



AGENDA
CITY OF GUSTINE
CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
352 5th STREET GUSTINE, CALIFORNIA
NOVEMBER 21, 2017 – 6:30 P.M.

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Please take a moment to silence your cell phones.

ROLL CALL

Council Members: Turner – Hasness – Oliveira – Mayor Pro Tem Nagy - Mayor Oliveira

PRESENTATIONS

1. VIPER Program Presentation

Larry D. Morse II, Merced County District Attorney

PUBLIC COMMENT

At this time, any person may comment on any item which is not on the agenda. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD. Action will not be taken on the topic unless deemed an urgency matter by a 3/5 vote of the City Council. Topics not considered an urgency matter may be referred to City staff and/or placed on a subsequent agenda for consideration, by a 3/5 vote of the City Council.

Members of the public, who have questions regarding a specific agenda item, may comment on that item before consideration of that item, when recognized by the Mayor.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and may be approved by one action of the City Council, unless any member of the City Council wishes to remove an item for separate consideration.

Are there any items on the consent calendar that any member of the public would like to comment on?

2. Minutes of the November 7, 2017 Regular Meeting

Recommendation: Review and approve

3. Warrants

Recommendation: Review and approve

4. Treasurer's Report – October 2017

Recommendation: Review and file

5. Approve and Waiver of Second Reading of an Ordinance Amending Article 6 of Chapter 7 of Title 7 of the Gustine Municipal Code Relating to Marijuana Cultivation

Recommendation: Review, Approve and Waive Second Reading

6. Request from Our Lady of Guadalupe Society for Use of City Streets and Services

Recommendation: Review and approve

ADMINISTRATIVE AGENDA

- 7. Consider Resolutions Required by the State Water Resources Control Board for Water Meter Replacement Project**
 1. Receive Staff Report
 2. Receive Public Comment
 3. Consider a motion to approve resolutions

- 8. Consider Approving Community Development Block Grant Program Income Reuse Agreement and Accompanying Resolution**
 1. Receive Staff Report
 2. Receive Public Comment
 3. Consider a motion to approve Program Income Reuse Agreement and Resolution

- 9. Consider Authorizing City Manager to Execute Joint User Agreement for Recreation Facilities with Gustine Unified School District**
 1. Receive Staff Report
 2. Receive public comment
 3. Consider a motion to authorize the execution of the Joint User Agreement for Recreation Facilities with Gustine Unified School District

- 10. Consider Authorizing City Manager to Execute Pavement Management System Cost Sharing Agreement with Merced County Association of Governments**
 1. Receive Staff Report
 2. Receive public comment
 3. Consider a motion to authorize the execution of the Pavement Management System Cost Sharing Agreement with Merced County Association of Governments

CITY DEPARTMENT REPORTS

CITY MANAGER REPORT

CITY COUNCIL REPORTS

CLOSED SESSION

ADJOURNMENT

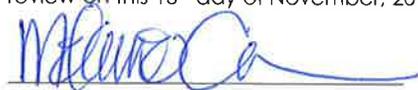
Note:

1. In compliance with the Americans with Disabilities Act, a disabled person requesting a disability-related modification or accommodation to participate in this meeting, must contact City Hall at (209) 854-6471 or (209) 854-2127 (fax). Requests must be made as early as possible, preferably one-full business day before the start of the meeting.

2. Any document provided to a majority of the City Council regarding any open session item on this agenda is available for public inspection during normal business hours at the front counter of City Hall located at 352 5th Street, Gustine, CA. Documents or writings received after the general distribution of the agenda are also available for inspection.

CERTIFICATION

I, Melanie Correa, Deputy City Clerk, do hereby declare under penalty of perjury that the foregoing agenda was posted at the Gustine City Hall, 352 5th Street, Gustine CA and made available for public review on this 16th day of November, 2017, at or before 5:00 p.m.


Melanie Correa

THE VIOLENCE INTERUPTION AND PREVENTION EMERGENCY RESPONSE



THE VIOLENCE INTERRUPTION AND PREVENTION EMERGENCY RESPONSE PROGRAM



- HISTORY:
- MERCED COUNTY RECORDED APPROXIMATELY 30 HOMICIDES FOR 3 YEARS IN A ROW WHICH PLACED IT 1ST OR 2ND FOR COMMUNITIES OF 100,000 POPULATION.
- THIS RISE IN VIOLENT CRIME COMMITTED BY THE CRIMINAL STREET GANGS LED MERCED COUNTY OFFICIALS TO REQUEST ADDITIONAL RESOURCES.

THE VIOLENCE INTERRUPTION AND PREVENTION AGENCY RESPONSE



- DEVELOPMENT:
- THE MERCED COUNTY DISTRICT ATTORNEY'S OFFICE PREPARED TO IMPLEMENT THE PROGRAM AND CONCEPTUALIZE WHAT THE PROGRAM WILL BE MOVING FORWARD.
- FUNDING FROM THE STATE OF CALIFORNIA BUDGET WAS PROVIDED TO MERCED COUNTY IN OCTOBER 2016.
- THE DA'S OFFICE HIRED INVESTIGATOR BILL OLSON TO MANAGE VIPER, AND ALSO SIX HIGHLY QUALIFIED AND VERY SKILLED CRIMINAL INTELLIGENCE ANALYSTS WITH BACKGROUNDS RANGING IN BOTH CIVILIAN AND MILITARY INTELLIGENCE GATHERING..
- THE FACILITIES (OFFICE) WERE COMBINED AND LOCATED WITHIN THE MERCED AREA GANG/NARCOTIC ENFORCEMENT TEAM (MAGNET) LOCATION.
- IN MID-FEBRUARY 2017 VIPER BECAME OPERATIONAL.

