for the 2016-2017 annual levy in the amounts specified.

ATTACHMENTS: [Staff Report - LLD Annual Levy](#)

4. DEPARTMENT REPORTS

A. SUBJECT: Second Reading and Adoption Zone Ordinance Amendment, to the Kerman Municipal Code Title 17, Chapters 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to Add Cottage Food Operations to Permitted Uses in the Single Family and Multi-Family Residential Zone Districts in compliance with California AB 1616 (OP)

RECOMMENDATION: Council waive second reading and adopt Zone Ordinance Amendment to the Kerman Municipal Code Title 17, Chapter 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to add Cottage Food Operations to permitted uses in the Single Family and Multi-Family Residential Zone Districts in compliance with California AB 1616.

ATTACHMENTS: [Staff Report - Cottage Food Operations](#)

B. SUBJECT: Second Reading and Adoption of Ordinance Rezoning Land Located on the Southeast Corner of State Route 180/Whitesbridge Avenue and Siskiyou Avenue (APN 023-700-04s) (OP)

RECOMMENDATION: 1. Waive second reading and by motion adopt ordinance amending the official zone map of the City of Kerman in accordance with Section 17.26 of the Kerman Municipal Code to rezone land located on the southeast corner of state route 180/Whitesbridge and Siskiyou Avenue (APN 023-700-04s) from the N-C (Neighborhood Commercial) Zone District to the R-3 (Multi-Family) Zone District.

ATTACHMENTS: [Staff Report - Gateway Villas Apartments](#)

C. **SUBJECT**: Consideration of Agreement with Willow Partners, LLC (JK)

RECOMMENDATION: Council approve, direct staff and City Attorney to prepare a resolution, agreement and necessary documents for final approval on July 6, 2016.

ATTACHMENTS: [Staff Report - Agreement Willow Partners](#)

D. **SUBJECT**: Resolution Approving Funding Agreement with the California State Water Resources Control Board for New Well No. 18 and Double L Mobile Ranch Park Water Service Projects (JJ)

RECOMMENDATION: Council by motion adopt the resolution approving Funding Agreement No. D15-02047 with the California State Water Resources Control Board for New Well No. 18 and Double L Mobile Ranch Park Water Service Projects, Drinking Water State Revolving Fund Project No. 1000248-002C, and authorizing the City Manager to sign the agreement.

ATTACHMENTS: [Staff Report - Funding Agreement](#)

E. **SUBJECT**: Award of Contract for Vineland Avenue Tree Removal (JJ)

RECOMMENDATION: Council by motion adopt the resolution awarding the contract for the Vineland Avenue Tree Removal to Cordova's Lawn and Tree Service in the amount of \$9,500.00 and authorize the City Manager to sign the contract.

ATTACHMENTS: [Staff Report - Vineland Tree Removal Award](#)

F. **SUBJECT**: Resolution Ordering Election, Requesting County Elections Office to Conduct Election, Requesting Consolidation of Election and Determining Payment of Actual Elections Statement Charges (MR)

RECOMMENDATION: Council by motion adopt resolution ordering elections, requesting the County Elections Office to conduct, consolidate and determine payment of actual elections statement charges for the 2016 Elections.

ATTACHMENTS: [Staff Report - 2016 Elections](#)

G. **SUBJECT**: Business License Fees for Special Events (TJ)

RECOMMENDATION: Council provide direction to staff and determine to follow the existing Kerman Municipal Ordinance for vendors participating in special events or consider waiving certain fees.

ATTACHMENTS: [Staff Report - Business License Fees](#)

H. **SUBJECT**: Resolution Amending 2016/2017 Miscellaneous Salary Schedules (TJ)

RECOMMENDATION: Council by motion adopt resolution approving an amendment to the Miscellaneous and Safety Employee salary scales effective July 1, 2016.

ATTACHMENTS: [Staff Report - Amending Salary Scales](#)

I. **SUBJECT**: Resolution Adopting the City of Kerman Fiscal Year 2016/2017 Budget and Amending the Fiscal Year 2015/2016 Budget (TJ)

RECOMMENDATION: Council to review the budget and take the following separate actions:

1. By motion adopt resolution approving the Fiscal Year 2016/2017 Operating and Capital Budgets and amending the Fiscal year 2015/16 Budget; and
2. Adopt resolution establishing the Appropriations Limit for Fiscal Year 2016/2017.

ATTACHMENTS: [Staff Report - 2016-2017 Budget](#)

5. CITY MANAGER/STAFF COMMUNICATIONS

6. MAYOR/COUNCIL REPORTS

1. Festival of American Spirit Fireworks Show – Sunday, June 3, 6 p.m., Kerman High School

COUNCIL RECESS TO CONVENE AS THE PUBLIC FINANCE AUTHORITY

[\(Separate agenda attached.\)](#)

7. CLOSED SESSION

- A. Government Code Section 54956.8 Conference with Real Property Negotiators - Property: APN 023-060-50S; Negotiating Parties: Jerry Jones (City); Reno Lee Lanfranco (Owner); Under Negotiation: Price and terms of payment regarding purchase of real property

COUNCIL RECONVENE FROM CLOSED SESSION & REPORT ANY ACTION TAKEN

8. ADJOURNMENT

Agenda packet is available for review 72 hours prior to the meeting at the city clerk's office and on the city website. Items received at the meeting will be available for review at the city clerk's office.

In compliance with the American with Disabilities Act (ADA), if you need special assistance to participate at this meeting, please contact the City Clerk at (559) 846-9380. Notification of 48 hours prior to the meeting will enable the City Clerk to make reasonable arrangement to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically handicapped.



AGENDA KERMAN CITY COUNCIL

REGULAR MEETING
Kerman City Hall
850 S. Madera Avenue
Wednesday, June 1, 2016
6:30 PM

Stephen B. Hill – Mayor
Gary Yep – Mayor Pro Tem
Rhonda Armstrong – Council Member
Bill Nijjer – Council Member
Vacant – Council Member

Present: Mayor Pro Tem Gary Yep (GY), Rhonda Armstrong (RA), Nijjer (BN)
Absent: Mayor Hill (SH)
Also Present: City Manager Kunkel, City Attorney Cantú, Chief of Police, Community Services Director, Finance Director, Public Works Director, City Engineer

Voting: Yes, No, Absent (Abstain or Recuse if needed)

OPENING CEREMONIES

- Welcome – Mayor Pro Tem
- Call to Order
- Roll Call
- Invocation
- Pledge of Allegiance – City Clerk

6:37 p.m.
All Present except SH/VAC
None

Performed

AGENDA APPROVAL/ADDITIONS/DELETIONS

Approved
BN/RA (3-0-1-1)
SH/VAC

1. PRESENTATIONS/CEREMONIAL MATTERS

- A. Swearing-In of Kevin Nehring (MR)

Performed KN seated at dais
Recess
6:41 p.m.
Reconvene
6:54 p.m.

REQUEST TO ADDRESS COUNCIL

None

2. CONSENT CALENDAR

Approved
RA/BN
(4-0-1) SH

- A. SUBJECT: Minutes

RECOMMENDATION: Council approve minutes as presented.

- B. SUBJECT: Payroll Report: 04/24/2016 - 05/07/2016: \$138,942.61; Retro Pay & Other: \$982.72; OT: \$1,575.57; Standby: \$1,204.69; Comp Time: 28.05

RECOMMENDATION: Council approve payroll as presented.

C. **SUBJECT**: Warrants

1. Nos. 8683-8772 \$145,232.72

RECOMMENDATION: Council approve warrants and electronic bank transfers as presented. (Pursuant to Government Code 37208)

3. PUBLIC HEARINGS

A. **SUBJECT**: Public Hearing for Proposed Increase in Utility Rates (TJ)

RECOMMENDATION: Council open the Public Hearing, receive public testimony, close Public Hearing, count written protests, and deliberate. If a majority protest does not exist, by motion adopt resolution approving increase in Utility Rates effective July 1, 2016 and ratifying Proposition 218 process.

Open/Closed
PH waive 1st
reading
Approved
RA/KN
(4-0-1) SH

Res 16-23

B. **SUBJECT**: Public Hearing Gateway Villas – 61 Unit, Income Qualified, Apartment Complex Project located on the southeast corner of State Route 180/Whitesbridge Avenue and Siskiyou Avenue (APN 023-700-04s) (OP)

Opened PH
Davis Slajchert
Alicia Velasquez
Resident/Sarah
Off. Rodriguez
Stg. Nelson
Closed PH

RECOMMENDATION: Public Hearing Regarding Gateway Villas – 61 Unit, Income Qualified, Apartment Complex Project located on the southeast corner of State Route 180/ Whitesbridge Avenue and Siskiyou Avenue (APN 023-700-04s): (1) Resolution Adopting General Plan Amendment from Neighborhood Commercial to High Density Residential and Approving Mitigated Negative Declaration Environmental Finding; (2) Introduction of Ordinance Changing Zoning from Neighborhood Commercial to Multifamily; and (3) Resolution Approving Conditional Use Permit to allow Construction of Apartment Complex.

Approved
RN/KN
(4-0-1) SH

Res 16-24

Res 16-25

C. **SUBJECT**: Council Introduce, Conduct Public Hearing and Initiate Zone Ordinance Amendment, to the Kerman Municipal Code Title 17, Chapters 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to Add Cottage Food Operations to Permitted Uses in the Single Family and Multi-Family Residential Zone Districts in compliance with California AB 1616 (OP)

Open/Closed
PH Approved
RA/KN
(4-0-1) SH

RECOMMENDATION: Council receive staff's report, open the public hearing, receive any public comments, close the public hearing and introduce and initiate Zone Ordinance Amendment to the Kerman Municipal Code Title 17, Chapter 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to Add Cottage Food Operations to Permitted Uses in the Single Family and Multi-Family Residential Zone Districts in compliance with California AB 1616.

4. DEPARTMENT REPORTS

A. **SUBJECT:** Resolution Authorizing the City Manager to Sign Program No. O22 for the Pedestrian Safety Improvements Project, State Project No. ATPL-5291(022) (JJ)

RECOMMENDATION: Council by motion adopt the resolution authorizing the City Manager to sign Program Supplement No. O22 for the Pedestrian Safety Improvements Project, State Project No. ATPL-5291(022).

Approved
RA/BN
(4-0-1) SH

Res 16-26

B. **SUBJECT:** Resolution Approving First Amendment to Reimbursement Agreement Regarding Railroad Crossing and Escrow Instructions with Walmart (JJ)

GY Recused/left
mtg. 7:49 p.m.

Approved
RA/KN
(3-0-1-1) SH/GY

Res 16-27

RECOMMENDATION: Council by motion adopt resolution approving the First Amendment to Reimbursement Agreement Regarding Railroad Crossing and Escrow Instructions with Walmart.

GY returned to
mtg. 7:53 p.m.

C. **SUBJECT:** Resolution Approving Common Use Agreement with Fresno Irrigation District for Vineland Avenue Widening Project (JJ)

RECOMMENDATION: Council adopt the resolution approving the Common Use Agreement with Fresno Irrigation District for the Vineland Avenue Widening Project and authorize the City Manager to sign the agreement on behalf of the City.

Approved
RA/KN
(4-0-1) SH

Res 16-28

D. **SUBJECT:** Second Presentation of the Preliminary General Fund Budget for Fiscal Year 2016/2017 Budget (TJ)

RECOMMENDATION: Council to review the preliminary Fiscal Year 2016/17 budgets for the General Fund and make any recommendations for changes.

Presented

5. CITY MANAGER/STAFF COMMUNICATIONS

6. MAYOR/COUNCIL REPORTS

7. CLOSED SESSION

A. Government Code Section 564956.8 - Conference with Real Property Negotiators; Property: APN 023-040-90S; Agency Negotiator: City Engineer; Negotiating Parties: Fai-Bordeaux IIIA LLC; Under Negotiation: Terms

No reportable
action

COUNCIL RECONVENE FROM CLOSED SESSION & REPORT ANY ACTION TAKEN

8:35 p.m.

RA/BN
(4-0-1) SH

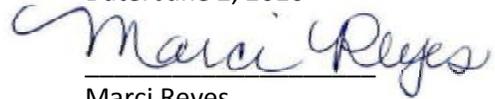
8. ADJOURNMENT

8:36 p.m.
RA/KN
(4-0-1) SH

MINUTES CERTIFICATION

I, MARCI REYES, City Clerk for the City of Kerman, do hereby declare under penalty of perjury that the above Minutes are a true depiction of all actions taken at the City Council meeting held on the first date above written at Kerman City Hall, 850 S. Madera Ave, Kerman, CA.

Date: June 2, 2016

A handwritten signature in blue ink that reads "Marci Reyes". The signature is written in a cursive style with a horizontal line underneath the name.

Marci Reyes
City Clerk

CITY CLERKS DEPARTMENT
Marci Reyes, City Clerk



850 S. Madera Avenue
Kerman, CA 93630

Mayor – Stephen B. Hill
Mayor Pro Tem – Gary Yep
Council Members
Rhonda Armstrong
Kevin Nehring
Bill Nijjer

Phone: (559) 846-9380
Fax: (559) 846-6199
mreyes@cityofkerman.org

MINUTES
NOTICE AND CALL OF SPECIAL MEETING

June 7, 2016
6:30 p.m.

1. Call to order	6:37 p.m. All present except BN
	6:48 p.m. BN arrived
2. Study Session Regarding Proposed Ballot Measure: Resolution Submitting to City Voters at Next Regular Election to Be Held on November 8, 2016, a Ballot Measure to Adopt an Ordinance Approving a Three Quarter Cent (.75%) Retail Transactions and Use Special Tax for Capital Projects for Public Safety, Parks, and Downtown Revitalization and Introduction of Ordinance	Approved RA/BN 3.1 Under 3.16.040A Construction of Senior Center, Regional Fairgrounds, Police Station, Animal Kennel and other similar projects. (5-0-0)
	Approved GY/KN Item B2 Downtown Revitalization not to exceed 10% (5-0-0)
	Approved GY/KN Sunset Clause of 15 Years. (5-0-0)
	Approved BN/GY Amendments to ordinance with changes. (5-0-0)
	Approved BN/GY Direct staff to prepare ordinance consistent with study session. (5-0-0)
	8:25 p.m. Approved Adjournment GY/KN (5-0-0)

MINUTES CERTIFICATION

I, MARCI REYES, City Clerk for the City of Kerman, do hereby declare under penalty of perjury that the above Minutes are a true depiction of all actions taken at the City Council meeting held on the first date above written at Kerman City Hall, 850 S. Madera Ave, Kerman, CA.

Date: June 8, 2016

A handwritten signature in cursive script that reads 'Marci Reyes'.

Marci Reyes
City Clerk

“COMMUNITY COMES FIRST”

CITY OF KERMAN PAYROLL REPORT

PAY PERIOD: May 08, 2016 - May 21, 2016

EMPLOYEE	SALARY	RETRO PAY & Other	OVERTIME		HOLIDAY at 1/2 TIME		STANDBY		GROSS SALARY	COMP TIME EARNED
			HOURS	AMOUNT	HOURS	AMOUNT	HOURS	AMOUNT		
ADMINISTRATION										
Alvarez, Josefina	\$ 1,792.15	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,792.15	-
Camacho, Josie	\$ 1,250.31	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,250.31	-
Camacho-Collier, Caroline	\$ 2,472.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 2,472.00	-
Gonzalez, Diana	\$ 1,974.69	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,974.69	-
Jones, Toni	\$ 3,698.31	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 3,698.31	-
Kunkel, John	\$ 5,884.62	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 5,884.62	-
Mendoza, Gabriela	\$ 957.23	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 957.23	-
Nazaroff Helen	\$ 2,107.85	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 2,107.85	2.25
Reyes, Marcia	\$ 2,715.69	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 2,715.69	-
TOTAL	\$ 22,852.85	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 22,852.85	2.25
REC/SOCIAL										
Aguilar, Corina	\$ 22.50	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 22.50	-
Arredondo, Barbara	\$ 1,542.05	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,542.05	-
Arredondo, Raquel	\$ 264.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 264.00	-
Burdine-Slaven, Jeanna	\$ 1,602.92	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,602.92	-
Escamilla, Emi	\$ 13.13	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 13.13	-
Gallegos, Philip	\$ 3,734.77	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 3,734.77	-
Garfias, Brayan	\$ 396.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 396.00	-
Gonzalez, Jose Felix	\$ 1,697.88	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,697.88	-
Iniguez, Noel	\$ 22.50	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 22.50	-
Johnson, Theresa	\$ 1,767.23	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,767.23	-
LeBlanc, Noah	\$ 295.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 295.00	-
Lujan, Vanessa	\$ 582.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 582.00	-
Martinez, Ramiro Jr	\$ 13.44	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 13.44	-
Salvador, Mark	\$ 1,984.62	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,984.62	-
Sidhu, Nirmal	\$ 1,538.77	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,538.77	-
Silva, Jessica	\$ 669.38	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 669.38	-
Villa, Erika	\$ 330.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 330.00	-
Villalobos, Stacey	\$ 272.50	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 272.50	-
Villarreal, Arlene	\$ 1,410.92	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,410.92	-
TOTAL	\$ 18,159.59	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 18,159.59	-
POLICE										
Antuna, Eric	\$ 2,343.28	\$ -	8.00	\$ 351.49	-	\$ -	-	\$ -	\$ 2,694.77	-
Antuna, Miguel	\$ 768.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 768.00	-
Barbosa, Isaias	\$ 2,392.06	\$ -	-	\$ -	-	\$ -	0.75	\$ 5.61	\$ 2,397.67	4.50
Barcoma, Wilbert	\$ 3,070.74	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 3,070.74	-
Belding, Jeff	\$ 2,639.35	\$ -	-	\$ -	-	\$ -	6.00	\$ 47.38	\$ 2,686.73	-
Blohm, Joseph	\$ 4,463.31	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 4,463.31	-
Chapman, Tom	\$ 2,437.62	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 2,437.62	-
Davis, Jeff	\$ 3,070.74	\$ -	-	\$ -	-	\$ -	6.00	\$ 57.58	\$ 3,128.32	6.00
Dunn, Jacob	\$ 1,784.77	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,784.77	-
Francone, Kevin	\$ 765.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 765.00	-
Gill, Kevin	\$ 547.50	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 547.50	-
Godfrey, Kyle	\$ 1,182.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,182.00	-
Golden, John	\$ 3,535.75	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 3,535.75	-
Ledezma, Linda	\$ 238.52	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 238.52	-
Lehman, Dustin	\$ 1,874.31	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,874.31	-
Lopez, Matt	\$ 480.00	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 480.00	-
Madruza, Ron	\$ 2,437.62	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 2,437.62	10.50
Magallon, Peter	\$ 2,437.62	\$ -	-	\$ -	-	\$ -	6.00	\$ 45.71	\$ 2,483.33	-
Medina-Labetiaux, EJ	\$ 1,874.31	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,874.31	-

**CITY OF KERMAN
OVERTIME SUPPLEMENTAL PAYROLL REPORT**

PAY PERIOD 5/8/16-5/21/16

POLICE DEPARTMENT

Overtime Categories - Number of Hours						
Regular Overtime	Shift Coverage	SID	Training	Avoid the 21 Grant	Special Events	Total
	8					8
(see notes below for overtime description)						
DOUBLE TIME: (Sunday)						0
PUBLIC WORKS DEPARTMENT						Sub Total 8

Overtime Categories - Number of Hours						
Water Service	Sewer Emergencies	Animal Control	Special Events	Other or Call Back	On Call Duties	Total
7	13.5	2		3.5	4	30
DOUBLE TIME: (Sunday)						21.5
1	1	4	8	3.5	4	21.5
COMMUNITY SERVICES DEPARTMENT						Sub Total 51.50

Overtime Categories - Number of Hours		
Regular Overtime	After Hour Event	Total
		0
		Sub Total 0

FINANCE / PLANNING DEPARTMENTS					
Overtime Categories - Number of Hours					
Planning Overtime	Utility Billing	Payroll	Dog Clinic	Year End Audit	Total
4					4
					Sub Total 4
Total Hours (All Departments)					<u><u>63.50</u></u>

POLICE DEPARTMENT:

Regular Overtime – hrs late arrests, hrs explorers, hrs late arrests/reports, hrs travel time, hr writing eval,
 Shift Coverage – 8 hrs - shift coverage due to officers being out on vacation, or called in sick, hrs DT due to call out on Sunday
 Special Investigation Division (SID) – Special police action is required such as a search warrant, surveillance, and other crime patterns, etc
 Training – hrs range training
 Grant – hrs AVOID Grant
 Special Events - hrs July 3rd Fireworks show

PUBLIC WORKS DEPARTMENT:

Water Service - Includes 7 hrs OT & 1 hr DT for shut-off and turn-on of service. all water related emergencies
 Sewer Emergencies 13.5 hrs OT & 1 hrs DT SCADA problems/Sewer emergencies (SCADA controls pumps, wells and sewer, lift stations, all sewer and storm drain related issues)
 Animal Control 2 hr OT & 4 hr DT Vicious or dead animals (not normally used for stray animals)
 Special Events - 8 hrs DT - Pastor and Karl-Portuguese Parade
 Other - 3.5 hrs OT & 3.5 hrs DT - Alarms x 2, Cleaned cabanas at Kerckhoff, Tree clean up-Kearney and 3rd Median
 Call Back -
 On-Call Duties 4 hrs OT & 4 hrs DT for reading and recording flow meters on wells and sewer plant; feed and clean kennels, verify WWTP running effectively, etc. OT is for two weekends and/or any holidays.

COMMUNITY SERVICES DEPARTMENT

Regular Overtime – On occasion, but very rare due to the amount of part-time employees
 After Hour Event – Occurs only if a full-time employee would have to stay for clean-up or as a facility attendant.

FINANCE / PLANNING DEPARTMENTS

Planning Overtime - 4 hrs - City Council meeting.
 Utility Billing - Completed on the 1st of each month.
 Payroll - Completed bi-weekly.
 Dog Clinic - Once a year clinic held after business hours
 Year-End Audit - Completed over a period of time at the end of each fiscal year.

Accounts Payable

Checks by Date - Detail by Check Date

User: GMendoza
 Printed: 6/7/2016 2:48 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
8773	UB*00349	JOSE & EDUARDO BRAVO Refund Check	06/02/2016		150.00
				Total for Check Number 8773:	0.00 150.00
8774	UB*00339	FAUSTINO CERVANTES Refund Check Refund Check	06/02/2016		137.63 6.17
				Total for Check Number 8774:	0.00 143.80
8775	UB*00336	JESSICA GONZALES Refund Check	06/02/2016		71.70
				Total for Check Number 8775:	0.00 71.70
8776	UB*00342	LISA GUNTON Refund Check	06/02/2016		117.54
				Total for Check Number 8776:	0.00 117.54
8777	UB*00335	ROBIN HAAPT Refund Check	06/02/2016		55.41
				Total for Check Number 8777:	0.00 55.41
8778	UB*00334	JOSE LOPEZ Refund Check	06/02/2016		99.75
				Total for Check Number 8778:	0.00 99.75
8779	UB*00350	MABEL MARTINEZ Refund Check	06/02/2016		144.88
				Total for Check Number 8779:	0.00 144.88
8780	UB*00351	JASON MCGINLEY Refund Check	06/02/2016		147.89
				Total for Check Number 8780:	0.00 147.89
8781	UB*00343	MILCO GENERAL CONSTRUCTION Refund Check Refund Check	06/02/2016		143.98 21.95
				Total for Check Number 8781:	0.00 165.93
8782	UB*00346	MARGARITA RAMOS Refund Check	06/02/2016		3.78
				Total for Check Number 8782:	0.00 3.78

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
8783	UB*00337	RACHEL ROCHA Refund Check	06/02/2016		59.01
			Total for Check Number 8783:	0.00	59.01
8784	UB*00348	TONY RODRIGUES Refund Check	06/02/2016		150.00
			Total for Check Number 8784:	0.00	150.00
8785	UB*00340	CYNTHIA SAPIEN Refund Check	06/02/2016		6.08
			Total for Check Number 8785:	0.00	6.08
8786	UB*00338	CATARINO & DEONICIA SAUCEDA Refund Check Refund Check Refund Check Refund Check Refund Check	06/02/2016		0.20 11.34 6.76 17.93 11.26
			Total for Check Number 8786:	0.00	47.49
8787	UB*00341	VALLEY VANGUARD PROPERTIES Refund Check	06/02/2016		7.48
			Total for Check Number 8787:	0.00	7.48
8788	UB*00344	EMILIANO VELASQUEZ Refund Check Refund Check Refund Check Refund Check Refund Check Refund Check Refund Check	06/02/2016		6.83 0.06 1.97 5.23 3.74 0.36 0.22
			Total for Check Number 8788:	0.00	18.41
8789	UB*00345	JULIE WEISS Refund Check	06/02/2016		0.98
			Total for Check Number 8789:	0.00	0.98
8790	UB*00347	MARIXSA & JUAN A ZENDEJAS Refund Check	06/02/2016		71.08
			Total for Check Number 8790:	0.00	71.08
8791	10008 34092	A-C ELECTRIC COMPANY Install Light Pole - Remove existing damaged lig	06/02/2016		2,980.00
			Total for Check Number 8791:	0.00	2,980.00
8792	10972 B-044034	ACCURATE AIR ENGINEERING INC HYFLJBA, Gardner Denver Heliflow HF624-RI	06/02/2016		16,637.42
			Total for Check Number 8792:	0.00	16,637.42
8793	10014 05202016	ADMINISTRATIVE SOLUTIONS INC HR- JUNE- EMPLOYER FLEX PLAN	06/02/2016		10,500.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	5202016	HR- MAY-SEC 125 EMPLOYEE CONT MAY-			2,276.68
	92431	HR- JUNE BLUE SHIELD PLAN ADMIN			810.00
	92432	HR- JUNE DENTAL CLAIMS FUNDING			4,433.24
	92433	HR- JUNE SEC 125 PLAN ADMIN			110.00
			Total for Check Number 8793:	0.00	18,129.92
8794	10923 0336481-IN	AMBER CHEMICAL INC WTR-400 GL BULK CHLORINE	06/02/2016		909.09
			Total for Check Number 8794:	0.00	909.09
8795	11068 00062124	TOD BLACK CTC- DEPOSIT REFUND- SR. CENTER 05/19	06/02/2016		150.00
			Total for Check Number 8795:	0.00	150.00
8796	10061 A611234 A611234 A611234	BSK ASSOCIATES WTR-QTRLY TESTING EXT RAD WTR-QTRLY TESTING GROSS ALPHA WTR-QTRLY TESTING GROSS HEX CHROM	06/02/2016		600.00 48.00 456.00
			Total for Check Number 8796:	0.00	1,104.00
8797	10106 2814043	CONSOLIDATED EDISON SOLUTIONS SWR-SOLAR POWER 4/1/16-5/1/16	06/02/2016		12,819.46
			Total for Check Number 8797:	0.00	12,819.46
8798	10111 05312016	CPRS DISTRICT 7 REC- SUMMER LEADER TRAINING 5 REC 1	06/02/2016		75.00
			Total for Check Number 8798:	0.00	75.00
8799	10826 811382 811931 811931	CROWN SERVICES CORPORATION REC- PORT A POTTS, HANDWASH STATION STRT-PORTABLE RESTROOM RENTAL 4 W STRT-CREDIT	06/02/2016		729.87 295.65 -121.42
			Total for Check Number 8799:	0.00	904.10
8800	11070 00055156	DANNY SANTOS CTC- DEPOSIT REFUND- SCOUT HUT 05/22	06/02/2016		100.00
			Total for Check Number 8800:	0.00	100.00
8801	11071 05202016	DJ BURNS REC- DJ FOR TEEN FIESTA	06/02/2016		200.00
			Total for Check Number 8801:	0.00	200.00
8802	10141 1254005	EAST BAY TIRE CO. PD REP-STOCK TIRES	06/02/2016		397.56
			Total for Check Number 8802:	0.00	397.56
8803	10169 26112	FRESNO PET CEMETERY AAC- 23 ANIMAL CARCASSES DISPOSED C	06/02/2016		233.60
			Total for Check Number 8803:	0.00	233.60
8804	10947 9899-0	GILMORE MAGNESS LEIFER ADM- PD LEGAL SERVICES	06/02/2016		1,886.25

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	9899-2	ADM- PD LEGAL SERVICES			331.50
	9899-3	ADM- PD LEGAL SERVICES			3,383.25
			Total for Check Number 8804:	0.00	5,601.00
8805	10190 7180	GUERRERO DOOR SERVICE CTC- REWELD & INFORCE HINGE 2 DOOR	06/02/2016		345.00
			Total for Check Number 8805:	0.00	345.00
8806	10194 F580272	HD SUPPLY WATERWORKS LTD WTR-RAIN/PRO BILGE PUMPS W/6' HOSE 2	06/02/2016		59.91
			Total for Check Number 8806:	0.00	59.91
8807	10238 160394	KERMAN UNIFIED SCHOOL DIST CS- PG&E BALLFIELD LIGHTS GOLDENRC	06/02/2016		1,116.40
			Total for Check Number 8807:	0.00	1,116.40
8808	10239 41290	KERWEST INC BPO- PLANNING COMMISSION PUBLIC HE	06/02/2016		90.00
			Total for Check Number 8808:	0.00	90.00
8809	10249 7439	LEAGUE OF CALIFORNIA CITIES ADM- LEAGUE OF CITIES MEMBERSHIP D	06/02/2016		137.68
			Total for Check Number 8809:	0.00	137.68
8810	10282 839388469001	OFFICE DEPOT BPO- OFFICE SUPPLIES	06/02/2016		6.52
			Total for Check Number 8810:	0.00	6.52
8811	10285 8434175	ONTRAC BPO- PLAN CHECK OVERNIGHT DELIVER'	06/02/2016		85.09
			Total for Check Number 8811:	0.00	85.09
8812	10945 00055180	VICTORIA REYNAGA CTC- DEPOSIT REFUND- SCOUT HUT 05/21	06/02/2016		100.00
			Total for Check Number 8812:	0.00	100.00
8813	10604 20563424	S & S WORLDWIDE INC REC- START SMART FOOTBALL EQUIP	06/02/2016		145.33
			Total for Check Number 8813:	0.00	145.33
8814	10331 05182016	SEBASTIAN ADM- ALARM BATTERY MAINT	06/02/2016		164.07
			Total for Check Number 8814:	0.00	164.07
8815	10355 P10424516	TARGET SPECIALTY PRODUCTS SWR-HERBICIDE	06/02/2016		436.08
			Total for Check Number 8815:	0.00	436.08
			Total for 6/2/2016:	0.00	64,388.44

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
8816	10386	US BANK CORPORATE PAYMENT	06/07/2016		
	04222016	WTR- PRINTER INK			48.66
	04222016-01	SWR- PRINTER INK			48.65
	04262016	PD- REFRESHMENTS FOR POLICE ADVISO			16.40
	04262016-0	WTR- VGA ADAPTER FOR MONITOR			13.52
	04262016-1	SWR- VGA ADAPTER FOR MONITOR			13.51
	04262016-2	WTR- RETURN VGA ADAPTER WRONG TY			-13.52
	04262016-3	SWR- RETURN VGA ADAPTER WRONG TY			-13.51
	04262016-4	WTR- CORRECT VGA ADAPTER			12.89
	04262016-5	SWR- CORRECT VGA ADAPTER			12.88
	04272016	ADM- LCW SEMINAR- TBELL FUNDS WILI			82.25
	042720161	ADM- LCW SEMINAR- FUNDS WILL BE RE			330.91
	04282016	CS- BOARD PHOTO COMP-DOLLAR TREE			17.32
	042820161	REC- FAST SIGNS 3 SPONSOR BANNERS			228.90
	042820162	REC- SMART & FINAL CUPS & GRANOLA I			21.48
	04292016	CS- CANOPY ALMOND FEST- CVS			108.21
	042920161	CS- BALLOONS- PARTY CITY			32.38
	04302016	CS- CANDY - CAR SHOW- CVS			19.56
	05022016	STRTC- NEW OTTER CASE FOR KENS I PH			27.99
	05022016-1	STRTC- SHIPPING AND TAX			7.60
	05032016	AAC- 3 50LBS BAGS OF DOG FOOD-9V BAI			72.41
	05042016	REC- NATIONAL ALLIANCE FOR YOUTH S			153.56
	05052016	FIN- UB BARCODE SCANNERS INV #103-95			306.11
	05052016--	STRTC- FIELD DAY- M BARAJAS			45.00
	05052016-0	REC- THE LIFEGUARD STORE EQUIP/SUPP			134.62
	05052016-1	STRTC- FIELD DAY- P. ARECHIGA			45.00
	05052016-2	STRTC- FIELD DAY- E. VALLEJO			45.00
	050520161	FIN- UB BARCODE SCANNERS INV #103-95			306.10
	05112016	SWR- LABEL TAGS FOR DIVERSION VALVI			89.29
	05112016-0	SWR- MOTOR FOR BLOWER VENT			94.00
	05122016	ADM - PUC MEETING SAC- ATTEN PER MA			263.35
	05162016	PD- RE-SETTING PROPERTY/EVIDENCE SA			20.00
	05202016	ADM- EMPLOYEE MEMORIAL ARRANGEM			61.69
	0522016	STRTC- NUMBER STICKERS FOR LIGHT PC			1.98
	0602016	CC-LEES MOCK STUDENT COUNCIL MTG			25.11
	0602016	CC-MAYORS/CC FORUM NIJER/ARMSTRC			1,140.00
	06032016	PD-1 NIGHT HOLD CHARGE FOR 2 ROOMS			199.36
	141560	WTR- SOIL & PLANT MOISTURE METERS-			147.65
	159665	REC- MAGAZINE SUBS P. GALLEGOS			140.00
	159665-1	REC- MAGAZINE SUBS P. GALLEGOS			10.51
	4212016	VE-PROPANE FOR FORKLIFT			24.17
	4994651	FIN- PRINTER- FRONT COUNTER			109.39
	4994651-1	FIN- PRINTER- FRONT COUNTER			109.40
	648778	REC- NRPA MEMBERSHIP P. GALLEGOS			165.00
			Total for Check Number 8816:	0.00	4,724.78
8817	10013 INV213461	ADAMSON POLICE PRODUCTS PD-2 NIK KITS	06/07/2016		41.41
			Total for Check Number 8817:	0.00	41.41
8818	11078 57947	MARIO AGUILERA AAC-CAT TRAP DEPOSIT REIMBURSEMEN	06/07/2016		40.00
			Total for Check Number 8818:	0.00	40.00
8819	10023 2580-687947	ALL PHASE MSI MEDALLION SUPPLY CS- GRAPHIC EYE LIGHT SWITCH	06/07/2016		1,033.60

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 8819:	0.00	1,033.60
8820	10040 287249141774	AT&T MOBILITY PD-MAY MDT WIRELESS SERVICE 4/20/16-	06/07/2016		275.90
			Total for Check Number 8820:	0.00	275.90
8821	10452 K042016 K042016 K042716 K042716 K050416 K050416 K05116 K05116 K051816 K051816	CITY OF FRESNO WMD WTR-LAB ANALYSIS SWR-LAB ANALYSIS SWR-LAB ANALYSIS WTR-LAB ANALYSIS WTR-LAB ANALYSIS SWR-LAB ANALYSIS SWR-LAB ANALYSIS WTR-LAB ANALYSIS WTR-LAB ANALYSIS SWR-LAB ANALYSIS	06/07/2016		30.00 76.00 72.00 30.00 75.00 74.00 72.00 30.00 30.00 76.00
			Total for Check Number 8821:	0.00	565.00
8822	10098 82486	CLEANSTREET INC STRT-MONTHLY SWEEP FEE MAY 2016	06/07/2016		6,672.90
			Total for Check Number 8822:	0.00	6,672.90
8823	10114 90693	CROWN SHORT LOAD CONCRETE CS- CONCRETE FOR COLEMAN FIELD SCC	06/07/2016		256.49
			Total for Check Number 8823:	0.00	256.49
8824	11079 6690215	DAKTRONICS CS- SCOREBOARD FOR COLEMAN FIELD I	06/07/2016		6,568.80
			Total for Check Number 8824:	0.00	6,568.80
8825	11076 00046170	DEL GRUPO NACIMIENTO LATINO AM CTC- RENTAL FEE REFUND- 09/23/16 EVEN	06/07/2016		200.00
			Total for Check Number 8825:	0.00	200.00
8826	10654 471347	DIVINE DESSERTS CC- JUNE COUNCIL MEETING	06/07/2016		30.00
			Total for Check Number 8826:	0.00	30.00
8827	10141 1255426	EAST BAY TIRE CO. PD REP- STOCK TIRES	06/07/2016		473.54
			Total for Check Number 8827:	0.00	473.54
8828	10151 1485217 1513396	EWING IRRIGATION PRODUCTS PARKS-SPRINKLER SUPPLIES PARKS- VALVE	06/07/2016		385.37 56.55
			Total for Check Number 8828:	0.00	441.92
8829	10866 17840	FIG GARDEN ROCKERY CS- TOP SOIL/KATEY'S KIDS PARK 6 YDS	06/07/2016		267.31
			Total for Check Number 8829:	0.00	267.31