THE VIOLENCE INTERRUPTION AND PREVENTION EMERGENCY RESPONSE TEAM



- CONCEPT:
- THE VIOLENCE INTERRUPTION AND PREVENTION EMERGENCY RESPONSE TEAM (VIPER) BEGAN AS AN ANTI-GANG AND ASSIST MERCED COUNTY LAW ENFORCEMENT WITH AN INCREASING VIOLENT CRIME RATE.
- DISTRICT ATTORNEY LARRY MORSE AND CHIEF INV. PATRICK LUNNEY DRAFTED A PROPOSAL FOR STATE FUNDING TO CREATE AN INTELLIGENCE UNIT WITHIN THE DISTRICT ATTORNEY'S OFFICE.
- ASSEMBLY MEMBER ADAM GRAY TOOK THE MERCED COUNTY REQUEST TO THE STATE OF CALIFORNIA TO PURSUE FUNDING THROUGH THE STATE BUDGET PROCESS. 4.5 MILLION DOLLARS FOR A THREE YEAR MERCED COUNTY PILOT PROJECT DUBBED VIPER WAS ESTABLISHED.
- THE ACQUISITION OF CRIMINAL INTELLIGENCE ANALYSTS SKILLED IN THE CRAFT OF GATHERING, ANALYZING AND DISSEMINATING ACCURATE INTELLIGENCE PROVIDES A FORWARD THINKING ATTACK TO PREVENTING CRIME AND SOLVING THE INCREASED GANG VIOLENCE



OPERATION SCRAPBOOK

- IMMEDIATELY VIPER ANALYSTS WERE INVOLVED IN A COMPLEX MULTI-AGENCY INVESTIGATION OF LOCAL GANG MEMBERS, DUBBED "OPERATION SCRAPBOOK"
- ON MAY 10TH 2017 MORE THAN 600 LAW ENFORCEMENT PERSONNEL FROM THE CENTRAL VALLEY COORDINATED AN EARLY MORNING SWEEP OF TARGETED SURENO GANG MEMBERS.
- AT CONCLUSION 65 GANG MEMBERS HAD BEEN ARRESTED, SIX DRUG TRAFFICKING ORGANIZATIONS HAD BEEN DISRUPTED, OVER 170 FIREARMS INCLUDING ASSAULT WEAPONS AND 30,000 ROUNDS OF AMMUNITION, 10 POUNDS OF METHAMPHETAMINE AND OVER \$200,000 IN US CURRENCY SEIZED.
- MOST NOTEWORTHY-BECAUSE OF THE INTELLIGENCE DATA PROVIDED BY VIPER ANALYSTS THE LAW ENFORCEMENT OFFICERS WERE ABLE TO CONDUCT THE RAIDS WITHOUT ONE SINGLE CRITICAL EVENT OR INCIDENT.



OPERATION

SCRAPBOOK

• SUCCESS:

THE ARRESTABLES: OPERATION SCRAPBOOK

As of 05/08/17

VIPER
Merced County District Attorney

Legend:
 State (red border)
 Federal (yellow border)
 Federal & State (green border)

- California Department of Justice – Bureau of Inv. MAGNET-Merced Area Gang Narcotic Enforcement Team
- Merced PD
- Merced SO
- Livingston PD
- Atwater PD
- Los Banos PD
- California Department of Corrections and Rehabilitation
- CHP
- Merced County Probation Dept.

THE VIOLENT CRIME INTERRUPTION AND PREVENTION EMERGENCY RESPONSE TEAM



- FUTURE GOALS AND OBJECTIVES
- **VIPER** IS THE MERCED COUNTY WIDE **FUSION CENTER** FOR INTELLIGENCE DRIVEN INVESTIGATIONS.
- PROVIDE LAW ENFORCEMENT NEW TECHNOLOGY AND TECHNIQUES TO STAY OUT IN FRONT OF CURRENT AND EMERGING CRIME TRENDS THUS PROMOTING PUBLIC SAFETY.
- PROVIDE LAW ENFORCEMENT INTELLIGENCE TO MAINTAIN OFFICER SAFETY.
- ESTABLISH PARTNERSHIPS WITH **COMMUNITY BASED ORGANIZATION(S)** AND IDENTIFY AT RISK YOUTH TO PROVIDE THEM WITH ALTERNATIVES TO THE GANG LIFESTYLE. THESE PARTNERSHIPS WILL BE AT THE FOREFRONT OF THE SOLUTION TO REDUCING **VIOLENT CRIME**.

THE VIOLENCE INTERRUPTION AND PREVENTION EMERGENCY RESPONSE



- COMMUNITY ENGAGEMENT IS AN
- IMPORTANT COMPONENT OF VIPER'S COMMUNITY ENGAGEMENT
- HISTORICALLY MERCED COUNTY HAS NOT HAD A MULTITUDE OF RESOURCES, PARTICULARLY THOSE COMMUNITY BASED ORGANIZATIONS WHO WOULD BE A PLACE FOR AT RISK YOUTH AND TEENS TO TURN TO.
- A COMMITTEE WAS FORMED TO STUDY THE RESOURCES AVAILABLE AND PLAN FOR THE COMMUNITY ENGAGEMENT ASPECT OF THE VIPER PROGRAM. THE COMMITTEE IS STUDYING THINGS SUCH AS LOCATION, CURRICULUM, AND TARGET POPULATION OF YOUTH AFFECTED.
- THE COMMITTEE HAS PLACED BEFORE YOU TODAY FOR APPROVAL A RECOMMENDED FUND PROPOSAL (RFP), WHICH WILL BE ADVERTISED TO THE PUBLIC. THE COMMUNITY ENGAGEMENT ASPECT OF THE VIPER PROGRAM IS APPROXIMATELY \$500,000 OF THE ALLOCATED FUNDING.



THE VIOLENCE INTERRUPTION AND PREVENTION EMERGENCY RESPONSE TEAM

- CURRENT:
- THE VIPER ANALYTICAL UNIT IS ESTABLISHING ADDITIONAL RESOURCES, TRAINING THE ANALYSTS IN NEW TECHNOLOGY AND TECHNIQUES TO BE OUT IN FRONT OF THE CRIME TRENDS.
- THIS WILL PROVIDE LAW ENFORCEMENT THE VERY BEST RESOURCES IN RESPONDING TO, INVESTIGATING, SOLVING AND PREDICTING CRIME, THUS MAKING THE COMMUNITIES SAFER FROM GANG VIOLENCE.
- THE AMOUNT OF INTELLIGENCE AND ASSISTANCE THAT IS NOW AVAILABLE TO MAGNET AND PARTICIPATING AGENCIES HAS MADE THE INVESTIGATIONS MORE ROBUST AND COMPLETE.
- THERE ARE SEVERAL MAJOR INVESTIGATIONS CURRENTLY BEING SUPPORTED BY VIPER AND THE ANALYSTS HAVE BEGUN WORKING ON MONITORING CRIMINAL ACTIVITY TO ESTABLISH DATA DRIVEN POLICING.
- THE 3 YEAR VIOLENT CRIME STUDY IS IN PROGRESS. MONTHLY STATISTICAL DATA IS MAINTAINED AND A BI-ANNUAL REPORT WILL BE PUBLISHED FOR PARTICIPATING AGENCIES.