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
8830	10572 12032139	FRESNO CITY COLLEGE PD-REGISTRATION FOR SUPERVISOR COU	06/07/2016		150.00
			Total for Check Number 8830:	0.00	150.00
8831	10162 SO13662 SO13662	FRESNO COUNTY TREASURER PD-DISPATCHING SERVICE JUNE 2016 PD-MAY 2016 RMS/JMS/CAD ACCESS FEES	06/07/2016		17,427.30 167.00
			Total for Check Number 8831:	0.00	17,594.30
8832	10166 1452 1452	FRESNO-MADERA AGENCY ON AGINC NUT- NUTRITION MEALS (2) NUT- NUTRITION SITE SUPPLIES	06/07/2016		6.86 183.22
			Total for Check Number 8832:	0.00	190.08
8833	10191 CTCS61189 CVW24146-1	H & J CHEVROLET INC VE CONTSRV- ALIGNMENT #1471 VE REP- BELT #1395	06/07/2016		175.00 84.91
			Total for Check Number 8833:	0.00	259.91
8834	10710 9948141	HACH COMPANY SWR- POLE MT, KNOBS AND PIN	06/07/2016		105.71
			Total for Check Number 8834:	0.00	105.71
8835	10229 6003	JUDICIAL DATA SYSTEMS CRP PD-PARKING ACTIVITY FOR APRIL 2016	06/07/2016		100.00
			Total for Check Number 8835:	0.00	100.00
8836	10233 05262016	KERMAN CHAMBER OF COMMERCE CC- CHAMBER DONATION - FIREWORKS	06/07/2016		600.00
			Total for Check Number 8836:	0.00	600.00
8837	11073 2056	KERN TURF SUPPLY, INC BLDGS- REPAIR PUMPS- LIONS PARK & CI	06/07/2016		680.00
			Total for Check Number 8837:	0.00	680.00
8838	10678 137844 138026 138238 138258 138260 138277 138549	MAC'S EQUIPMENT INC WTR- SUPPLIES VE EQUIP SUPPLIES VE EQUIP - BEARING SEALS VE SUPPL- SUPPLIES VE SUPPL- SUPPLIES VE SUPPL- SUPPLIES SWR- SUPPLIES	06/07/2016		5.49 34.99 97.92 16.41 9.38 21.44 17.22
			Total for Check Number 8838:	0.00	202.85
8839	11077 00052998	CRYSTAL MARTINEZ CTC- DEPOSIT REFUND - SH 06/04/16	06/07/2016		100.00
			Total for Check Number 8839:	0.00	100.00
8840	10260 130858	METRO UNIFORM & ACCESSORIES PD-2 EXPLORER INFORMS OCHOA & COR	06/07/2016		287.50

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 8840:	0.00	287.50
8841	10261 05312016	MID VALLEY DISPOSAL, INC SWA- MAY 2016 SW CHARGES CITY PORTI	06/07/2016		71,200.73
			Total for Check Number 8841:	0.00	71,200.73
8842	10262 959880	MID VALLEY DISTRIBUTORS, INC. SWR-ROLL PINS	06/07/2016		6.76
			Total for Check Number 8842:	0.00	6.76
8843	10276 S1071524002 S1072384.001 S1072384.001	NATIONAL METER & AUTOMATION FIN- PURCHASE 20 1" METER- RESALE FIN- SVCE AGRMNT READ CENTER MODU FIN- SVCE AGRMNT READ CENTER MODU	06/07/2016		6,196.10 420.00 420.00
			Total for Check Number 8843:	0.00	7,036.10
8844	10487 06072016 06072016	LORA NEHRING REC- INSTRUCTOR FEE- ZUMBA MAY 2016 REC- INSTRUCTOR FEE- AQUA ZUMBA M/	06/07/2016		458.50 136.50
			Total for Check Number 8844:	0.00	595.00
8845	10281 NCIN-169383 NCIN-169386	NORTH CENTRAL FIRE PROT DIST CS - FIRE INSP SENIOR CTR CS - FIRE INSP SENIOR CTR	06/07/2016		79.00 105.00
			Total for Check Number 8845:	0.00	184.00
8846	10282 06022016 841338100001 841338100001-1	OFFICE DEPOT FIN- BUDGET BINDERS FIN- OFFICE SUPPLIES FIN- OFFICE SUPPLIES	06/07/2016		108.29 38.67 38.67
			Total for Check Number 8846:	0.00	185.63
8847	11074 2045 2045	OPEN AIR CINEMA LLC CS-OUTDOOR PROJECTOR AND SCREEN CS-BLU RAY PLAYER SPEAKERS & CABLE	06/07/2016		3,089.47 899.00
			Total for Check Number 8847:	0.00	3,988.47
8848	10289 2881141119-9 4647279811-8 4647279811-8 4647279811-8 4939626163-5 5741309690-0 6825025396-7 9081203718-3	P.G.& E. CS- TRANSIT BUS FUEL- MAY PG&E ACT# PD-MAY 2016 UTILITIES PD-MAY 2016 GAS PD-MAY 2016 GAS ADJUSTMENTS VE-MONTHLY SERVICE4/28/16-5/26/16 BPO-MONTHLY SERVICE 4/26/16-5/24/16 ADM- MONTHLY UTILITIES- 6825025396-7 CS- KATEY'S PARK ELECTRIC- MAY PG&E	06/07/2016		182.58 1,802.69 25.31 -153.43 714.41 480.81 1,066.19 71.84
			Total for Check Number 8848:	0.00	4,190.40
8849	10305 800909001594642 800909001594642 800909001594642 800909001594642	PITNEY BOWES PURCHASE POWER VAR- POSTAGE FOR METER VAR- POSTAGE FOR METER VAR- POSTAGE FOR METER VAR- POSTAGE FOR METER	06/07/2016		184.50 51.15 6.04 12.57

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	800909001594642	VAR- POSTAGE FOR METER			1.84
	800909001594642	VAR- POSTAGE FOR METER			31.16
	800909001594642	VAR- POSTAGE FOR METER			85.90
	800909001594642	VAR- POSTAGE FOR METER			15.38
	800909001594642	VAR- POSTAGE FOR METER			29.88
	800909001594642	VAR- POSTAGE FOR METER			6.45
	800909001594642	VAR- POSTAGE FOR METER			69.94
	800909001594642	VAR- POSTAGE FOR METER			5.58
			Total for Check Number 8849:	0.00	500.39
8850	10316 3436	R G EQUIPMENT OF FRESNO INC VE EQUIP-PULLEY PUMP 60" TORO MOWE	06/07/2016		944.54
			Total for Check Number 8850:	0.00	944.54
8851	10319	RENO'S HARDWARE	06/07/2016		
	569	LLD-SUPPLIES			1.80
	583	STRTC-SUPPLIES			6.77
	595	WTR-SUPPLIES			1.94
	610	PARKS-SUPPLIES			46.08
	611	PARKS-SUPPLIES			46.19
	612	SWR-SUPPLIES			19.60
	632	STRTC-SUPPLIES			4.60
	639	LLD-SUPPLIES			13.10
	647	VE EQUIP-SUPPLIES			1.35
	702	WTR-SUPPLIES			4.59
			Total for Check Number 8851:	0.00	146.02
8852	10332	SEBASTIAN	06/07/2016		
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			580.76
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			17.68
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			26.51
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			220.94
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			2.21
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			7.95
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			203.27
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			309.32
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			66.28
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			83.96
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			220.94
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			331.42
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			50.82
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			220.94
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			104.00
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			75.12
	10384967	VAR-MONTHLY PHONE SERVICE 5/21/16-6/			141.40
	10388221	PD-MAY T 1-LINE			429.79
	10388569	VAR-MONTHLY BURGLAR ALARM SERVIC			52.00
	10388570	VAR-MONTHLY BURGLAR ALARM SERVIC			52.00
			Total for Check Number 8852:	0.00	3,197.31
8853	10337 B281472	SLUMBERGER LUMBER CS- PARKS- MAINT/REPAIR SUPPLIES	06/07/2016		31.91
			Total for Check Number 8853:	0.00	31.91
8854	10703 S1607089	STATE WATER RESOURCES CONTROL PW- DEBT SERVICE- PRINT PMT	06/07/2016		82,500.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 8854:	0.00	82,500.00
8855	10349 1848	STEAMRITE CARPET CLEANING CS- SR. CTR CARPET CLEANING BINGO RC	06/07/2016		335.00
			Total for Check Number 8855:	0.00	335.00
8856	10355 P10424517	TARGET SPECIALTY PRODUCTS SWR-HERBICIDE	06/07/2016		787.84
			Total for Check Number 8856:	0.00	787.84
8857	10357 12004 12015 12016 12034 12053	TAYLOR MADE IRRIGATION STRIC-COUPLER TAPE STRIC-ADAPTERS BUSHINGS HACKSAW SWR-GASKET FOR BLOWER STRIC-TEE COUPLER ADAPTER HOSE SWR-STAINLESS STRAPPING	06/07/2016		18.40 19.10 85.02 224.50 7.88
			Total for Check Number 8857:	0.00	354.90
8858	10644 305631996 305631996	US BANK EQUIPMENT FINANCE PD-COPIER LANIER MPC4503 PD-UNAPPLIED CREDIT DEDUCTED FROM	06/07/2016		177.93 -28.57
			Total for Check Number 8858:	0.00	149.36
8859	11072 60627	ANGELA VALDIVIA AAC-CAT TRAP DEPOSIT REIMBURSEMEN	06/07/2016		40.00
			Total for Check Number 8859:	0.00	40.00
8860	10389 35558 35702	VALLEY AIR CONDITIONING & REPAI CS- REMOVED & REPLACE BLOWER BELT CS- REMOVE AND REPLACE BLOWER BEA	06/07/2016		265.00 489.00
			Total for Check Number 8860:	0.00	754.00
8861	10399 214039	VETERINARY MEDICAL CENTER AAC-3 EUTHANASIA OF ANIMALS	06/07/2016		64.30
			Total for Check Number 8861:	0.00	64.30
8862	11075 00015355	LUIS VIRAMONTEZ CTC- DEPOSIT REFUND- CTC 06/04/16	06/07/2016		400.00
			Total for Check Number 8862:	0.00	400.00
8863	10412 084831071	XEROX CORPORATION CS- REC DEPT COPIER- MAY	06/07/2016		343.76
			Total for Check Number 8863:	0.00	343.76
			Total for 6/7/2016:	0.00	219,798.42

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
Report Total (91 checks):				0.00	284,186.86



City of Kerman

MAYOR
Stephen B. Hill

MAYOR PRO-TEM
Gary K. Yep

COUNCIL MEMBER
Rhonda Armstrong

COUNCIL MEMBER
Kevin Nehring

COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: POLICE
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Chief Joseph Blohm
Subject: Resolution Approving Annual Agreement with the County of Fresno for Police Dispatch Services

RECOMMENDATION

Council by motion adopt resolution approving annual agreement with County of Fresno for Police Dispatch Services.

EXECUTIVE SUMMARY

The City of Kerman has been in agreement with the County of Fresno, through its Sheriff-Coroner's Office, to handle police dispatch services for the Kerman Police Department. Under the agreement, the Sheriff-Coroner's Office will receive phone calls for service originating in the City of Kerman and will dispatch Kerman Police personnel in response to such requests. These services are provided 24 hours a day, each day of the year. This is a renewal of a continuing agreement that has been in effect for many years. There is no change in the fee per resident used in the previous agreement, but the resident count has increased by 52 from 14,314 to 14,366.

OUTSTANDING ISSUES

None

DISCUSSION

Historically, the Kerman Police Department has utilized the services of the Fresno County Sheriff-Coroner's Office Dispatch Center as Kerman's primary law enforcement dispatch. All 9-1-1 and non-emergency calls for service that originate within the city limits of Kerman, are directed to the Sheriff-Coroner's Office Dispatch Center where the calls are logged and then the information relayed via radio dispatch to the Kerman Police personnel. The dispatch service is a 24/7 operation. The 2016-2017 contract is a continuation of the existing agreement with the County of Fresno.

FISCAL IMPACT

The dispatch fee is \$14.61 per city resident for dispatch services. This dispatch fee is then multiplied by the number of Kerman residents for the year. Number of residents in the City as determined by California State Department of Finance's certified population estimate as of January 1, 2016 is 14,366 residents. Thus the fee for 2016-2017 will be \$14.61 per resident multiplied by the 14,366 residents for a total cost of \$209,887.32. The monthly payments on the contract will be \$17,490.61.

Attachments:

- A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 16-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN APPROVING THE ANNUAL AGREEMENT BETWEEN THE CITY OF KERMAN AND THE COUNTY OF FRESNO FOR LAW ENFORCEMENT DISPATCH SERVICES

WHEREAS, the annual agreement between the City of Kerman (City) and the County of Fresno (County) for law enforcement dispatch services expires on June 30, 2016; and

WHEREAS, the City would like to continue this annual agreement for Law Enforcement Dispatch Services as described in the attached Exhibit 'A'.

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Kerman approves the attached annual agreement and authorizes the city manager to sign the agreement on behalf of the City.

The foregoing resolution was approved by the City Council of the City of Kerman at a regular meeting held on the 15th day of June 2016, and passed at said meeting by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

This resolution is hereby adopted.

ATTEST:

Stephen B. Hill
Mayor

Marci Reyes
City Clerk

THIRD AMENDMENT TO AGREEMENT

THIS THIRD AMENDMENT TO AGREEMENT (hereinafter “Amendment”) is made and entered into this 1st day of July, 2016, by and between COUNTY OF FRESNO, a Political Subdivision of the State of California, Fresno, California (hereinafter “COUNTY”), and City of Kerman, whose address is 850 S. Madera, Kerman, CA 93630, (hereinafter “CITY”).

WITNESSETH:

WHEREAS, COUNTY and CITY entered into Agreement number 13-530, dated 10, September, 2013 (hereinafter “Agreement”), pursuant to which CITY agreed to contract with COUNTY for the performance of law enforcement dispatch services/9-1-1 answering responsibilities for CONTRACTOR by COUNTY’s Sheriff-Coroner’s Office (“Sheriff”); and

WHEREAS, COUNTY AND CITY entered into First Amendment to Agreement 13-530, dated 19, August 2014, in order to extend the term of the agreement and change the compensation to be paid by CITY beginning July 1, 2014

WHEREAS COUNTY AND CITY entered into Second Amendment to Agreement 13-530, dated 25, August 2015 in order to extend the term of the agreement and change the compensation to be paid by CITY beginning July 1, 2015 (Agreement No. 13-530, First Amendment and Second Amendment to Agreement No. 13-530 are hereinafter collectively referred to as “the Agreement”); and

WHEREAS, COUNTY and CITY now desire to amend the Agreement in order to extend the term of the agreement and change the compensation to be paid by CITY beginning July 1, 2016.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, COUNTY and CITY agree as follows:

1. Section No. 3 TERM, of the Agreement, located on page 2, lines 20 through 21, is deleted in its entirety and replaced with the following:

"This Agreement shall become effective on the 1st day of July, 2013 and shall terminate on the 30th day of June, 2017."

2. Amended Exhibit A-1 of the Agreement, is deleted in its entirety and replaced with Amended Exhibit A-2, attached hereto and incorporated herein by this reference. All references to Amended Exhibit A-1 in the Agreement are amended to state "Amended Exhibit A-2."

COUNTY and CONTRACTOR agree that this Amendment III is sufficient to amend the Agreement and, that upon execution of this Amendment III, the Agreement, Amendments I and II, and this Amendment III together shall be considered the Agreement.

The Agreement, as hereby amended, is ratified and continued. All provisions, terms, covenants, conditions and promises contained in the Agreement and not amended herein shall remain in full force and effect.

This Amendment III shall be effective July 1, 2016.

///

///

///

///

///

///

///

///

///

IN WITNESS WHEREOF, the parties hereto have executed this Amendment III as of the day and year first herein above written.

CITY OF KERMAN

COUNTY OF FRESNO

(Authorized Signature)

Ernest Buddy Mendes, Chairman, Board of Supervisors

Print Name & Title

Mailing Address

DATE: _____

DATE: _____

REVIEWED & RECOMMENDED FOR APPROVAL

Margaret Mims, Sheriff-Coroner

APPROVED AS TO LEGAL FORM

APPROVED AS TO ACCOUNTING FORM

Daniel C. Cederborg, County Counsel

Vicki Crow, CPA, Auditor- Controller/Treasurer
Tax Collector

ORG No.: 31113320
Account No.: 4975

///
///
///
///

Amended Exhibit A-2

The COUNTY agrees to perform contracted services for the CITY at the rate specified below per resident of the CITY (as determined by the State Department of Finance certified population estimate as of January 1st of that year) for each year of this Agreement.

Monthly Charge for FY 2013-14 (July 1, 2013-June 30, 2014) (hereinafter the “2013-2014

Monthly Charge”): \$18,600.96/month. The methodology to calculate this amount is as follows:

Per resident charge = \$16.01 (100% of \$16.01 per resident)

Number of residents in CITY (as determined by State Department of Finance certified population estimate as of January 1, 2012) = 13,942

2013-2014 Monthly Charge = (\$16.01/resident x 13,942 residents)/12 months = **\$18,600.96/month**

Monthly Charge for FY 2014-15 (July 1, 2014-June 30, 2015) (hereinafter the “2014-2015

Monthly Charge”): \$17,780.36/month. The methodology to calculate this amount is as follows:

Per resident charge = \$14.88 (100% of \$14.88 per resident)

Number of residents in CITY (as determined by State Department of Finance certified population estimate as of January 1, 2014) = 14,339

2014-2015 Monthly Charge = (\$14.88/resident x 14,339 residents)/12 months = **\$17,780.36/month**

Monthly Charge for FY 2015-16 (July 1, 2015-June 30, 2016) (hereinafter the “2015-2016

Monthly Charge”): \$17,427.29/month. The methodology to calculate this amount is as follows:

Per resident charge = \$14.61 (100% of \$14.61 per resident)

Number of residents in CITY (as determined by State Department of Finance certified population estimate as of January 1, 2015) = 14,314

2015-2016 Monthly Charge = (\$14.61/resident x 14,314 residents)/12 months = **\$17,427.29/month**

Monthly Charge for FY 2016-17 (July 1, 2016-June 30, 2017) (hereinafter the “2016-2017 Monthly

Charge”): \$17,490.61/month. The methodology to calculate this amount is as follows:

Per resident charge = \$14.61 (100% of \$14.61 per resident)

Number of residents in CITY (as determined by State Department of Finance certified population estimate as of January 1, 2016) = 14,366

2016-2017 Monthly Charge = $(\$14.61/\text{resident} \times 14,366 \text{ residents})/12 \text{ months} = \underline{\underline{\$17,490.61/\text{month}}}$

FOR ACCOUNTING USE ONLY:

Fund No. 0001

Org. No. 31113320

Account No.4975



City of Kerman

"Where Community Comes First"

MAYOR
Stephen B. Hill

MAYOR PRO-TEM
Gary K. Yep

COUNCIL MEMBER
Rhonda Armstrong

COUNCIL MEMBER
Kevin Nehring

COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: POLICE
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Chief Joseph Blohm
Subject: Resolution Approving Agreement with the Fresno Sheriff-Coroner's Office for Law Enforcement Investigative Services

RECOMMENDATION

Council by motion adopt resolution approving agreement with Fresno Sheriff-Coroner's Office for Specialized Law Enforcement Investigative Services to be performed when requested.

EXECUTIVE SUMMARY

The City of Kerman has been in agreement with the County of Fresno, through its Sheriff-Coroner's Office, to handle specialized law enforcement investigative services for the Kerman Police Department, when requested. Under the agreement, the Sheriff-Coroner's Office will perform specialized law enforcement investigative services for incidents originating in the City of Kerman when specifically requested to do so by the Chief of Police or named designee. These services are provided 24 hours a day, each day of the year. This is a renewal of a continuing agreement that has been in effect for many years.

OUTSTANDING ISSUES

None

DISCUSSION

Historically, the Kerman Police Department has utilized the services of the Fresno County Sheriff-Coroner's Office for specialized law enforcement investigative services for incidents that require personnel, expertise, or equipment beyond the abilities of, or not possessed by, the Kerman Police Department. The 2016-2017 agreement is a continuation of the existing agreement with the Sheriff-Coroner's Office of the County of Fresno.

FISCAL IMPACT

The fees for services are specific to the type of services requested and are contained in attachment "A". If requested by the Chief of Police or named designee, the actual overtime costs for Fresno Sheriff-Coroner personnel to render requested investigative services would be billed by the Sheriff-Coroner's Office to the Kerman Police Department.

Attachments:

- A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 16-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN
APPROVING THE AGREEMENT BETWEEN THE CITY OF KERMAN AND
THE SHERIFF-CORONER'S OFFICE OF THE COUNTY OF FRESNO FOR
SPECIALIZED LAW ENFORCEMENT INVESTIGATIVE SERVICES

WHEREAS, the agreement between the City of Kerman (City) and the Sheriff-Coroner's Office of the County of Fresno (County) for specialized law enforcement investigative services expires on June 30, 2016; and

WHEREAS, the City would like to continue this agreement for Specialized Law Enforcement Investigative Services as described in the attached Exhibit 'A'.

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Kerman approves the attached agreement and authorizes the city manager to sign the agreement on behalf of the City.

The foregoing resolution was approved by the City Council of the City of Kerman at a regular meeting held on the 15th day of June 2016, and passed at said meeting by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

This resolution is hereby adopted.

ATTEST:

Marci Reyes
City Clerk

Stephen B. Hill
Mayor

Exhibit 'A'

LAW ENFORCEMENT INVESTIGATIVE SERVICES AGREEMENT WITH CITY OF KERMAN

THIS AGREEMENT is made between the Sheriff's Office of the County of Fresno, a Charter County of the State of California, hereinafter referred to as "SHERIFF" and the City of Kerman Police Department, hereinafter referred to as the "POLICE DEPARTMENT."

WHEREAS, the POLICE DEPARTMENT desires to contract with the SHERIFF for the performance of Law Enforcement duties and functions, specifically: "providing Crime Scene Unit services at crime scenes, the processing of arrestees and suspect vehicles for evidence, etc., and providing Investigative services", and

WHEREAS, the SHERIFF agrees to render such service on the terms and conditions set forth, and the POLICE DEPARTMENT agrees to pay to COUNTY the costs of performing such services at the rate and under the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties agree as follows:

1. The SHERIFF agrees to provide Specialized Law Enforcement Services to the POLICE DEPARTMENT as requested by POLICE DEPARTMENT and agreed to by the SHERIFF. Such services shall only encompass such specialized services as have customarily been rendered by the SHERIFF under the charter of the County of Fresno and statutes of this State as detailed in Attachment 'A'.
2. The Chief of Police or named designee (attached) shall request, via law enforcement radio, telephone, e-mail, written correspondence or in person, the specialized services as indicated on Attachment 'A' through the Sheriff's Office on-duty Patrol Watch Commander, if contemporaneous to the event. If the request is non-contemporaneous, (e.g. two days later), the request shall be made to the Sheriff or her designee. The request should be as specific as possible as to the services needed. The minimum level of service which will be provided by the SHERIFF shall always be at least one Crime Scene Technician or two Deputy Sheriff Investigators, and the SHERIFF expressly reserves the right to assign more personnel at the sole discretion of the SHERIFF or her designee, at the expense of the POLICE DEPARTMENT, if circumstances warrant such. Upon notification of the resources being deployed, the POLICE DEPARTMENT may choose at its discretion, to cancel the request for service and assume full responsibility and liability for the investigation or the processing of evidence.

3. Both the SHERIFF and the POLICE DEPARTMENT acknowledge that these reimbursable services will only be provided and paid for by the POLICE DEPARTMENT, pursuant to this contract, until the investigation is completed, or until the POLICE DEPARTMENT elects to halt any further effort on the part of the SHERIFF.

4. Nothing within this Agreement and/or the services rendered by the SHERIFF is intended to limit or eliminate the POLICE DEPARTMENT'S use of private or other public vendors or agencies for these services, with the exception that all protocols for instant aid and State Office of Emergency Services "mutual aid" shall still supply. The definition for instant aid is found on Attachment 'B'.

5. Term of Agreement - This Agreement shall become effective when executed by both parties, and shall continue in full force and effect, unless and until terminated by either party upon the giving of thirty (30) days advance written notice.

6. SHERIFF shall invoice POLICE DEPARTMENT monthly invoices for the previous month. Invoices shall be addressed to POLICE DEPARTMENT as follows:

Kerman Police Department
850 S. Madera Avenue
Kerman, CA 93630
Attn: Business Office

Payment shall be made by POLICE DEPARTMENT within thirty (30) days of the invoice date. Payment shall be addresses to COUNTY as follows:

Fresno County Sheriff's Office
P.O. Box 1788
Fresno, CA 93717
Attn: Business Office

7. Law Enforcement Service Rate - The POLICE DEPARTMENT agrees to pay the current hourly overtime rate for Crime Scene Technicians and/or Deputy Sheriffs as applied to this agreement. All charges will be clearly identified on each invoice as referenced in Attachment 'A'. These rates, if adjusted, will be provided to POLICE DEPARTMENT via confirmation letter prior to the start of each County fiscal year, which begins annually on July 1st. The minimum contracted specialized services shall include 1/2 hour driving time each way for each service request.

8. Each party to this Agreement, and its officers and employees, shall not assume any liability for the negligent or wrongful acts or omissions of the other party, nor of any officer or employee of the other party. Each party shall hold the other party, and its officers and employees, harmless and defend the other party, its officers and

employees, against any liability for injury to person or property arising out of any negligent or wrongful acts of the party, or its officers and employees.

9. The rendition of contract services, the standards of performance, the discipline of officers, and other matters incident to the performance of such services and the control of personnel so employed, shall remain in the Sheriff's Office. In the event of dispute between the parties as to the extent and duties and functions to be rendered under this Agreement, or the minimum level or manner of such performance of such services, the determination made by the Sheriff's Office shall be final and conclusive.

10. This Agreement supersedes any prior agreement between SHERIFF of Fresno County and POLICE DEPARTMENT for the performance of such law enforcement services by COUNTY.

IN WITNESS WHEREOF the COUNTY by the Sheriff on behalf of the Board of Supervisors, and the POLICE DEPARTMENT has, by order of its governing body, caused these documents to be subscribed by the designated official of POLICE DEPARTMENT on the date hereinafter written.

COUNTY OF FRESNO

By _____

MARGARET MIMS, SHERIFF

DATE

CITY OF KERMAN

(Authorized Signature)

Print Name & Title

Mailing Address

DATE: _____

Fund No. 0001

Org. No. 31113200

Account No. 4975

ATTACHMENT 'A' (to Agreement)
Effective from 7-1-2015 through 6-30-17

LAW ENFORCEMENT SERVICES	HOURLY RATE (Overtime)
Homicide Investigations	\$0
Explosive Ordinance Detail Personnel	\$0
Officer Involved Shooting, with a person hit by gunfire	\$0
Air Support, as available	\$0
SWAT Team Support, as available	\$0
Regional First Responder Instant Aid, per Attachment 'B'	\$0
Crime Scene Investigation	\$41.90
Criminal Investigations	\$54.94
Civil Investigations	\$54.94
Internal Affairs Investigations	\$54.94
Radio Equipment Assistance (Outside of the Dispatch Agreement)	\$54.94
Rangemaster – 4 Qualifications Only – Per Year, Per Officer Cost	\$48.39
Post Training Course – Subject to Tuition Reimbursement by POST	

Attachment 'B' (to Agreement)

Regional First Responder – Instant Aid (Fresno Sheriff's Office and Allied Police Departments)

When a life threatening call for service is received by the Fresno Sheriff's Office (FSO) and there are no available FSO personnel, communications" staff will call the closest agency with jurisdiction to the FSO and request assistance. The responding agency's personnel will be tasked with arriving on the scene and stabilizing the call by determining what crimes have occurred, securing suspects and delivering first aid. If the incident is in progress, the transfer of primary responsibility will occur only when safe to do so, utilizing uniformed personnel. In such cases, FSO personnel will maintain investigative and jurisdictional responsibility. The responding agency personnel will standby until relieved by FSO personnel.

When another agency in Fresno County receives a life threatening call for service and there is no officer available, the allied agency will contact FSO communications personnel and/or supervisor. FSO personnel will be tasked with arriving on scene and stabilizing the call as outlined above. The same guidelines related to an in-progress incident shall apply. In such cases, allied agency personnel will maintain investigative and jurisdictional responsibility. FSO personnel will standby until relieved by allied agency personnel.

The overall goal for FSO and Fresno County Allied Agencies is to insure a timely law enforcement response to life threatening calls regardless of jurisdictional boundaries.

**CITY OF KERMAN
CD/Securities Portfolio
As of May 31, 2016**

Institution	Account Number	Interest Rate/ Trans. Date	Opening Date	Maturity Date	6/30/2015 Book Balance	Additions/ (Deletions)	Cashed In	6/30/2016 Book Balance	Fair Value	FY to Date Interest Paid
CD's:										
Mercantile Bank of Michigan	615-030525-245	2.00%	1/21/11	7/21/15	150,000.00	(150,000.00)		-	-	1,487.67
GE Money Bank	615-030525-245	1.50%	8/5/11	8/5/15	50,000.00	(50,000.00)		-	-	371.92
Sallie Mae Bank	615-030525-245	1.10%	8/8/12	8/10/15	97,000.00	(97,000.00)		-	-	534.96
Safra National Bank	615-030525-245	0.70%	8/15/13	8/17/15	100,000.00	(100,000.00)		-	-	350.96
Discover Bank Greenwood	615-030525-245	1.55%	9/14/11	9/14/15	99,000.00	(99,000.00)		-	-	773.56
State Bank of India	615-030525-245	2.25%	9/29/10	9/29/15	100,000.00	(100,000.00)		-	-	1,134.25
Lake City Bank	615-030525-245	0.55%	1/29/14	1/29/16	95,000.00	(95,000.00)		-	-	306.37
Discover Bank Greenwood	615-030525-245	1.35%	2/1/12	2/1/16	51,000.00	(51,000.00)		-	-	688.50
Goldman Sachs Bank	615-030525-245	1.40%	2/1/12	2/1/16	48,000.00	(48,000.00)		-	-	672.00
Synovus Bank	615-030525-245	0.50%	3/17/14	3/17/16	100,000.00	(100,000.00)		-	-	501.37
State Bank of India	615-030525-245	2.00%	8/12/11	8/12/16	47,000.00			47,000.00	47,144.76	940.00
Medallion Bank	615-030525-245	1.00%	8/19/13	8/19/16	100,000.00			100,000.00	100,124.00	1,000.00
Goldman Sachs Bank USA	615-030525-245	1.85%	8/31/11	8/31/16	200,000.00			200,000.00	200,680.00	3,710.14
Ally Bank	615-030525-245	0.95%	10/2/14	10/11/16	100,000.00			100,000.00	100,167.00	952.60
Capital One Bank Glen Allen VA	615-030525-245	1.00%	11/12/14	11/14/16	96,000.00			96,000.00	96,166.08	962.63
Firstbank of Puerto Rico	615-030525-245	1.10%	1/25/13	1/25/17	53,000.00			53,000.00	53,215.71	535.12
Firstbank of Puerto Rico	615-030525-245	0.90%	3/1/13	3/1/17	196,000.00			196,000.00	196,815.36	1,619.03
Cit Salt Lake City UT	615-030525-245	0.90%	3/27/13	3/27/17	98,000.00			98,000.00	98,204.82	884.41
Ge Capital Bank	615-030525-245	1.10%	5/8/14	5/16/17	248,000.00			248,000.00	248,882.88	2,735.47
Cap One NA Mclean VA	615-030525-245	1.15%	7/22/15	7/24/17	-	150,000.00		150,000.00	150,331.50	869.59
American Express Centurion Bank	615-030525-245	1.70%	7/26/12	7/26/17	98,000.00			98,000.00	99,007.44	1,666.00
Whitney Bank Gulfport MS	615-030525-245	1.20%	8/12/15	8/14/17	-	50,000.00		50,000.00	50,183.00	302.47
Sallie Mae Bank	615-030525-245	1.70%	8/22/12	8/22/17	150,000.00			150,000.00	151,803.00	2,550.00
Ally Bank Midvale UT CD	615-030525-245	1.25%	9/17/15	9/18/17	-	99,000.00		99,000.00	99,443.52	617.05
1st Merchants Bank	615-030525-245	1.00%	3/21/14	9/21/17	96,000.00			96,000.00	96,630.72	962.63
Third Federal Cleveland OH	615-030525-245	1.15%	2/21/14	11/21/17	99,000.00			99,000.00	99,819.72	1,138.50
Capital One Bank Glen Allen VA	615-030525-245	1.25%	1/22/15	1/22/18	100,000.00			100,000.00	100,495.00	1,250.00
BMO Harris BK Chicago IL	615-030525-245	1.20%	2/4/16	2/2/18		51,000.00		51,000.00	51,275.91	-
Bank of Baroda New York City NY	615-030525-245	1.25%	3/8/13	3/8/18	248,000.00			248,000.00	249,817.84	3,108.49
Wells Fargo Bank in SD	615-030525-245	1.00%	4/6/16	4/6/18	248,000.00	(248,000.00)		-	-	1,861.70
Wells Fargo Bank in SD	615-030525-245	1.10%	4/6/16	4/6/18		248,000.00		248,000.00	248,612.56	224.22
Discover Greenwood DE	615-030525-245	1.15%	4/8/15	4/9/18	98,000.00			98,000.00	98,256.76	1,130.08
Everbank CD Jacksonville FL	615-030525-245	1.10%	4/15/15	4/13/18	150,000.00			150,000.00	150,247.50	1,654.52
Rollstone Bank Fitchburg MA	615-030525-245	1.10%	4/15/15	4/16/18	248,000.00			248,000.00	248,399.28	2,735.48
American Express Centurion Bank	615-030525-245	1.15%	5/16/13	5/16/18	98,000.00			98,000.00	98,574.28	1,130.09
Compass Bank	615-030525-245	1.70%	7/31/13	7/31/18	97,000.00			97,000.00	98,794.50	1,649.00
American Express Salt Lake City Ut	615-030525-245	1.25%	8/14/14	8/14/18	98,000.00			98,000.00	99,022.14	1,568.00
Franklin Synergy Bank	615-030525-245	1.10%	4/8/16	10/9/18		98,000.00		98,000.00	98,433.16	88.60
Sallie Mae Bank Salt Lake City UT	615-030525-245	1.50%	1/27/16	1/28/19		95,000.00		95,000.00	96,324.30	-
Goldman Sachs New York NY	615-030525-245	1.45%	2/3/16	2/4/19		48,000.00		48,000.00	48,683.52	-
Comenity Bank Salt Lake City UT	615-030525-245	1.25%	3/21/16	3/21/19		100,000.00		100,000.00	100,749.00	208.90
Third Federal Cleveland OH	615-030525-245	1.55%	3/26/15	3/26/19	98,000.00			98,000.00	99,736.56	1,523.16
Barclays Bank	615-030525-245	1.90%	4/15/14	4/15/19	248,000.00			248,000.00	253,728.80	4,724.90
Worlds Foremost Bank	615-030525-245	1.30%	5/26/16	5/28/19		100,000.00		100,000.00	98,700.00	-

**CITY OF KERMAN
CD/Securities Portfolio
As of May 31, 2016**

Institution	Account Number	Interest Rate/ Trans. Date	Opening Date	Maturity Date	6/30/2015 Book Balance	Additions/ (Deletions)	Cashed In	6/30/2016 Book Balance	Fair Value	FY to Date Interest Paid
BMW Salt Lake City UT	615-030525-245	1.95%	6/20/14	6/20/19	200,000.00			200,000.00	204,652.00	1,955.34
ST Bank of India CD Chicago IL	615-030525-245	2.15%	8/18/15	8/19/19		100,000.00		100,000.00	102,653.00	1,083.84
Discover Greenwood	615-030525-245	2.00%	9/30/15	9/30/19		100,000.00		100,000.00	102,480.00	997.26
Cit Salt Lake City UT	615-030525-245	2.15%	11/13/14	11/13/19	100,000.00			100,000.00	102,888.00	2,155.89
Synchrony Draper UT	615-030525-245	1.95%	3/13/15	3/13/20	150,000.00			150,000.00	153,490.50	2,933.01
JP Morgan Chase Bank	615-030525-245	2.10%	3/31/15	3/31/20	98,000.00	(98,000.00)		-	-	1,550.55
Comenity Bank Jumbo Formerly World F	615-030525-245	2.10%	6/10/15	6/10/20	200,000.00			200,000.00	199,930.00	3,762.74
Amex Centurion Salt Lake City Ut	615-030525-245	2.30%	6/24/15	6/24/20	52,000.00			52,000.00	53,184.04	599.64
Capital One Bank Glen Allen VA	615-030525-245	2.20%	6/24/15	6/24/20	46,000.00			46,000.00	47,050.18	507.39
Capital One NA Mclean VA	615-030525-245	2.30%	8/12/15	8/12/20	-	97,000.00		97,000.00	100,340.68	1,124.67
	Average Rate	1.46%								
Subtotal - CD's					5,048,000.00	100,000.00	-	5,148,000.00	5,195,139.02	67,794.67
Pacific Mercantile Bank	80900343	0.95%	1/22/08	1/22/16	99,000.00	(99,000.00)		-	(99,000.00)	377.39
Local Agency Investment Fund										
Beginning Balance	98-10-400		7/28/15			2,000,000.00		2,000,000.00	2,000,000.00	
Interest			9/30/15			1,137.86		1,137.86		1,137.86
			12/31/15			1,852.19		1,852.19		1,852.19
			3/31/16			2,312.08		2,312.08		2,312.08
Subtotal - LAIF					-	2,005,302.13	-	2,005,302.13	2,000,000.00	5,302.13
Central Valley Comm Bank CD										
		1.34	6/8/12	6/8/17	200,000.00			200,000.00	200,000.00	2,239.45
Total CD and Local Agency Investments					5,347,000.00	2,006,302.13	-	7,353,302.13	7,296,139.02	75,713.64
Chandler Asset Management										
Beginning Balance	(City of Kerman)				-			-		
Interest					152,606.85			152,606.85	152,606.85	-
Chandler Ending Balance					152,606.85	-	-	152,606.85	152,606.85	-
Total Chandler Investments					152,606.85	-	-	152,606.85	152,606.85	-
Central Valley Money Market Acct										
Beginning Balance	015030960				3,606,160.43			3,606,160.43		
Interest			7/31/15			320.39		320.39		320.39
			8/31/15			103.27		103.27		103.27
			9/30/15			96.45		96.45		96.45
			10/31/15			59.98		59.98		59.98
			11/30/15			44.61		44.61		44.61
			12/31/15			43.00		43.00		43.00
			1/31/16			47.45		47.45		47.45
			2/29/16			63.35		63.35		63.35
			3/31/16			82.86		82.86		82.86
			4/30/16			92.02		92.02		92.02
			5/31/16			133.11		133.11		133.11
Transfers In/(Out)			7/7/15			(50,000.00)		(50,000.00)		-
			7/10/15			(50,000.00)		(50,000.00)		-
			7/14/15			(100,000.00)		(100,000.00)		-
			7/23/15			(150,000.00)		(150,000.00)		-

CITY OF KERMAN
 CD/Securities Portfolio
 As of May 31, 2016

Institution	Account Number	Interest Rate/ Trans. Date	Opening Date	Maturity Date	6/30/2015 Book Balance	Additions/ (Deletions)	Cashed In	6/30/2016 Book Balance	Fair Value	FY to Date Interest Paid
	To LAIF		7/28/15			(2,000,000.00)		(2,000,000.00)		
			9/17/15			(250,000.00)		(250,000.00)		
			10/14/15			(100,000.00)		(100,000.00)		
			11/12/15			(60,000.00)		(60,000.00)		
			11/17/15			(200,000.00)		(200,000.00)		
			12/10/15			250,000.00		250,000.00		
			12/16/15			(150,000.00)		(150,000.00)		
			12/22/15			(225,000.00)		(225,000.00)		
			12/30/15			600,000.00		600,000.00		
			1/5/16			(425,000.00)		(425,000.00)		
			1/28/16			200,000.00		200,000.00		
			2/18/16			400,000.00		400,000.00		
			3/8/16			(100,000.00)		(100,000.00)		
			4/12/16			150,000.00		150,000.00		
			4/14/16			(75,000.00)		(75,000.00)		
			4/21/16			450,000.00		450,000.00		
			5/18/16			(100,000.00)		(100,000.00)		
			5/20/16			750,000.00		750,000.00		
			5/27/16			(50,000.00)		(50,000.00)		
								-		
					3,606,160.43	(1,283,913.51)	-	2,322,246.92	2,322,246.92	1,086.49
Subtotal All City Investments					5,248,000.00	100,000.00	-	5,348,000.00	5,395,139.02	70,034.12
Total Investments					5,499,606.85	2,006,302.13	-	7,505,908.98	7,448,745.87	75,713.64
								Market Value Adjustment 2,006,302.13	(57,163.11)	
								<u>2,006,302.13</u>		
								-		



City of Kerman

"Where Community Comes First"

MAYOR
Stephen B. Hill
MAYOR PRO-TEM
Gary Yep
COUNCIL MEMBER
Rhonda Armstrong
COUNCIL MEMBER
Kevin Nehring
COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: CITY MANAGER
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: John Kunkel, City Manager
Subject: Second Amendment to the Solar Power Purchase Agreement

RECOMMENDATION

Council by motion set a public hearing for July 6, 2016 regarding the Second Amendment to the Solar Power Purchase Agreement.

EXECUTIVE SUMMARY

In October 2012 Council approved Resolution 12-59, which approved a power purchase agreement with Borrego Solar to finance, engineer, install and operate a solar system at the wastewater treatment plant.

In November of 2014 Council approved the first amendment to the solar power purchase agreement with Borrego Solar which provided, among other things, for Borrego to do an analysis ahead of design to best suit the needs of the facility.

During 2015, an analysis was conducted and the results show that additional capital equipment upgrades are needed to accommodate the expansion. The cost of the upgrades are approximately \$350,000. These will be incorporated into the project and thus not require any funds from the City.

As a result of these additions, the initial PPA figures have increased, however they still show a savings to the City.

Representatives from Borrego Solar will give a presentation and answer any questions the Council may have.

FISCAL IMPACT

Annual projected savings of at least \$105,000 to \$271,304.95. Projected 25 year total \$4,407,881.47.

PUBLIC HEARING

Due to the changes in the rate, schedule and site plan, the City Attorney advised a public hearing is required and staff is requesting Council set the hearing for July 6, 2016.

Attachments:

- A. Expansion Update
- B. Feasibility Study
- C. Agreement
- D. Timeline

Borrego Solar Systems, Inc.
 360 22nd Street, Suite 600 Oakland, CA 94612
 Tel: 888-898-6273, Fax: (888) 843-6778
 www.borregosolar.com



March 3rd, 2016

Kerman Solar Expansion – Update on Project & PPA Rate

Background

Borrego Solar has been working with the City of Kerman since March 2014 to conduct due diligence on a potential expansion of the solar array located at the waste water treatment plant. The original installation, built in 2013, is performing slightly above its expected production levels. However, due to a lack of historical usage information on the waste water treatment plant during the system's design, the existing system was built to a conceptual usage profile. After collecting a year of utility data, it was confirmed that the system is undersized and should be expanded to maximize financial savings.

After submitting a proposal to the City Manager and Public Works Director for review, the City Council approved an amendment to the existing Power Purchase Agreement (PPA) that would allow Borrego Solar and ConEdison to install an additional 677 kilowatts of solar on the same parcel as the existing location. This new project has two main components: a 201 kilowatt expansion of the existing installation connected to the plant's primary meter, and a separate 475 kilowatt installation that would offset the City's 15 eligible PG&E meters remotely via a utility program called Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT).

On November 5th, 2014 the City Council approved the PPA Amendment and associated documents that allowed Borrego Solar to commence its due diligence ahead of design-build work on the site. Over the course of 2015, our engineering team worked closely with both PG&E and external consultants to determine the best path forward for expanding the existing solar installation. During the course of this work, it was confirmed that there are a number of critical infrastructure upgrades that need to occur in order for the City to expand the existing solar project.

For the existing solar project, PG&E came back to Borrego Solar and confirmed that we would need to upgrade the transformer located on-site before we can expand the installation. This upgrade cost is well over \$100,000 in unforeseen expenses to that installation. On the RES-BCT project, our utility consultant came back with information that we will need to upgrade the utility infrastructure more than previously forecast in order to tie into the grid. The total cost impact for this installation alone is just over \$250,000 in added costs to the project.

Summary of Utility Upgrades Required

Existing System Expansion

In order for the 487 kW system currently operational to be expanded, PG&E is calling for the installation of a new transformer to replace the existing undersized unit. The all-in cost factor for this upgrade adds approximately \$125,000 to the capital cost of the project.

City-Wide Solar Installation (RES-BCT)

Borrego Solar contracted with XUtility, a local PG&E utility consultant well-versed on infrastructure upgrades to tie into the local grid. The results of their study concluded that the most cost-effective solution would be to have the RES-BCT installation relocated to the southwestern corner of the parcel. The all-in cost of these utility



upgrades amount to approximately \$265,000 of capital costs and the consultant’s report has a full breakdown of line items (Option C).

In both instances, Borrego Solar will be incorporating these capital costs into the project’s budget. There will be no upfront capital expenditures required of the City, as our firm will be incorporating these upgrade costs into the revised PPA rate.

Impact to Project Economics

The result of these cost-adders to both projects requires a revised pro forma that reflects the increased PPA rate for the City of Kerman. The projected savings of the solar project expansion initially impacted by approximately 25%, when compared with the proposed savings shown at last year’s City Council meeting. However as a direct result of PG&E’s increased utility costs (that the City has received through an annual true-up bill), the value of the credit generated by the solar array has increased by over 20%. The before/after comparison in **yellow** highlights these changes and shows how expanding the solar array will minimize future true-up bills from PG&E with proper system sizing.

Current System Economics - 487.2 kW system

Production Value & Utility Bill Savings Summary				
Gross Production Value	\$ 264,721			
Gross Production Value / kWh	\$ 0.280			
	Total	KWh Charges	Fixed Charges	Demand Charges
Pre-Solar Utility Bill	\$ 302,367	\$171,288	\$ 7,195	\$123,885
Projected Utility Bill	\$ 135,598	\$135,404	\$ 193	\$ -
1st Year Savings	\$ 166,770	\$ 35,883	\$ 7,002	\$123,885
Savings / kWh	\$ 0.177	\$ 0.038	\$ 0.007	\$ 0.131
Percent Total Bill Reduction:	55.2%			
Percent kWh Bill offset:	20.9%			
Percent kWh Offset:	52.5%			

Proposed Expansion System Economics - 688.8 kW system

Production Value & Utility Bill Savings Summary				
Gross Production Value	\$ 374,261			
Gross Production Value / kWh	\$ 0.280			
	Total	KWh Charges	Fixed Charges	Demand Charges
Pre-Solar Utility Bill	\$ 302,367	\$171,288	\$ 7,195	\$123,885
Projected Utility Bill	\$ 26,058	\$ 25,865	\$ 193	\$ -
1st Year Savings	\$ 276,309	\$145,423	\$ 7,002	\$123,885
Savings / kWh	\$ 0.207	\$ 0.109	\$ 0.005	\$ 0.093
Percent Total Bill Reduction:	91.4%			
Percent kWh Bill offset:	84.9%			
Percent kWh Offset:	74.2%			

Path Forward for the Expansion Project

While it is unfortunate that the proposed PPA rate for the expansion project been negatively impacted by these unforeseen utility infrastructure upgrades, Borrego Solar wants to make clear to the City of Kerman that this PPA amendment will still result in greater bottom-line savings than if the City did not approve changes to the existing system. If the City approves the increased PPA rate, Year 1 savings will be approximately \$105,000 which is right in line with the savings figure proposed in November 2014 due to utility rate increases since

Borrego Solar Systems, Inc.
 360 22nd Street, Suite 600 Oakland, CA 94612
 Tel: 888-898-6273, Fax: (888) 843-6778
 www.borregosolar.com



then. Please see the 25-year pro forma below for a summary of long-term savings when accounting for utility upgrades and increased PG&E generation credit value.

	Current PPA Rate	Total Production	Total NEM PPA Costs	Total RESBCT PPA Costs	Total PPA Costs	Effective PPA Rate	Effective Escalator	Weighted Credit Value	Year 1 Savings
Year 1	\$ 0.1248	2,272,696	\$ 175,690	\$ 137,553	\$ 313,243	\$0.1378	-	\$ 0.1844	\$ 105,841.89
Year 2	\$ 0.1273	2,261,332	\$ 178,451	\$ 139,945	\$ 318,396	\$0.1408	2.16%	\$ 0.1884	\$ 110,075.56
Year 3	\$ 0.1299	2,250,026	\$ 181,255	\$ 142,378	\$ 323,633	\$0.1438	2.16%	\$ 0.1925	\$ 114,478.58
Year 4	\$ 0.1325	2,238,776	\$ 184,104	\$ 144,854	\$ 328,958	\$0.1469	2.16%	\$ 0.1966	\$ 119,057.73
Year 5	\$ 0.1351	2,227,582	\$ 186,998	\$ 147,372	\$ 334,370	\$0.1501	2.16%	\$ 0.2009	\$ 123,820.04
Year 6	\$ 0.1378	2,216,444	\$ 189,937	\$ 149,935	\$ 339,872	\$0.1533	2.16%	\$ 0.2052	\$ 128,772.84
Year 7	\$ 0.1406	2,205,362	\$ 192,923	\$ 152,542	\$ 345,465	\$0.1566	2.16%	\$ 0.2096	\$ 133,923.75
Year 8	\$ 0.1434	2,194,335	\$ 195,956	\$ 155,194	\$ 351,150	\$0.1600	2.16%	\$ 0.2142	\$ 139,280.70
Year 9	\$ 0.1463	2,183,363	\$ 199,037	\$ 157,892	\$ 356,930	\$0.1635	2.16%	\$ 0.2188	\$ 144,851.93
Year 10	\$ 0.1492	2,172,446	\$ 202,167	\$ 160,638	\$ 362,805	\$0.1670	2.16%	\$ 0.2235	\$ 150,646.01
Year 11	\$ 0.1522	2,161,584	\$ 205,346	\$ 163,431	\$ 368,777	\$0.1706	2.16%	\$ 0.2283	\$ 156,671.85
Year 12	\$ 0.1552	2,150,776	\$ 208,576	\$ 166,273	\$ 374,848	\$0.1743	2.16%	\$ 0.2333	\$ 162,938.72
Year 13	\$ 0.1583	2,140,022	\$ 211,856	\$ 169,164	\$ 381,020	\$0.1780	2.16%	\$ 0.2383	\$ 169,456.27
Year 14	\$ 0.1615	2,129,322	\$ 215,189	\$ 172,105	\$ 387,294	\$0.1819	2.16%	\$ 0.2435	\$ 176,234.52
Year 15	\$ 0.1647	2,118,676	\$ 218,574	\$ 175,097	\$ 393,671	\$0.1858	2.16%	\$ 0.2487	\$ 183,283.90
Year 16	\$ 0.1680	2,108,082	\$ 222,013	\$ 178,142	\$ 400,155	\$0.1898	2.16%	\$ 0.2541	\$ 190,615.26
Year 17	\$ 0.1714	2,097,542	\$ 225,506	\$ 181,239	\$ 406,745	\$0.1939	2.16%	\$ 0.2596	\$ 198,239.87
Year 18	\$ 0.1748	2,087,054	\$ 229,054	\$ 184,391	\$ 413,445	\$0.1981	2.16%	\$ 0.2652	\$ 206,169.46
Year 19	\$ 0.1783	2,076,619	\$ 232,659	\$ 187,597	\$ 420,255	\$0.2024	2.16%	\$ 0.2709	\$ 214,416.24
Year 20	\$ 0.1819	2,066,236	\$ 236,320	\$ 190,859	\$ 427,179	\$0.2067	2.16%	\$ 0.2768	\$ 222,992.89
Year 21	\$ 0.1855	2,055,904	\$ 240,040	\$ 194,177	\$ 434,217	\$0.2112	2.16%	\$ 0.2827	\$ 231,912.61
Year 22	\$ 0.1892	2,045,625	\$ 243,818	\$ 197,553	\$ 441,372	\$0.2158	2.16%	\$ 0.2888	\$ 241,189.11
Year 23	\$ 0.1930	2,035,397	\$ 247,656	\$ 200,988	\$ 448,645	\$0.2204	2.16%	\$ 0.2951	\$ 250,836.67
Year 24	\$ 0.1969	2,025,220	\$ 251,555	\$ 204,483	\$ 456,038	\$0.2252	2.16%	\$ 0.3015	\$ 260,870.14
Year 25	\$ 0.2008	2,015,094	\$ 255,516	\$ 208,039	\$ 463,555	\$0.2300	2.16%	\$ 0.3080	\$ 271,304.95

25 Year Total	\$ 4,407,881.47
----------------------	------------------------

Borrego Solar and ConEdison are committed to our long-term partnership with the City of Kerman, and we look forward to the opportunity to improve the City's bottom line with regards to electricity expenses.

Sincerely,



Fnan Araia
 Project Developer
 Borrego Solar Systems, Inc.



Feasibility Study



Project: City Of Kerman
Date: July 19, 2015

July 19, 2015

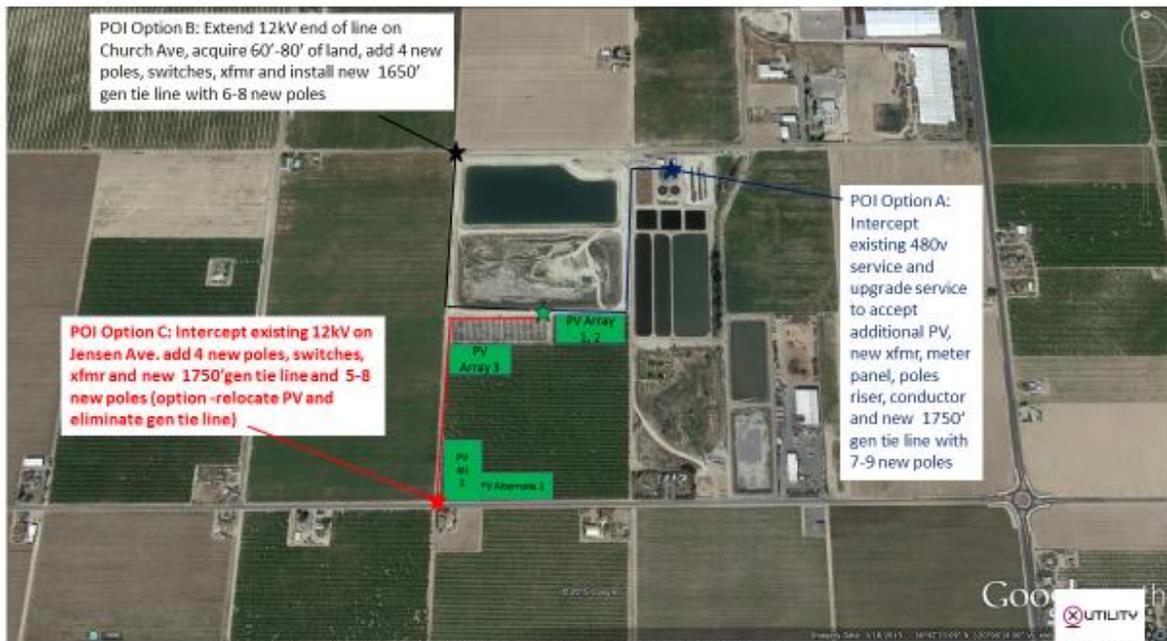
Craig Stager
Borrego Solar Systems, Inc.
360 22nd Street, Suite 600
Oakland, CA 94612
415.572.8169 - Cell phone
888.843.6778 – FAX

Subject: Feasibility Study - City Of Kerman Point Of Interconnection Options that include the addition of 1- 200kW solar system and 1- 500kW solar system with options to aggregate the existing 300kW solar system into a single generation meter.

Mr. Stager,

X Utility consulting has completed the feasibility study for the noted project. This package will serve as a summary of our feasibility Point Of Interconnection options with summary consideration.

The enclosed graphic illustrates the three optional POI locations to serve the additional solar PV installation. All three options require distribution voltage utility interconnection and share the same 30-60 day utility impact study review and process cycle.





Feasibility Study



Project: City Of Kerman

Date: July 19, 2015

POI Option A: Intercept existing City of Kerman 480V service entrance and upgrade as necessary to accommodate all current and future generation

Option A Summary: The execution cycle times associated with the Option A POI are not aligned with a Q4 2015 interconnection and are likely to extend into Q1 2016 as the additional generation will require and upgrade of the existing 480V/800 amp service. A generation upgrade is likely to trigger an estimated \$110-\$145K of non-reimbursable utility upgrades and \$161-\$225K of non-reimbursable customer service reconfiguration for a combine best case total of \$271k with an anticipated single commercial customer outage of 1-3 business days. The NEMV eligibility will require a single separate generation meter and is not the preferred Tariff.

Note: The exiting location has an emergency generator that may be leveraged to minimize customer outage assuming it can operate independent with a loss of utility service.

Anticipated Utility Scope:

- New single span drop and conductor upgrade at current Point of Interconnection
- Reconfiguration of existing 480V/800amp service entrance to accommodate new PV ampacity and total plant load
- New 12kv utility pole, reclosure, disconnect switches, PT/CT units and meter
- Possible distribution feeder protection IPAC relay upgrade
- New utility provided pad mounted transformer upgrade KVA and ampacity
- Remove existing equipment (poles, switches, transformer, and meter. Etc...)

Operational outage: 1- 3 days (the premise currently has a generator on site to provide backup service but the source capacity and run time duration is unknown)

Schedule= approximately 6-8 months from application acceptance

Utility: Generator application submittal with impact study results (0-3 months)

Engineering (0-3 months), material procurement (2-3 months), construction 1-3 days

Cost estimate= \$110k- \$145k

POI Option A continued

Anticipated Interconnection Customer Scope:

- Upgrade existing service entrance meter panel to 1600 amp minimum (re-size to accommodate all load and generation) or Add new 277/480V panel with meter section and 800/3 circuit breaker on customer side of utility meter
 - Any generation over 1MW will force the PG&E and CAISO oversight visibility requirement, this will trigger a 10'x10 metering enclosure at the POI with utility SCADA RTU, CAISO RIG and communication terminations
- Install new Overhead or underground power and communication conduit to inverter location approximately 2500 feet with 7-9 new poles
- Install step up transformer #1 and terminate at transformer #2 (due to source distance)
- Install step up transformer #2 and terminate at transformer #1 (due to source distance)
- Install backbone 1- 4" PVC underground conduit and 1-12 count single mode fiber cable approximately 2500' from existing Telco demark to inverter location for CAISO and utility SCADA visibility (refer to governing virtual metering tariff for conformation)
- Install 10'X 10' ac powered enclosure to house SCADA and CAISO RIG and meter (refer to governing virtual metering tariff for conformation)

Customer outage: 24- 72 hours (the premise currently has generator on site to provide backup service but the source and duration is unknown)

Schedule: approximately 3-4 months parallel with utility schedule

Cost estimate: \$161k- \$225k (CAISO visibility =\$98k)

Option B: Extend existing 12kV circuit at end of line pole on Church Ave. and request new 12kV service entrance

Option B Summary: The execution cycle times associated with the Option B POI could aligned with a Q1 2016 interconnection with a 300' extension of the existing 12kV circuit. Unfortunately the site survey revealed the POI is likely to trigger reconductoring of approximately 5-7 spans of non-reimbursable utility upgrades estimated at \$110-\$150K. In additional non –reimbursable customer upgrades of \$135k-\$295k are expected for a combine best case total of \$245k with an anticipated residential outage of 2-5 business days. Option B appears to qualify for the RSB-CT Tariff and could deliver in Q1 2016 with a generation curtailment until all reconductoring is completed. Option B will require approximately 60'-80' of land rights at Church Ave. and the City Of Kerman property corner. A new take off pole and 6-8 new gen tie line poles with land rights will be required. This option assumes an early August utility Fast Tract Study application acceptance.

Anticipated Utility Scope:

- Process request new 12kV service entrance on Church Ave.
- New 12kv utility pole, reclosure and disconnect switches
- Possible distribution feeder protection IPAC relay upgrade
- Likely reconductor a minimum of 5 spans to new 12kV Point of Interconnection on Church Ave. (5 new wood poles, hardware and conductor)
- Perfect land rights for reconductoring

Operational outage: 3-5 days as required for reconductoring, AG pump and 1-5 residential customers

Schedule= approximately 4-6 months- possibility Q1 2016 interconnection with worst case generation curtailment until reconductoring is complete Q1 2016. Utility: Generator application submittal with impact study results (0-3 months), Engineering (0-3 months), material procurement (2-3 months), construction 1-3 days

Cost estimate includes reconductoring \$110k- \$150k or without reconductoring \$65k-\$85k

POI Option B continued

Anticipated Interconnection Customer Scope:

- Install new POI pole with meter with 2 socket meter jaw, test section and communication terminal blocks
 - Any generation over 1MW will force the PG&E and CAISO oversight visibility requirement, this will trigger a 10'x10 metering enclosure at the POI with utility SCADA RTU, CAISO RIG and communication terminations
- Install new pole with switches, reclosure, PT and relay protection
- Install new pad mounted 12kV 277/480V transformer #1 and all associated equipment per utility distribution standards
- Install new gen tie line, Over Head or Under Ground power and communication conduit/cable to 12kV transformer and or inverter location approximately 1650 feet with approximately 6-8 poles
- Install backbone 1- 4" PVC underground conduit and 1-12 count single mode fiber cable approximately 2500' from existing Telco demark to inverter location for CAISO and utility SCADA visibility (refer to governing virtual meting tariff for conformation)
- Install 10'X 10' ac powered enclosure to house SCADA and CAISO RIG and meter (refer to interconnection distribution handbook)

Customer outage: N/A

Schedule: approximately 3-4 months parallel with utility schedule

Generator application submittal with impact study results 3 days

Engineering 30 days, material procurement 45 days, construction 48 days

Cost estimate: \$135k- \$295k (CAISO visibility =\$98k)

Option C: Intercept existing 12kV circuit on Jensen Ave. and request new 12kV service entrance

Option C Summary: The execution cycle times associated with the Option C POI is most likely to aligned with a Q4 2015 interconnection as intercepting the existing 12kV conductor is the least impactful of all the options with an estimated cost of \$65-\$85K of non-reimbursable utility upgrades. An additional \$168k-\$295K in non –reimbursable customer upgrades for a combine best case total of \$233k with an anticipated residential outage of 1 business day. Option C also requires approximately 60’-80’ of land rights at the Jensen Ave. and City Of Kerman property corner. A new take off pole and 5-8 new gen tie line poles with land rights will also be required. Option C appears to qualify for the RSB-CT Tariff and could deliver in Q4 2015 assuming an early August utility Fast Tract Study application acceptance.

Anticipated Utility Scope:

- Intercept existing 12kV circuit for new Point of Interconnection on Jensen Ave.
- Process request new 12KV service entrance on Jensen Ave.
- New 12kv utility pole, reclosure and disconnect switches
- Possible distribution feeder protection IPAC relay upgrade

Operational outage: 1 day 10-15 residential customers

Schedule= approximately 4-6 months- possibility Q4 interconnection

Utility: Generator application submittal with impact study results (0-1 month), Engineering (0-2 months), material procurement (2-4 months), construction 1-5 days

Cost estimate = \$65k-\$85k

POI Option C continued

Anticipated Interconnection Customer Scope:

- Install new POI pole with meter with 2 socket meter jaw, test section and communication terminal blocks
 - Any generation over 1MW will force the PG&E and CAISO oversight visibility requirement, this will trigger a 10'x10 metering enclosure at the POI with utility SCADA RTU, CAISO RIG and communication terminations
- Install new pole with switches, reclosure, PT and relay protection
- Install new pad mounted 12kV 277/480V transformer #1 and all associated equipment per utility distribution standards
- Install new gen tie line, Over Head or Under Ground power and communication conduit/cable to 12kV transformer and or inverter location approximately 1650 feet with approximately 6-8 poles
- Install backbone 1- 4" PVC underground conduit and 1-12 count single mode fiber cable approximately 2500' from existing Telco demark to inverter location for CAISO and utility SCADA visibility (refer to governing virtual metering tariff for conformation)
- Install 10'X 10' ac powered enclosure to house SCADA and CAISO RIG and meter (refer to interconnection distribution handbook)

Customer outage: N/A

Schedule: approximately 3-4 months parallel with utility schedule

Generator application submittal with impact study results 3 days

Engineering 30 days, material procurement 45 days, construction 48 days

Cost estimate: \$168k- \$295k (CAISO visibility =\$98k)

* Scope reduction of gen tie line poles and transformer with PV relocation to Jensen Ave.= \$75k



Feasibility Study



Project: City Of Kerman

Date: July 19, 2015

Option B or C +: Intercept existing 300KW PV generation and connect to new 12kV service

Option B or C + existing generator: The plus option is optimal as it incorporates the existing generation to leverage and meet the goals and objectives of the RSB-CT Tariff. Partnering the existing generation with either Option B or C allows for a flexible pre-and post-interconnection design and is considered necessary to maximize the generator aggregation at a single meter. The existing generation can be configured for either the Option B or C POI with the addition of a single 12kV switch and conduit intercept. The new 12kV service can easily be configured to accommodate all generation up to the Tariff limitation of 5 MW (pre, post an future generation). A single gen meter aggregation point provides capacity for future generation and or energy storage with the possibility of achieving a maximum generator output of 5MW and 100% offset or zero usage for up to 50 City owned meter locations. The estimated cost of the non-reimbursable utility upgrades is \$0K with the non –reimbursable customer upgrades estimated at approximately \$3k- \$5k for a combine best case total of \$3k with not schedule dependencies and can easily be delivered in Q4 2015.

Anticipated Interconnection Customer Scope:

- Intercept existing solar generator at 12kV, install new 12kV switch and connect to new 12kV service including proper isolation switches, protection and grounding



Feasibility Study



Project: City Of Kerman

Date: July 19, 2015

Feasibility Summary Conclusion:

Upon review of the City Of Kerman project, three Point Of Interconnection options were identified and evaluated for utility and customer, scope, schedule and cost impacts. It's apparent any new 200kW or 500kW solar generation will require a new 12kV service entrance and generation POI location, eliminating Option A, leaving only Option B (Jensen Ave. line tap) or Option C (line extension on Church Ave.). The POI location must be located on property owned and operated by the City of Kerman and house a single generator only meter to qualify for the RSB-CT Renewable Energy Self Generation Tariff. The request for primary service, tariff eligibility and impact study results are the critical path items with estimated review and processing cycle times of 2-3 months creating a 2015 schedule dependency. Option B surfaced as a feasible POI location with optimistic scope, schedule and budget dependencies that could accelerate to deliver in Q4 2015, but the anticipated reconductoring realistically pushes the schedule into Q1 2016. The Option C 12kV line tap best aligns with a Q4 2015 interconnection schedule assuming the critical path items can be managed and controlled with significant Project Management oversight. At a minimum, the City of Kerman should entertain and include the interception of the existing 300kW solar generator plant and integrate it into the new Option B or C 12kV service maximizing the 5 MW RSB-CT tariff credit transfer to achieve 100% utility independence. All costs were estimated utilizing typical utility and customer unit cost and a \$97k savings is possible with a generation reduction of under 1 MW at the POI.

I appreciate the opportunity to join the Borrego team and provide the City Of Kerman Feasibility Study and I look forward to support future Borrego Solar Projects. Please contact me directly with any question or concerns regarding this study or other future projects.

Regards,

Deb Galimba
President, X UTILITY
559-908-4148
Debgalimba@XUTILITY.com

**SECOND AMENDMENT TO
SOLAR POWER PURCHASE AGREEMENT**

This Second Amendment (this "Amendment") dated April ____, 2016 (the "Amendment Date") to the Solar Power Purchase Agreement dated as of October 30, 2012 (the "Agreement") by and between the City of Kerman, a California municipal corporation (the "City") and Kerman Solar 1, LLC, a Delaware limited liability company, as such Agreement was subsequently assigned to CES Kerman Solar, LLC, a Delaware limited liability company ("CES Kerman" or "Provider") as subsequently amended by that First Amendment to Solar Power Purchase Agreement, dated February 24, 2015 (each of the City and CES Kerman, a "Party" and, collectively, the "Parties").

WHEREAS, the Parties desire to amend certain terms of the Agreement as set forth herein in order to set forth the Parties' rights and obligations in connection with a proposed expansion in the size and output of the System (such expansion of the System referred to herein as the "Expansion System").

NOW, THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.

2. **Rescission of First Amendment.** The First Amendment to Solar Power Purchase Agreement, dated February 24, 2015 by and between the Parties is hereby rescinded in its entirety and shall be null and void and of no further force or effect.

3. **Term.** The first sentence of Section 2.1 of the General Terms and Conditions of the Agreement is hereby modified to read as follows: "The term of the Agreement shall commence on the Effective Date and shall continue for twenty-five (25) years from the Commercial Operation Date of the Expansion System ("Initial Term"), unless and until terminated earlier pursuant to the provisions of the Agreement."

4. **Provider Conditions of the Agreement.** The first sentence of Section 2.6 of the General Terms and Conditions is hereby modified to read as follows: "In the event that any of the following events or circumstances occur prior to the Commercial Operation Date for either: (i) the System as initially installed or (ii) any subsequent expansion of the System for which an amendment to the Agreement may subsequently be executed by the Parties, Provider may (at its sole discretion, and no later than the Commercial Operation Deadline for that portion of the System then under consideration) terminate the Agreement, in which case neither Party shall have any liability to the other Party:". In addition, a new subparagraph (l) is added to Section 2.6 as follows: "(l) Provider has not received written confirmation from the California State Board of Equalization that no sales tax will be owed on the output from the expanded portion of the System."

5. **Description of the Premises and the System.** Schedule 1 ("Description of the Premises and the System") of the Agreement is hereby deleted in its entirety and replaced by the Schedule 1 attached hereto

6. **Site Plan.** Schedule 2 ("Site Plan") of the Agreement is hereby deleted in its entirety and replaced by the Schedule 2 attached hereto.

7. **kWh Rate.** Effective as of the Commercial Operation Date of the expansion of the System, Schedule 3 (“kWh Rate”) of the Agreement is hereby deleted in its entirety and replaced by the Schedule 3 attached hereto.

8. **Terminal Values.** Schedule 4 (“Terminal Values”) of the Agreement is hereby deleted in its entirety and replaced by the Schedule 4 attached.

9. **Estimated Annual Production.** Schedule 5 (“Estimated Annual Production”) of the PPA is hereby deleted in its entirety and replaced by the Schedule 5 attached hereto.

10. **Effect of Amendment.** This Amendment shall not become effective unless and until it has been approved in writing by the Parties and the condition precedent in Section 4, above, has been satisfied. Except as specifically modified and amended in this Amendment, there are no other modifications or amendments to the Agreement and, in all other respects, the Agreement shall remain in full force and effect.

11. **Conflicts.** In the event of any conflict, inconsistency, or incongruity between the provision of this Amendment and any provision of the Agreement, the provisions of this Amendment shall govern and control.

12. **Counterpart Execution.** This Amendment may be executed by the Parties hereto in any number of counterparts (and by each of the Parties hereto on separate counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to Solar Power Purchase Agreement to be executed by their duly authorized representatives as of the Amendment Date.

CES KERMAN SOLAR, LLC

CITY OF KERMAN

By: _____
Name: Mark Noyes
Title: President and Chief Executive Officer,
Consolidated Edison Development, Inc.

By: _____
Name:
Title:

SCHEDULE 1

DESCRIPTION OF THE PREMISES AND THE SYSTEM

Premises: City of Kerman Waste Water Treatment Plant, 15485 W. Church
Kerman, CA 93630

System Size: 1,163.99 STC (DC) Watts

Scope:

1. Design and install an initial 487.2 kW STC (DC) watt solar array (the “Initial System”) and an additional 676.79 kW STC DC (201.6 kW STC + 475.19 kW STC) solar array (the “Expansion System”) on an existing parcel of real property as shown in Schedule 2.

2. Inverters

- a. The inverter(s) will be mounted on a concrete slab at the center of the solar array for the original 487.2kW array.
- b. The string inverter(s) will be located at the end of arrays for the proposed 676.79kW expanded array.

3. Conduit.

- a. All trenching will be backfilled with slurry and capped with material matching the original surface for all road crossings or parking lots, all other trenching will be compacted to 90%.

4. Internet service

- a. Account setup and installation of all wiring and hardware for internet service to the system. Host will pay the monthly internet service fee up to \$30 per month once the system has been set up and operational by Provider.

5. Host will allow Provider to use 50 amp 120/220 volt single phase power during construction. Provider shall furnish and install all equipment and materials for temporary power.

6. The lay down yard area during construction shall be limited to a mutually agreed upon area by both Provider and Host. All deliveries and construction activities shall be coordinated with Host to minimize conflict with operations. The construction work area and lay down yard shall be cleaned at the end of each work area as needed to minimize interference with Host access and operations.

7. Provider's employees and subcontractors will limit their activities to their work area. Provider shall furnish for their use portable toilets, dumpsters, equipment, phones, office space, and secured storage as needed for their work during construction.

8. Provider shall allow Host to review and approve, such approval shall not be unreasonably withheld or delayed, 50%, and final construction drawings before starting construction to ensure that aesthetic and scope elements are properly addressed.