AGENCIES SUPPORTED BY VIPER



**MINUTES OF
REGULAR MEETING
NOVEMBER 7, 2017**

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Mayor Oliveira called the meeting to order at 6:30 P.M. and conducted the pledge of allegiance.

ROLL CALL

Council Members: Turner, Hasness, Oliveira, Mayor Pro Tem Nagy and Mayor Oliveira

Staff Present: City Manager Doug Dunford, Recreation Coordinator Tiffany Vitorino, Finance Director Jami Westervelt, Acting Sergeant Telan Hosaka, Police Officer Adam Hall, Fire Chief Pat Borrelli, City Attorney Josh Nelson, and Deputy City Clerk Melanie Correa

PRESENTATIONS

PUBLIC COMMENT

Steve Croffoot, Adjutant and Finance Officer of the American Legion Post 240, requested that Council consider the fee waiver request for use of City streets and services for the annual Veterans Day parade.

CONSENT CALENDAR

1. **Minutes of the October 17, 2017 Special Meeting**
Recommendation: Review and approve
2. **Minutes of the October 17, 2017 Regular Meeting**
Recommendation: Review and approve
3. **Warrants**
Recommendation: Review and approve
4. **Request from American Legion Post 240 for Use of City Streets and Fee Waiver**
Recommendation: Review and approve

The Mayor introduced the consent calendar. There was no public comment. Council member Oliveira made a motion to approve the consent calendar. The motion was seconded by Council member Hasness, and carried 5-0.

ADMINISTRATIVE AGENDA

5. **Consider Request from Gustine AA Fellowship for Rate Pass for Use of Library Community Room**
 1. *Receive Staff Report*
 2. *Receive Public Comment*
 3. *Consider a motion to approve the rate pass and insurance waiver*

Deputy City Clerk Correa presented staff report. Leroy Gomes, of the Gustine AA Fellowship, 28935 Pfitzer Rd Gustine, commented that the groups 30th anniversary party would be held on January 10th, he further invited council to attend. After a brief discussion, Council member Oliveira made a motion to approve the request. The motion was seconded by Council member Hasness, and carried 5-0.

6. Consider Request for Fee Waiver for Use of Gustine Baseball Fields

1. *Receive Staff Report*
2. *Receive Public Comment*
3. *Consider a motion to approve the fee waiver*

Deputy City Clerk Correa presented staff report. There was no public comment. After a brief discussion, Council member Oliveira made a motion to approve the fee waiver request. The motion was seconded by Mayor Pro Tem Nagy, and carried 5-0.

7. Consider Request for Rate Pass for Use of Library Community Room

1. *Receive Staff Report*
2. *Receive Public Comment*
3. *Consider a motion to approve the rate pass and insurance waive*

Deputy City Clerk Correa presented the staff report. Leif Erickson, 1150 Lee Ave Gustine, thanked council for their graciousness on behalf of those individuals who attend his meetings. After some discussion, Mayor Pro Tem Nagy suggested this item be tabled to a future meeting, to allow for Mr. Erickson to work with staff to obtain information on grant, or county or state funding options. City Manager Dunford advised that this item would be brought back to Council for consideration at the regularly scheduled meeting to be held on December 5th.

8. Consider Authorizing the Use of Measure V Funds for Additional Sidewalk Project

1. *Receive Staff Report*
2. *Receive Public Comment*
3. *Consider a motion to approve use of Measure V funds for additional sidewalk project*

City Manager Dunford presented the staff report. Craig Christensen, 657 West Ave Gustine, expressed his opinion of the presented project costs. There was some discussion. Council member Hasness made a motion to approve the use of Measure V funds for additional sidewalk project. The motion was seconded by Council member Oliveira, and carried 4-1, with Mayor Pro Tem Nagy in opposition.

9. PUBLIC HEARING - Introduction and Waiver of the First Reading of an Ordinance Amending Article 6 of Chapter 7 of Title 7 of the Gustine Municipal Code Relating to Marijuana Cultivation

1. *Receive Staff Report*
2. *Open the Public Hearing*
3. *Close the Public Hearing*
4. *Consider a motion to introduce and waive the first reading*

City Manager Dunford presented the staff report. The Mayor opened the public hearing at 7:10 P.M. There was no public comment. The public hearing was closed at 7:11 P.M. Council member Oliveira made a motion to introduce and waive the first reading of an ordinance amending Article 6 of Chapter 7 of Title 7 of the Gustine Municipal Code relating to marijuana cultivation. The motion was seconded by Mayor Pro Tem Nagy, and carried 5-0.

COMMISSION REPORTS

Airport Commission Chairman Marchese advised that he had nothing to report.

CITY DEPARTMENT REPORTS

Fire Chief Pat Borrelli advised that he had nothing to report.

Gustine High School Student Representative distributed her report and advised on recent and upcoming school activities both academic and extra-curricular.

Recreation Coordinator Vitorino reported on a successful Trunk or Treat event. She reported that a basketball clinic was planned for November 18th. She further reported that Christmas in the Park event would be held on December 20th. Lastly, she thanked Council for waiving the rental fees of baseball fields because the organizer had repaired several items on the fields.

Finance Director Westervelt updated on the Goman center rehabilitation project. She also advised that staff would be bringing the auditor RFP to Council for approval in the near future.

CITY MANAGER REPORTS

City Manager Dunford reported that Public Works was busy pruning trees Schmidt Park. He advised that six owl boxes would be installed on selected trees to assist with egret mitigation. He further updated that new doors were installed at the pool and the department was repainting crosswalks and stop lines around town.

He reported that the Police Department has been fairly quiet. He also introduced Officer Adam Hall, as the department's the newest officer.

City Manager Dunford reported that the special Planning Commission meeting scheduled for November 15th would be cancelled. He further advised that at the regular Planning Commission meeting scheduled for December 13th would be held to discuss the Housing Element and the South East Annexation project. City Manager Dunford advised on his recent meeting with CalTrans to discuss the needs of the community along the highway. He advised that he would be presenting the joint use agreement to Gustine Unified School District Board on November 8th. He thanked staff for stepping up in this time of need.