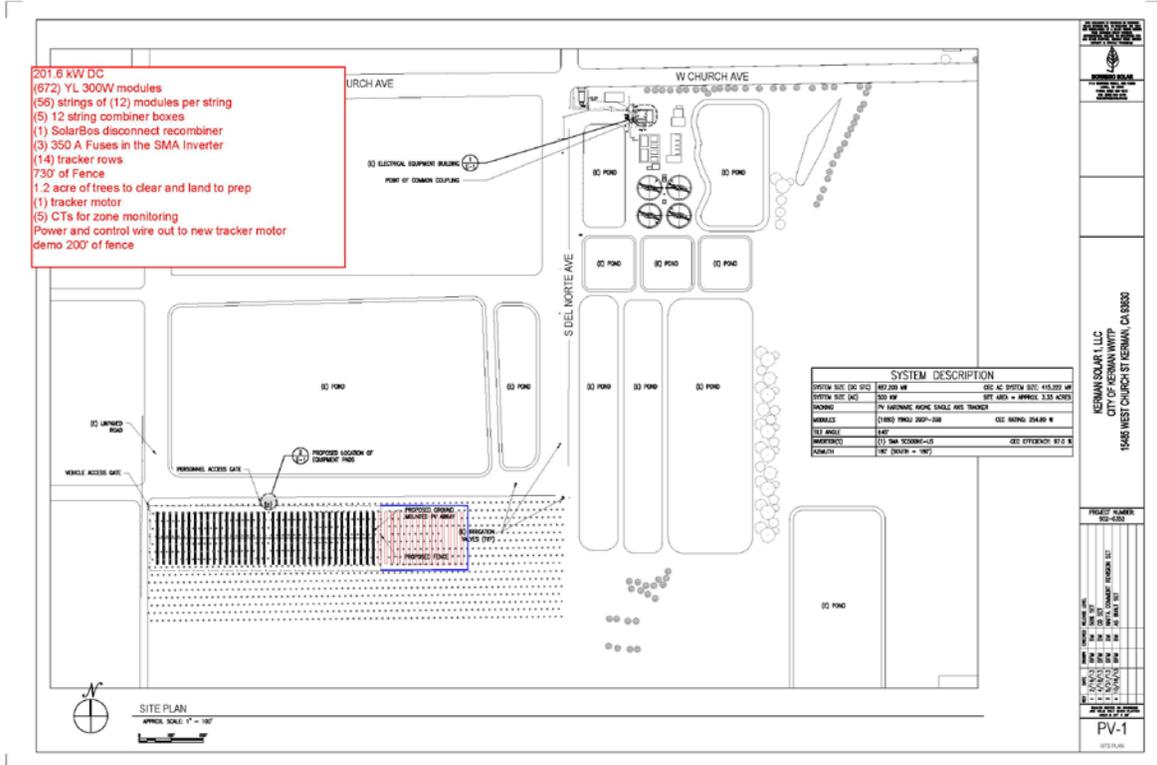
Module(s): YingLi 280W, CSI 305W, YL 300W or Equivalent

Inverter: SMA 500HE, SMA (16) SMA STP- 24TL & (1) SMA STP-12TL or Equivalent

SCHEDULE 2

SITE PLAN

Existing 487.2kW and the additional adjacent 201.6kW solar photovoltaic array



Additional 475.19kW to be installed into new meter – identified as ARY-3 below.



SCHEDULE 3

kWh RATE

The kWh Rate with respect to the System under the Agreement for the term of the agreement shall be calculated as follows:

1. \$0.120/kWh with a 2.0% annual escalator in the kWh rate for the existing operational system (487.2kWdc)
2. \$0.1471/kWh with a 2.25% annual escalator in the kWh rate for the expanded and new system (676.79kWdc)

SCHEDULE 4

TERMINAL VALUES

The applicable Terminal value with respect to the System under the Agreement shall be calculated in accordance with the following:

Terminal Value in Year after Commercial Operation of Expansion System:	<u>Column 1</u> Circumstances Under Which Host Does Not Take Title to the System (\$ including costs of removal)	Purchase Date Occurs on the 91st day following: (Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date of Expansion System)	<u>Column 2</u> Circumstances Under Which Host Takes Title to the System (\$, does <u>not</u> include costs of removal)
1	\$6,056,000		
2	\$5,856,000		
3	\$5,656,000		
4	\$5,556,000		
5	\$5,420,000		
6	\$5,245,000	6 th Anniversary**	\$4,489,000
7	\$5,067,000	7 th Anniversary	\$4,311,000
8	\$4,886,000	8 th Anniversary	\$4,130,000
9	\$4,601,000	9 th Anniversary	\$3,845,000
10	\$4,312,000	10 th Anniversary	\$3,556,000
11	\$4,019,000	11 th Anniversary	\$3,263,000
12	\$3,721,000	12 th Anniversary	\$2,965,000
13	\$3,417,000	13 th Anniversary	\$2,661,000
14	\$3,109,000	14 th Anniversary	\$2,353,000
15	\$2,794,000	15 th Anniversary	\$2,038,000
16	\$2,573,000	16 th Anniversary	\$1,817,000
17	\$2,395,000	17 th Anniversary	\$1,639,000
18	\$2,209,000	18 th Anniversary	\$1,453,000
19	\$1,929,000	19 th Anniversary	\$1,173,000
20	\$1,787,000	20 th Anniversary	\$1,031,000
21	\$1,645,000	21 th Anniversary	\$889,000
22	\$1,502,000	22 th Anniversary	\$746,000
23	\$1,360,000	23 th Anniversary	\$604,000
24	\$1,260,000	24 th Anniversary	\$504,000
25	\$1,160,000	25 th Anniversary	\$404,000

**Purchase Date refers to the Purchase Date as defined in the General Conditions. Any purchase of the System by host must comply with Section 2.3 of the General Conditions.

SCHEDULE 5

ESTIMATED ANNUAL PRODUCTION OF THE SYSTEM
Commencing on Commercial Operation Date of the Expansion System

Year of Term	Estimated Annual Production of System (kWh)
1	2,253,894
2	2,242,625
3	2,231,411
4	2,220,254
5	2,209,153
6	2,198,107
7	2,187,117
8	2,176,181
9	2,165,300
10	2,154,474
11	2,143,701
12	2,132,983
13	2,122,318
14	2,111,706
15	2,101,148
16	2,090,642
17	2,080,189
18	2,069,788
19	2,059,439
20	2,049,142
21	2,038,896
22	2,028,702
23	2,018,558
24	2,008,465
25	1,998,423

SECOND AMENDMENT TO OPTION AND LEASE AGREEMENT

This Second Amendment (this "Second Amendment") dated April _____, 2016 (the "Effective Date") to the Option and Lease Agreement dated as of October 30, 2012 (the "Agreement") by and between the City of Kerman, a California municipal corporation (the "City") and CES Kerman Solar, LLC, a Delaware limited liability company ("CES Kerman" or "Provider") as assignee of Kerman Solar 1, LLC as subsequently amended by that certain First Amendment to Option and Lease Agreement dated February 24, 2015 (each of the City and CES Kerman, a "Party" and, collectively, the "Parties").

WHEREAS, the Parties desire to amend certain terms of the Agreement as set forth herein in order to set forth the Parties' rights and obligations in connection with a proposed expansion in the size and output of the System (such expansion of the System referred to herein as the "Expansion System").

WHEREAS, the Parties desire to amend certain terms of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.

2. **Rescission of First Amendment.** The First Amendment to Option and Lease Agreement dated February 24, 2015 by and between the Parties is hereby rescinded in its entirety and shall be null and void and of no further force or effect.

3. **Exhibit A.** Exhibit A ("Description of Property and Premises") of the Agreement is hereby deleted in its entirety and replaced by the Exhibit A attached hereto.

4. **Initial Term of the Lease.** The first sentence of Section 5(a) of the Agreement is hereby deleted in its entirety.

5. **Notice of Lease.** Section 35 of the Agreement is hereby amended by appending the following sentence to the end of that Section: "In the event of any amendment to this Lease, the Parties will reasonably cooperate to record an amended Notice of Lease reflecting such amendment."

6. **Exhibit F.** Exhibit F ("Terminal Values") of the Agreement is hereby deleted in its entirety and replaced by the Exhibit F attached hereto.

7. **Effect of Amendment.** This Amendment shall not become effective unless and until it has been executed in writing by the Parties. Except as specifically modified and amended in this Amendment, there are no other modifications or amendments to the Agreement and, in all other respects, the Agreement shall remain in full force and effect.

8. **Conflicts.** In the event of any conflict or inconsistency between the provisions of this Amendment and any provision of the Agreement, the provisions of this Amendment shall govern and control.

9. **Counterpart Execution.** This Amendment may be executed by the Parties hereto in any number of counterparts (and by each of the Parties hereto on separate counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to Option and Lease Agreement to be executed by their duly authorized representatives as of the Effective Date.

CES KERMAN SOLAR, LLC

CITY OF KERMAN

By: _____
Name: Mark Noyes
Title: President and Chief Executive Officer,
Consolidated Edison Development, Inc.

By: _____
Name:
Title:

EXHIBIT A

DESCRIPTION OF PROPERTY AND PREMISES

Order No. 56180LT
Escrow No. 56180LT
Loan No.

RECORDED AT THE REQUEST OF
FIRST AMERICAN TITLE COMPANY

WHEN RECORDED MAIL TO:

CITY OF KERMAN
850 S. MADERA AVENUE
KERMAN, CA 93630



Fresno County Recorder
William C. Greenwood
DOC- 2000-0112591
Act 5-First American Title Insurance Company
Friday, SEP 15, 2000 15:09:54
PRE \$0.00 TTU \$660.00
Ttl Pd \$660.00 Nbr-0000405778
jje/R2/1-3

MAIL TAX STATEMENTS TO:

SAME AS ABOVE

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DOCUMENTARY TRANSFER TAX \$660.00
 unincorporated area City of
 Computed on the consideration or value of property conveyed; OR
 Computed on the consideration or value less liens or encumbrances
remaining at time of sale.

The Undersigned
Signature of Declarant or Agent determining tax - Firm Name

APN 073-080-02

GRANT DEED

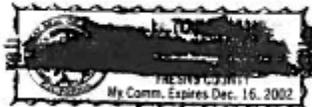
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
STANLEY E. MEISNER, A SINGLE MAN

hereby GRANT(S) to CITY OF KERMAN, a California Municipal Corporation

the real property in the Unincorporated Area
County of FRESNO

, State of California, described as

AS DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF



Stanley E. Meisner
STANLEY E. MEISNER

Dated July 20, 2000

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
On September 14, 2000 before me,
L. Torosian
personally appeared *Stanley E. Meisner*

personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledge to me that he/she/they executed
the same in his/henrtheir authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s) or the entity
upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal.



Signature *L. Torosian*

(This area for official notarial seal)

EXHIBIT "A"

PARCEL 1:

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 13,
TOWNSHIP 14 SOUTH, RANGE 17 EAST, MOUNT DIABLO BASE AND MERIDIAN,
ACCORDING TO THE OFFICIAL PLAT THEREOF;

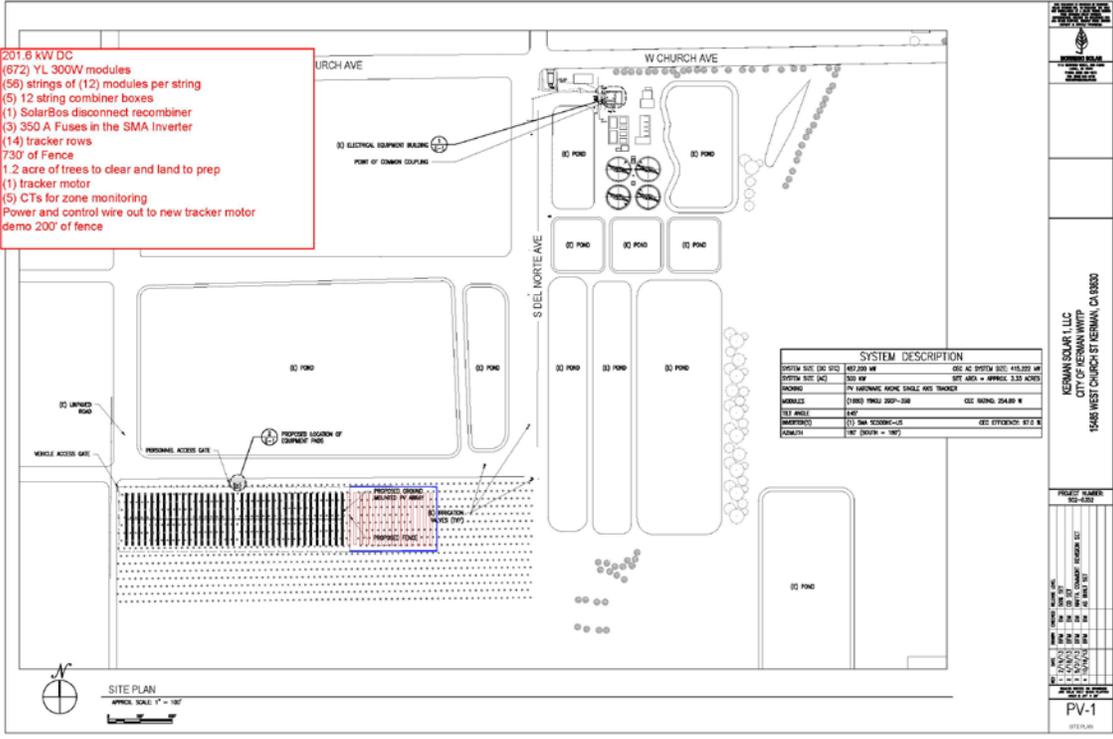
EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCE IN AND UNDER
SAID PROPERTY TOGETHER WITH THE RIGHT AND PRIVILEGE TO DEVELOP AND
REMOVE THE SAME, AS RESERVED IN THE DEED FROM HENRY KRESSMANN, TO
HARLEY E. ROBERTS AND GLADYS A. ROBERTS, RECORDED NOVEMBER 23, 1951
IN BOOK 3091, PAGE 268 OF OFFICIAL RECORDS, DOCUMENT NO. 61355

PARCEL 2:

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 13,
TOWNSHIP 14 SOUTH, RANGE 17 EAST, MOUNT DIABLO BASE AND MERIDIAN
ACCORDING TO THE OFFICIAL PLAT THEREOF;

EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCE IN
AND UNDER SAID PROPERTY, AS GRANTED IN THE DEED FROM HENRY
KRESSMANN, A MARRIED MAN, TO PORTIA F. KRESSMAN, ET AL, RECORDED
MAY 5, 1949, AS DOCUMENT NO. 22288, AND AS RESERVED IN THE DEED FROM
HENRY KRESSMAN, AS HIS SOLE AND SEPARATE PROPERTY AND PORTIA F.
KRESSMANN, WIFE OF HENRY KRESSMANN, TO HARLEY E. ROBERTS AND
GLADYS A. ROBERTS, DATED JANUARY 12, 1952, RECORDED JANUARY 23, 1952 IN
BOOK 3113 PAGE 340 OF OFFICIAL RECORDS, DOCUMENT NO. 3913

201.6 kW DC
 (672) YL 300W modules
 (56) strings of (12) modules per string
 (5) 12 string combiner boxes
 (1) SolarBos disconnect recombiner
 (3) 350 A Fuses in the SMA Inverter
 (14) tracker rows
 730' of Fence
 1.2 acre of trees to clear and land to prep
 (1) tracker motor
 (5) CTs for zone monitoring
 Power and control wire out to new tracker motor
 demo 200' of fence



KERNAN SOLAR, LLC
 CITY OF KERN COUNTY
 15405 WEST CHURCH ST. KERNAN, CA 93500

PROJECT NUMBER: PV-1
 SHEET: 1 OF 1

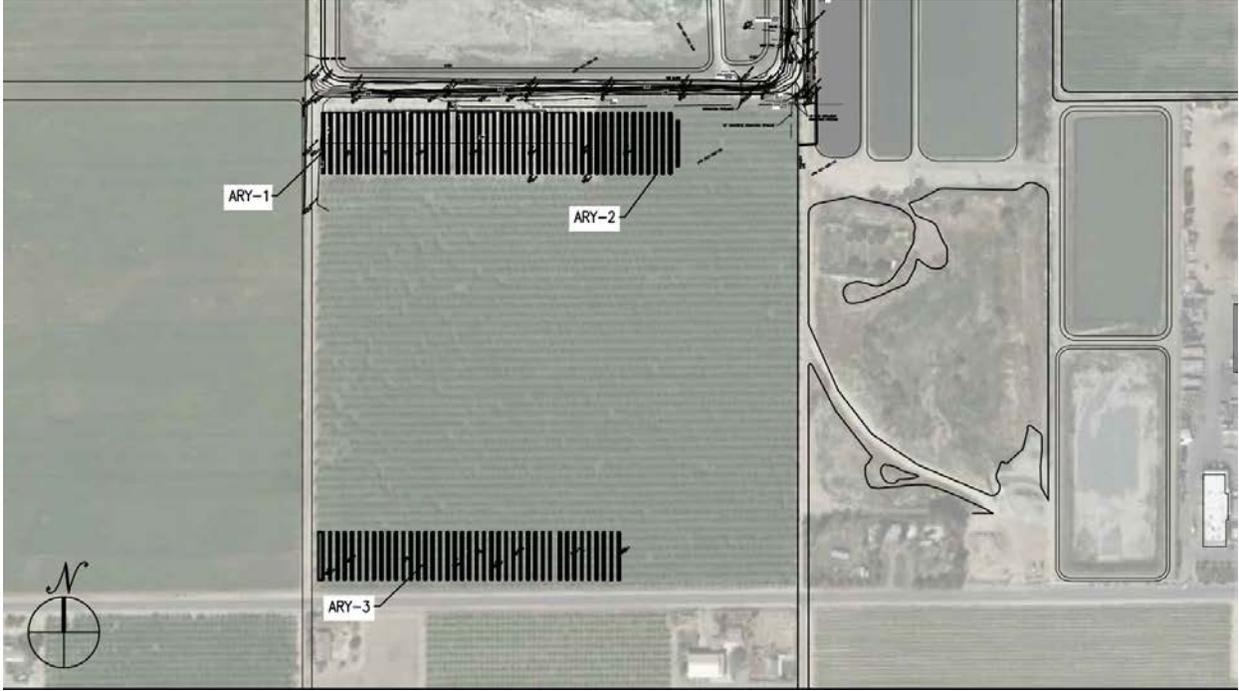


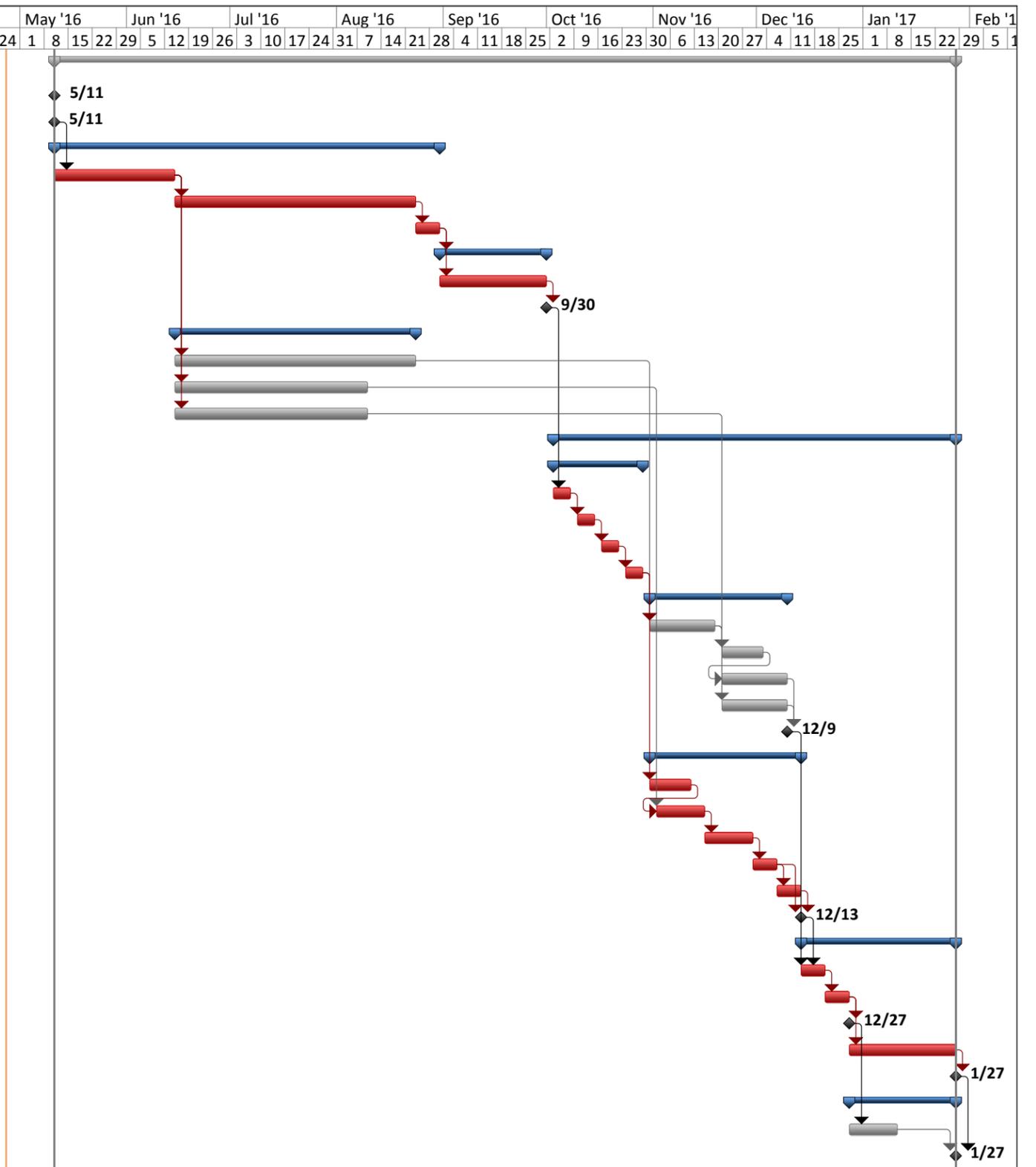
EXHIBIT F
TERMINAL VALUES

The applicable Terminal value with respect to the System under the Agreement shall be calculated in accordance with the following:

Terminal Value in Year after Commercial Operation of Expansion System:	Column 1 <u>Circumstances Under Which Host Does Not Take Title to the System (\$ including costs of removal)</u>	Purchase Date Occurs on the 91st day following: (Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date of Expansion System)	Column 2 <u>Circumstances Under Which Host Takes Title to the System (\$, does not include costs of removal)</u>
1	\$6,056,000		
2	\$5,856,000		
3	\$5,656,000		
4	\$5,556,000		
5	\$5,420,000		
6	\$5,245,000	6 th Anniversary**	\$4,489,000
7	\$5,067,000	7 th Anniversary	\$4,311,000
8	\$4,886,000	8 th Anniversary	\$4,130,000
9	\$4,601,000	9 th Anniversary	\$3,845,000
10	\$4,312,000	10 th Anniversary	\$3,556,000
11	\$4,019,000	11 th Anniversary	\$3,263,000
12	\$3,721,000	12 th Anniversary	\$2,965,000
13	\$3,417,000	13 th Anniversary	\$2,661,000
14	\$3,109,000	14 th Anniversary	\$2,353,000
15	\$2,794,000	15 th Anniversary	\$2,038,000
16	\$2,573,000	16 th Anniversary	\$1,817,000
17	\$2,395,000	17 th Anniversary	\$1,639,000
18	\$2,209,000	18 th Anniversary	\$1,453,000
19	\$1,929,000	19 th Anniversary	\$1,173,000
20	\$1,787,000	20 th Anniversary	\$1,031,000
21	\$1,645,000	21 th Anniversary	\$889,000
22	\$1,502,000	22 th Anniversary	\$746,000
23	\$1,360,000	23 th Anniversary	\$604,000
24	\$1,260,000	24 th Anniversary	\$504,000
25	\$1,160,000	25 th Anniversary	\$404,000

** Purchase Date refers to the Purchase Date as defined in the General Conditions of the PPA. Any purchase of the System by Host must comply with Sections 2.3 of the General Conditions of the PPA.

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names	May '16		Jun '16		Jul '16		Aug '16		Sep '16		Oct '16		Nov '16		Dec '16		Jan '17		Feb '17																			
							24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8
1	Project Timeline - City of Keman RES-BCT	188 days	Wed 5/11/16	Fri 1/27/17																																								
2	Contract Negotiations	0 days	Wed 5/11/16	Wed 5/11/16																																								
3	Amendment Approved by City	0 days	Wed 5/11/16	Wed 5/11/16																																								
4	Design / Client Approvals	80 days	Wed 5/11/16	Tue 8/30/16																																								
5	Development Engineering/Site Discovery	25 days	Wed 5/11/16	Tue 6/14/16	3																																							
6	Permit Set Engineering	50 days	Wed 6/15/16	Tue 8/23/16	5																																							
7	Final Client Review Period	5 days	Wed 8/24/16	Tue 8/30/16	6																																							
8	Permit Set	23 days	Wed 8/31/16	Fri 9/30/16	7																																							
9	Permit Review Period	23 days	Wed 8/31/16	Fri 9/30/16	7																																							
10	Plans Approved & Notice To Proceed (NTP) granted	0 days	Fri 9/30/16	Fri 9/30/16	9																																							
11	Procurement	50 days	Wed 6/15/16	Tue 8/23/16																																								
12	Ground Mount Materials	50 days	Wed 6/15/16	Tue 8/23/16	5																																							
13	Inverter Arrives on Site	40 days	Wed 6/15/16	Tue 8/9/16	5																																							
14	PV Modules Delivered on Rolling Schedule To Sites	40 days	Wed 6/15/16	Tue 8/9/16	5																																							
15	Construction Period	85 days	Mon 10/3/16	Fri 1/27/17																																								
16	Pre-Construction Planning	20 days	Mon 10/3/16	Fri 10/28/16																																								
17	Review Construction Schedule with Subcontractors	5 days	Mon 10/3/16	Fri 10/7/16	10																																							
18	Site Mobilization	5 days	Mon 10/10/16	Fri 10/14/16	17																																							
19	Site Preparation	5 days	Mon 10/17/16	Fri 10/21/16	18																																							
20	Weather Impact Days	5 days	Mon 10/24/16	Fri 10/28/16	19																																							
21	DC Array Installation	30 days	Mon 10/31/16	Fri 12/9/16																																								
22	Ground Mount Civil & Mechanical Install	15 days	Mon 10/31/16	Fri 11/18/16	20,12																																							
23	Install PV Modules	10 days	Mon 11/21/16	Fri 12/2/16	14,22																																							
24	PV Modules Wiring	15 days	Mon 11/21/16	Fri 12/9/16	23FS-10 days																																							
25	Intra-Array DC Trenches	15 days	Mon 11/21/16	Fri 12/9/16	22																																							
26	DC Installation Complete	0 days	Fri 12/9/16	Fri 12/9/16	25,24																																							
27	AC Installation	32 days	Mon 10/31/16	Tue 12/13/16																																								
28	AC Trenching and/or Boring	10 days	Mon 10/31/16	Fri 11/11/16	20																																							
29	Install and Set Inverters	10 days	Wed 11/2/16	Tue 11/15/16	28FS-8 days,13																																							
30	Pull Electrical	10 days	Wed 11/16/16	Tue 11/29/16	29																																							
31	Terminate AC Electrical at POC	5 days	Wed 11/30/16	Tue 12/6/16	30																																							
32	AC Tie-In to Utility	5 days	Wed 12/7/16	Tue 12/13/16	31																																							
33	AC Installation Complete	0 days	Tue 12/13/16	Tue 12/13/16	31,32																																							
34	Testing & Inspections	33 days	Wed 12/14/16	Fri 1/27/17																																								
35	System Commissioning (Energizing)	5 days	Wed 12/14/16	Tue 12/20/16	33,26																																							
36	Building & Safety Inspection	5 days	Wed 12/21/16	Tue 12/27/16	35																																							
37	Substantially Complete	0 days	Tue 12/27/16	Tue 12/27/16	36																																							
38	Utility Company Signoff	23 days	Wed 12/28/16	Fri 1/27/17	36																																							
39	System Online	0 days	Fri 1/27/17	Fri 1/27/17	38																																							
40	Close Out Period	23 days	Wed 12/28/16	Fri 1/27/17																																								
41	Complete Closeout Checklist	10 days	Wed 12/28/16	Tue 1/10/17	37																																							
42	Project Complete	0 days	Fri 1/27/17	Fri 1/27/17	39,41																																							



Project: Solar Project Date: Wed 4/27/16	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
	Split		External Tasks		Inactive Summary		Manual Summary		Critical	
	Milestone		External Milestone		Manual Task		Start-only		Critical Split	
	Summary		Inactive Task		Duration-only		Finish-only		Progress	



City of Kerman

"Where Community Comes First"

MAYOR
Stephen B. Hill
COUNCIL MEMBER
Rhonda Armstrong
MAYOR PRO-TEM
Gary Yep
COUNCIL MEMBER
Kevin Nehring
COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: PLANNING AND DEVELOPMENT
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Jerry Jones, City Engineer
Subject: Public Hearing and Approval of Resolution Confirming Diagram and Assessments for the Annual Levy, 2016-2017, for Landscaping and Lighting District No. 1

RECOMMENDATION

Council conduct a public hearing, receive public testimony, and adopt resolution confirming the diagram and assessments for Landscaping and Lighting District No. 1 for the 2016-2017 annual levy in the amounts specified.

EXECUTIVE SUMMARY

The Landscape and Lighting District maintains public landscaping in median islands and landscape strips along major streets. The revenue from the district also pays for street lighting costs for areas with the district. All new developments are annexed into the district and charged an annual assessment that is collected with property taxes. There are currently 12 sub-areas within the Landscape and Lighting District No. 1. This is the final step for the annual levy of assessments. The assessments are not being increased for the upcoming year due to a marginal increase in the Consumer Price Index.

OUTSTANDING ISSUES

None.

DISCUSSION

The Landscape and Lighting Act of 1972 requires that certain actions be completed by Council prior to levying assessments upon properties within Kerman's Landscaping and Lighting District No. 1 (LLD). Council has previously adopted resolutions for initiation of proceedings and intention to levy and collect assessments. The final action required of Council is to conduct a public hearing to consider protests to the proposed assessments and to confirm the diagram and assessments. The Engineer's Report, dated May 2016, for the LLD is on file with the City Clerk and contains a detailed description of the improvements being maintained, the boundaries of the LLD, and the proposed assessment for each property within the LLD. There have been no annexations to the LLD this past year. A map showing the boundaries of the assessment areas is included as Attachment B.

The assessments for Areas 1 through 5 were established prior to the passage of Proposition 218 and therefore cannot be raised without a vote of the property owners. The assessments for Areas 6 through 12 are adjusted annually by the change in the Consumer Price Index (CPI). For 2015, there was only a marginal increase in the CPI of 0.1%. Based on the marginal increase, the assessments for sub-areas 6 through 12 will not be adjusted this year. Therefore, the estimated total assessments for this year are \$212,906.20, equal to last year's assessments.

The proposed assessments for single family residential lots are as follows:

AREA	ASSESSMENT
1	\$50.46
2	83.56
3	30.48
4	83.56
5	94.00
6	129.38
7	129.38
8	132.22
9	128.80
10	39.98
11	128.80
12	128.80

Assessments for multi-family residential and commercial lots vary and are included in the Engineer's Report. A total of 1,798 properties are within the LLD.

FISCAL IMPACT

The proposed total assessments for this year are \$212,906.20.

PUBLIC HEARING

Not required.

Attachments:

- A. Resolution
- B. Map – Assessment Area Boundaries

Attachment 'A'

RESOLUTION NO. 16- __

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN, CALIFORNIA,
CONFIRMING DIAGRAM AND ASSESSMENT FOR THE ANNUAL LEVY
FOR 2016-2017 FOR LANDSCAPING AND LIGHTING DISTRICT NO. 1

WHEREAS, on May 4, 2016 pursuant to Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, the Council of the City of Kerman did adopt a Resolution of Intention to Levy and Collect the Annual Assessment for Landscaping and Lighting District No. 1 of the City of Kerman (herein "LLD No. 1"); and

WHEREAS, the Council did declare in said Resolution of Intention its intention to levy and collect the annual assessment for the maintenance and operation of the landscaping and lighting facilities in LLD No. 1; and

WHEREAS, said Resolution of Intention was duly published and notice given of the hearing as provided by law.

NOW, THEREFORE, IT IS RESOLVED AND ORDERED, as follows:

1. The Council hereby determines that the territory within the LLD No. 1, whose boundaries are set forth in the Engineer's Report of the City of Kerman LLD No. 1 dated MAY 2016, and on file with the City Clerk of the City of Kerman will be the territory benefited by the maintenance and servicing of the improvements described in said Engineer's Report.

2. The hearing on said annual levy of assessment was held in accordance with law, all persons filing protests or requesting to speak and who appeared were heard.

3. The Engineer's Report, the diagram for the assessment district, and the assessment of the estimated costs of the improvements contained therein and each and every part of said report, is adopted and approved; and the assessment upon the land in LLD No. 1 being found to be in proportion to the benefits to be received from the improvements, are finally approved and confirmed as the assessment to pay the costs of said improvements and the expenses incidental thereto.

4. The Council hereby orders the levy of the assessments described in said Resolution of Intention and the Engineer's Report.

5. The assessment diagram showing the assessment district referred to in said Resolution of Intention and also the subdivisions of land within the District, as contained in said Engineer's Report, is the diagram of the properties that are to be assessed to pay the District costs.

6. The City Clerk shall file the diagram and assessment, as confirmed, or a certified copy thereof, with the Recorder of the County of Fresno no later than the 22nd day of June 2016 and all assessment information required by the County Auditor to the Auditor's office no later than June 29, 2016.

BE IT FURTHER RESOLVED THEREFORE that the City Council of the City of Kerman finds as follows:

1. That the assessment imposed hereby is an assessment imposed exclusively to finance the capital costs of maintenance and operation expenses for sidewalks, streets and integral portions of each of the above-described facilities;

2. That the assessment imposed is hereby imposed at the assessment rate according to the methodology adopted pursuant to a petition signed by the persons owning all of the parcels subject to the assessment initially imposed, or that the assessment imposed hereby is imposed at the assessment rate and according to the methodology adopted pursuant to majority voter approval from the voters voting in an election on the issue of such assessment.

BE IT FURTHER RESOLVED, that the City Council of the City of Kerman determines, upon the basis of the foregoing findings, that the assessment adopted hereby is imposed pursuant to the provisions of Proposition 218, California Constitution Article XIII D, and pursuant to exemptions contained therein.

BE IT FURTHER RESOLVED, that the City Council of the City of Kerman will indemnify, defend and hold harmless the County, the Board of Supervisors and the Auditor-Controller/Treasurer-Tax Collector, their agents and employees against payment of any and all costs and expenses, claims, suits, losses, damages and liability arising from or arising out of any negligent or wrongful acts or omissions of the City, including its council members, officers, agents and employee's in levying and collecting the assessment.

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Kerman held on the 15th day of June, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

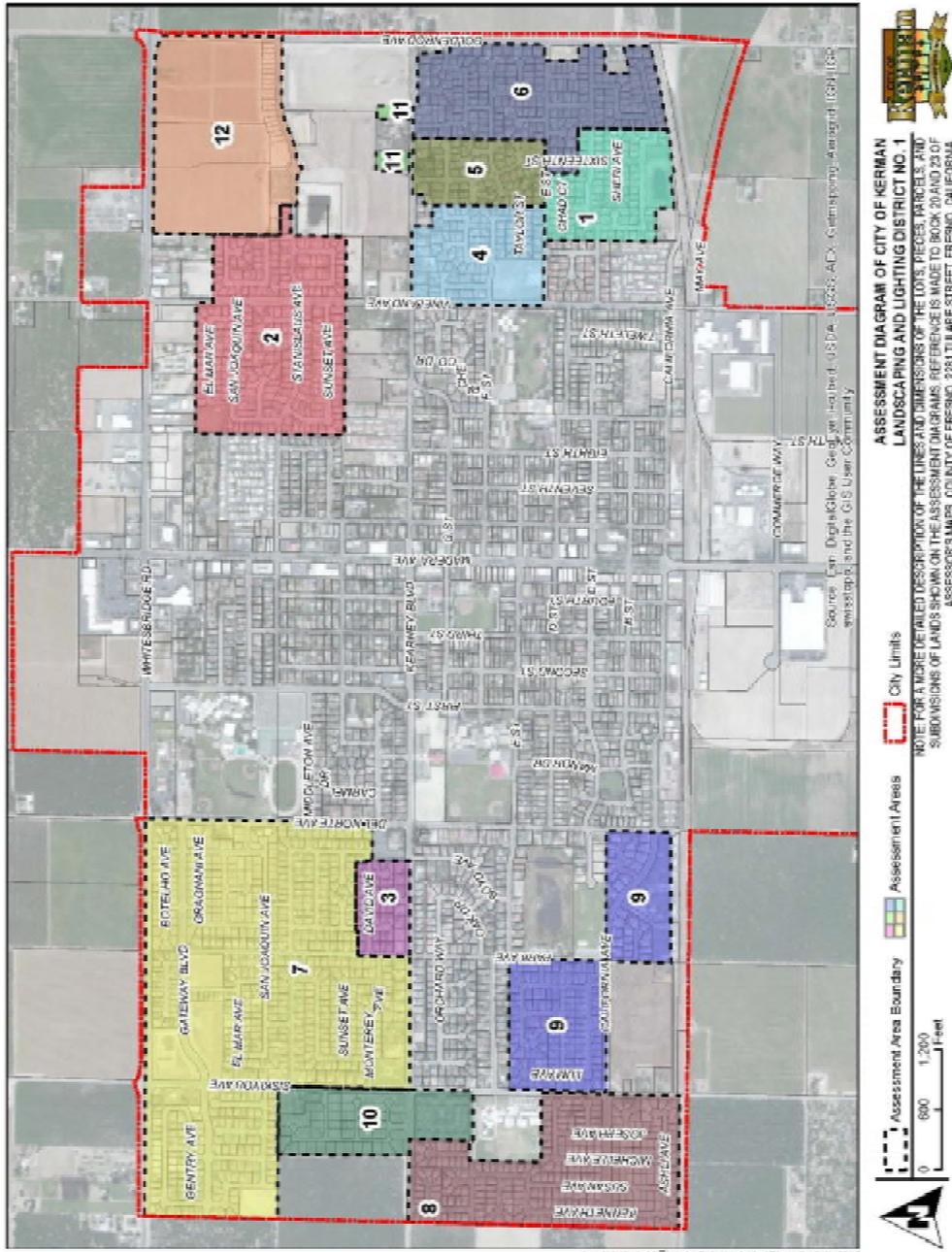
The foregoing resolution is hereby approved.

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk

Attachment 'B'





City of Kerman

"Where Community Comes First"

MAYOR
Stephen B. Hill

MAYOR PRO-TEM
Gary Yep

COUNCIL MEMBER
Rhonda Armstrong

COUNCIL MEMBER
Kevin Nehring

COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: PLANNING AND DEVELOPMENT
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

TO: Mayor and City Council

FROM: Olivia Pimentel, Planning Technician, Dave Brletic, Planning Consultant

SUBJECT: Council Waive Second Reading and Adopt Zone Ordinance Amendment, to the Kerman Municipal Code Title 17, Chapters 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to Add Cottage Food Operations to Permitted Uses in the Single Family and Multi-Family Residential Zone Districts in compliance with California AB 1616.

RECOMMENDATION

Council by motion waive second reading and Adopt Zone Ordinance Amendment to the Kerman Municipal Code Title 17, Chapter 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to Add Cottage Food Operations to Permitted Uses in the Single Family and Multi-Family Residential Zone Districts in compliance with California AB 1616.

EXECUTIVE SUMMARY

On June 1, 2016 the City Council held a public hearing, considered public testimony, closed public hearing and approved a resolution initiating the proposed Ordinance Amendment to add Food Cottage Operations to the Kerman Municipal Code. In recent years, there has been a significant rise in the number of home-based food businesses across the country, as both professional and amateur chefs have begun churning out a wide variety of homemade baked breads, jams, jellies, and food items. These micro-enterprises have found widespread support in state legislatures, as 33 states have passed laws allowing and regulating home-based food businesses, commonly known as, "Cottage Food Operations". California officially joined this list on January 1, 2013, when the California Homemade Food Act (AB 1616) became effective. This action will update out Kerman Municipal Code (KMC) to be consistent with current state law. This is the second reading and adoption of the proposed ordinance.

AB 1616 exempts cottage food operations from many of the regulations that apply to traditional food production. It also requires cities and counties to allow cottage food operations in private residences, but permits local ordinances that impose "reasonable" standards, restrictions, and requirements concerning spacing and concentration, traffic control, parking, and noise control. Cottage food operations must register with county health departments, but, depending on the nature of the operation, are subject to only very limited inspections.

AB 1616 defines cottage food products as "non-potentially hazardous food" prepared for sale in the private kitchen of a cottage food operator. Under this definition, meats, dairy products, or perishable items will not qualify as cottage foods. Cottage foods are those that do not require refrigeration to keep them safe or prevent bacterial growth.

Health and Safety Code section 114365.5(b) establishes the current list of approved cottage foods, which includes the following:

- Baked goods without cream, custard, or meat fillings, such as breads, biscuits, churros, cookies, pastries, and tortillas
- Candy, such as brittle and toffee
- Chocolate covered nonperishable foods, such as nuts and dried fruit
- Dried fruit
- Dried pasta
- Dry baking mixes
- Fruit pies, fruit empanadas, and fruit tamales
- Granola, cereals, and trail mixes
- Herb blends and mole paste
- Honey and sweet sorghum syrup
- Jams, jellies, preserves, and fruit butter that comply with the standard described in Part 150 of Title 21 of the Code of Federal Regulations
- Nut mixes and nut butters
- Popcorn
- Vinegar and mustard
- Roasted coffee and dried tea
- Waffle cones and pretzels

The State Public Health Officer may add to or delete from this list of cottage foods by posting notice of the proposed change on the California Department of Health's website. The public will have an opportunity to comment on any change before it becomes effective.

AB 1616 also establishes certain limits and requirements for cottage food operations:

- A cottage food operation may have one full-time equivalent employee, not including the operator's family or household members. (Health & Safety Code, §113758(a).)
- Cottage food operations may not have gross sales greater than \$35,000 in 2013, \$45,000 in 2014, and \$50,000 in 2015 and beyond. (Ibid.)
- Cottage food preparation may not occur in the home kitchen concurrent with other domestic activities, such as family meal preparation, dishwashing, kitchen cleaning, or guest entertainment. (Health & Safety Code §114365(a)(1)(A)(i).)
- There cannot be any infants, small children, or pets in the kitchen during cottage food preparation, packaging, or handling. (Health & Safety Code §114365(a)(1)(A)(ii).)
- The operator must keep all kitchen equipment and utensils clean and in good repair. (Health & Safety Code §114365(a)(1)(A)(iii).)
- Food contact surfaces, equipment, and utensils must be washed and sanitized before each use. (Health & Safety Code §114365(a)(1)(A)(iv).)
- Food preparation and food and equipment storage areas must be maintained free of rodents and insects. (Health & Safety Code §114365(a)(1)(A)(v).)
- Smoking is prohibited in the kitchen during food preparation and packaging. (Health & Safety Code §114365(a)(1)(A)(vi).)
- Individuals with contagious illnesses may not be in cottage food kitchens. (Health & Safety Code §114365.2(a).)
- All individuals involved in cottage food preparation must wash their hands before food preparation and packaging. (Health & Safety Code §114365.2(b).)

- All water used in the cottage food process must be potable water. (Health & Safety Code §114365.2(c).)
- Anyone who prepares or packages cottage food products must complete a food processor course provided by the Department of Health within three months of becoming registered. (Health & Safety Code §114365.2(d).)
- A cottage food operation must label all its products in compliance with the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §343 et seq.). (Health & Safety Code §114365.2(e).)
- County health departments are responsible for ensuring compliance with the foregoing food safety standards. Before starting a cottage food business, an operator must obtain approval from the county health department.

WHAT MAY CITIES DO?

Government Code §51035 provides in detail what a city may do. The following is a summary of Government Code §51035.

With regard to local zoning regulations, a city “shall not prohibit a cottage food operation ... in any residential dwellings.” (Govt. Code §51035(a)) Instead, cities and counties must do one of the following:

- (1) Classify a cottage food operation as a permitted use of residential property for zoning purposes; OR
- (2) Establish a “nondiscretionary permit” for residential cottage food operations that must be granted administratively without a hearing if the applicant “complies with local ordinances prescribing reasonable standards, restrictions, and requirements concerning spacing and concentration, traffic control, parking, and noise control.” The applicable noise standards must be consistent with local noise ordinances implementing the noise element of the general plan; OR
- (3) Establish a process for a zoning administrator to review permit applications for cottage food operations. The “permit shall be granted if the cottage food operation complies with local ordinance, if any, prescribing reasonable standards, restrictions and requirements concerning the following factors: spacing and concentration, traffic control, parking, and noise control relating to those homes.” As with option (2), the applicable noise standards must be consistent with local noise ordinances implementing the noise element of the general plan (Govt. Code §51035(a) (1)—3.)

In addition, Govt. Code §51035 provides:

- (1) That the commencement of a cottage food operation in a residence does not constitute a change of occupancy for purposes of either the State Housing Law or local building and fire codes that cottage food operations must be considered residences under applicable codes. Gov. Code §§51035(c), (d).)
- (2) That cottage food operations shall be considered residences for purpose of the State Uniform Building Standards Code and local building and fire codes.

A copy of Government Code §51035 is attached for your convenience.

Finally, cities can require operators to obtain local business licenses.

The proposed Ordinance would implement Option (1) and add Cottage Food Operations to the permitted uses in all residential zone districts and rely on County permit only. The City will require a business license and proof of approval by the health department.

PUBLIC HEARING

Council held a public hearing and introduced the Food Cottage Operations Ordinance on June 1, 2016. Staff is requesting that Council waive second reading adopt zone ordinance amendment to Amend Title 17 Chapter 17.40 Single Family and Chapter 17.42 Multi-Family Residential Zone Districts to Add Cottage Food Operations to Permitted Uses in the Single Family and Multi-Family Residential Zone Districts to comply with AB 1616 State mandated ordinance.

FISCAL IMPACT

None anticipated, all cottage food operations will be required to obtain a City of Kerman business license and provide proof of Fresno County Health Department certification.

Attachments:

- A. Ordinance

Attachment 'A'

ORDINANCE NO. 16- __

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KERMAN AMENDING CHAPTERS 17.40 AND 17.42 OF TITLE 17 OF THE KERMAN MUNICIPAL CODE TO ADD COTTAGE FOOD OPERATIONS TO PERMITTED RESIDENTIAL USES IN THE SINGLE FAMILY AND MULTI-FAMILY ZONE DISTRICTS

THE CITY COUNCIL OF THE CITY OF KERMAN DOES ORDAIN AS FOLLOWS:

SECTION 1. Upon this ordinance becoming effective, Title 17 of the Kerman Municipal Code shall be amended to revise Chapter 17.40 and Chapter 17.42 read as follows:

Chapter 17.40.020, permitted uses;

Permitted uses in this district are as follows:

G. Cottage Food Operations (as regulated by State Law).

Chapter 17.40.020, permitted uses;

Permitted uses in this district are as follows;

J. Cottage Food Operations (as regulated by state law)

SECTION 2. Upon passage, this ordinance or a summary of the same shall be published within fifteen (15) days of passage, pursuant to the laws of the State of California, in the Kerman news, a newspaper of general circulation published and circulated in said City of Kerman. If a summary of the ordinance is published, the City Clerk shall cause a certified copy of the full text of the proposed ordinance to be posted at City Hall at least five days prior to the meeting at which the ordinance is adopted and again after the meeting at which it is adopted. The ordinance shall become effective thirty days after its adoption.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Kerman on June 1, 2016 and was passed and adopted at a regular meeting of the City Council of the City of Kerman on _____ by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

The foregoing ordinance is hereby approved:

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk



City of Kerman

A Place Where "Community Comes First"

MAYOR
Stephen B. Hill

MAYOR PRO-TEM
Gary Yep

COUNCIL MEMBER
Rhonda Armstrong

COUNCIL MEMBER
Kevin Nehring

COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: PLANNING & DEVELOPMENT
STAFF REPORT
CITY COUNCIL MEETING
CITY COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and Council Members
From: Olivia Pimentel, Planning Technician, David Brletic, Planning Consultant
Subject: Second Reading and Adoption of Ordinance Rezoning Land Located on the Southeast Corner of State Route 180/Whitesbridge Avenue and Siskiyou Avenue (APN 023-700-04s)

RECOMMENDATION

Staff recommends the City Council take the following action:

1. Waive second reading and by motion adopt ordinance amending the official one map of the City of Kerman in accordance with Section 17.26 of the Kerman Municipal Code to rezone land located on the southeast corner of state route 180/Whitesbridge and Siskiyou Avenue (APN 023-700-04s) from the N-C (Neighborhood Commercial) Zone District to the R-3 (Multi-Family) Zone District.

EXECUTIVE SUMMARY

On June 1, 2016 the Council held a public hearing for a General Plan Amendment and Conditional Use Permit for a project being proposed by Willow Partners, LLC, called Gateway Villas Apartments. The proposed project is to construct a sixty-one (61) unit, income qualified, apartment complex. The proposed project is located on a 4.38+ acre vacant parcel located at the southeast corner of State Route 180/Whitesbridge Avenue and Siskiyou Avenue.

The applicant proposes to amend the 2007-2027 Kerman General Plan from the Neighborhood Commercial (NC) to High Density Residential; to reclassify the zone district from Neighborhood Commercial (N-C) to R-3 Multifamily Residential; and to obtain a Conditional Use Permit and has filed applications for each of these entitlements. The Council approved requested General Plan Amendment and Conditional Use permit and introduced the ordinance, this is the second reading and adoption.

These applications have been filed to facilitate approval of a proposed sixty-one (61) unit income qualified apartment complex consists of one (1) manager's/office unit, thirty (30) two-bedroom/two bath units, and thirty (3) three-bedroom/two bath units. The sixty (60) rental units are two-story. The proposed project also includes a clubhouse, children's playground, pool, lanai, barbeque area, and laundry room. A Negative Declaration with mitigating conditions (Mitigated Negative Declaration-MND) was circulated from April 13, 2016 through May 2, 2016. Staff received recently two (2) calls in support of the project and one (1) against the project.

In order for the proposed project to be economically feasible, the applicant will apply for state and federal tax credits to include in financing of the project. Acquisition of state and federal tax credits is necessary to facilitate restriction of the proposed units to income qualified tenants. In order to be competitive the applicant is requesting some financial support from the City that will be discussed separately from the entitlements. The Council did have concern regarding the financing and if the project did not get awarded the necessary tax credits, would the project be canceled. The developer assured the Council that he was confident he had a very good chance as long as he had the cities support. In addition, this action by Council will satisfy and show that the City is addressing the housing element’s requirements to provide multi-family zoning, which the City is short approximately by eight (8) acres. Staff will be able to include this action to HCD in our report to the State to show compliance.

Project Information

Site Location: The project site is located on the southeast side of State Route 180/Whitesbridge Avenue and Siskiyou Avenue (Assessor Parcel Number 023-700-04s), as shown in Figure 1 below.

Figure 1
 “Site Location”



Existing Use: Vacant
 General Plan: Neighborhood Commercial (NC).
 Zoning: Neighborhood Commercial Zone District, (NC).

Surrounding Uses& Zoning:

Location	General Plan Designation	Zone District	Existing Land Use
North	Fresno County/Agriculture	Ag	Agriculture
South	High Density Residential	SD-R-4.5	Multiple-Family Residential
East	Medium Density Residential	R-1-7	Single-Family Residential
West	Medium Density Residential	R-1-7	Single-Family Residential

Zone Change Amendment

The proposed Zone Change is contingent upon approval of the proposed General Plan Amendment, which was approved by Council on June 1, 2016.

As with the Neighborhood Commercial General Plan designation, the Neighborhood Commercial (N-C) zone district is intended to provide commercial goods and services to residents in close proximity to the district. The site has received no interest for commercial use and the applicant is requesting to change the zone designation to R-3, Multiple-Family Residential to accommodate a proposed sixty-one (61) unit income qualified apartment project. The 2015-2023 Housing Element has determined the City of Kerman is deficient (approximately eight acres) in property zoned for multiple-family residential use. This project would meet about half of that requirement.

The proposed R-3, Multiple-Family Residential zone designation would be consistent with the proposed High Density Residential (HDR) General Plan designation.

Attachments:

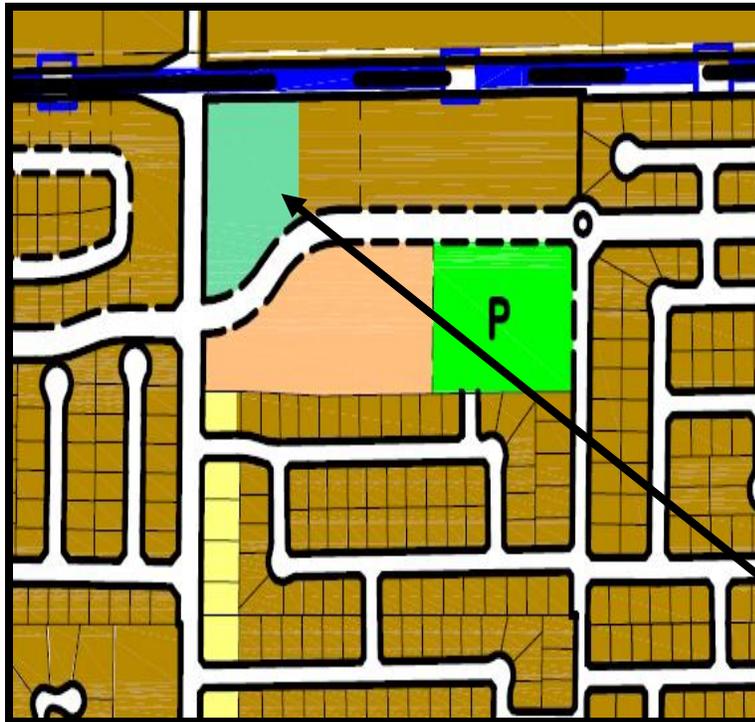
- A. Photographs
- B. Land Use Map
- C. Site Plan
- D. Elevations
- E. Ordinance

Attachment 'A'
Photographs of Site



Attachment 'B'

Land Use Map



LAND USE PLAN
2007 KERMAN GENERAL
PLAN UPDATE

LEGEND

VERY LOW DENSITY RESIDENTIAL	OFFICE
LOW DENSITY RESIDENTIAL	MIXED USE
MEDIUM DENSITY RESIDENTIAL	INDUSTRIAL
HIGH DENSITY RESIDENTIAL	PUBLIC
GENERAL COMM.	QUASI-PUBLIC
SERVICE COMM.	S SCHOOLS
REGIONAL COMM.	P PARKS
NEIGHBORHOOD COMM.	PB PONDING BASINS

Attachment 'C'
Site Plan Map
Proposed Gateway Villas Apartments



Attachment 'D'

Elevations
Proposed Gateway Villas Apartments

Building Type 1 – Exterior Elevations



Attachment 'D' (continued)

Elevations
Proposed Gateway Villas Apartments

Clubhouse Elevations



Attachment 'E'

ORDINANCE NO. 16-___

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KERMAN AMENDING THE OFFICIAL ZONE MAP OF THE CITY OF KERMAN IN ACCORDANCE WITH SECTION 17.26 OF THE KERMAN MUNICIPAL CODE TO REZONE LAND LOCATED ON THE SOUTHEAST CORNER OF STATE ROUTE 180/WHITESBRIDGE AND SISKIYOU AVENUE (APN 023-700-04s) FROM THE N-C (NEIGHBORHOOD COMMERCIAL) ZONE DISTRICT TO THE R-3 (MULTI-FAMILY) ZONE DISTRICT

WHEREAS, Davis Slajchert of Willow Partners, LLC, (Developer) has applied for a zone change amendment (Rezone No. 16-01) for property located on the southeast corner of State Route 180/Whitesbridge and Siskiyou Avenue (APN 023-700-04s) in Kerman, California; and

WHEREAS, Rezone No. 16-01 is a request to approve a zone change amendment on 4.38 acres from the N-C (Neighborhood Commercial) Zone District to the R-3 (Multi Family) Zone District; and

WHEREAS, the Planning Commission held a noticed public hearing on May 2, 2016, to consider the rezone, at which time interested persons were given an opportunity to comment on the project; and

WHEREAS, the Planning Commission's resolution recommending approval was forwarded to the City Council for consideration; and

WHEREAS, the City Council held a noticed public hearing on June 1, 2016, to consider the approval of Rezone No. 16-01; and

WHEREAS, the City Council has approved Mitigated Negative Declaration (MND) 16-02 as part of the General Plan Amendment related to this project which MND includes environmental analysis of the general plan amendment, this rezone application, and the related proposed Conditional Use Permit; and

WHEREAS, on June 1, 2016, the City Council considered testimony and information received at the public hearing the Planning Commission's recommendation, and the oral and written reports from City staff, as well as other documents contained in the record of proceedings relating to Rezone No. 16-01, which are maintained at the offices of the City of Kerman Planning and Development Services Department.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN DOES ORDAIN AS FOLLOWS:

SECTION 1. Based upon the testimony and information presented at the hearing and MND 16-02, the City Council finds the requested R-3 (Multi-Family) Zone District is consistent with the proposed High Density Residential (HDR) planned use designation of the Kerman 2007-2027 General Plan.

SECTION 2. The City Council finds that the zone change is in keeping with the intent and purpose of the Zoning Ordinance and will not be detrimental to the health, safety, comfort, convenience, and general welfare and will be compatible with surrounding properties for the zone district of the real property described.

SECTION 3. The Official Zone Map of the City of Kerman is amended in accordance with Chapter 17.26 of the Kerman Municipal Code by reclassification of certain land in the City of Kerman, County of Fresno, State of California, as follows:

- A. The property so reclassified is located on the southeast corner of State Route 180/Whitesbridge and Siskiyou Avenue (Assessor Parcel Numbers 023-700-04s), and is and is depicted in the attached Exhibit 'A'.
- B. The property is reclassified from the N-C (Neighborhood Commercial) Zone District to the R-3 (Multi-Family) Zone District.

SECTION 4. This ordinance shall become effective and in full force 30 days after its adoption. Publication of this ordinance or a summary of the same within fifteen days (15) of passage pursuant to the laws of the State of California in the Kerman News, a newspaper of general circulation published and circulated in the City of Kerman is hereby ordered and directed

SECTION 5. The record of proceedings in this matter is contained in the Planning and Development Services Department, located at 850 S. Madera Avenue, Kerman, California 93630, and the custodian of record is the City Planner.

The foregoing ordinance was introduced at a public hearing of the City Council of the City of Kerman held on the 1st day of June, 2016, and thereafter passed and adopted at a regular meeting of the City Council held on June 15, 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing ordinance is hereby approved.

ATTEST:

Marci Reyes
City Clerk

Stephen B. Hill
Mayor



City of Kerman

"Community Comes First"

MAYOR
Stephen Hill

MAYOR PRO-TEM
Gary Yep

COUNCIL MEMBER
Rhonda Armstrong

COUNCIL MEMBER
Kevin Nehring

COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: CITY MANAGER

STAFF REPORT

CITY COUNCIL MEETING

COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: John Kunkel, City Manager
Subject: Consideration of Agreement with Willow Partners

RECOMMENDATION

Council approve, direct staff and City Attorney to prepare a resolution, agreement and necessary documents for final approval on July 6, 2016.

EXECUTIVE SUMMARY

At the May 18 meeting council approved a economic incentive policy which allows for among other things the waiving of certain Development Impact Fees (DIF).

Willow Partners is proposing a 61 unit, low income, multi family development at the northeast corner of Siskiyou and Gateway Avenues. This project will mirror the Hacienda Heights project located across the street and will also be developed by Willow Partners LLC.

The proposed project will help the City meet its low income housing element requirement which was noted as deficient in the recent Multi-Jurisdictional Housing Element.

This type of project is in competition with other proposed projects in the state, and an area considered in granting and scoring of a project is the "participation" of the City. One of the ways this is shown is by the waiving or paying of certain fees by the City. While traditionally Kerman has not waived fees, for the Hacienda Heights project, all impact fees were payed by the Citys' Redevelopment Agency. Unfortunately, the RDA is no longer a resource available to the City.

Staff is recommending the city consider assuming the liability for the following fees outlined in Attachment 'A'. Including fee codes: 110,140,170,180, 580, 590, 910, 920, 930 and the Outside Travel Lane Fee.

The total of the fees is \$412,848.00. The developer will be responsible for all water, sewer and storm drain fees which total \$381,067.00.

Staff recommends the paying of the fees for the City portion be paid by funds as they become available and approved by Council annually during the budget process. The resolution will reflect such a recital should any grants, programs, redevelopment agency or any other funding source become available.

OUTSTANDING ISSUES

None

FISCAL IMPACT

The City would be responsible for paying \$412,848.00 in Development Fees. (to be paid as outlined above).

PUBLIC HEARING

None

Attachments:

A. Development Impact Fees

Attachment 'A'

CITY OF KERMAN
DEVELOPMENT IMPACT FEES

PRELIMINARY

SPR No. 16-01
Gateway Villas

March 10, 2016
MFR 2014 Fee Schedule

NO. UNITS = 61 UN

CODE	FEE	QUAN		RATE		AMOUNT
110	ADMINISTRATIVE FEE	61	UN	\$ 475		\$ 28,975
140	PUBLIC BUILDING FACILITIES	61	UN	\$ 629		\$ 38,369
160	LUM & KOLLEEN SEWER FEE	61	UN	\$ 273		\$ 16,653
170	GENERAL PLAN UPDATE	61	UN	\$ 296		\$ 18,056
180	FIRE STATION & EQUIPMENT	61	UN	\$ 442		\$ 26,962
480	STORM BASIN ACQUISITION	61	UN	\$ 154		\$ 9,394
490	STORM DRAIN FACILITIES	61	UN	\$ 637		\$ 38,857
520	WATER FRONT FOOTAGE	0	LF	\$ 15		\$ -
530	WATER OVERSIZE	61	UN	\$ 288		\$ 17,568
540	WATER MAJOR FACILITIES	61	UN	\$ 2,020		\$ 123,220
550	SEWER FRONT FOOTAGE	0	LF	\$ 16		\$ -
560	SEWER OVERSIZE	61	UN	\$ 526		\$ 32,086
570	SEWER MAJOR FACILITIES	61	UN	\$ 2,349		\$ 143,289
580	PARKS - DEVELOPMENT	61	UN	\$ 2,706		\$ 165,066
590	PARKS - QUIMBY	61	UN	\$ 759		\$ 46,299
910	MAJOR STREETS	61	UN	\$ 1,049		\$ 63,989
920	STREET SIGNALS	61	UN	\$ 76		\$ 4,636
930	RAILROAD CROSSINGS	61	UN	\$ 125		\$ 7,625
	OUTSIDE TRAVEL LANE	61	UN	\$ 211		\$ 12,871
					TOTAL	\$ 793,915



City of Kerman

"Where Community Comes First"

MAYOR
Stephen B. Hill
COUNCIL MEMBER
Rhonda Armstrong
MAYOR PRO-TEM
Gary Yep
COUNCIL MEMBER
Kevin Nehring
COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: PLANNING AND DEVELOPMENT
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Jerry Jones, City Engineer
Subject: Resolution Approving Funding Agreement with the California State Water Resources Control Board for New Well No. 18 and Double L Mobile Ranch Park Water Service Projects

RECOMMENDATION

Council by motion adopt the resolution approving Funding Agreement No. D15-02047 with the California State Water Resources Control Board for New Well No. 18 and Double L Mobile Ranch Park Water Service Projects, Drinking Water State Revolving Fund Project No. 1000248-002C, and authorizing the City Manager to sign the agreement.

EXECUTIVE SUMMARY

In 2013, the City was approached by the California Department of Public Health (CDPH), Drinking Water Program, regarding the connection of the Double L Mobile Ranch Park (MRP) to the City's water system to address ongoing violations by the Double L MRP water system. In doing so, the City would be eligible for funding through the Safe Drinking Water State Revolving Fund (SDWSRF) Program for the construction of the necessary facilities to connect the Double L MRP to the City's water system and also for the construction of the City's new Well No. 18. The City was invited to apply for SDWSRF funding by CDPH on behalf of the Double L MRP. The City submitted the application to CDPH and has received the necessary environmental, technical, and financial clearances. In the time since the application was submitted, CDPH's Drinking Water Program was transferred over to the State Water Resources Control Board (SWRCB) and is now known as the Division of Drinking Water (DDW). The City has received the Funding Agreement for the project and must execute and return the agreement to the SWRCB by July 7, 2016 to retain the funding. The total funding amount included in the agreement is \$3.23 million.

OUTSTANDING ISSUES

In order to provide water service to the Double L MRP, the City must apply for approval from the Fresno County Local Agency Formation Commission (LAFCo). This is a required due to Double L MRP's location being outside of the City Limits. Staff have had preliminary discussions with LAFCo regarding approval and there did not appear to be any roadblocks to approval. In addition, DDW Staff will be heavily involved if any issues arise with LAFCo.

DISCUSSION

The Double L MRP is a rural mobile home park located at the northeast corner of Floyd Avenue and Church Avenue, approximately 2.5 miles east of the City, see Attachment B. The Double L MRP is served by a small private water system. The water system has ongoing uranium maximum contaminant level (MCL) violations in the sole

source of supply for the water system. As a privately owned water system, the water system is ineligible for funding through the SDWSRF Program.

The City was approached by CDPH regarding the connection of the Double L MRP water system to the City's water system. As a public entity, the City is eligible to receive funding through the SDWSRF Program. The owner of the Double L MRP, Mr. Carl Hunt, assigned his water system's SDWSRF Construction Grant Application to the City. Therefore, the City was eligible to apply for funding for connection of the Double L MRP water system to the City's water system. The connection will require the installation of a water main in California Avenue from Goldenrod Avenue to Floyd Avenue and in Floyd Avenue from California Avenue to Church Avenue, see Attachment B. All costs associated with the installation of the water main and associated facilities will be eligible for funding, with no costs being borne by the City.

At the time the City was approached by CDPH, preliminary design had begun on the City's new domestic supply well, Well No. 18. The City had been in the process of developing Well No. 18 for several years in order to eliminate the periodic use of Well No. 10, which has had uranium levels above acceptable levels at times. The City relayed to CDPH that in order to provide water service to Double L MRP, the City needed to have Well No. 18 online. CDPH agreed that in addition to receiving funding for the connection of the Double L MRP, the City would be eligible to receive funding for the construction of the City's new Well No. 18. Well No. 18 will be located approximately 400 feet north of Whitesbridge Road and 1,200 feet west of Madera Avenue, adjacent to the City's storm drainage basin, see Attachment C.

The City submitted an application for SDWSRF Grant funding to CDPH on December 26, 2013. The application was deemed complete on May 22, 2014. In the time since the application was submitted, CDPH's Drinking Water Program was transferred over to the State Water Resources Control Board (SWRCB) and is now known as the Division of Drinking Water (DDW). The City has received the necessary environmental, technical, and financial clearances. The City has received the Funding Agreement for the project and must execute and return the agreement to the SWRCB by July 7, 2016 to retain the funding. The total funding amount included in the agreement is \$3.23 million.

FISCAL IMPACT

The \$3.23 million in funding is equal to the entire estimated cost of the project, the City is not required to provide any local match funds.

PUBLIC HEARING

Not Required.

Attachments:

- A. Resolution w/Exhibit
- B. Vicinity Map – Double L MRP
- C. Vicinity Map – Well No. 18

Attachment 'A'

RESOLUTION NO. 16-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN
APPROVING FUNDING AGREEMENT NO. D15-02047 WITH THE CALIFORNIA STATE WATER RESOURCES CONTROL
BOARD FOR NEW WELL NO. 18 AND DOUBLE L MOBILE RANCH PARK WATER SERVICE PROJECTS,
DRINKING WATER STATE REVOLVING FUND PROJECT NO. 1000248-002C

WHEREAS, Carl Hunt is the owner of the Double L Mobile Ranch Park located at 11470 W. Church Avenue, in the County of Fresno; and

WHEREAS, the Double L Mobile Ranch Park consists of thirty-six (36) mobile home units/spaces and one residence and is served by a private water system owned and operated by Carl Hunt; and

WHEREAS, the private water system has received violations from the California Department of Public Health Drinking Water Division (CDPH) for exceeding the uranium maximum contaminant level; and

WHEREAS, the CDPH has approached the City of Kerman (City) regarding the consolidation of the Double L Mobile Ranch Park water system into the City's water system and Carl Hunt is agreeable to this consolidation; and

WHEREAS, the City deemed it necessary to construct Well No. 18 prior to providing water service to the Double L MRP; and

WHEREAS, the CDPH invited the City to apply for Safe Drinking Water State Revolving Fund Grant funding for construction of Well No. 18 and Consolidation of the Double L Mobile Ranch Park Water System; and

WHEREAS, the City has submitted an Application for Safe Drinking Water State Revolving Fund Grant funding for construction of Well No. 18 and Consolidation of the Double L Mobile Ranch Park Water System; and

WHEREAS, the CDPH's Drinking Water Program was transferred over to the State Water Resources Control Board (SWRCB) and is now known as the Division of Drinking Water (DDW); and

WHEREAS, the City has received the necessary environmental, technical, and financial clearances from the SWRCB and the SWRCB has issued a funding agreement for New Well No. 18 and Double L Mobile Home Park Water Service Projects.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN DOES RESOLVE AS FOLLOWS:

1. Funding Agreement No. D15-02047 with the California State Water Resources Control Board for the New Well No. 18 and Double L Mobile Ranch Park Water Services Projects, Drinking Water State Revolving Fund Project No. 1000248-002C, as shown in Exhibit 'A', is hereby approved.
2. The City Manager is authorized to sign Funding Agreement No. D15-02047, and all associated documents, on behalf of the City.
3. The City Manager, or his/her designee, is designated to represent the City in carrying out the City's responsibilities under the Funding Agreement, including certifying disbursement requests on behalf of the City and compliance with applicable state and federal laws.

4. The City Engineer is authorized to initiate the LAFCo application process to allow the City to provide water service outside its jurisdiction.

The forgoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Kerman held on the 15th day of June, 2016, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk

Exhibit 'A'



PROPOSITION 1 DRINKING WATER

CITY OF KERMAN

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



LOAN (100% PRINCIPAL FORGIVENESS)

PUBLIC WATER SYSTEM CONSTRUCTION FINANCING

NEW WELL AND DOUBLE L MOBILE RANCH PARK WATER SERVICE PROJECTS

DRINKING WATER STATE REVOLVING FUND PROJECT NO. 1000248-0020

AGREEMENT NO. D15-02047

AMOUNT: \$3,230,000

ELIGIBLE START DATE: January 1, 2013

END DATE: June 1, 2055

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

TABLE OF CONTENTS

ARTICLE I DEFINITIONS..... 1

1.1 Definitions..... 1

1.2 Exhibits and Appendices Incorporated..... 4

ARTICLE II REPRESENTATIONS, WARRANTIES, AND COMMITMENTS..... 4

2.1 General Recipient Commitments..... 4

2.2 Authorization and Validity..... 4

2.3 No Violations..... 4

2.4 No Litigation..... 4

2.5 Solvency..... 5

2.6 Legal Status and Eligibility..... 5

2.7 Financial Statements..... 5

2.8 Completion of Project..... 5

2.9 Award of Construction Contracts..... 5

2.10 Notice..... 5

2.11 Findings and Challenge..... 7

2.12 Project Access..... 7

2.13 Project Completion/Initiation of Operations..... 7

2.14 Continuous Use of Project/Lease or Disposal of Project..... 5

2.15 Project Reports..... 5

2.16 Federal Disadvantaged Business Enterprise (DBE) Reporting..... 9

2.17 Records..... 9

2.18 Audit..... 9

ARTICLE III FINANCING PROVISIONS..... 10

3.1 Contingent Disbursement..... 10

3.2 Amounts Payable by the Recipient..... 10

3.3 [Reserved]..... 10

City of Kerman
Agreement No. D15-02047
Project No : 1000248-002C

3.4 No Obligation of the State 10

3.5 Disbursement of Project Funds, Availability of Funds 10

3.6 Withholding of Disbursements and Material Violations 11

3.7 Rates, Fees and Charges 12

3.8 Financial Management System and Standards 12

3.9 Accounting and Auditing Standards 12

3.10 Other Assistance 12

ARTICLE IV RESERVED 12

ARTICLE V MISCELLANEOUS PROVISIONS 13

5.1 Amendment 13

5.2 Assignability 13

5.3 Bonding 13

5.4 Competitive Bidding 13

5.5 Compliance with Law, Regulations, etc. 13

5.6 Conflict of Interest 13

5.7 Damages for Breach Affecting Tax-Exempt Status or Federal Compliance 14

5.8 Disputes 14

5.9 Governing Law 14

5.10 Income Restrictions 14

5.11 Indemnification and State Reviews 14

5.12 Independent Actor 15

5.13 [Reserved] 15

5.14 Non-Discrimination Clause 15

5.15 No Third Party Rights 15

5.16 Operation and Maintenance Insurance 15

5.17 Permits, Subcontracting, and Remedies 18

5.18 Prevailing Wages 15

5.19 Public Funding 15

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

5.20	Recipient's Responsibility for Work	17
5.21	Related Litigation.....	17
5.22	Rights in Data.....	17
5.23	State Water Board Action; Costs and Attorney Fees	17
5.24	Termination, Immediate Acceleration, Interest.....	17
5.25	Timeliness.....	15
5.26	Unenforceable Provision.....	15
5.27	Useful Life.....	15
5.28	Venue.....	15
5.29	Waiver and Rights of the State Water Board.....	15

- EXHIBIT A - SCOPE OF WORK & INCORPORATED DOCUMENTS
- EXHIBIT A - FBA - FINAL BUDGET APPROVAL
- EXHIBIT B - FUNDING AMOUNT
- EXHIBIT C - RESERVED
- EXHIBIT D - SPECIAL CONDITIONS
- EXHIBIT E - PROGRAMMATIC CONDITIONS & CROSS-CUTTERS
- EXHIBIT F - SCHEDULE OF SYSTEM OBLIGATIONS
- EXHIBIT G - DAVIS BACON REQUIREMENTS
- EXHIBIT H - COMPLIANCE WITH CROSS-CUTTING STATE AUTHORITIES

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

This plan, including all exhibits and attachments hereto (Agreement) by and between the State Water Resources Control Board, an administrative and regulatory agency of the State of California (State Water Board), and the entity identified on the cover page of this Agreement, duly organized and existing under the laws of the State of California (Recipient):

WITNESSETH:

WHEREAS the United States of America, pursuant to section 1452 of the Federal Safe Drinking Water Act (72 U.S.C. § 300f-12) as such has been and may be amended from time to time (Federal Act) requires each State to establish a drinking water state revolving fund to be administered by an instrumentality of the State as a condition to receipt of capitalization grants under the Federal Act; and

WHEREAS the State of California (State) has established a Drinking Water State Revolving Fund (DWSRF or SRF) pursuant to Chapter 4.5 of Part 12 of Division 104 of the California Health and Safety Code (State Act) to be used for purposes of the Federal Act; and

WHEREAS the State Water Board is the state agency authorized to administer the DWSRF and provide financial assistance from the DWSRF to public water systems for the construction of eligible projects including planning, as provided in the State Act; and

WHEREAS through the passage of Proposition 1 in 2014 (State GO Bond Act), the voters of the State have authorized the State Water Board to make available certain general obligation bond proceeds for projects meeting certain criteria; and

WHEREAS the State Water Board determines eligibility for financial assistance, determines a reasonable schedule for financing such projects, establishes compliance with the Federal Act and the State Act and the State GO Bond Act, and establishes the terms and conditions of an applicable financing agreement; and

WHEREAS the Recipient has applied to the State Water Board for financial assistance, for the purpose of financing or refinancing the Project described in this Agreement, and the State Water Board has reviewed and approved said application; and

WHEREAS the Recipient has incurred or will incur costs incurred in connection with the planning, design, acquisition, construction, and installation of the Project described in this Agreement, including exhibits hereto; and

WHEREAS on the basis of the Recipient's application and the representations and warranties set forth herein, the State Water Board proposes to assist in financing the costs of the Project, and the Recipient desires to participate as a recipient of financial assistance from the State Water Board, upon the terms and conditions set forth in this Agreement, all pursuant to the Federal Act and the State Act and the State GO Bond Act.