CITY COUNCIL REPORTS

Council member Oliveira advised that CalTrans does not obtain California Highway Patrol accident reports in a timely manner, which obstructs necessary improvements.

Council member Turner advised that he was pleased to hear that the Goman Center rehabilitation project was moving forward. He reported of his displeasure with the backup of trailers on 3rd Street.

Council member Oliveira requested that gophers be treated at all the City parks. He also reminded everyone to attend the Veteran's Day parade.

Mayor Pro Tem Nagy thanked Deputy City Clerk Correa for arranging the recent city-wide training. He also thanked staff for a successful Trunk or Treat event. He lastly, reminded everyone of the upcoming Gustine High School football playoff game at Modesto Christian.

Council member Hasness inquired of the status of the pathways, and requested an update from the engineer. She reported that she was pleased with the outcome of the sidewalk grinding project.

Mayor Oliveira requested that signage be posted advising of no crossing on bend of Hwy 33/140. He suggested that staff bring an item considering a dog park in Schmidt park to assist with egret mitigation to a future meeting.

CLOSED SESSION

- 1. CONFERENCE WITH LABOR NEGOTIATORS- Pursuant to Government Code Section 54957.6 Agency Negotiator: City Manager: Employee organization: City of Gustine Clerks Association.**
- 2. CONFERENCE WITH LABOR NEGOTIATORS- Pursuant to Government Code Section 54957.6 Agency Negotiator: City Manager: Employee organization: City of Gustine Public Works Association.**
- 3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9. Name of Case: Ledger v. Steve Dovali Construction, Inc., et al. (Merced Superior Court No. CVM019093).**

In open session, the following was reported:

#1 – Mayor Pro Tem Nagy made a motion to approve the amendment. The motion was seconded by Council member Oliveira, and carried 5-0.

#2 – Council member Oliveira made a motion to approve the amendment. The motion was seconded by Council member Hasness, and carried 5-0.

#3 – Council member Oliveira made a motion to approve the settlement. The motion was seconded by Council member Hasness, and carried 5-0.

ADJOURNMENT

Mayor Pro Tem Nagy made a motion to adjourn the meeting. The motion was seconded by Council member Hasness. The meeting adjourned at 7:59 P.M.

ATTEST:

CITY CLERK

MAYOR OLIVEIRA



Warrant List

By Vendor Name

Post Dates 11/08/2017 - 11/21/2017

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: A & A PORTABLES INC				
A & A PORTABLES INC	1-701254	43346	SOCCER FIELD PORTABLES	192.62
Vendor A & A PORTABLES INC Total:				192.62
Vendor: A PLUS PLUMBING				
A PLUS PLUMBING	5461	43347	WATER HEATER REPLACE	158.00
A PLUS PLUMBING	5461	43347	WATER HEATER REPLACE	711.00
A PLUS PLUMBING	5461	43347	WATER HEATER REPLACE	711.00
A PLUS PLUMBING	5486	43347	BACKFLOW REPAIR AT HE	960.25
A PLUS PLUMBING	5489	43347	BORRELLI PARK LANDSCAP	31.50
A PLUS PLUMBING	5532	43347	PW JET MAINLINE	350.00
A PLUS PLUMBING	5551	43347	SNAKE MAINLINE AT CITY	24.20
A PLUS PLUMBING	5551	43347	SNAKE MAINLINE AT CITY	108.90
A PLUS PLUMBING	5551	43347	SNAKE MAINLINE AT CITY	108.90
A PLUS PLUMBING	5563	43347	METER RELOCATION FOR	1,410.00
Vendor A PLUS PLUMBING Total:				4,573.75
Vendor: ARAMARK UNIFORM SERVICES INC				
ARAMARK UNIFORM SERV	635645712	43348	PW UNIFORMS	0.94
ARAMARK UNIFORM SERV	635645712	43348	PW UNIFORMS	0.95
ARAMARK UNIFORM SERV	635645712	43348	PW UNIFORMS	1.89
ARAMARK UNIFORM SERV	635645712	43348	PW UNIFORMS	1.70
ARAMARK UNIFORM SERV	635645712	43348	PW UNIFORMS	3.97
ARAMARK UNIFORM SERV	635645712	43348	PW UNIFORMS	7.74
ARAMARK UNIFORM SERV	635645712	43348	PW UNIFORMS	1.70
ARAMARK UNIFORM SERV	635660056	43348	PW UNIFORMS	3.16
ARAMARK UNIFORM SERV	635660056	43348	PW UNIFORMS	3.16
ARAMARK UNIFORM SERV	635660056	43348	PW UNIFORMS	6.33
ARAMARK UNIFORM SERV	635660056	43348	PW UNIFORMS	5.70
ARAMARK UNIFORM SERV	635660056	43348	PW UNIFORMS	13.29
ARAMARK UNIFORM SERV	635660056	43348	PW UNIFORMS	25.95
ARAMARK UNIFORM SERV	635660056	43348	PW UNIFORMS	5.70
Vendor ARAMARK UNIFORM SERVICES INC Total:				82.18
Vendor: ASCENT AVIATION GROUP				
ASCENT AVIATION GROUP	481891	43349	AIRPORT FUEL	31,770.18
Vendor ASCENT AVIATION GROUP Total:				31,770.18
Vendor: BAKER SUPPLIES AND REPAIRS				
BAKER SUPPLIES AND REP	229902	43350	REPAIR ON CHAIN SAW	105.04
BAKER SUPPLIES AND REP	29707	43350	PARTS FOR WEED EATER	5.30
BAKER SUPPLIES AND REP	29707	43350	PARTS FOR WEED EATER	5.29
BAKER SUPPLIES AND REP	29898	43350	WORK ON BLOWER	111.08
BAKER SUPPLIES AND REP	29914	43350	STRAPS FOR WEED EATER	36.87
BAKER SUPPLIES AND REP	29914	43350	STRAPS FOR WEED EATER	36.87
BAKER SUPPLIES AND REP	30010	43350	PUSH MOWER	114.75
BAKER SUPPLIES AND REP	30028	43350	CHAIN FOR SAW	122.22
BAKER SUPPLIES AND REP	30029	43350	PW EQUIP REPAIR - BLOW	93.98
BAKER SUPPLIES AND REP	30031	43350	PW EQUIP REPAIR - BLOW	93.98
Vendor BAKER SUPPLIES AND REPAIRS Total:				725.38

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: BARBARA B. PARKIN				
BARBARA B. PARKIN	OCTOBER 2017 YOGA INST	43351	YOGA INSTRUCTOR OCTO	315.00
Vendor BARBARA B. PARKIN Total:				315.00
Vendor: BEST BEST & KRIEGER				
BEST BEST & KRIEGER	801569	43352	ATTORNEY SEWER CONSU	225.00
BEST BEST & KRIEGER	807911	43352	ATTORNEY SERVICES	3,305.00
Vendor BEST BEST & KRIEGER Total:				3,530.00
Vendor: CINTAS CORPORATION #3				
CINTAS CORPORATION #3	922644773	43353	PW UNIFORMS	2.94
CINTAS CORPORATION #3	922644773	43353	PW UNIFORMS	2.93
CINTAS CORPORATION #3	922644773	43353	PW UNIFORMS	5.87
CINTAS CORPORATION #3	922644773	43353	PW UNIFORMS	5.29
CINTAS CORPORATION #3	922644773	43353	PW UNIFORMS	12.34
CINTAS CORPORATION #3	922644773	43353	PW UNIFORMS	24.08
CINTAS CORPORATION #3	922644773	43353	PW UNIFORMS	5.29
CINTAS CORPORATION #3	922646264	43353	PW UNIFORMS	3.19
CINTAS CORPORATION #3	922646264	43353	PW UNIFORMS	3.18
CINTAS CORPORATION #3	922646264	43353	PW UNIFORMS	6.37
CINTAS CORPORATION #3	922646264	43353	PW UNIFORMS	5.74
CINTAS CORPORATION #3	922646264	43353	PW UNIFORMS	13.39
CINTAS CORPORATION #3	922646264	43353	PW UNIFORMS	26.13
CINTAS CORPORATION #3	922646264	43353	PW UNIFORMS	5.74
Vendor CINTAS CORPORATION #3 Total:				122.48
Vendor: CITY OF LOS BANOS				
CITY OF LOS BANOS	0656194	43354	PD PRISONER CARE OCTO	105.00
Vendor CITY OF LOS BANOS Total:				105.00
Vendor: CSG CONSULTING - PRECISION				
CSG CONSULTING - PRECIS	7187	43355	PERMITS OCTOBER 2017	3,228.86
Vendor CSG CONSULTING - PRECISION Total:				3,228.86
Vendor: DAVID JAMES FRANCIS				
DAVID JAMES FRANCIS	1377	43356	WELL 4 REPAIR	180.00
DAVID JAMES FRANCIS	1380	43356	PHOTO EYE ON LIGHT POL	199.86
Vendor DAVID JAMES FRANCIS Total:				379.86
Vendor: DICK FORD'S TRACTOR REPAIR				
DICK FORD'S TRACTOR RE	149593	43357	PARTS FOR WWTP	102.24
DICK FORD'S TRACTOR RE	149603	43357	PARTS FOR WWTP	49.41
DICK FORD'S TRACTOR RE	149767	43357	BELT FOR MOWER	139.64
Vendor DICK FORD'S TRACTOR REPAIR Total:				291.29
Vendor: DIVERSIFIED RISK/HUB INTERNATIONAL				
DIVERSIFIED RISK/HUB INT	OCTOBER 2017	43358	EVENT INSURANCE OCTOB	920.10
Vendor DIVERSIFIED RISK/HUB INTERNATIONAL Total:				920.10
Vendor: DOMINGOS PONCEANO				
DOMINGOS PONCEANO	1772	43359	JANITORIAL	430.00
DOMINGOS PONCEANO	1772	43359	JANITORIAL	300.00
DOMINGOS PONCEANO	1772	43359	JANITORIAL	450.00
Vendor DOMINGOS PONCEANO Total:				1,180.00
Vendor: FASTENAL COMPANY				
FASTENAL COMPANY	CALOB45229	43360	PW SUPPLIES - GLOVES	7.77
FASTENAL COMPANY	CALOB45229	43360	PW SUPPLIES - GLOVES	34.93
FASTENAL COMPANY	CALOB45229	43360	PW SUPPLIES - GLOVES	34.93
Vendor FASTENAL COMPANY Total:				77.63
Vendor: FERGUSON ENTERPRISES INC				
FERGUSON ENTERPRISES I	1309312	43361	WATER LEAK PARTS	781.41