NOW, THEREFORE, in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the State Water Board and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree as follows:

ARTICLE I - DEFINITIONS

1.1 Definitions.

Unless otherwise specified, each capitalized term used in this Agreement (including the Exhibits hereto) has the following meaning:

"Additional Payments" means the Additional Payments described in Section 3.2(c) of this Agreement.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

"Agreement" means this loan by and between the State Water Board and the Recipient, including all exhibits and attachments hereto.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Authorized Representative" means the duly appointed representative of the Recipient. For a Authorized Representative, a certified original of the authorizing resolution that designates the authorized representative by title must accompany the first disbursement request and any other documents or requests required or allowed under this Agreement.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete.

"Days" means calendar days unless otherwise expressly indicated.

"District Office" means District Office of the Division of Drinking Water of the State Water Resources Control Board.

"Division" means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer this Agreement.

"Division of Drinking Water" means the Division of Drinking Water of the State Water Board.

"DWSRF" means the Drinking Water State Revolving Fund.

"Eligible Start Date" means the date set forth in Exhibit B establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

"Enterprise Fund" means the enterprise fund of the Recipient in which Revenues are deposited.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period hereafter selected and designated by the Recipient as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Recipient's own employees or equipment for construction of the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Listed Event" means, so long as the Recipient has outstanding any System Obligation subject to Rule 15c2-12, any of the events required to be reported pursuant to Rule 15c2-12(p)(5).

"Loan Repayments" means repayments due and payable by the Recipient to the State Water Board under this Agreement, the amounts of which are set forth as Exhibit C hereto.

"Material Event" means any event that, as determined by the Division, might cause the State Water Board to violate the terms and conditions of its agreements with USEPA or its bond covenants, including any of

City of Kernan
Agreement No. D15-02047
Project No. 1000248-002C

the following: (a) revenue shortfalls; (b) unscheduled draws on the Reserve Fund, if any, or the Enterprise Fund; (c) substitution of insurers, or their failure to perform; (d) adverse findings by the Division of Drinking Water; (e) litigation related to the Revenues, the System, or the Project, whether pending or anticipated; (f) any false warranty or representation made by the Recipient relevant to this Agreement; (g) loss, theft, damage, or impairment to the Revenues or the System; (h) seizure of, or levy on any collateral securing this Agreement; (i) dissolution or cessation of operations by the Recipient, termination of Recipient's existence, insolvency of Recipient, or filing of a voluntary or involuntary bankruptcy petition by or on behalf of Recipient; (j) any event set forth in section 2.10 of this Agreement.

"Material Obligation" means any senior or parity obligation of the Recipient payable from Revenues as identified as of the date of this Agreement in Exhibit F, the Obligation, and such additional obligations as may hereafter be issued in accordance with the provisions of such obligations and this Agreement.

"Net Revenues" means, for any Fiscal Year, all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.

"Obligation" means the obligation of the Recipient to make Loan Repayments and Additional Payments as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description attached hereto as Exhibit A and Exhibit A-FBA and in the documents thereby incorporated by reference.

"Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the System and insurance premiums; but excluding, in all cases, depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.

"Policy" means the State Water Board's "Policy for Implementing the Drinking Water State Revolving Fund," as amended from time to time.

"Project" means the Project financed by this Agreement as described in Exhibit A, Exhibit A-FBA, and in the documents incorporated by reference herein.

"Project Completion" means the date, as determined by the Division after consultation with the Recipient that operation of the Project is initiated or is capable of being initiated, whichever comes first.

"Project Costs" means the incurred costs of the Recipient which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Policy, and which are reasonable, necessary and allocable by the Recipient to the Project under GAAP, plus capitalized interest.

"Project Funds" means all moneys disbursed to the Recipient by the State Water Board pursuant to this Agreement and used to finance the Project.

"Recipient" means City of Kernan.

"Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the Recipient for the services of the System, and all other income and revenue howsoever derived by the Recipient from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund of the Recipient or held on

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

the Recipient's behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.

"SRF" means the Drinking Water State Revolving Fund.

"State" means State of California.

"State Water Board" means the State Water Resources Control Board, an administrative and regulatory agency of the State of California.

"System" means all drinking water collection, transport, treatment, storage, and delivery facilities including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures, or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

"System Obligation" means any long-term obligation of the Recipient payable from the Entorose Fund, including this Obligation and obligations reflected in Exhibit F hereto.

1.2 Exhibits and Appendices Incorporated

All exhibits and appendices to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement.

ARTICLE II REPRESENTATIONS, WARRANTIES, AND COMMITMENTS

The Recipient represents, warrants, and commits to the following as of the date set forth on the first page hereof and continuing thereafter for the term of the Agreement.

2.1 General Recipient Commitments

The Recipient accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Recipient in its application, accompanying documents, and communications filed in support of its request for financial assistance.

2.2 Authorization and Validity

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized. This Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.

2.3 No Violations

The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date set forth on the first page hereof.

2.4 No Litigation

There are no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which

City of Kernan
Agreement No. D15-02047
Project No. 1000248-002C

affect the financial condition or operations of the Recipient, the System, the Revenues, and/or the Project.

2.5 Solvency

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. As of the date set forth on the first page hereof, Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. Recipient is able to pay its debts as they become due.

2.6 Legal Status and Eligibility

Recipient is duly organized and existing and in good standing under the laws of the State of California, and will remain so during the term of this Agreement. Recipient shall at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. Recipient shall maintain its eligibility for funding under this Agreement for the term of this Agreement.

2.7 Financial Statements

The financial statements of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements (a) are materially complete and correct, (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.

2.8 Completion of Project

The Recipient agrees to expeditiously proceed with and complete construction of the Project in substantial accordance with Exhibit A and Exhibit A-FBA.

2.9 Award of Construction Contracts

- (a) The Recipient agrees to award the prime construction contract no later than the date specified in Exhibit A.
- (b) The Recipient agrees to promptly notify the Division in writing both of the award of the prime construction contract for the Project and of initiation of construction of the Project. The Recipient agrees to make all reasonable efforts to complete construction in substantial conformance with the terms of the contract by the Completion of Construction date established in Exhibit A. Such date shall be binding upon the Recipient unless modified in writing by the Division upon a showing of good cause by the Recipient. The Recipient shall deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date. The Division will not unreasonably deny such a timely request, but the Division may deny requests received after this time.

2.10 Notice

- (a) The Recipient agrees to notify the Division in writing within five (5) working days of the occurrence of the following:
 - (1) Material defaults on this Obligation;

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

- (2) Unscheduled draws on debt service reserves held for this Obligation, if any, reflecting financial difficulties;
 - (3) Bankruptcy, insolvency, receivership or similar event of the Recipient;
 - (4) Actions taken pursuant to state law in anticipation of filing for bankruptcy;
 - (5) Other Material Events or Listed Events;
 - (6) Change of ownership of the Project or change of management or service contracts, if any, for operation of the Project; or
- (b) The Recipient agrees to notify the Division within 10 working days of the following:
- (1) Material defaults on System Obligations, other than this Obligation;
 - (2) Unscheduled draws on debt service reserves held for System Obligations, other than this Obligation, if any, reflecting financial difficulties;
 - (3) Unscheduled draws on credit enhancements on System Obligations, if any, reflecting financial difficulties;
 - (4) Substitution of credit or liquidity providers, if any, or their failure to perform;
 - (5) Any litigation pending or threatened against Recipient regarding its water capacity or its continued existence, circulation of a petition to challenge rates, consideration of dissolution, or reincorporation, or any other material threat to the Recipient's Revenues;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds;
 - (7) Rating changes on outstanding System Obligations, if any; or
 - (8) Issuance of additional System Obligations
- (c) The Recipient agrees to notify the Division promptly of the following:
- (1) Any substantial change in scope of the Project. The Recipient agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the Division and the Division has given written approval for such change;
 - (2) Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
 - (3) Any circumstance, combination of circumstances, or condition which is expected to or does delay Completion of Construction for a period of ninety (90) days or more beyond the estimated date of Completion of Construction previously provided to the Division;
 - (4) Discovery of any potential archeological or historical resource. Should a potential archeological or historical resource be discovered during construction of the Project, the Recipient agrees that all work in the area of the find will cease until a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

- preserve the resource. The Recipient agrees to implement appropriate actions as directed by the Division.
- (5) Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act.
 - (6) Any monitoring, demonstration, or other implementation activities such that the State Water Board Division of Drinking Water staff may observe and document such activities.
 - (7) Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state and federal representatives with at least ten (10) working days' notice to both the Division and USEPA Region IX. The contact for USEPA Region IX is Juanita Licata at licata.juanita@epa.gov (415) 972-3450; or
 - (8) Completion of Construction of the Project, and actual Project Completion.
- (d) If the Recipient is regulated by the California Public Utilities Commission, the Recipient shall within three (3) days submit to the State Water Board by certified mail copies of any and all documents filed with the California Public Utilities Commission, including but not limited to applications, petitions, and investigations.

2.11 Findings and Challenge

Upon consideration of a voter initiative to reduce Revenues, the Recipient shall make a finding regarding the effect of such a reduction on the Recipient's ability to satisfy the rate covenant set forth in Section 3.7 of this Agreement. The Recipient agrees to make its findings available to the public and to request, if necessary, the authorization of the Recipient's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant set forth in Section 3.7 hereof and its obligation to operate and maintain the Project for its useful life. The Recipient shall diligently pursue and bear any and all costs related to such challenge. The Recipient shall notify and regularly update the State Water Board regarding any such challenge.

2.12 Project Access

The Recipient agrees to ensure that the State Water Board, the Governor of the State, the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, the President of the United States, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Obligation. The Recipient acknowledges that, except for a subset of information regarding archaeological records, the Project records and locations are public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated by Exhibit A and Exhibit A-FRA, and all reports, disbursement requests, and supporting documentation submitted hereunder.

2.13 Project Completion; Initiation of Operations.

Upon Completion of Construction of the Project, the Recipient agrees to expeditiously initiate Project operations.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

2.14 Continuous Use of Project; Lease or Disposal of Project

The Recipient agrees that, except as provided in the Agreement, it will not abandon, substantially discontinue use of, lease, or dispose of the Project or any significant part or portion thereof during the useful life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds of all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments which may be due.

2.15 Project Reports

(a) Status Reports. The Recipient agrees to provide expeditiously status reports no less frequently than quarterly, starting with the execution of this Agreement. These reports shall accompany any disbursement request and shall be a condition precedent to any disbursement. At a minimum, the reports will contain the following information:

- (1) A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
- (2) A description of compliance with environmental requirements;
- (3) A listing of change orders including amount, description of work, and change in contract amount and schedule; and
- (4) Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

(b) Project Completion Report. The Recipient shall submit a Project Completion Report to the Division, with a copy to the appropriate District Office of the Division of Drinking Water on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must address the following:

- (1) Describe the Project;
 - (2) Describe the water quality problem the Project sought to address;
 - (3) Discuss the Project's likelihood of successfully addressing that water quality problem in the future, and
 - (4) Summarize compliance with environmental conditions, if applicable.
- (5) Where the Recipient fails to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold disbursements under this Agreement or other agreements, and begin administrative proceedings.

(c) As Needed Reports. The Recipient agrees to provide expeditiously, during the term of this Agreement, such reports, data, and information as may be reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

2.16 Federal Disadvantaged Business Enterprise (DBE) Reporting

The Recipient agrees to report DBE utilization to the Division on the DBE Utilization Report, State Water Board Form DBE UR354. The Recipient must submit such reports to the Division annually within ten (10) calendar days following October 1, until such time as the "Notice of Completion" is issued. The Recipient agrees to comply with 40 CFR § 33.301.

2.17 Records.

(a) Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient agrees to:

- (1) Establish an official file for the Project which shall adequately document all significant actions relative to the Project;
- (2) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;
- (3) Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
- (4) Establish an accounting system which will accurately depict final total costs of the Project, including both direct and indirect costs;
- (5) Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- (6) If Force Account is used by the Recipient for any phase of the Project, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect Force Account costs are not eligible for funding.

(b) The Recipient shall be required to maintain separate books, records and other material relative to the Project. The Recipient shall also be required to retain such books, records and other material for itself and for each contractor or subcontractor who performed work on this project for a minimum of thirty-six (36) years after Project Completion. The Recipient shall require that such books, records, and other material be subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned, and shall allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar right regarding audit, interviews, and records retention in any subcontract related to the performance of this Agreement. The provisions of this section shall survive the discharge of the Recipient's obligation hereunder and shall survive the term of this Agreement.

2.18 Audit.

(a) The Division, at its option, may call for an audit of financial information relative to the Project, where the Division determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of state or federal requirements. Where such an

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

audit is called for, the audit shall be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit shall be in the form required by the Division.

- (b) Audit disallowances will be returned to the State Water Board.

ARTICLE II FINANCING PROVISIONS

3.1 Contingent Disbursement:

The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.

3.2 Amounts Payable by the Recipient.

- (a) Loan Repayments. Loan Repayments are waived, as provided in Exhibit B.
- (b) Project Costs. The Recipient agrees to pay any and all costs connected with the Project including, without limitation, any and all Project Costs. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient shall nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.
- (c) Additional Payments. The Recipient shall pay to the State Water Board the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, attorneys, litigation costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

Additional Payments may be billed to the Recipient by the State Water Board from time to time, together with a statement executed by a duly authorized representative of the State Water Board, stating that the amounts billed pursuant to this section have been incurred by the State Water Board or its assignee for one or more of the above items and a copy of the invoice or statement for the amount so incurred or paid. Amounts so billed shall be paid by the Recipient within thirty (30) days after receipt of the bill by the Recipient.

3.3 [Reserved]

3.4 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys in the SRP made available pursuant to this Agreement.

3.5 Disbursement of Project Funds; Availability of Funds.

- (a) Except as may be otherwise provided in this Agreement, disbursement of Project Funds will be made as follows:
 - (i) Upon execution and delivery of this Agreement, the Recipient may request immediate disbursement of any eligible incurred planning and design allowance as specified in Exhibit B from the Project Funds through submission to the State Water Board of the Disbursement Request Form 260, or any amendment thereof, duly completed and executed. The Recipient must submit a disbursement request for costs incurred prior to the date the Agreement is executed by the State Water Board no later than ninety (90) days after this

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

Agreement is executed by the State Water Board. Late disbursement requests may not be honored.

- (2) The Recipient may request disbursement of eligible construction and equipment costs consistent with budget amounts referenced in Exhibit B and Exhibit A--BA. (Note that this Agreement will be amended to incorporate Exhibit A-FBA after final budget approval.)
 - (3) Additional Project Funds will be promptly disbursed to the Recipient upon receipt of Disbursement Request Form 260, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of status reports due under Section 2.15 above.
 - (4) The Recipient agrees that it will not request disbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of disbursement request.
 - (5) Recipient shall spend Project Funds within 60 days of receipt. Any interest earned on Project Funds shall be reported to the State Water Board and may be required to be returned to the State Water Board or deducted from future disbursements.
 - (6) The Recipient agrees that it shall not be entitled to interest earned on undisbursed Planning Funds.
 - (7) The Recipient agrees that it will not request a disbursement unless that Project Cost is allowable, reasonable, and allocable.
 - (8) Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.
- (b) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available on any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other agency. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

3.6 Withholding of Disbursements and Material Violations.

- (a) The State Water Board may withhold all or any portion of the funds provided for by this Agreement in the event that:
 - (1) The Recipient has materially violated or threatens to materially violate any term, provision, condition, or commitment of this Agreement; or
 - (2) The Recipient fails to maintain reasonable progress toward completion of the Project.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

- (b) For the purposes of this Agreement, the terms "material violation" or "threat of material violation" include, but are not limited to:
- (1) Placement on the ballot of an initiative or referendum to reduce Revenues;
 - (2) Passage of such an initiative or referendum;
 - (3) Successful challenges by ratepayer(s) to the process used by Recipient to set, ded date, or otherwise secure Revenues; or
 - (4) Any other action or lack of action that may be construed by the Division as a material violation or threat thereof.

3.7 Rates, Fees and Charges

The Recipient agrees, to the extent permitted by law, to fix, prescribe and collect rates, fees and charges for the System during each Fiscal Year which are reasonable, fair and nondiscriminatory and which will be at least sufficient to yield during each Fiscal Year Net Revenues in an amount necessary to meet its obligations under this Agreement. The Recipient may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

3.8 Financial Management System and Standards

The Recipient agrees to comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement. To the extent applicable, the Recipient agrees to be bound by, and to comply with, the provisions and requirements of the federal Single Audit Act of 1984, Office of Management and Budget (OMB) Circular No. A-133, and updates or revisions thereto, including but not limited to Section 210(s)-(d), (Pub. L. 98-502).

3.9 Accounting and Auditing Standards

The Recipient must maintain project accounts according to GAAP as issued by the Governmental Accounting Standards Board (GASB). The Recipient shall maintain GAAP compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets.

3.10 Other Assistance

If federal or state funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient may retain such funding up to an amount which equals the Recipient's local share of Project Costs. To the extent allowed by requirements of other funding sources, any funding received in excess of the Recipient's local share, not to exceed the total amount funded under this Agreement, shall be remitted to the State Water Board to be applied to Loan Repayments due hereunder, if any.

ARTICLE IV RESERVED

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

ARTICLE V MISCELLANEOUS PROVISIONS

5.1 Amendment

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

5.2 Assignability

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

5.3 Bonding

Where contractors are used, the Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$20,000.00.

5.4 Competitive Bidding

Recipient shall adhere to any applicable state or local ordinance for competitive bidding and applicable labor laws.

Where Recipient is a private entity, it shall ensure that any construction contracts related in any way to the Project shall be let by competitive bid procedures which assure award of such contracts to the lowest responsible bidders. Recipient shall not award a construction contract until a summary of bids and identification of the selected lowest responsible bidder is submitted to and approved in writing by the Division. Recipient must provide a full explanation if Recipient is proposing to award a construction contract to anyone other than the lowest responsible bidder.

5.5 Compliance with Law, Regulations, etc.

The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Recipient agrees that, to the extent applicable, the Recipient will:

- (a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;
- (b) Comply with the State Water Board's Policy;
- (c) Comply with and require compliance with the list of state laws attached as Exhibit D;
- (d) Comply with and require its contractors and subcontractors on the Project to comply with federal DBE requirements; and
- (e) Comply with and require its contractors and subcontractors to comply with the list of federal laws attached as Exhibit E.

5.6 Conflict of Interest

The Recipient certifies that its owners, officers, directors, agents, representatives, and employees are in compliance with applicable state and federal conflict of interest laws.

City of Kernan
Agreement No. D15-02047
Project No. 1000248-002C

5.7 Damages for Breach Affecting Tax-Exempt Status or Federal Compliance

In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, including Bonds issued on behalf of the State Water Board, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach. In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

5.8 Disputes

- (a) The Recipient may appeal a final decision within 30 days to the Deputy Director of the Division or designee for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.
- (b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
- (c) Recipient shall continue with the responsibilities under this Agreement during any dispute.

5.9 Governing Law

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

5.10 Income Restrictions

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement shall be paid by the Recipient to the State, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State under this Agreement.

5.11 Indemnification and State Reviews

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses of every conceivable kind, character,

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

and nature whatsoever arising out of, resulting from, or in any way connected with (1) the System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related documents; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.

5.12 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

5.13 [Reserved].

5.14 Non-Discrimination Clause.

- (a) During the performance of this Agreement, Recipient and its contractors and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.
- (b) The Recipient, its contractors, and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- (c) The Recipient, its contractors, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- (d) The Recipient, its contractors, and subcontractors shall give written notice of the obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- (e) The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

5.15 No Third Party Rights

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

5.16 Operation and Maintenance; Insurance

The Recipient agrees to sufficiently and properly shall operate and maintain all portions of the System during its useful life in accordance with all applicable state and federal laws, rules, and regulations.

The Recipient will procure and maintain or cause to be maintained insurance on the System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System) as are usually covered in connection with systems similar to the System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The Recipient shall begin such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the System shall be free and clear of all claims and liens.

Recipient agrees that for any policy of general liability insurance concerning the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and shall provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

5.17 Permits, Subcontracting, and Remedies

The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules and regulations. Recipient shall procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses shall be submitted to the Division before construction begins.

5.18 Prevailing Wages

The Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. The Recipient shall monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met. In addition, the Recipient agrees to comply with the provisions of Exhibit C (Davis-Bacon).

5.19 Public Funding

This Project is publicly funded. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

5.20 Recipient's Responsibility for Work

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

5.21 Related Litigation

Under no circumstances may the Recipient use funds from any disbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed funds plus interest in the event that Recipient does not complete the project.

5.22 Rights in Data

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request.

5.23 State Water Board Action; Costs and Attorney Fees.

The Recipient agrees that any remedy provided in this Agreement is, in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

5.24 Termination; Immediate Accrual of Interest

- (a) This Agreement may be terminated by written notice during construction of the Project, or thereafter at any time prior to complete satisfaction of the Obligation by the Recipient, at the option of the State Water Board, upon violation by the Recipient of any material provision of this Agreement after such violation has been called to the attention of the Recipient and after failure of the Recipient to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the Division.
- (b) In the event of such termination, the Recipient agrees, upon demand, to immediately repay to the State Water Board an amount equal to Project Funds disbursed hereunder, accrued interest, penalty assessments, and Additional Payments. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Recipient to the date all monies due have been received by the State Water Board.
- (c) Where the Recipient is a private entity that has been determined to have violated an applicable prohibition in the Prohibition Statement below or has an employee who is determined by USEPA to have violated an applicable prohibition in the Prohibition Statement below that is either

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

associated with performance. Under this award or impuned to the Recipient using the standards and due process for imputing the conduct of an individual to an organization pursuant to 2 CFR Part 180, the Recipient acknowledges and agrees that any funds disbursed under this Agreement may become immediately due and payable and that penalties up to the amount of the federal capitalization grant may be due by the Recipient to the State Water Board, in addition to any other criminal or civil penalties that may become due. The Recipient, its employees, its contractors, and any subrecipients or subcontractors may not engage in trafficking in persons, procure a commercial sex act, or use forced labor.

5.25 Timeiness.

Time is of the essence in this Agreement.

5.26 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

5.27 Useful Life.

The Recipient agrees that the economic useful life of the Project, commencing at Project Completion, is at least equal to the term of this Agreement, as set forth in Exhibit B herein.

5.28 Venue.

The State Water Board and the Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

5.29 Waiver and Rights of the State Water Board

Any waiver of rights by the State Water Board with respect to a default or other matter arising under the Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

City of Kerman
Agreement No. D15-02047
Project No. : 1000248-002C

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto

CITY OF KERMAN:

By _____
Name: John Kunkel
Title: City Manager

Date: _____

STATE WATER RESOURCES CONTROL BOARD:

By _____
Name: Darrin Pothornus
Title: Deputy Director
Division of Financial Assistance

Date: _____

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT A – SCOPE OF WORK

1. The Recipient agrees to start construction no later than the estimated date of July 1, 2017.
2. The Completion of Construction date is hereby established as June 1, 2019.
3. The Recipient agrees to ensure that its final Request for Disbursement is received by the Division no later than six months after Completion of Construction, unless prior approval has been granted by the Division. Otherwise, the undisbursed balance of this Agreement will be deobligated.
4. Incorporated by reference into this Agreement are the following documents:
 - (a) The Final Plans & Specifications, which are the basis for the construction contract to be awarded by the Recipient (Agreement will be amended to incorporate such document);
 - (b) the Drinking Water System Permit No. 03-12-08P-026
5. Reporting: Status Reports due at least quarterly.
6. Scope of Work:

The selected construction project is a phased consolidation project with the City of Kerman, with the first two phases beginning concurrently. Phase 1- test well/production well construction, Phase 2- transmission pipeline design, and Phase 3- transmission pipeline construction (connection between the City and Double L).

Phase 1- The City of Kerman is unable to meet water demands during the summer months without relying on a well that exceeds the Uranium MCL. Additional City source capacity is required to meet those demands, as well as to be a reliable source for the Double L Mobile Ranch Park. This phase includes the drilling and development of a new City well (Well 18), installation of the Well 18 pump and motor, well site improvements, and connections to the existing City water mains. A previously completed test well on the selected site found adequate water quality and was used as the basis of design of the production well. However since completion of that test well the Division of Drinking Water (DDW) has adopted the hexavalent chromium MCL of 10ug/L. All of the City wells exceed the hexavalent chromium MCL and the City was issued a compliance order for the MCL violation on July 29, 2015. The City desires to drill a new test well at the same site to a greater depth to evaluate whether water with low hexavalent chromium and uranium can be obtained at the selected well site. The test well is expected to be drilled to a depth of at least 1500 feet below ground surface. Production well P&S will be finalized once the test well is drilled and depth analysis is complete.

Phase 2- Plans and specifications for the transmission water main from the City's distribution system to the Double L Mobile Ranch Park (approximately 3 miles of pipeline) will be finalized under the construction funding agreement.

Phase 3- Construction and installation of the water main from the City to the Double L Mobile Ranch Park.

7. Signage

The Recipient shall place a sign at least four feet tall by eight feet wide made of 3/4 inch thick exterior grade plywood or other approved material in a prominent location on the project site and shall maintain the sign in good condition for the duration of the construction period. The sign shall include the following disclosure statement and color logos (available from the Division):

City of Kerman
Agreement No.: D15-02047
Project No.: 1000248-002C

EXHIBIT A – SCOPE OF WORK



"Funding for this New Well and Double L Mobile Ranch Park Water Service Projects has been provided in full or in part by the Proposition 1 – the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and the Drinking Water State Revolving Fund through an agreement with the State Water Resources Control Board. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."

The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

The Recipient shall include the following disclosure statement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

"Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use."

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT B – FUNDING AMOUNT

1. **Estimated Reasonable Cost.** The estimated reasonable cost of the total Project, including associated planning and design costs, is three million two hundred thirty thousand dollars and no cents (\$3,230,000).
2. **Project Financing.** Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds in the amount of up to three million two hundred thirty thousand dollars and no cents (\$3,230,000). The estimated amount of principal that will be due to the State Water Board under this Agreement is zero dollars and no cents (\$0).
3. **Contingent Principal Forgiveness.** Contingent on the Recipient's performance of its obligations under this Agreement, the State Water Board agrees to forgive up to three million two hundred thirty thousand dollars and no cents (\$3,230,000) of the principal under this Agreement.
4. The term of this agreement is from January 1, 2013 to June 1, 2055.
5. Budget costs are contained in the Project Cost Table below, which is part of Exhibit A-FBA. (This Agreement will be amended to incorporate Exhibit A-FBA.)
6. Preliminary budget costs are as follows:

Planning and design allowances: \$739,500

Construction costs and disbursements are not available until after this Agreement has been amended to incorporate Exhibit A-FBA. Construction costs incurred prior to the Eligible Start Date on the cover page of this Agreement are not eligible for reimbursement. Costs incurred prior to November 1, 2014 are not eligible for Proposition 1 funding, but may be funded from the DWSRF. Failure to begin construction according to the timelines set forth in Exhibit A may require the Recipient to repay to the State Water Board all disbursed Project Funds, including planning and design allowances.

City of Kerman
Agreement No. D15-02047
Project No. : 1000248-002C

EXHIBIT C – RESERVED

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT C – SPECIAL CONDITIONS

Recipient acknowledges and agrees to the following special conditions:

Technical:

1. The Recipient shall submit a permit amendment application to the Division of Drinking Water Fresno District Office no later than 3 months from Project completion.
2. The Recipient shall complete construction of the Project no later than June 1, 2019.
3. The Recipient shall submit quarterly progress reports to the State's Project Manager and the Division of Drinking Water Fresno District Office until the Project is certified complete.
4. The Recipient shall notify the State's Project Manager and the Division of Drinking Water Fresno District Office when the Project is 100% complete.
5. The Recipient shall submit to the State's Project Manager and the Division of Drinking Water Fresno District Office final Plans and Specifications (P&S) and bid documents for the test well prior to the bid advertisement.
6. The Recipient shall submit to the State's Project Manager and the Division of Drinking Water Fresno District Office the test well water quality results prior to finalizing P&S for the production well under Phase 1 (Production Well).
7. The Recipient shall submit to the State's Project Manager and the Division of Drinking Water Fresno District Office the final P&S and bid documents for review and approval prior to bid advertisement for both Phase 1 (Production Well) and Phase 3 (Consolidation Pipeline).
8. The Recipient shall submit to the State's Project Manager and the Division of Drinking Water Fresno District Office the bid results for review and approval prior to awarding the construction contract for both Phase 1 and Phase 3.

Environmental:

1. The Recipient shall implement the mitigation measures identified in the following documents (State Clearinghouse Numbers: 2013031036 and 2013121030) prepared for the Project:
 - a. Final Negative Declaration: City of Kerman Double L Mobile Ranch Park Water Service Project. Prepared for the City of Kerman Public Works Department; Prepared by Yamabe & Horn Engineering, Inc; January 2014.
 - b. Final Negative Declaration: City of Kerman New Well Site No. 15; Prepared for the City of Kerman Public Works Department; Prepared by Yamabe & Horn Engineering, Inc; August 2013.
 - c. CEQA - Final Addendum with Biological Resources Assessment, City of Kerman Double L Mobile Ranch Park Water Service Project. Prepared for Yamabe & Horn Engineering, Inc. October 2015 and Biological Resources Assessment, City of Kerman, New Well Site No. 18; Prepared by JRS Corporation, 1360 E. Spruce Avenue, Suite 100, Fresno, CA 93720; Prepared for Yamabe & Horn Engineering, Inc; December 23, 2015.
 - d. Technical Report: Cultural Resources Assessment for the Double L Mobile Ranch Park Water Service Project; Kerman, Fresno County, CA; Prepared by JRS Corporation, Sacramento, CA, December 2013.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT C – SPECIAL CONDITIONS

- e. Technical Report: Cultural Resources Assessment for the Proposed Construction of Well No.15; Kerman, Fresno County, CA; Prepared by JRS Corporation, Sacramento, CA; December 2013
2. As a potential generator of hazardous waste, the Recipient shall comply with all applicable regulations in, CCR Title 22, Division 4.5 Environmental Health Standards for the Management of Hazardous Waste, regarding the appropriate handling, management and disposal of residuals from the treatment plant. As soon as practicable and prior to operation, the Recipient shall contact the local Certified Unified Program Agency (CUPA) regarding the specific requirements for the potential generation of liquid or solid waste. For more information contact the CalEPA website for programs within the county of operation: <http://www.calepa.ca.gov/CUPA/Directory/default.aspx>
3. As a potential generator of radioactive material, the Recipient shall comply with all applicable regulations in, CCR, Title 17, Division 1, regarding the possession, use and disposal of radioactive material. The California Department of Public Health, Radiologic Health Branch oversees the issuance of General and Specific licenses authorizing the possession and use of source material for research, development educational, commercial or operational purposes and can be reached at (916) 327-5106.

Financial:

1. The Recipient shall establish rates sufficient to generate net revenues equal to at least 1.2 times the total annual debt service.

Legal

The Recipient acknowledges and understands that it will not receive any disbursements under this Agreement until the Recipient has provided evidence satisfactory to the Division that the Recipient has obtained Local Agency Formation Commission ("LAFCO") approval for this Project on or before November 1, 2013. If the Recipient is unable to provide satisfactory evidence by that date, the Agreement terminates as of February 1, 2017.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT E – PROGRAMMATIC CONDITIONS & CROSS-CUTTERS

The Recipient agrees to comply with the following federal conditions:

- (A) Federal Award Conditions
- (1) American Iron and Steel. Unless the Recipient has obtained a waiver from USEPA or file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient has obtained a waiver from USEPA or file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient hereby certifies that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel lined or unlined: pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe caps and restraints, valves, structural steel reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
 - (2) Wage Rate Requirements (Davis Bacon). The Recipient shall include in full the language provided in Exhibit G of this Agreement in all contracts and subcontracts.
 - (3) Signage Requirements. The Recipient shall comply with the USEPA's Guidelines for Enhancing Public Awareness of SRF Assistance Agreements, dated June 3, 2015, as otherwise specified in this Agreement.
 - (4) Public or Media Events. The Recipient shall notify the State Water Board and the EPA contact as provided in the notice provisions of this Agreement of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.
 - (5) EPA General Terms and Conditions (USEPA GTCs). The Recipient shall comply with applicable EPA general terms and conditions found at <http://www.epa.gov/ogd>, including but not limited to the following:
 - (a) DUNS. No Recipient may receive funding under this Agreement unless it has provided its DUNS number to the State Water Board.
 - (b) Executive Compensation. The Recipient shall report the names and total compensation of each of its five most highly compensated executives for the preceding completed fiscal year, as set forth in the USEPA GTCs.
 - (c) Contractors, Subcontractors, Debarment and Suspension, Executive Order 12549; 2 CFR Part 160; 2 CFR Part 1532. The Recipient shall comply with Subpart C of 2 CFR Part 150 and shall ensure that its contracts include compliance. The Recipient shall not subcontract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". The Recipient shall not subcontract with any individual or organization on USEPA's List of Violating Facilities. The Recipient shall certify that it and its principals, and shall obtain certifications from its contractors that they and their principals:

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT E – PROGRAMMATIC CONDITIONS & CROSS-CUTTERS

- i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - ii. Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - iii. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
 - iv. Have not within a three (3) year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.
 - v. Suspension and debarment information can be accessed at <http://www.sam.gov>. The Recipient represents and warrants that it has or will include a term or conditions requiring compliance with this provision in all of its contracts and subcontracts under this Agreement. The Recipient acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the termination, delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.
- (d) Conflict of Interest. Within 10 days, the Recipient shall disclose to the State Water Board any potential conflict of interest consistent with section 4.0 of USEPA's Revised Interim Financial Assistance Conflict of Interest Policy at http://www.epa.gov/ogd/epa_revised_interim_financial_assistance_coi_policy_5_2_2_15.htm. A conflict of interest may result in disallowance of costs.
- (e) Copyright. USFPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement.
- (f) Credit. The Recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the following statement:

"This project has been funded wholly or in part by the United States Environmental Protection Agency and the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT E – PROGRAMMATIC CONDITIONS & CROSS-CUTTERS

Environmental Protection Agency or the State Water Resources Control Board, nor does the EPA or the Board endorse trade names or recommend the use of commercial products mentioned in this document.

- (g) **Electronic and Information Technology Accessibility.** The Recipient is encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- (h) **Trafficking in Persons.** The Recipient, its employees, contractors and subcontractors and their employees may not engage in severe forms of trafficking in persons during the term of this Agreement, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient agrees to compensate the State Water Board for any such funds lost due to its failure to comply with this condition or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing Trafficking Victims Protection Act of 2000.

(B) **Super Cross-Cutters - Civil Rights Obligations.** The Recipient must comply with the following federal non-discrimination requirements:

- (1) Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP). (EPA XC I B)
- (2) Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities. (EPA XC I B)
- (3) The Age Discrimination Act of 1975, which prohibits age discrimination. (EPA XC I B)
- (4) 40 CFR Part 7, as it relates to the foregoing. (EPA XC I B)

(D) **Cross-Cutters**

- (1) **Executive Order No. 11243.** The Recipient shall include in its contracts and subcontracts related to the Project the following provisions:

During the performance of this contract, the contractor agrees as follows:

(a) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, promotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT F – PROGRAMMATIC CONDITIONS & CROSS-CUTTERS

"(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 203 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(d) The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

"(e) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

"(g) The contractor will include the provisions of paragraphs (b) through (f) in every subcontract or purchase order unless excepted by rule, regulation, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

- (2) Disadvantaged Business Enterprises (40 CFR Part 33). The Recipient agrees to comply with the requirements of USFPA's Program for Utilization of Small, Minority and Women's Business Enterprises. The DBE rule can be accessed at www.epa.gov/osbp. The Recipient shall comply with and agrees to require its prime contractors to comply with 40 CFR Section 33.301, and retain all records documenting compliance with the six good faith efforts. (IUP)
- (3) Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: <http://www.sam.gov/>.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT E – PROGRAMMATIC CONDITIONS & CROSS-CUTTERS

- (4) Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4301-4355. The Recipient must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.106.
- (5) Debarment and Suspension Executive Order No. 12549 (1983). The Recipient certifies that it will not knowingly enter into a contract with anyone who is ineligible under the 40 CFR Part 32 to participate in the Project. Contractors on the Project must provide a similar certification prior to the award of a contract and subcontractors on the project must provide the general contractor with the certification prior to the award of any subcontract.
- (6) The Recipient agrees that if its network or information system is connected to USCEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT F – SCHEDULE OF SYSTEM OBLIGATIONS

Except for the following and the Obligation evidenced by this Agreement, the Recipient certifies that it has no outstanding System Obligations and that it is in compliance with all applicable additional debt provisions of the following:

The following outstanding debt is senior to the Obligation:

Title	Notional Amount	End Date
None		

The following outstanding debt is on parity with the Obligation:

Title	Notional Amount	End Date
DWSRF SRFC1CX119	\$3,100,000	20 / 2028

The following outstanding debt is subordinate to the Obligation:

Title	Notional Amount	End Date
None		

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

For purposes of this Exhibit, "subrecipient" or "sub recipient" means the Recipient as defined in this Agreement.