Warrant List

Post Dates: 11/08/2017 - 11/21/2017

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
FERGUSON ENTERPRISES I	1322402	43361	WATER LEAK PARTS	507.05
Vendor FERGUSON ENTERPRISES INC Total:				1,288.46
Vendor: FRANK & DELORES MENDEZ				
FRANK & DELORES MEND	REFUND FEE	43345	REFUND FEE	15.00
Vendor FRANK & DELORES MENDEZ Total:				15.00
Vendor: FRESNO CITY COLLEGE				
FRESNO CITY COLLEGE	13194978	43362	PD - REGISTRATION FOR O	91.00
Vendor FRESNO CITY COLLEGE Total:				91.00
Vendor: GEORGE OSNER, AICP URBAN PLANNING				
GEORGE OSNER, AICP URB	OCTOBER 2017	43363	SOUTHEAST ANNEXATION	1,365.00
Vendor GEORGE OSNER, AICP URBAN PLANNING Total:				1,365.00
Vendor: GILTON SOLID WASTE MANAGEMENT INC				
GILTON SOLID WASTE MA	NOVEMBER 2017	43364	REFUSE SERVICE	32,839.77
GILTON SOLID WASTE MA	OCTOBER 2017 BINS	43364	TRASH BIN	244.76
Vendor GILTON SOLID WASTE MANAGEMENT INC Total:				33,084.53
Vendor: GOUVEIA ENGINEERING INC				
GOUVEIA ENGINEERING I	6615	43365	PW PROJECTS MEETING	85.06
GOUVEIA ENGINEERING I	6615	43365	PW PROJECTS MEETING	382.72
GOUVEIA ENGINEERING I	6615	43365	PW PROJECTS MEETING	382.72
Vendor GOUVEIA ENGINEERING INC Total:				850.50
Vendor: GOVERNMENT FINANCE OFFICERS ASSOC				
GOVERNMENT FINANCE O	RENEWAL TO 2018	43366	RENEWAL GFOA MEMBER	170.00
Vendor GOVERNMENT FINANCE OFFICERS ASSOC Total:				170.00
Vendor: GUERRERO'S TIRE & AUTO REPAIR				
GUERRERO'S TIRE & AUTO	11012017	43367	PW SUPPLIES	10.00
GUERRERO'S TIRE & AUTO	11012017	43367	PW SUPPLIES	10.00
GUERRERO'S TIRE & AUTO	11012017	43367	PW SUPPLIES	10.00
GUERRERO'S TIRE & AUTO	11012017	43367	PW SUPPLIES	10.00
GUERRERO'S TIRE & AUTO	11072017	43367	PW VEHICLE	24.00
Vendor GUERRERO'S TIRE & AUTO REPAIR Total:				64.00
Vendor: IEH AQUATIC RESEARCH				
IEH AQUATIC RESEARCH	138861	43368	WW ANALYSIS	104.00
Vendor IEH AQUATIC RESEARCH Total:				104.00
Vendor: IEH-JL ANALYTICAL				
IEH-JL ANALYTICAL	416544	43369	WW ANALYSIS	478.00
IEH-JL ANALYTICAL	418326	43369	WW ANALYSIS	313.00
IEH-JL ANALYTICAL	419569	43369	WW ANALYSIS	144.00
Vendor IEH-JL ANALYTICAL Total:				935.00
Vendor: IRRIGATION DESIGN & CONSTRUCTION LLC				
IRRIGATION DESIGN & CO	0217298-IN	43370	PARTS FOR WATER LEAK	28.54
Vendor IRRIGATION DESIGN & CONSTRUCTION LLC Total:				28.54
Vendor: JOCELYN ROLAND, PHD				
JOCELYN ROLAND, PHD	14088	43371	PD PRE EMPLOYMENT SCR	450.00
Vendor JOCELYN ROLAND, PHD Total:				450.00
Vendor: JOE'S LANDSCAPING AND CONCRETE, INC				
JOE'S LANDSCAPING AND	10897	43372	FLOWERS FOR WELCOME	32.18
Vendor JOE'S LANDSCAPING AND CONCRETE, INC Total:				32.18
Vendor: JON BISHOP				
JON BISHOP	REIM PLANTS	43373	PLANTS REIM PURCHASED	57.64
Vendor JON BISHOP Total:				57.64

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: JONATHAN PECK				
JONATHAN PECK	2189	43374	PD CAR WASH	39.00
Vendor JONATHAN PECK Total:				39.00
Vendor: JOSE CORONA JR				
JOSE CORONA JR	00361	43375	PW JOHN DEERE	85.33
JOSE CORONA JR	00361	43375	PW JOHN DEERE	85.34
JOSE CORONA JR	00362	43375	PW - SERVICE BACK HOE	137.71
JOSE CORONA JR	00362	43375	PW - SERVICE BACK HOE	137.70
JOSE CORONA JR	00362	43375	PW - SERVICE BACK HOE	137.70
JOSE CORONA JR	00362	43375	PW - SERVICE BACK HOE	137.70
JOSE CORONA JR	00363	43375	PW SERVICE MOWER - OIL	210.59
JOSE CORONA JR	00363	43375	PW SERVICE MOWER - OIL	210.58
JOSE CORONA JR	00375	43375	PW DUMP TRUCK	171.52
JOSE CORONA JR	00375	43375	PW DUMP TRUCK	171.50
JOSE CORONA JR	00375	43375	PW DUMP TRUCK	171.50
JOSE CORONA JR	00375	43375	PW DUMP TRUCK	171.50
JOSE CORONA JR	00376	43375	PW SUPPLIES	65.38
JOSE CORONA JR	00376	43375	PW SUPPLIES	65.39
JOSE CORONA JR	00376	43375	PW SUPPLIES	65.39
JOSE CORONA JR	00376	43375	PW SUPPLIES	65.39
JOSE CORONA JR	00378	43375	WATER / CONCRETE SAW	269.12
JOSE CORONA JR	00379	43375	LEAF & TRUCK REPAIR	618.84
JOSE CORONA JR	00381	43375	PW - GRASSHOPPER REPAI	83.64
JOSE CORONA JR	00381	43375	PW - GRASSHOPPER REPAI	83.64
Vendor JOSE CORONA JR Total:				3,145.46
Vendor: LANGUAGE LINE SERVICES				
LANGUAGE LINE SERVICES	4192920	43376	PD TRANSLATION	9.47
Vendor LANGUAGE LINE SERVICES Total:				9.47
Vendor: LINCOLN EQUIPMENT				
LINCOLN EQUIPMENT	SI328172	43377	LIFT ADA POOL	656.38
Vendor LINCOLN EQUIPMENT Total:				656.38
Vendor: LINENBACH AUTO (NAPA NEWMAN)				
LINENBACH AUTO (NAPA	286750	43378	PW SUPPLIES- BATTERY A	4.58
LINENBACH AUTO (NAPA	286750	43378	PW SUPPLIES- BATTERY A	20.61
LINENBACH AUTO (NAPA	286750	43378	PW SUPPLIES- BATTERY A	20.61
Vendor LINENBACH AUTO (NAPA NEWMAN) Total:				45.80
Vendor: LORETTA STRICKLER				
LORETTA STRICKLER	REIMB TRAVEL 10/11 - 10/	43379	REIMB PD TRAVEL TRAINI	212.37
Vendor LORETTA STRICKLER Total:				212.37
Vendor: MARTIN L. CARVER				
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	75.00
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	75.00
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	675.00
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	675.00
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	82.50
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	28.80
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	94.80
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	206.10
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	385.80
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	169.20
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	360.00
MARTIN L. CARVER	1624	43380	HOUSING ELEMENT UPDA	172.80
Vendor MARTIN L. CARVER Total:				3,000.00