For purposes of this Exhibit only, "recipient" means the State Water Board.

I. Requirements For Sub recipients That Are Governmental Entities:

If a sub recipient has questions regarding when Davis-Bacon (DB) applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State Water Board. The recipient or sub recipient may also obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the DWSRF or the DWSRF - financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant, or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 of the 2015 Water Resource Reform and Development Act, the following clauses:

(1) Minimum wages

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Cleveland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the part of a weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, with due regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein. Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conforming under paragraph (a)(1)(i) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers. Sub recipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

- (2) The classification is utilized in the area of the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (B) If the contractor and the laborers and mechanics to be employed in the classification (if known) or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination, shall be sent by the sub recipient(s) to the State award official. The State award official will transmit the request to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.
- (C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(iii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- (ii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay an other bona fide fringe benefit or an hourly cash equivalent thereof.
- (iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
- (2) *Withholding.* The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally assisted contract subject to Davis Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper employed or working on the site of the work, a portion of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

(5) Payroll and basic records.

(i) Payroll and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(c)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5(a)(3)(iii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5(a)(3)(ii) of Regulations, 29 CFR part 5, and that such information is correct and complete,

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

Regulations, 29 CFR part 3;

(B) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certifi- cation set forth on the reverse side of Optional Form WHI-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(3) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(ii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State EIA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(F) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in the or her first 90 days of probationary employment as an apprentice in such an apprenticeship program who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 9, which are incorporated by reference in this contract.

(8) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include those clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination, debarment. A breach of the contract clauses in 29 CFR 5.6 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(6) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6 and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and subcontractor(s), State EPA, the U.S. Department of Labor, or the employees or their representatives.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

(1C) Certification of eligibility:

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of \$100,000

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor or any other federally-assured contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section. (b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT G – DAVIS-BACON REQUIREMENTS

and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the USCEPA and the Department of Labor and the State Water Board, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(8), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date of the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractors' and subcontractors' use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the US Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm>.

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT H – COMPLIANCE WITH CROSS-CUTTING STATE AUTHORITIES

1. EMERGENCY DROUGHT REGULATIONS

The Recipient certifies that it complies with and shall continue to comply with the State Water Board's Drought Emergency Water Conservation regulations in Article 22.5 of Chapter 2 of Division 3 of Title 23 of the California Code of Regulations. The Recipient will include a discussion of its implementation in reports submitted pursuant to Section 2.15 of this Agreement.

2. CALIFORNIA DEBT INVESTMENT ADVISORY COMMISSION (CDIAC)

Where Recipient is a public entity, Recipient acknowledges its responsibility to file debt obligations with the CDIAC. Recipient understands that CDIAC has waived filing fees for State Water Board SRF debt.

3. COMPLIANCE WITH STATE REQUIREMENTS

Recipient represents that it is in compliance with the following conditions precedent and agrees that it will continue to maintain compliance during the term of this Agreement:

(a) Monthly Water Diversion Reporting

If Recipient is a water diverter, Recipient must maintain compliance with Water Code section 5103, subdivision (e)(2)(A) by submitting monthly diversion reports to the Division of Water Rights of the State Water Resources Control Board.

(b) Public Works Contractor Registration with Department Of Industrial Relations

To bid for public works contracts, Recipient and Recipient's subcontractors must register with the Department of Industrial Relations as required by Labor Code sections 1725.5 and 1771.1.

(c) Volumetric Pricing & Water Meters

If Recipient is an "urban water supplier" as defined by Water Code section 10617, Recipient must charge each customer for actual water volume measured by water meter according to the requirements of Water Code sections 526 and 527. Section 527 further requires that such suppliers not subject to section 526 install water meters on all municipal and industrial service connections within their service area by 2025.

(d) Urban Water Management Plan

If Recipient is an "urban water supplier" as defined by Water Code section 10617, the Recipient certifies that this Project complies with the Urban Water Management Planning Act (Water Code, § 10610 et seq.). This shall constitute a condition precedent to this Agreement.

(e) Urban Water Demand Management

If Recipient is an "urban water supplier" as defined by Water Code section 10617, Recipient must implement water demand management measures approved by the Department of Water Resources according to the requirements of Water Code section 10631.5, subdivision (a)(1).

(f) Delta Plan Consistency Findings

If Recipient is a state or local public agency and the proposed action is covered by the Delta Plan, Recipient must submit certification of project consistency with the Delta Plan to the Delta

City of Kerman
Agreement No. D15-02047
Project No. 1000248-002C

EXHIBIT H – COMPLIANCE WITH CROSS-CUTTING STATE AUTHORITIES

Stewardship Council according to the requirements of Water Code section 65225 and California Code of Regulations, title 23, section 5002.

(g) Agricultural Water Management Plan Consistency

If Recipient is an agricultural water supplier as defined by Water Code section 10603.12, Recipient must comply with Agricultural Water Management Planning requirements as mandated by Water Code section 10652.

(h) Charter City Project Labor Requirements

If Recipient is a charter city as defined in Labor Code section 1752, subdivision (d)(2), Recipient will comply with the requirements of Labor Code section 1752 and Public Contract Code section 2603 as discussed in the following subparts (1) and (2).

(1) Prevailing Wage

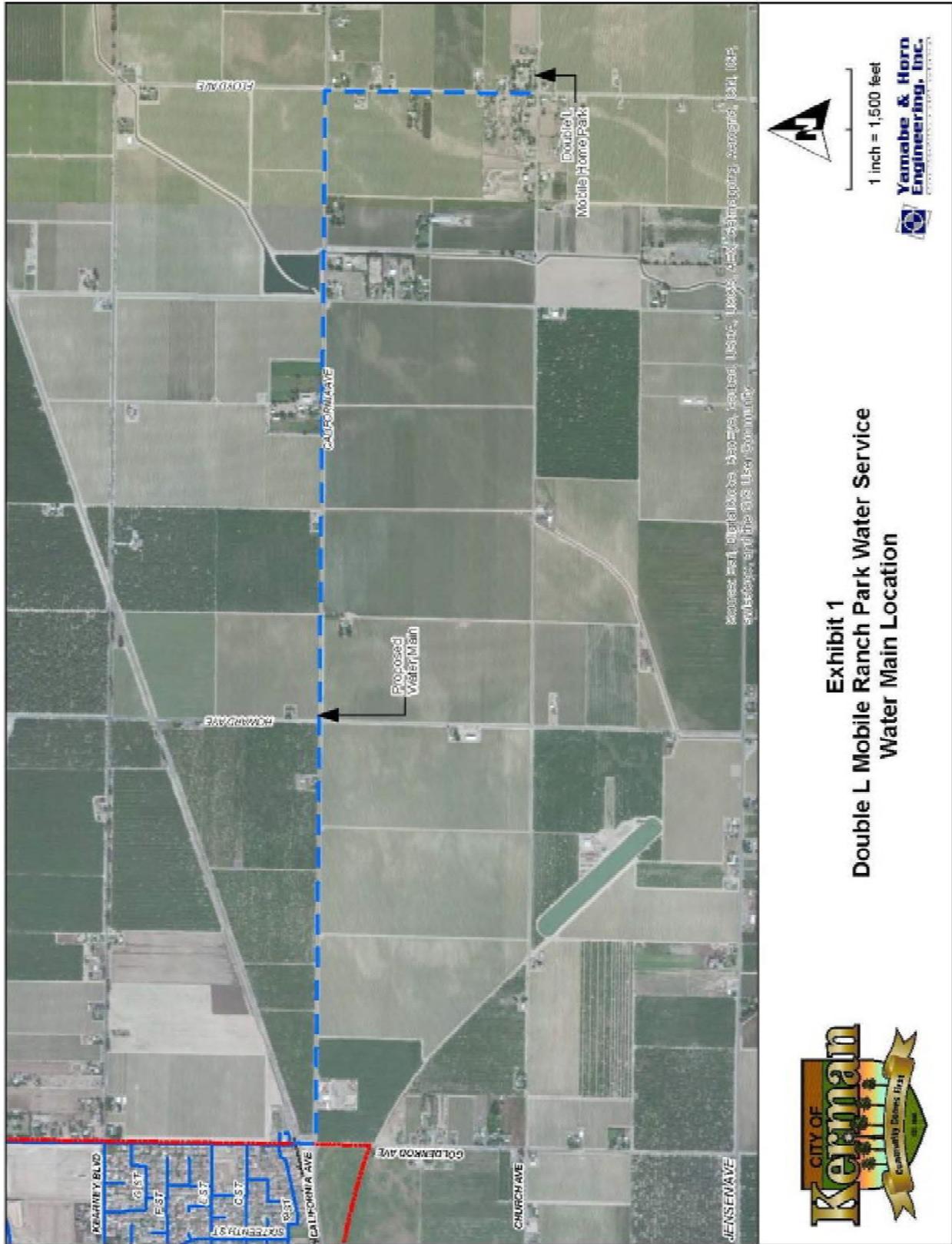
Recipient certifies that it is eligible for state funding assistance notwithstanding Labor Code section 1732.

Specifically Recipient certifies that no charter provision nor ordinance authorizes a construction project contractor not to comply with Labor Code's prevailing wage rate requirements, nor, within the one or two years (starting from January 1, 2013 or after) has the city awarded a public works contract without requiring the contractor to comply with such wage rate requirements according to Labor Code section 1752.

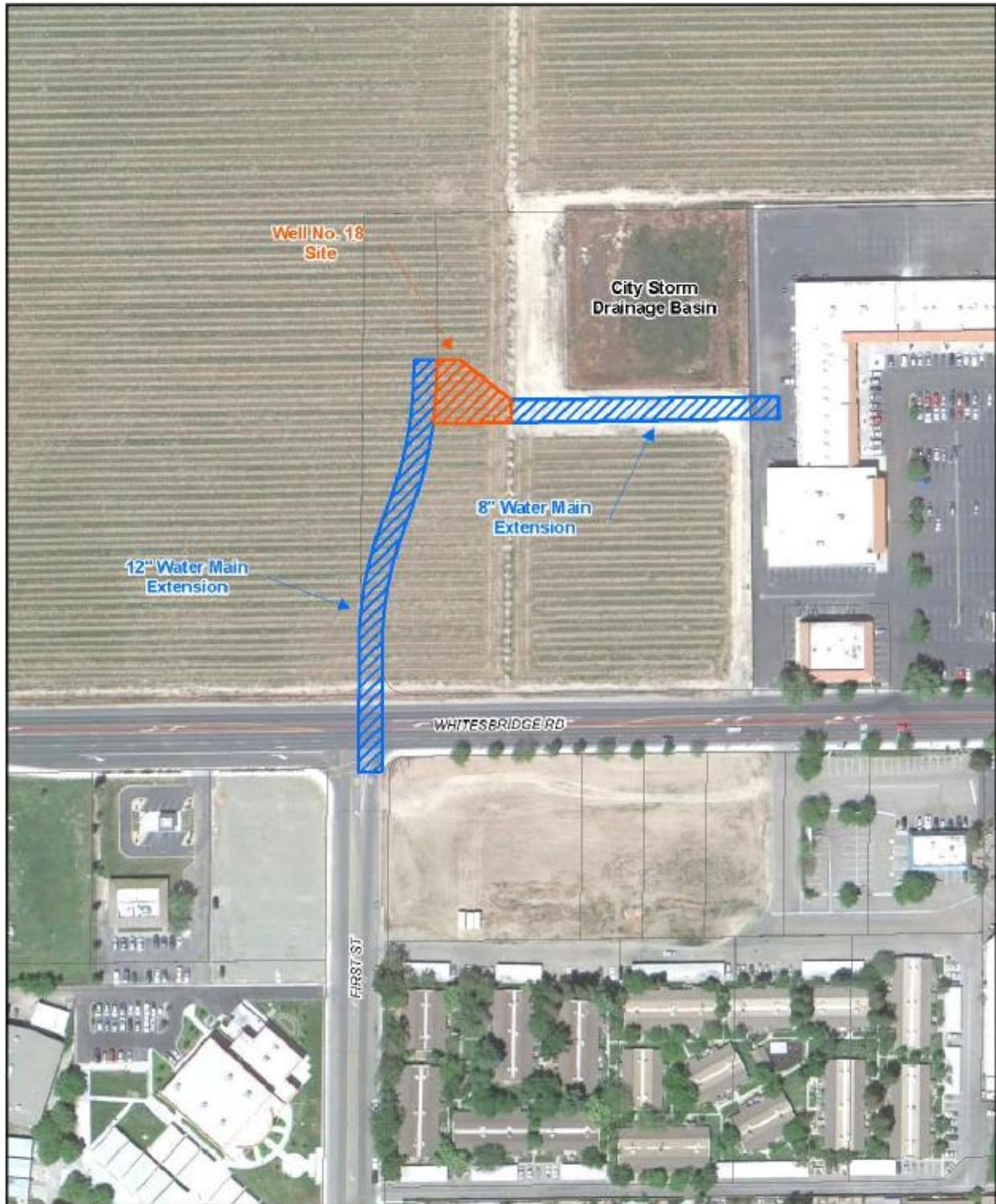
(2) Labor Agreements

Recipient certifies that no charter provision, initiative, or ordinance limits or constrains the city's authority or discretion to adopt, require, or utilize project labor agreements that include all the taxpayer protection and discrimination provisions of Public Contract Code section 2600 in construction projects, and that Recipient is accordingly eligible for state funding or financial assistance pursuant to Public Contract Code section 2603.

Attachment 'B'

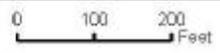


Attachment 'C'



 Well No. 18 Site

 Water Main Extensions



Project Vicinity Map
Exhibit 2





City of Kerman

"Where Community Comes First"

MAYOR Stephen B. Hill
MAYOR PRO-TEM Gary Yep
COUNCIL MEMBER Rhonda Armstrong
COUNCIL MEMBER Kevin Nehring
COUNCIL MEMBER Bill Nijjer

DEPARTMENT: PLANNING AND DEVELOPMENT
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Jerry Jones, City Engineer
Subject: Award of Contract for Vineland Avenue Tree Removal

RECOMMENDATION

Council by motion adopt the resolution awarding the contract for the Vineland Avenue Tree Removal to Cordova's Lawn and Tree Service in the amount of \$9,500.00 and authorize the City Manager to sign the contract.

EXECUTIVE SUMMARY

The Vineland Avenue Widening Project will widen Vineland Avenue to ultimate width from Kearney Boulevard to 700 feet north. There are existing PG&E overhead power lines and associated poles located on the west side of Vineland Avenue within the project limits. In order to construct the ultimate street improvements, the overhead lines must be relocated by PG&E. To accommodate the relocation, the City has acquired a public utility easement from the adjacent property owner and compensated the owner for trees that will be removed. The final step is to remove the trees in conflict with the proposed location for the overhead lines. Bids were received from three contractors on Wednesday, June 1, 2016. The lowest responsive and responsible bidder was Cordova's Lawn and Tree Service in the amount of \$9,500.00.

OUTSTANDING ISSUES

None.

DISCUSSION

Vineland Avenue from Kearney Boulevard to approximately 700 feet north consists of one 12-foot-wide travel lane in each direction and a 12-foot-wide landscaped median. A map is included as Attachment 'B' for reference. This segment does not include bike lanes, parking lanes, and has not been improved with curb and gutter and sidewalk (permanent concrete sidewalk constructed on east side only). The Vineland Avenue Widening Project will consist of the widening of Vineland Avenue to ultimate width, construction of curb and gutter and sidewalk, and construction of bulbouts and decorative crossings at the Kearney Boulevard intersection. The City has allocated \$316,400 in RSTP Lifeline funds for this project.

PG&E owns and operates overhead power lines and poles along the west side of Vineland Avenue within the project limits. The overhead lines are located along an alignment that will be within the proposed paved area of the street after completion of the project. Therefore, the overhead lines must be relocated approximately 24 feet to the west to an alignment outside of the proposed paved area. The City has acquired a 10-foot wide public utility easement from the adjacent property owner, Mr. Bill Tolmachoff, to accommodate the relocated overhead lines. In order for PG&E

to move forward with the relocation, and the City to move forward with the project, several existing trees must be removed that are in conflict with the alignment of the relocated overhead lines. Mr. Tolmachoff was compensated for the loss of the trees as part of the agreement for the City to purchase the easement. There are a total of three (3) large pine trees and eleven (11) almond trees that will be removed. The locations of the trees are shown on the map provided as Attachment 'C'.

Bids were received from three contractors on Wednesday, June 1, 2016, and the results are as follows:

Contractor	Total Bid
Cordova's Lawn and Tree Service	\$9,500.00
A-1 Expert Tree Service Inc.	\$12,475.00
ACLS Inc.	\$24,875.00
Engineers Estimate	\$14,000.00

We have reviewed the bid submitted by Cordova's Lawn and Tree Service. Based on our review, we have determined Cordova's Lawn and Tree Service to be a responsible contractor.

FISCAL IMPACT

The cost of tree removal is included in the budget for the Vineland Avenue Widening Project. The tree removal will be funded with Local Transportation Funds, as part of the City match for the project.

PUBLIC HEARING

Not Required.

Attachments:

- A. Resolution
- B. Vicinity Map
- C. Tree Removal Map

Attachment 'A'

RESOLUTION NO. 16-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN
AWARDING CONTRACT TO CORDOVA'S LAWN AND TREE SERVICE
FOR THE VINELAND AVENUE TREE REMOVAL

WHEREAS, the Vineland Avenue Tree Removal was informally bid in accordance with the City's Small Contract Procedures and California Public Contract Code Section 22032(a) and;

WHEREAS, the project will consist of the removal of trees required for completion of the Vineland Avenue Widening Project within the City of Kerman; and

WHEREAS, the following bids for the project were publicly opened and read aloud at the Kerman Public Works Office on June 1, 2016 at 2:00 p.m.:

Contractor	Total Bid
Cordova's Lawn and Tree Service	\$9,500.00
A-1 Expert Tree Service Inc.	\$12,475.00
ACLS Inc.	\$24,875.00

WHEREAS, the City Engineer's Estimate was \$14,000.00,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN RESOLVES upon the recommendation of the City Engineer that the Vineland Avenue Tree Removal be awarded to: Cordova's Lawn and Tree Service, 2677 Omaha Avenue, Clovis, CA 93619 in the amount of Nine Thousand Five Hundred Dollars and Zero Cents (\$9,500.00), and that the City Manager is authorized to sign the City's standard form of contract for construction projects, as contained in the bid package, on behalf of the City of Kerman.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 15th day of June, 2016, and passed at said meeting by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

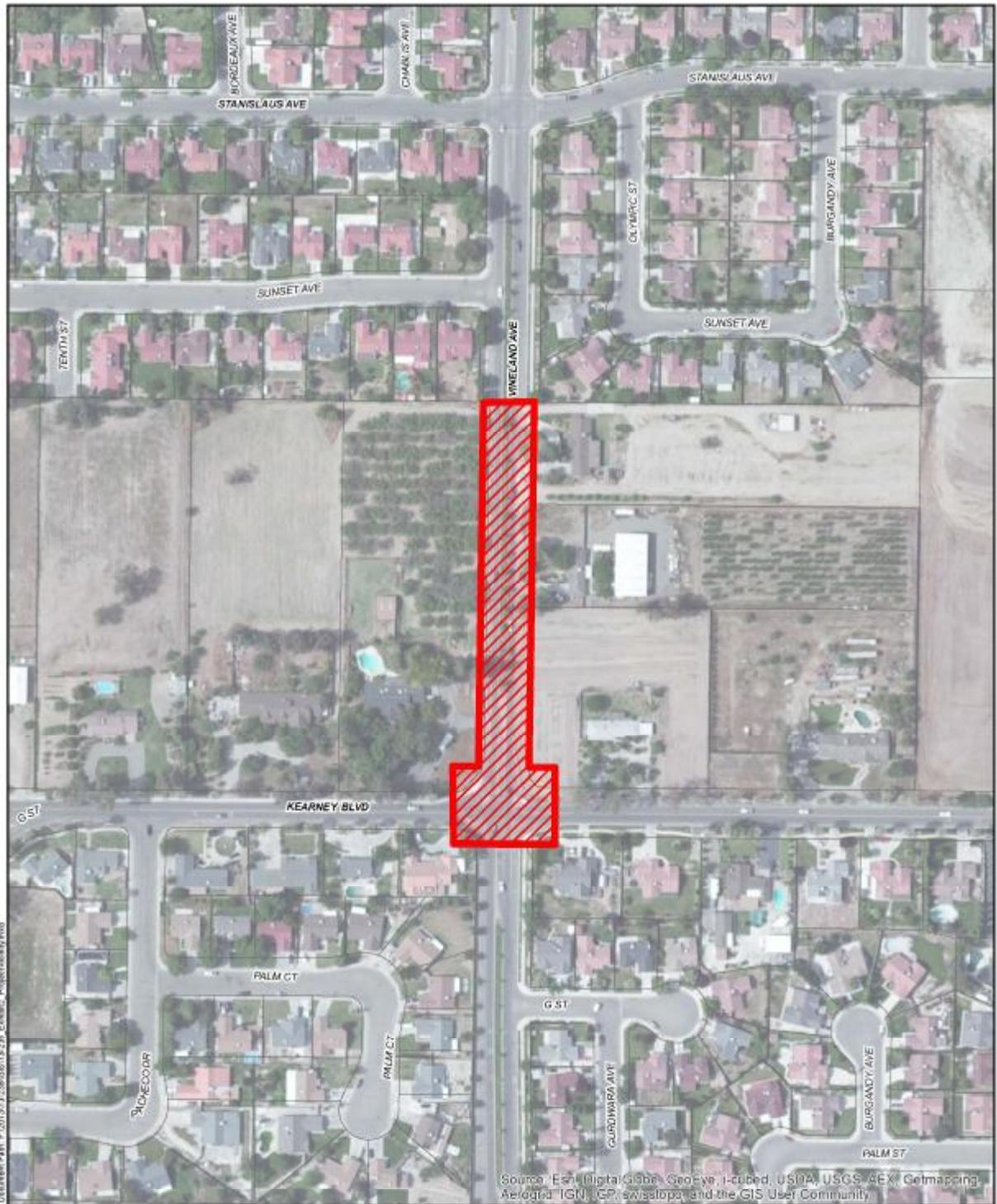
The foregoing resolution is hereby approved.

ATTEST:

 Stephen B. Hill
 Mayor

 Marci Reyes
 City Clerk

Attachment 'B'



Dataset Path: # 2015/03/25/08/01/3/2/1/.../Project/ready.mxd



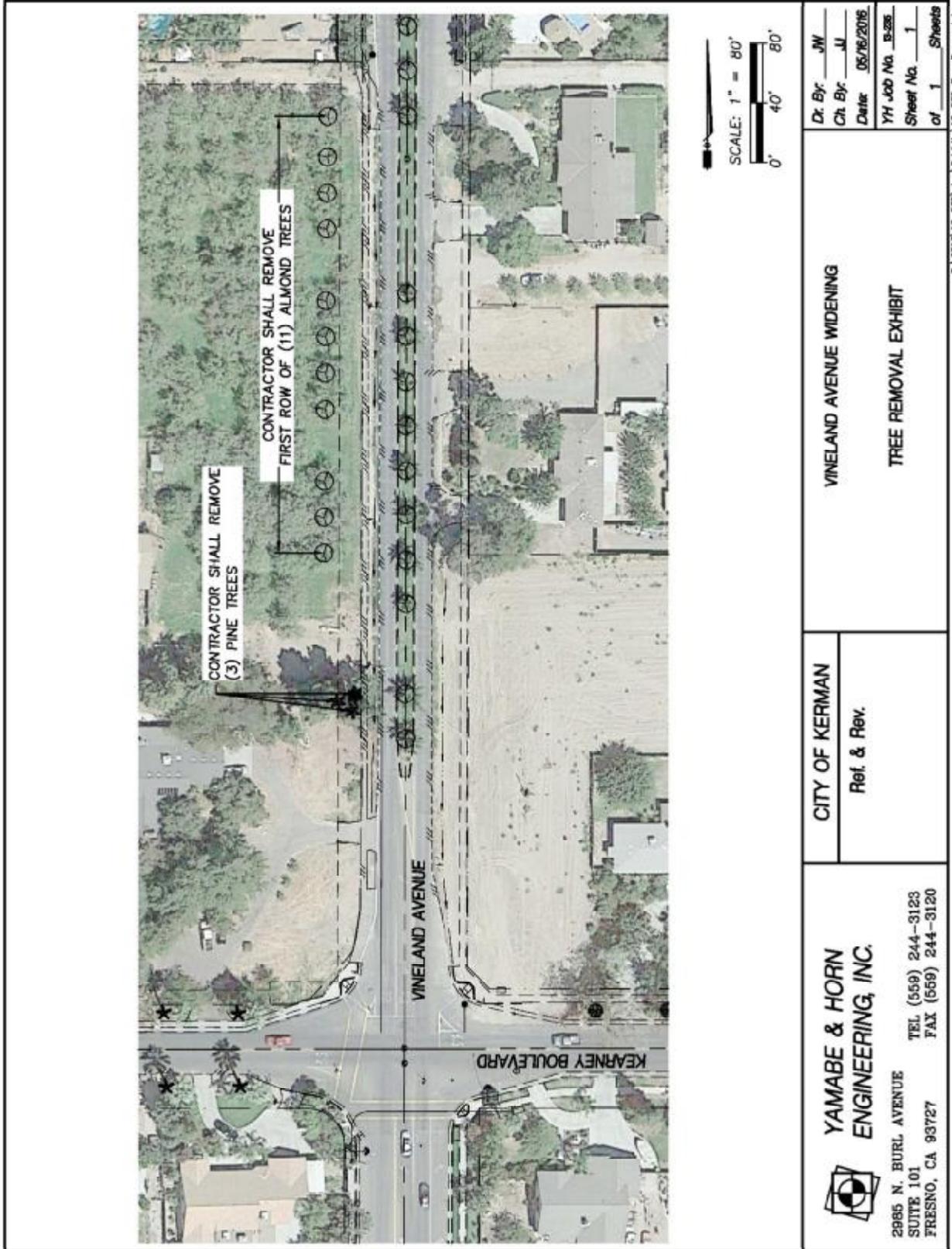
Project Site

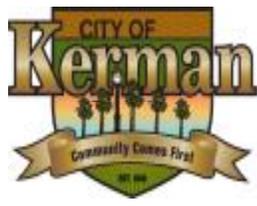
0 100 200 Feet

Yamabe & Horn Engineering, Inc.



Attachment 'C'





City of Kerman

"Where Community Comes First"

MAYOR MAYOR PRO-TEM
Stephen B. Hill Gary Yep
COUNCIL MEMBER COUNCIL MEMBER COUNCIL MEMBER
Rhonda Armstrong Kevin Nehring Bill Nijjer

DEPARTMENT: CITY CLERK
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

TO: Mayor and City Council
FROM: Marci Reyes, City Clerk
SUBJECT: Resolution Ordering Election, Requesting County Elections Office to Conduct Election, requesting Consolidation of Election and Determining Payment of Actual Elections Statement Charges

RECOMMENDATION

Council by motion adopt resolution ordering elections, requesting the County Elections Office to conduct, consolidate and determine payment of actual elections statement charges for the 2016 Elections.

EXECUTIVE SUMMARY

The City of Kerman consolidates elections with the County of Fresno.

The Council Elections Department has requested that the city adopt a resolution ordering the election, requesting the County to conduct the election and to consolidate the election, and determining the payment for candidate statements and for the election in general.

The following resolution will meet those requirements.

In addition, Elections Code Section 10229 provides that if the number of persons nominated for office is equal to or does not exceed the number of vacancies the governing body may appoint candidates or qualified electors to office without conducting an election.

OUTSTANDING ISSUES

None

FISCAL IMPACT

\$3,000 -\$6,000

Attachments:

A. Resolution

Attachment 'A'

RESOLUTION NO. 16- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ORDERING AN ELECTION AND REQUESTING FRESNO COUNTY BOARD OF SUPERVISORS TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE ELECTION TO BE HELD NOVEMBER 8, 2016; REQUESTING THE FRESNO COUNTY CLERK/ELECTIONS OFFICIAL TO CONDUCT THE ELECTION; DETERMINING PAYMENT FOR CANDIDATES' STATEMENTS; AND PROVIDING FOR THE APPOINTMENT TO OFFICE IF NO ONE OR ONLY ONE PERSON IS NOMINATED

WHEREAS, pursuant to Kerman Municipal Code Section 2.55.050, the general municipal elections of the city shall be consolidated with and held on the same day as the even-numbered statewide general election; and

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, pursuant to Elections Code Section 10002, the resolution of the governing body of the city shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city shall reimburse the county in full for the services performed upon presentation of a bill to the city; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, or any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities may be either completely or partially consolidated; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 8, 2016; and

WHEREAS, pursuant to Kerman Municipal Code Section 2.55.020 any individual wishing to be considered as a candidate for an elected office of the city must pay a filing fee of twenty-five dollars unless otherwise exempt under state or federal law and complete necessary forms in the city clerk's office.

WHEREAS, the City Council of the City of Kerman has determined that each candidate for elective office who submits a statement to be sent to the voters with the sample ballot shall be charged a sum not greater than the actual prorated cost of printing, handling and translating the candidate's statement, if any, incurred by the agency as a result of providing this service.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Kerman as follows:

SECTION 1. The City Council orders an election be called and consolidated with any and all elections also called to be held on November 8, 2016 insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the City of Kerman and staff requests the Board of Supervisors of the County of Fresno to order such consolidation under Elections Code Section 10401 and 10403.

SECTION 2. The City Council requests the Fresno County Board of Supervisors that the election be consolidated with the statewide election also held on November 8, 2016 pursuant to Elections Code Sections 10401 and 10403.

SECTION 3. The City Council requests the Fresno County Clerk/Elections Official conduct the election and canvass the returns, and the City consents to reimburse that office for all costs incurred for said services.

SECTION 4. The Fresno County Clerk/Elections Official shall give the appropriate notices for the election and shall conduct the election pursuant to appropriate provisions of state law.

SECTION 5. The offices to be filled which shall appear on the November 8, 2016 ballot are as follows:

Mayor	2-year term	to expire 11/2018
Councilmember	4-year term	to expire 11/2020
Councilmember	4-year term	to expire 11/2020

SECTION 6. The Fresno County Clerk/Elections Official shall conduct an at large (city-wide) election for the office of Mayor and two Councilmembers.

SECTION 7. The candidate must pay a filing fee of twenty-five dollars unless otherwise exempt under state or federal law and complete necessary forms in the city clerk's office.

SECTION 8. The candidate shall, if he/she elects to submit a statement to be included with the sample ballot and sent to the registered voters, pay all costs associated with said election statement.

SECTION 9. If there is the same or an insufficient number of nominees, the City Council of the City of Kerman hereby elects to fill the office by appointment.

The foregoing resolution was adopted at a regular meeting of the City Council of the City of Kerman held on the 15th day of June, 2016 by the following vote.

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

The foregoing resolution is hereby approved.

 Stephen B. Hill
 Mayor

ATTEST:

 Marci Reyes
 City Clerk



MAYOR
Stephen B. Hill

MAYOR PRO-TEM
Gary Yep

COUNCIL MEMBER
Rhonda Armstrong

COUNCIL MEMBER
Kevin Nehring

COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: FINANCE
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Toni Jones, Finance Director
Subject: Business License Fees for Special Events

RECOMMENDATION

Council provide direction to staff and determine the City follow the existing Kerman Municipal Ordinance regarding business licenses for vendors participating in special events or the consideration of waiving certain fees for special events.

EXECUTIVE SUMMARY

At the May 18, 2016 City Council meeting the Chamber of Commerce commented on the fees that vendors pay for the Harvest Festival and requested the City consider helping by alleviating some of the fees. The Chamber stated they feel the number of vendors participating in the events is declining due to the fees. The City Manager and staff met with the Director for the Chamber of Commerce to discuss the fees.

The Kerman Municipal Ordinance (KMO) Section 5.12.010 outlines specific rates for license fees for peddlers, solicitors, itinerant, vendors, and other miscellaneous operators. If a business already established in Kerman with a valid business license participates in a special event, the vendor is not charged an additional fee; they are covered through their annual license.

The KMO specifically addresses the Harvest Festival event and rates:

- G. *For the business of carnival rides, games, food and beverage stands under one-profit oriented organization for the Harvest Festival in Kerkoff Park each September, the fee shall be one hundred two dollars per day. This fee could be less than one hundred two dollars per day by having the vendor purchase an annual business license that depends on the number of employees.*
- H. *Any business for profit at the annual Kerman Harvest Festival which has not been issued a license in the City on a full-time basis shall pay a fee of four dollars per day. KMO Section 5.08.010 allows for an increase based on .8 times the Consumer Price Index (CPI).*

The KMO section on License Fees and increases is listed in Attachment 'A'.

The current rate for a special event vendor fee is \$5.06 per day of the event.

Staff has plans to analyze rates city-wide in late fall and will be making recommendations for changes to the City's KMO that may need to be revised.

OUTSTANDING ISSUES

None

PUBLIC HEARING

None

Attachments:

A. KMO Section 5.08.010 and 5.12.010

Attachment 'A'

5.08.10 License fee rate and use of funds.

Funds generated by the business license tax specified in this chapter and Chapter [5.12](#) of this code shall be used for the improvement of or for the benefit of the business community and not used for employee costs except for costs of administration. Unless a specific license fee is imposed elsewhere in this title, the general license fee for doing business shall be as follows:

- A. For a sole proprietorship, with no employees, a license fee of forty-one dollars per year;
 - B. For a business operating with one to five employees, a license fee of sixty-one dollars per year;
 - C. For a business operating with six, to ten employees, a license fee of eighty-two dollars per year;
 - D. For a business operating with eleven or more employees, a license fee of one hundred two dollars per year.
- E. License fees due pursuant to this section or as set forth in subsections A through M of Section [5.12.010](#) of this code shall, for each year after 1996, be increased by multiplying .8 times the Consumer Price Index ("CPI") for Los Angeles Urban Wage Earners and Clerical as determined on June 1st of the year just ended times the license fee for the year just ended. (Ord. 95-10 §1, 1995; Ord. 89-01 §1(part), 1989; Ord. 80-16 §3, 1980).

5.12.010 License fee rate.

The rates and rules for license fee tax for peddlers, solicitors, itinerant vendors and miscellaneous callings shall be as follows:

- A. Every person engaged in conducting, carrying on or managing a public dance not sponsored by a nonprofit organization shall pay a license fee of fifteen dollars per night; with soft drinks, beer or refreshment stand the sum of twenty dollars per night.
- B. Every person engaged in the business of acting as a real estate broker in the sale or lease of any property within the city, but who does not maintain an office or regular place of business within the city, shall pay a license of ninety-seven dollars per year.
- C. 1. Every person who maintains card tables or permits the playing of card games, or operates a cardroom, as a separate and independent business, or within or in connection with any pool or billiard parlor or lunch counter or restaurant, or wherein wine or liquor is sold, shall pay a license fee therefor of five hundred eleven dollars per year, which year shall commence on the first day of January of each year and expire on the thirty-first day of December of each year; and provided further, that the license fee required in this subsection shall be due and payable the first week in January of each year; provided further, that the fee shall not be prorated, and that all permits issued at any time during any calendar year shall require payment of the full fee, and shall expire on the thirty-first day of December of the year in which said license is issued. For the purposes of this subsection, "card game," "card table" and "cardroom" shall be defined as set forth in Chapter [5.20](#) of this code.
- 2. Every cardroom employee on his or her first application for a cardroom work permit shall pay an initial work permit fee therefor of two hundred dollars per year, which year shall commence on the first day of January of each year and expire on the thirty-first day of December of each year; and provided further, that the work permit fee required in this subsection shall be due and payable the first week in January of each year; provided further, that the fee of two hundred dollars per year shall not be prorated, and that all permits issued at any time during any calendar year shall require payment of the full two-hundred dollar fee, and shall expire on the thirty-first day of December of the year in which said permit is issued. The work permit may be renewed in each subsequent year upon payment of an annual renewal fee of fifty dollars per year, provided that no work permit shall be renewed for any employee if the police chief subsequently finds any facts which would constitute grounds for refusing to issue an initial work permit as set forth in Section [5.20.040](#) of this code. For the purposes of this subsection, "cardroom employee" shall be defined as set forth in Chapter [5.20](#) of this code.
- D. Every person bringing into the city a stock of goods, wares or merchandise of any kind to be disposed of at auction shall pay the sum of four hundred nine dollars per year. The application for such license shall include advertising material or other information indicating the type of goods, wares or merchandise to be sold including a statement as to whether or not it is bankrupt stock or damaged goods, except where such stock is left after a failure of a former licensee.

E. Every astrologer, seer, fortuneteller, hypnotist, clairvoyant, spiritualist, spiritualistic medium, or phrenologist who demands a fee for his or her services, engaged in business in the city, shall pay a license of fifty-one dollars per day.

F. For the business of conducting or exhibiting any circus, caravan, menagerie or collection of animals, or other acrobatic performance, the sum of forty-one dollars per day; each show, for pay, or any panorama, figures, jugglers, necromancers, magician, wire or rope dancing, sleight-of-hand performances, or other side show, shall pay the sum of ten dollars per day, and whenever a separate admission price is charged each must be considered a separate show.