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: MATTOS NEWSPAPERS INC				
MATTOS NEWSPAPERS IN	PI100517116	43381	CDBG PUBLIC HEARING N	184.00
MATTOS NEWSPAPERS IN	PI100517118	43381	MARIJUANA ORDINANCE	72.00
MATTOS NEWSPAPERS IN	PI10051717	43381	VEHICLE CHARGING PUBLI	72.00
Vendor MATTOS NEWSPAPERS INC Total:				328.00
Vendor: MUNICIPAL CMS				
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	48.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	48.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	240.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	72.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	72.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	48.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	72.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	360.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	480.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	480.00
MUNICIPAL CMS	8218	43382	WEBSITE HOSTING & SUP	480.00
Vendor MUNICIPAL CMS Total:				2,400.00
Vendor: NATIONAL METER & AUTOMATION				
NATIONAL METER & AUT	51090398.001	43383	SMART WATER METERS	2,130.31
Vendor NATIONAL METER & AUTOMATION Total:				2,130.31
Vendor: NORMAC				
NORMAC	818459	43384	REPAIR BROKEN VALVE AT	119.48
Vendor NORMAC Total:				119.48
Vendor: OPERATING ENGINEERS LOCAL #3				
OPERATING ENGINEERS L	PR- 10/28/17	43385	PAYROLL DEDUCTIONS	92.00
OPERATING ENGINEERS L	PR- 10/28/2017	43385	PAYROLL DEDUCTIONS	245.00
Vendor OPERATING ENGINEERS LOCAL #3 Total:				337.00
Vendor: O'REILLY AUTOMOTIVE STORES, INC.				
O'REILLY AUTOMOTIVE ST	5718-111319	43386	TOOL FOR GATOR	0.64
O'REILLY AUTOMOTIVE ST	5718-111319	43386	TOOL FOR GATOR	2.92
O'REILLY AUTOMOTIVE ST	5718-111319	43386	TOOL FOR GATOR	2.92
Vendor O'REILLY AUTOMOTIVE STORES, INC. Total:				6.48
Vendor: PARREIRAS AUTO REPAIR				
PARREIRAS AUTO REPAIR	30461	43387	TIRE FOR VEHICLE	46.15
PARREIRAS AUTO REPAIR	30461	43387	TIRE FOR VEHICLE	207.72
PARREIRAS AUTO REPAIR	30461	43387	TIRE FOR VEHICLE	207.72
PARREIRAS AUTO REPAIR	30474	43387	REPAIR FOR TRUCKS	54.30
PARREIRAS AUTO REPAIR	30474	43387	REPAIR FOR TRUCKS	244.37
PARREIRAS AUTO REPAIR	30474	43387	REPAIR FOR TRUCKS	244.37
Vendor PARREIRAS AUTO REPAIR Total:				1,004.63
Vendor: POLICE OFFICERS ASSOC				
POLICE OFFICERS ASSOC	PR- 10/28/17	43388	PAYROLL DEDUCTIONS	360.00
POLICE OFFICERS ASSOC	PR-11/11/17	43388	PAYROLL DEDUCTIONS	360.00
Vendor POLICE OFFICERS ASSOC Total:				720.00
Vendor: PUBLIC EMP RETIREMENT SYSTEM				
PUBLIC EMP RETIREMENT	PR-10/28/17EECLASSICMI	5334	RETIREMENT CONTRIBUTI	1,432.89
PUBLIC EMP RETIREMENT	PR-10/28/17EECLASSICSA	5335	RETIREMENT CONTRIBUTI	924.37
PUBLIC EMP RETIREMENT	PR-10/28/17EEPEPRAMIS	5333	RETIREMENT CONTRIBUTI	238.19
PUBLIC EMP RETIREMENT	PR-10/28/17EEPEPRASAFE	5332	RETIREMENT CONTRIBUTI	872.87
PUBLIC EMP RETIREMENT	PR-10/28/17ERCLASSICMI	5338	RETIREMENT CONTRIBUTI	1,766.66
PUBLIC EMP RETIREMENT	PR-10/28/17ERCLASSICSA	5339	RETIREMENT CONTRIBUTI	1,760.46
PUBLIC EMP RETIREMENT	PR-10/28/17ERPEPRAMIS	5337	RETIREMENT CONTRIBUTI	248.89

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
PUBLIC EMP RETIREMENT	PR-10/28/17ERPEPRASAFE	5336	RETIREMENT CONTRIBUTI	910.11
PUBLIC EMP RETIREMENT	PR-11/11/17EECLASSICMI	5352	RETIREMENT CONTRIBUTI	1,238.21
PUBLIC EMP RETIREMENT	PR-11/11/17EECLASSICSA	5353	RETIREMENT CONTRIBUTI	904.12
PUBLIC EMP RETIREMENT	PR-11/11/17EEPEPRAMIS	5351	RETIREMENT CONTRIBUTI	238.19
PUBLIC EMP RETIREMENT	PR-11/11/17EEPEPRASAFE	5350	RETIREMENT CONTRIBUTI	1,006.61
PUBLIC EMP RETIREMENT	PR-11/11/17ERCLASSIC SA	5357	RETIREMENT CONTRIBUTI	1,722.57
PUBLIC EMP RETIREMENT	PR-11/11/17ERCLASSICMI	5356	RETIREMENT CONTRIBUTI	1,534.52
PUBLIC EMP RETIREMENT	PR-11/11/17ERPEPRAMIS	5355	RETIREMENT CONTRIBUTI	248.89
PUBLIC EMP RETIREMENT	PR-11/11/17ERPEPRASAFE	5354	RETIREMENT CONTRIBUTI	1,049.55
Vendor PUBLIC EMP RETIREMENT SYSTEM Total:				16,097.10

Vendor: QPCS, LLC

QPCS, LLC	14630	43389	PD THERMAL PRINTER	107.17
QPCS, LLC	14631	43389	PD BATTERY BACKUP & SU	541.23
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	21.70
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	21.70
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	108.50
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	32.55
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	32.55
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	21.70
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	32.55
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	162.75
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	217.00
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	217.00
QPCS, LLC	14669	43389	I.T. SUPPORT - MONTHLY	217.00
QPCS, LLC	14670	43389	PD MONTHLY ONLINE BAC	145.00
Vendor QPCS, LLC Total:				1,878.40