G. For the business of carnival rides, games, food and beverage stands under one profit-oriented organization for the Harvest Festival in Kerckhoff Park each September, the fee shall be one hundred-two dollars per day.

H. Any business for profit at the annual Kerman Harvest Festival which has not been issued a license in the city on a full-time basis shall pay a fee of four dollars per day.

I. For the business of conducting or exhibiting any show where the exhibition consists solely of trained animals, the sum of twenty-three dollars per day; this provision shall not be considered to apply to any circus, or any performance, exhibition or side show, provided for in subsection H of this section.

J. For the business of carrying on tent or other shows, minstrels, operatic or concert singers, a license shall be paid in the sum of eighty-two dollars per day, providing nothing contained in this subsection shall apply to exhibitions or entertainments given by any church society connected with the church, or for charity's sake.

K. For the business or operating or conducting any flying horses or merry-go-round, the sum of fifteen dollars per day or any fraction thereof.

L. Every person engaged in the business of selling bankrupt stock, or advertising to dispose of goods, wares or merchandise, for original cost or less, shall pay a license of eight hundred seventeen dollars per year, except where such stock in part of stock left after a failure of a former license.

M. Every person conducting, managing or carrying on the business of retailing or wholesale of any goods, wares, merchandise or any other thing of value wherein such person solicits customers by telephone and only goes from house to house or place to place within the city by previous appointment and to make previous appointment deliveries of any goods, wares, merchandise or anything of value in the possession of the seller shall pay a fee of forty-one dollars.

N. Itinerant Peddlers, Solicitors, and Photographers.

1. License Required.

a. Every person without a permanent place of business in the city who engages in the business of hawking, peddling or vending goods, wares, merchandise pictures, foodstuffs, services or advertising from door-to-door, house-to-house, or building to building, or from or upon the streets, alleys, parks or other public places of the city, or from any hotel, motel, roominghouse or trailer house on foot, or from or in any vehicle of any nature whatever, either by sample or by taking or soliciting orders for immediate delivery or for delivery in the future, shall comply with the provisions of this section.

b. Every person without a permanent place of business in the city who engages in the business of photography, portraiture, photochromography, operating a photograph studio, taking pictures, or any other branch of photographic art whatever, whether from door-to-door, house-to-house, or building to building, or from or upon the streets, alleys or other public places of the city, or from any hotel, motel, roominghouse or trailer house on foot, or from or in any type of vehicle whatever, shall comply with the provisions of this section.

c. Every person without a permanent place of business in the city who engages in the business of soliciting orders for photographs, peddling tickets, certificates or other documents intended to apply in whole or in part payment for photographs, frames or other photographic merchandise, or other material, or in any other manner whatever engages in the business of or soliciting orders for any branch of the photographic art in any respect, including copying, retouching, enlarging or coloring of photographs or photographic negatives and prints, shall comply with the provisions of this section.

d. No person shall be relieved from the provisions of this section by reason of associating temporarily with any local dealer, trader, merchant or auctioneer having a fixed place of business in the city, or by conducting a temporary, transient or itinerant business in connection with or as part of or in the name of any local dealer, trader, merchant or auctioneer having a fixed place of business within the city.



City of Kerman

"Where Community Comes First"

MAYOR
Stephen B. Hill
MAYOR PRO-TEM
Gary Yep
COUNCIL MEMBER
Rhonda Armstrong
COUNCIL MEMBER
Kevin Nehring
COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: FINANCE
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Toni Jones, Finance Director
Subject: Resolution Approving an Amendment to the Miscellaneous and Safety Employee Salary Scales Effective July 1, 2016

RECOMMENDATION

Council by motion to approve Resolution approving an amendment to the Miscellaneous and Safety Employee salary scales effective July 1, 2016.

EXECUTIVE SUMMARY

July 2014 the City of Kerman and the Kerman Municipal Employees Association (KMEA) and Kerman Public Safety Employee Association (KPSEA) entered into a three (3) year contract with cost of living adjustments (COLA) of 2% year one and 1% year two and 0% year three (July 1, 2016) of the contract .

Based on the contract no COLA is included in the rates effective July 1, 2016 but the City Manager has recommended changes to positions that are budgeted and require a modification to the salary scales. A resolution approving the amendment to the salary scales for the miscellaneous and safety employees are attached as Exhibit 'A'.

OUTSTANDING ISSUES

None

FISCAL IMPACT

The budget for fiscal year 2016-2017 include the changes in personnel positions.

PUBLIC HEARING

None Required

Attachment:

A. Resolution w/Exhibit

Attachment 'A'

RESOLUTION NO. 16-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN
AMENDING 2016-17 MISCELLANEOUS AND PUBLIC SAFETY SALARY SCHEDULES

WHEREAS, the City of Kerman entered into a Memorandums of Understand (MOU's) with the Kerman Miscellaneous Employee Group (KMEA) and the Kerman Public Safety Employee Association (KPSEA) for the period of July 1, 2014 through June 30, 2017; and

WHEREAS, the terms of the agreement include a 0% cost of living adjustment (COLA) for both KMEA and KPSEA effective July 1, 2016; and

WHEREAS, although no COLA was agreed with either the KMEA or KPSEA the City Manager has recommended and budgeted changes to positions that require modification to the salary scales effective July 1, 2016.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN RESOLVES the amended salary schedule referenced as Exhibit 'A' is effective for the period of July 1, 2016.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 15th day of June, 2016, and passed at said meeting by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk

Exhibit 'A'

Miscellaneous Employees
July 2016 - June 2017

Finance - Administration	Step A	Step B	Step C	Step D	Step E	Step F	* G (2.5%)
Senior Accountant**	\$ 4,197	\$ 4,407	\$ 4,627	\$ 4,858	\$ 5,102	\$ 5,356	\$ 5,490
Junior Accountant	\$ 3,354	\$ 3,522	\$ 3,698	\$ 3,882	\$ 4,076	\$ 4,280	\$ 4,387
Account Clerk II	\$ 3,042	\$ 3,195	\$ 3,354	\$ 3,521	\$ 3,687	\$ 3,863	\$ 3,980
Account Clerk	\$ 2,581	\$ 2,709	\$ 2,845	\$ 2,988	\$ 3,137	\$ 3,294	\$ 3,376
Account Receptionist	\$ 2,074	\$ 2,178	\$ 2,287	\$ 2,401	\$ 2,521	\$ 2,648	\$ 2,714
Human Resource Specialist	\$ 3,640	\$ 3,822	\$ 4,013	\$ 4,214	\$ 4,424	\$ 4,646	\$ 4,762
Human Resource Officer**	\$ 4,567	\$ 4,795	\$ 5,035	\$ 5,287	\$ 5,551	\$ 5,829	\$ 5,975

**G* Step is 2.5%

** FLSA Exempt

**Miscellaneous Employees
 July 2016 - June 2017**

Community Service/Recreation	Step A	Step B	Step C	Step D	Step E	Step F	* G (2.5%)
Buildings & Facilities Supervisor**	\$ 3,900	\$ 4,095	\$ 4,300	\$ 4,515	\$ 4,741	\$ 4,978	\$ 5,103
Community Center Coordinator	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,021	\$ 4,121
Recreation Coordinator	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,021	\$ 4,121
Senior Services Coordinator	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647	\$ 3,829	\$ 4,021	\$ 4,121
Parks Maintenance Specialist	\$ 2,988	\$ 3,137	\$ 3,294	\$ 3,459	\$ 3,632	\$ 3,814	\$ 3,909
Parks Maintenance Technician	\$ 2,742	\$ 2,880	\$ 3,024	\$ 3,175	\$ 3,334	\$ 3,501	\$ 3,589
Comm Service Maintenance Worker	\$ 2,460	\$ 2,573	\$ 2,702	\$ 2,837	\$ 2,979	\$ 3,128	\$ 3,206
Van Driver	\$ 2,376	\$ 2,495	\$ 2,620	\$ 2,751	\$ 2,888	\$ 3,032	\$ 3,108
Community Services Secretary	\$ 3,057	\$ 3,210	\$ 3,370	\$ 3,539	\$ 3,716	\$ 3,901	\$ 3,999

* "G" Step is 2.5%
 ** FLSA Exempt

**Miscellaneous Employees
 July 2016 - June 2017**

Planning/Building Department	Step A	Step B	Step C	Step D	Step E	Step F	* G (2.5%)
Admin Secretary/Planning Tech	\$ 3,504	\$ 3,679	\$ 3,862	\$ 4,056	\$ 4,259	\$ 4,471	\$ 4,583
Building Official**	\$ 4,377	\$ 4,597	\$ 4,826	\$ 5,068	\$ 5,321	\$ 5,587	\$ 5,727
Building Inspector/Code Enforcer	\$ 3,639	\$ 3,821	\$ 4,012	\$ 4,212	\$ 4,423	\$ 4,644	\$ 4,761
Code Enforcement Inspector	\$ 2,988	\$ 3,137	\$ 3,294	\$ 3,458	\$ 3,631	\$ 3,813	\$ 3,909
Building Permits Clerk - Non/Certified	\$ 2,334	\$ 2,452	\$ 2,574	\$ 2,703	\$ 2,838	\$ 2,980	\$ 3,055
Building Permits Clerk (Certified)	\$ 2,568	\$ 2,697	\$ 2,831	\$ 2,973	\$ 3,122	\$ 3,278	\$ 3,359

* "G" Step is 2.5%
 ** FLSA Exempt

**Miscellaneous Employees
 July 2016 - June 2017**

Public Works	Step A	Step B	Step C	Step D	Step E	Step F	* G (2.5%)
PW Operations Coordinator **	\$ 4,146	\$ 4,353	\$ 4,570	\$ 4,799	\$ 5,039	\$ 5,291	\$ 5,423
Automotive Mechanic	\$ 3,140	\$ 3,297	\$ 3,461	\$ 3,635	\$ 3,817	\$ 4,007	\$ 4,107
PW Lead Supervisor	\$ 3,130	\$ 3,285	\$ 3,450	\$ 3,622	\$ 3,803	\$ 3,994	\$ 4,094
PW Maintenance Specialist	\$ 2,988	\$ 3,137	\$ 3,294	\$ 3,458	\$ 3,631	\$ 3,813	\$ 3,909
PW General Maintenance Tech	\$ 2,742	\$ 2,879	\$ 3,024	\$ 3,175	\$ 3,334	\$ 3,501	\$ 3,588
General Maintenance Worker	\$ 2,451	\$ 2,573	\$ 2,701	\$ 2,837	\$ 2,978	\$ 3,128	\$ 3,206
Water Conservation Specialist	\$ 2,988	\$ 3,137	\$ 3,294	\$ 3,458	\$ 3,631	\$ 3,813	\$ 3,909
Water Dist/Supply & WW Mgr **	\$ 4,844	\$ 5,086	\$ 5,340	\$ 5,607	\$ 5,887	\$ 6,181	\$ 6,336
WWTP & Water Operator Grade III (Lead)	\$ 3,961	\$ 4,160	\$ 4,368	\$ 4,586	\$ 4,815	\$ 5,056	\$ 5,183
WWTP & Water Operator Grade II (Lead)	\$ 3,961	\$ 4,160	\$ 4,368	\$ 4,586	\$ 4,815	\$ 5,056	\$ 5,183
WWTP & Water Operator Grade II	\$ 3,504	\$ 3,679	\$ 3,862	\$ 4,056	\$ 4,259	\$ 4,471	\$ 4,583
WWTP & Water Operator Grade I	\$ 3,042	\$ 3,186	\$ 3,354	\$ 3,521	\$ 3,697	\$ 3,883	\$ 3,980
PW Administrative Secretary	\$ 3,057	\$ 3,210	\$ 3,370	\$ 3,539	\$ 3,716	\$ 3,901	\$ 3,999

* "G" Step is 2.5%
 ** FLSA Exempt

**Public Safety Employees
 July 2016 - June 2017**

Public Safety	Step A	Step B	Step C	Step D	Step E	Step F	Step G
Lieutenant**	\$ 5,717	\$ 6,002	\$ 6,303	\$ 6,618	\$ 6,949	\$ 7,296	\$ 7,661
Sergeant	\$ 4,845	\$ 5,086	\$ 5,341	\$ 5,607	\$ 5,889	\$ 6,182	\$ 6,491
Corporal	\$ 4,061	\$ 4,264	\$ 4,477	\$ 4,701	\$ 4,936	\$ 5,183	\$ 5,442
Police Officer	\$ 3,683	\$ 3,867	\$ 4,061	\$ 4,264	\$ 4,477	\$ 4,701	\$ 4,936
Records Manager	\$ 2,873	\$ 3,016	\$ 3,168	\$ 3,325	\$ 3,492	\$ 3,666	\$ 3,850
Records Clerk	\$ 2,438	\$ 2,561	\$ 2,689	\$ 2,824	\$ 2,965	\$ 3,112	\$ 3,269
Animal Control*	\$ 2,561	\$ 2,689	\$ 2,824	\$ 2,965	\$ 3,113	\$ 3,269	\$ 3,350
Administrative Assistant	\$ 2,873	\$ 3,016	\$ 3,168	\$ 3,325	\$ 3,492	\$ 3,666	\$ 3,850

**FLSA Exempt

*Animal Control Step G @ 2.5%



City of Kerman

"Where Community Comes First"

MAYOR
Stephen B. Hill

MAYOR PRO-TEM
Gary Yep

COUNCIL MEMBER
Rhonda Armstrong

COUNCIL MEMBER
Kevin Nehring

COUNCIL MEMBER
Bill Nijjer

DEPARTMENT: FINANCE
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING DATE: JUNE 15, 2016

To: Mayor and City Council
From: Toni Jones, Finance Director
Subject: Resolution Adopting the City of Kerman Fiscal Year 2016/2017 Budget and Amending the Fiscal Year 2015/2016 Budget

RECOMMENDATIONS

1. By motion adopt resolution approving the Fiscal Year 2016/2017 Operating and Capital Budgets and amending the Fiscal year 2015/16 Budget; and
2. Adopt resolution establishing the Appropriations Limit for Fiscal Year 2016/2017.

EXECUTIVE SUMMARY

The preliminary City of Kerman budgets were presented to the City Council on May 4th, 18th and June 1st. The proposed fiscal year 2016/2017 budget and amended 2015/2016 budget is presented herein for final adoption.

The final budget for Fiscal Year 2016/2017 is presented based on input from staff and the City Council during preliminary budget presentations. The final budget shows a General Fund deficit of **(\$292,001)** with revenues estimated at \$4,513,887 and expenditures estimated at \$4,805,888. The Enterprise Fund budgets show a combined deficit of **(\$128,746)** and include a minor utility rate increase (\$1.69 per month for non-metered customers) to cover on going operational cost increases.

The total City-wide budget proposed for fiscal year 2016/2017 is \$17.595 million and includes expenditures to the following:

- General Fund \$4,805,888
- Enterprise Funds \$4,484,402
- Internal Service Funds \$ 566,301
- Special Revenue Funds \$1,185,249
- Capital Projects \$6,553,020

General Fund

The General Fund is the largest individual fund and accounts for most services associated with municipal government, including parks, recreation, police, building and planning services. The General Fund is primarily funded from general tax revenues such as vehicle license fees, sales and property tax revenues.

The proposed General Fund Budget expenditures of \$4.806 million is approximately \$292,000 more than projected revenues of \$4.514 million.

It is also important to note that as the Successor Agency responsibilities are winding down the administrative fee for Fiscal Year 2016/2017 is \$5,000 down from \$100,000 in Fiscal Year 2015/2016.

Enterprise Funds

The Enterprise Funds include Water, Wastewater, Solid Waste and Storm Drain funds. These funds are funded primarily from user fees and other charges.

The proposed Enterprise Fund budget expenditures of \$4.484 million is approximately \$129,000 less than projected revenues of \$4.356 million.

Capital Projects

The Capital Project funds include local, state and federal revenues to fund infrastructure projects throughout the City. The capital projects reflect the City's ongoing commitment to maintaining, improving and expanding City facilities, parks, streets and other major infrastructure throughout the City. A summary of City-wide capital projects are detailed in Attachment 'C'

Fiscal Year 2015/2016 Amendments

The Resolution approving the Fiscal Year 2016/2017 budget includes some adjustments made to the Fiscal Year 2015/2016 budget which are reflected on all of the budgets under the "Estimated Year-End" column. These budget amendments were deemed necessary due to unforeseen operational and capital outlay expenditures that were made throughout the year.

An overview of all major budgets is provided below and a complete summary of city-wide funds is shown in Exhibit A to the Resolution enclosed herein as Attachment D.

OUTSTANDING ISSUES

None

FISCAL IMPACT

The adoption of the proposed City of Kerman Fiscal Year 2016/2017 budget sets forth the appropriations for the delivery of municipal services. A transfer in from General Fund Reserves will be necessary to cover the projected deficit of **(\$292,001)** in the General Fund if projections are accurate. Staff will continue to seek efficiencies and operational reductions whenever possible to help reduce this deficit.

PUBLIC HEARING

None Required

Attachments:

- A. General Fund Summary
- B. Enterprise Fund Summary
- C. City-wide Capital Projects
- D. Resolution Adopting the City of Kerman Fiscal Year 2016/2017 Budget
- E. Resolution Establishing the Appropriations Limit for Fiscal Year 2016/2017 (Gann Limit)

Attachment 'A'

SUMMARY OF GENERAL FUND OPERATIONAL BUDGETS

Activity Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	2015-2016 Estimated Year-End	Budget 2016-2017	Adopted vs Proposed \$ Change	Exp % of Total GF Revenue
LEGISLATIVE & GEN. GOVT.							
6001 City Council	\$21,989	\$29,611	\$27,165	\$29,815	\$30,204	\$3,040	
6003 City Attorney	59,986	37,855	75,000	75,000	75,000	\$0	
1002 General Administration	228,773	199,990	205,256	235,104	259,749	\$54,493	
5005 Administrative Services	98,038	111,356	123,691	121,904	123,614	(\$77)	
6004 City Clerk	27,605	30,263	31,401	30,401	42,046	\$10,644	
TOTAL LEGISLATIVE & GEN. GOVT.	436,390	409,075	462,513	492,224	530,613	\$68,100	11.8%
PLANNING & DEVELOPMENT							
1008 Planning	101,707	109,136	182,964	146,014	188,832	\$5,867	
1010 Engineering	40,276	26,291	25,000	35,000	25,000	\$0	
1042 Building	128,565	155,515	123,067	161,267	128,701	\$5,635	
TOTAL PLANNING & DEVELOPMENT	270,549	290,943	331,031	342,281	342,533	\$11,502	7.6%
RECREATION/SOCIAL SERVICES							
2002 Recreation Administration	234,547	234,867	293,656	298,340	307,943	\$14,288	
2010 Building Maintenance	45,802	63,241	127,940	136,940	161,542	\$33,602	
2044 Senior Center Services	109,487	100,931	120,651	117,395	116,629	(\$4,022)	
2047 Aquatics Program	21,779	27,728	42,219	42,219	34,174	(\$8,045)	
2062 Planned Recreation	22,556	26,997	33,392	32,092	30,060	(\$3,332)	
2065 Youth and Teen Services	37,521	52,566	57,315	54,217	54,177	(\$3,138)	
2069 Community Teen Center	129,628	125,850	56,503	60,903	81,754	\$25,251	
TOTAL REC/SOC SERVICES	601,320	632,181	731,676	742,106	786,279	\$54,603	17.4%
POLICE OPERATIONS							
3011 Police Operations	2,483,503	2,708,022	2,915,417	2,925,103	2,943,617	\$28,199	
3041 Animal Control	56,209	57,527	60,312	58,512	57,111	(\$3,201)	
TOTAL POLICE OPERATIONS	2,539,711	2,765,550	2,975,729	2,983,614	3,000,727	\$24,998	66.6%
PUBLIC WORKS							
4010 Parks Landscape Maintenance	145,064	126,062	148,551	149,759	145,736	(\$2,815)	
TOTAL PUBLIC WORKS	145,064	126,062	148,551	149,759	145,736	(\$2,815)	3.2%
TOTAL GENERAL FUND OPERATIONS	3,993,035	4,223,811	4,649,500	4,709,984	4,805,888	\$156,389	106.6%
TOTAL GENERAL FUND REVENUE	4,159,527	4,680,398	4,401,234	4,703,815	4,508,887	\$107,653	
EXCESS (DEFICIT) REVENUE OVER EXPENDITURES	\$166,492	\$456,588	(\$248,266)	(\$6,169)	(\$297,001)		
PERCENTAGE OF TOTAL GF REVENUE	4.00%	9.76%	-5.64%	-0.13%	-6.59%		
TRANSFER IN FROM SUCCESSOR AGENCY (S/A)	-	175,000	100,000	94,478	5,000		
EXCESS (DEFICIT) AFTER TRANSFER IN FROM S/A	166,492	631,588	(148,266)	88,309	(292,001)		

GENERAL FUND CAPITAL IMPROVEMENTS ARE DETAILED SEPARATELY UNDER THE 8000 (CIP) BUDGET

Attachment 'B'

SUMMARY OF ENTERPRISE FUND OPERATIONAL BUDGETS

Activity	Description	Audited 2013-2014	Audited 2014-2015	Adopted 2015-2016	2015/16 Estimated Year-End	Budget 2016-2017	% of Rev's
WATER FUND (410)							
	Total Water Fund Revenues	1,645,636	1,507,395	1,602,010	1,530,727	1,558,400	
5005	Water Administration & Accounting	394,499	395,219	439,935	465,997	516,151	
5006	Water - Debt Service	165,000	165,000	165,000	165,000	165,000	
4041	Water Operations	859,445	844,857	946,106	894,407	980,388	
	Total Water Fund Operations	1,418,943	1,404,876	1,551,040	1,525,405	1,661,539	
	Revenue in Excess of Expenditures	226,692.61	102,509	50,970	5,322	(103,139)	-7%
SEWER FUND (420)							
	Total Sewer Fund Revenues	1,434,170	1,504,402	1,534,300	1,554,287	1,572,500	
5005	Sewer Administration & Accounting	351,511	319,652	347,988	367,355	421,909	
5006	Sewer - Debt Service	202,266	332,728	265,908	265,908	268,407	
4042	Sewer Operations	672,380	722,684	801,744	815,580	910,816	
	Total Sewer Fund Operations	1,226,177	1,375,034	1,415,640	1,448,824	1,601,132	
	Revenue in Excess of Expenditures	207,994	129,338	118,660	105,463	(28,632)	-2%
SOLID WASTE (430)							
	Total Solid Waste Fund Revenues	1,088,410	1,122,250	1,147,859	1,146,750	1,150,306	
5005	Solid Waste Administration & Accounting	1,042,768	1,088,653	1,102,816	1,126,087	1,159,199	
	Total Solid Waste Fund Operations	1,042,768	1,088,653	1,102,816	1,126,087	1,159,199	
	Revenue & Transfer in Excess of Expenditures	45,642	33,597	44,843	20,663	(8,893)	-1%
STORM DRAIN OPERATIONS FUND (470)							
	Total Storm Drain Operation Revenues	67,192	69,993	73,345	72,600	74,450	
4047	Storm Drain Maintenance & Operations	65,959	70,993	69,880	70,603	62,532	
	Total Storm Drain Fund Operations	65,959	70,993	69,880	70,603	62,532	
	Revenue in Excess of Expenditures	1,234	(1,010)	3,465	1,997	11,918	16%
TOTAL ENTERPRISE FUND REVENUE		4,235,408	4,204,021	4,357,314	4,304,364	4,355,656	
TOTAL ENTERPRISE FUND EXPENDITURES		3,753,847	3,939,586	4,139,376	4,170,918	4,484,402	
EXCESS (DEFICIT) REVENUE		\$ 481,561	\$ 264,434	\$ 217,938	\$ 133,446	\$ (128,746)	-3%

CAPITAL IMPROVEMENTS ARE DETAILED SEPARATELY UNDER THE 4024 (CIP) BUDGET

Attachment 'C'

CAPITAL IMPROVEMENT PROJECTS

Fiscal Year 2016/2017

PROJECT	FUNDING SOURCE	ESTIMATED COST
Streets		
Median Transition Plan	Local Street Funds	5,000
Solar Stop Signs	Local Street Funds	9,000
Street Sign Replacements	Local Street Funds	10,000
Street Light Replacement at Community Teen Center	Local Street Funds	5,000
Concrete Repair Project	Local Street Funds	10,000
Median Landscaping Renovation	Local Street Funds	100,000
Madera/Jensen Roundabout Gateway Monument	Local Street Funds	30,000
High Visibility Crosswalk Striping	Local Street Funds	25,000
California & May Reconstruction (RSTP)	Federal Grant/Local Street Funds	871,830
Calif Avenue Sidewalk (CMAQ) (Del Norte/First South Side)	Federal Grant/Local Street Funds	193,100
Pedestrian Safety Improvements (SR28)	State Grant/Local Street Funds	239,000
RSTP Vine and Ave Widening	Local Street Funds/Federal Grant	471,750
Kearney Blvd Rehabilitation	Local Street Funds	35,000
CMAQ Pedestrian Trail	Local Street Funds/Federal Grant	413,900
CMAQ Whitesridge & Vine Land Signal	DIF/Federal Grant/CalTrans	822,490
Goldenrod Railroad Crossing Improvements	DIF	315,000
	Total Street Capital Projects	3,562,070
Water		
Water Conservation Measures	Water Fund	30,000
Telephone Equipment	Water Fund	9,000
Secondary Water System Planning	Water Fund	5,000
Secondary Water Main - Vine and	Water Fund	25,000
Update Programmable Logic Controller	Water Fund	5,000
Fire Hydrant Replacements	Water Fund	10,000
Chromium 6 Treatment Analysis	Water Fund	25,000
Well No. 13 (SDWSRF)	State Grant Funding/DIF	313,000
Double L MHP Water Main (SDWSRF)	State Grant Funding	103,000
Water Meter System Completion	Water Fund/Grant Funding	877,579
Water Meter Installation Project	Water Fund/Grant Funding	715,538
	Total Water Capital Projects	2,119,117
Sewer		
Expand WWTP Office	Sewer Fund	30,000
Pond 8 - Finish Grading	Sewer Fund	22,500
Del Norte/Kearney Flow Monitoring	Sewer Fund	12,000
Telephone Equipment	Sewer Fund	6,750
Homa RAS Pump	Sewer Fund	10,000
T-3 Gorman Rupp Pump	Sewer Fund	15,000
	Total Sewer Capital Projects	96,250
Solid Waste		
Telephone System	Solid Waste Fund	6,750
Storm Drain		
Regrade B Street Basin	Storm Drain DIFs	56,000
Landscape and Lighting District		
Mower Replacement	L&LMD Fund	11,000
Parks and Other Facilities		
Animal Shelter	General Fund Reserves	350,000
Skate Park	General Fund Reserves	40,000
City Hall Lobby Accessibility Upgrade/Expansion	General Fund Reserves	125,000
Facility Repairs - Police Dept and Senior Center	General Fund Reserves	15,000
Telephone Equipment	General Fund Reserves	22,500
Scootmist Park Restroom	CDBG Funds	69,305
Scootmist Park Restroom	General Fund Reserves	20,695
Scootmist Park Playground Resurfacing	General Fund Reserves	6,000
	Total Parks & Other Facilities	648,500
Vehicle/Equipment Replacement Fund		
Water Truck	Vehicle Fund	65,000
	Total Major Capital Expenditures	6,564,687
	Total Minor Capital Expenditures	353,203
	Total Capital Expenditures	6,917,890

Attachment 'D'

RESOLUTION NO. 16-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN, CALIFORNIA,
ADOPTING THE FISCAL YEAR 2016/2017 BUDGET
AND APPROVING ADJUSTMENTS TO THE FISCAL YEAR 2015/2015 BUDGET

The City Council of the City of Kerman does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

The City Council has reviewed the proposed City of Kerman Fiscal Year 2016/2017 Budget attached hereto as Attachment A; and

The proposed budget is based upon appropriate estimates and financial planning for the City's operations, services, and capital improvements, including adjustments to the Fiscal Year 2015/2016 Budget; and

This budget provides continued services at current levels to the community. This budget also includes continuation and/or completion of several projects to enhance the community; and

All procedural requirements for adopting the City's Budget were fulfilled and the City Council was fully informed regarding the City's current finances, projected revenue, and financial obligations; and

It is in the public interest for the City Council to adopt the Budget as proposed by the City Manager.

SECTION 2. BUDGET APPROPRIATIONS. The Fiscal Year 2016/2017 Budget appropriation totals \$17,594,860 as shown in Exhibit A. The City Manager, or designee, is authorized to implement the appropriations as detailed in the Budget for City Departments.

ADOPTION. The Fiscal Year 2016/2017 Budget as presented, and incorporated by reference, is approved and adopted subject only to the authorizations set forth below. Such approval and adoption includes, without limitation, adjustments to the fiscal year 2015/2016 Budget.

SECTION 3. BUDGET ADJUSTMENTS. The Budget may be subsequently adjusted as follows:

- A. By majority vote of the City Council;
- B. By the City Manager, or designee, for all appropriation transfers between departments and activities and line items within a City fund;
- C. By Department Directors for appropriation transfers between activities and line items within a department;
- D. Line item expenditures within activities and departments are not restricted so long as funding is available in the City fund as a whole.

The FY 2015/2016 City of Kerman Budget is hereby adjusted and those adjustments become a part of the 2015/2016 City of Kerman Amended Budget.

SECTION 4. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 5: The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Kerman, held on the 15th day of June, 2016, and adopted at said meeting by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk

Exhibit 'A'

City Wide Expenditures Summary (Including Capital Projects)

Fund	Activity	Description	Personnel	M&O	Sub-Total Operations	Capital	Total
General Fund							
100	6001	City Council	\$16,898	\$13,307	\$30,204	\$0	\$30,204
100	6003	City Attorney	0	75,000	75,000	0	75,000
100	1002	City Manager	128,057	131,692	259,749	0	259,749
100	5005	Administrative Services	27,002	96,112	123,114	500	123,614
100	6004	City Clerk	20,781	21,265	42,046	0	42,046
100	1008	Planning	126,864	61,968	188,832	0	188,832
100	1010	Engineering	0	25,000	25,000	0	25,000
100	1042	Building	93,854	34,847	128,701	0	128,701
100	2002	Recreation & Comm Services Admin.	252,144	55,800	307,943	0	307,943
100	2010	Building Maintenance	108,221	53,321	161,542	0	161,542
100	2044	Senior Center Services	93,511	23,118	116,629	0	116,629
100	2047	Aquatics Program	33,249	925	34,174	0	34,174
100	2062	Planned Recreation	23,426	6,634	30,060	0	30,060
100	2065	Youth Service Bureau	46,292	7,884	54,177	0	54,177
100	2069	Community Teen Center	36,352	44,202	80,554	1,200	81,754
100	3011	Police Operations	2,273,136	660,311	2,933,447	10,170	2,943,617
100	3041	Animal Control	33,553	23,558	57,111	0	57,111
100	4010	Park Landscape Maintenance	88,077	54,658	142,736	3,000	145,736
Sub-Total General Fund			3,401,417	1,389,601	4,791,018	14,870	4,805,888
Enterprise Funds							
410	5005	Water	259,196	246,955	506,151	10,000	516,151
410	5006	Water	0	165,000	165,000	0	165,000
410	4041	Water Operations	442,980	477,408	920,388	60,000	980,388
420	5005	Sewer	204,804	209,354	414,159	7,750	421,909
420	5006	Sewer	0	268,407	268,407	0	268,407
420	4042	Sewer Collection & Operations	380,719	437,597	818,316	92,500	910,816
430	5005	Solid Waste (Refuse)	170,086	981,363	1,151,449	7,750	1,159,199
470	4047	Storm Drain Maintenance & Operations	34,927	27,605	62,532	0	62,532
Sub-Total Enterprise Funds			1,492,712	2,813,690	4,306,402	178,000	4,484,402
Internal Service Funds							
500	4050	Vehicle/Equipment Mtn & Replacement	89,110	309,398	398,508	70,000	468,508
510	5051	Technology Maintenance & Replacement	22,647	30,146	52,793	45,000	97,793
Sub-Total Internal Service Funds			111,757	339,544	451,301	115,000	566,301
Special Revenue Funds							
100	3050	SLESF Grant	100,000	0	100,000	0	100,000
100	3999	Safety Grants, Contracts and Projects	35,776	2,400	38,176	22,000	60,176
110	1011	CIP Administration	0	0	0	0	0
170	1007	General Plan Updates	0	0	0	0	0
730	2046	Senior Nutrition Site Management	14,876	5,153	20,029	0	20,029
750	4075	Lighting & Landscaping District 1	112,891	76,031	188,923	11,000	199,923
800-850, 870	408x	Street Maintenance, TDA and Other	114,360	194,545	308,905	24,000	332,905
860	2049	Community Transit	123,882	9,147	133,029	0	133,029
880	4088	Street Maintenance, Operations & Admin	242,934	96,254	339,188	0	339,188
Sub-Total Special Revenue Funds			744,718	383,530	1,128,249	57,000	1,185,249
Capital Project Funds							
100	8000	Parks, Facilities & Equipment	0	0	0	229,195	229,195
120	8000	CDBG Construction	0	0	0	69,305	69,305
140	8000	Facilities Construction	0	0	0	402,095	402,095
410, 520-540	8000	Water Construction	0	0	0	2,050,117	2,050,117
420, 550-570	8000	Sewer Facilities Construction	0	0	0	75,000	75,000
480, 490	8000	Storm Drain	0	0	0	88,000	88,000
580, 590	8000	Parks Construction	0	0	0	41,238	41,238
780	8000	Parks Construction	0	0	0	0	0
800, 830, 880-920, 95	8000	Street Construction	0	0	0	3,598,070	3,598,070
Sub-Total Capital Project Funds			0	0	0	6,553,020	6,553,020
Grand Total All Funds			\$5,750,605	\$4,926,365	\$10,676,970	\$6,917,890	\$17,594,860

Attachment 'E'

RESOLUTION NO. 16-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ESTABLISHING THE APPROPRIATIONS
LIMIT FOR THE 2016/2017 FISCAL YEAR PURSUANT TO ARTICLE XIII B OF THE
CONSTITUTION OF CALIFORNIA

WHEREAS, Article XIII B of the California Constitution requires the City to set its appropriations limit on an annual basis; and

WHEREAS, the City's appropriations limit is to be adjusted annually, based upon inflation and population growth; and

WHEREAS, the City Council may choose the method of calculating adjustments to the City's appropriations limit on an annual basis. For inflation, pursuant to Article XIII B, section 8(e)(2), adjustments to the appropriations limit may be calculated using the percentage change in per capita personal income from the preceding year because of local nonresidential new construction. For population growth, pursuant to Government Code section 7901 (b), the City may use the percentage growth in its jurisdiction; and

WHEREAS, pursuant to Article XIII B of the California Constitution, and those Government Code sections adopted pursuant to Article XIII B, section 8(f), the City Council chooses to adjust the City's appropriation limit by calculation inflation using the percentage change in per capita personal income from the preceding year and calculating population growth by using the percentage change in population in the City of Kerman; and

WHEREAS, as a result of the adjustments made to the City's appropriation limit as shown in Exhibit 'A', the City Council sets the appropriations limit for fiscal year 2016/2017 at \$14,578,148.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN that the appropriations limit for the 2016/2017 Fiscal Year for the City of Kerman is established at \$14,578,148, as set forth on Exhibit 'A' attached hereto and made a part hereof by this reference.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 15th day of June, 2016, and passed at said meeting by the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

Stephen B. Hill
Mayor

ATTEST:

Marci Reyes
City Clerk

Exhibit 'A'

GANN REVENUE LIMIT

The original Article XIII and its implementing legislation Chapter 1205/80 were modified by proposition III and SB 88 (Chapter 60/90). Beginning with the 1990/91 Appropriations Limit, the annual adjustment Factors were changed. Instead of using the lesser of California Per Capita Income or U.S.C.P.I to measure Inflation, each City may choose:

- The growth in California Per Capita Income or
- The growth in the non-residential assessed valuation due to new construction within the City

2015/16 REVENUE LIMIT - \$ 13,756,784

Per City of Kerman, City Council Resolution No.15-33

2016/17 REVENUE LIMIT FACTORS

POPULATION:*

January 1, 2016 14,366	January 1, 2015 14,284	0.57% increase
------------------------	------------------------	----------------

LOCAL ASSESSMENT ROLL***

	<u>Secured</u>	<u>Unsecured</u>
2014/2015 Gross Assessed Value	591,241,725	30,938,900

CHANGE IN PER CAPITA PERSONAL INCOME*

2016/2017	5.37%
-----------	-------

CHANGE FACTOR

Population Change x Change in Per Capita Personal Income
 1.0057 x 1.0537 = 1.0597

TOTAL 2016/2017 ESTIMATED REVENUE

PROCEEDS OF TAXES	6,693,813
NON-PROCEED OF TAXES	<u>6,287,594</u>

TOTAL APPROPRIATIONS 2016/2017	<u>\$ 12,981,407</u>
--------------------------------	----------------------

TOTAL 2016/2017 ESTIMATED REVENUE

EXEMPT FROM LIMIT	6,693,813
2016/2017 REVENUE LIMIT	\$ 14,578,148
2016/2017 REVENUE SUBJECT TO LIMIT	<u>6,693,813</u>

AMOUNT OF UNSPENT AUTHORIZED APPROPRIATIONS	<u><u>\$ 7,884,335</u></u>
---	----------------------------

* Data provided by State of California, Department of Finance

***Data provided by Fresno County Assessor's Office