Vendor: RABOBANK, CARDMEMBER SERVICES

RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	3.48
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	3.48
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	17.42
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	5.22
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	5.22
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	3.48
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	5.22
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	26.12
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	34.83
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	34.83
RABOBANK, CARDMEMBE	11032017 ALL DEPT FEES	43390	I.T. SUPPORT	34.83
RABOBANK, CARDMEMBE	11032017 DD HAMPTON I	43390	CITY MANAGER CONFERE	642.18
RABOBANK, CARDMEMBE	11032017 JW AMAZON	43390	FIRE ALARM BATTERIES	72.10
RABOBANK, CARDMEMBE	11032017 KR AMAZON	43390	SAFETY SHIELDS - PW	17.74
RABOBANK, CARDMEMBE	11032017 KR AMAZON	43390	SAFETY SHIELDS - PW	79.78
RABOBANK, CARDMEMBE	11032017 KR AMAZON	43390	SAFETY SHIELDS - PW	79.78
RABOBANK, CARDMEMBE	11032017 KR COSTCO	43390	FISHING DAY	55.46
RABOBANK, CARDMEMBE	11032017 KR FLAGS	43390	FLAGS - CITY HALL	53.47
RABOBANK, CARDMEMBE	11032017 KR HOME DEPO	43390	WW PLANT TOOLS	202.63
RABOBANK, CARDMEMBE	11032017 KR PARTY CITY	43390	HALLOWEEN SUPPLIES	27.72
RABOBANK, CARDMEMBE	11032017 KR WALMART	43390	HALLOWEEN - PIRATE DV	21.61
RABOBANK, CARDMEMBE	11032017 MC AMAZON B	43390	HALLOWEEN - PHOTO BAC	75.00
RABOBANK, CARDMEMBE	11032017 MC AMAZON B	43390	HALLOWEEN - BROWN BO	35.89
RABOBANK, CARDMEMBE	11032017 MC AMAZON C	43390	HALLOWEEN - POTCS JACK	21.87
RABOBANK, CARDMEMBE	11032017 MC AMAZON FL	43390	AIRPORT FLY-IN	54.94
RABOBANK, CARDMEMBE	11032017 MC AMAZON G	43390	HALLOWEEN - COSTUMES	17.99

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
RABOBANK, CARDMEMBE	11032017 MC AMAZON PI	43390	HALLOWEEN - DECORATIO	30.92
RABOBANK, CARDMEMBE	11032017 MC AMAZON PI	43390	HALLOWEEN - SUPPLIES	8.64
RABOBANK, CARDMEMBE	11032017 MC AMAZON P	43390	HALLOWEEN - POTCS JACK	99.00
RABOBANK, CARDMEMBE	11032017 MC AMAZON T	43390	TENNIS COURT NETS	420.08
RABOBANK, CARDMEMBE	11032017 MC AMAZON T	43390	HALLOWEEN - TRI-FOLD PI	13.94
RABOBANK, CARDMEMBE	11032017 MC DOLLAR GE	43390	FISHING DAY 2017	12.34
RABOBANK, CARDMEMBE	11032017 MC INDEED	43390	PW DIR ADVERTISING	6.60
RABOBANK, CARDMEMBE	11032017 MC INDEED	43390	PW DIR ADVERTISING	6.58
RABOBANK, CARDMEMBE	11032017 MC INDEED	43390	PW DIR ADVERTISING	6.58
RABOBANK, CARDMEMBE	11032017 MC INDEED	43390	PW DIR ADVERTISING	6.58
RABOBANK, CARDMEMBE	11032017 MC INDEED PT	43390	PW ADVERTISING	28.26
RABOBANK, CARDMEMBE	11032017 MC INDEED PT	43390	PW ADVERTISING	28.25
RABOBANK, CARDMEMBE	11032017 MC INDEED PT	43390	PW ADVERTISING	28.25
RABOBANK, CARDMEMBE	11032017 MC INDEED PT	43390	PW ADVERTISING	28.25
RABOBANK, CARDMEMBE	11032017 MC OTC	43390	HALLOWEEN	106.85
RABOBANK, CARDMEMBE	11032017 MC TRAIING	43390	FRESNO STATE PD CERT	800.00
RABOBANK, CARDMEMBE	11032017 MC WALMART	43390	FISHING DAY - CHAIRS RET	-27.63
RABOBANK, CARDMEMBE	11032017 MC WAL-MART	43390	FISHING DAY	97.42
RABOBANK, CARDMEMBE	11032017 SURVEY MONK	43390	SURVEY MONKEY REC	27.00
Vendor RABOBANK, CARDMEMBER SERVICES Total:				3,360.20
Vendor: RALEY'S-IN STORE CHARGE				
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	3.56
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	1.18
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	1.18
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	0.47
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	8.30
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	6.64
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	1.18
RALEY'S-IN STORE CHARG	5023369868ASTR	43392	COUNCIL MTG SUPPLIES -	1.19
Vendor RALEY'S-IN STORE CHARGE Total:				23.70
Vendor: ROCHA BACKHOE SERVICE INC				
ROCHA BACKHOE SERVICE	1300	43393	SUPPLIES FOR WATER LEA	1,865.00
ROCHA BACKHOE SERVICE	1303	43393	WATER LEAK - NEW SERVI	1,650.00
ROCHA BACKHOE SERVICE	1304	43393	SEWER TIE IN ON NORTH	1,012.50
Vendor ROCHA BACKHOE SERVICE INC Total:				4,527.50
Vendor: SAFE T LITE				
SAFE T LITE	341238	43394	PAINT FOR STREETS	160.62
Vendor SAFE T LITE Total:				160.62
Vendor: SIERRA CHEMICAL				
SIERRA CHEMICAL	SLC10018211	43395	CHLORINE / WATER	-570.00
SIERRA CHEMICAL	SLS10053680	43395	CHLORINE/ WATER	1,227.17
SIERRA CHEMICAL	SLS10053694	43395	CHLORINE/ WATER	572.09
Vendor SIERRA CHEMICAL Total:				1,229.26
Vendor: SMART&FINAL				
SMART&FINAL	4061600064222	43396	FISHING DAY - RECREATIO	249.16
SMART&FINAL	4061600064223	43396	HALLOWEEN	40.06
Vendor SMART&FINAL Total:				289.22
Vendor: TERMINIX INTERNATIONAL				
TERMINIX INTERNATIONA	369854601	43397	PEST CONTROL WWTP	37.00
TERMINIX INTERNATIONA	369863770	43397	PEST CONTROL	10.00
Vendor TERMINIX INTERNATIONAL Total:				47.00
Vendor: THE OFFICE CITY				
THE OFFICE CITY	IN-1460443	43398	PD OFFICE SUPPLIES	15.47

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
THE OFFICE CITY	IN-1461616	43398	PD OFFICE SUPPLIES	54.11
Vendor THE OFFICE CITY Total:				69.58
Vendor: TRUE BLUE VETERINARY HOSPITAL				
TRUE BLUE VETERINARY H	117533	43399	GAP VET SERVICES	70.00
TRUE BLUE VETERINARY H	117977	43399	GAP VET SERVICES	100.00
Vendor TRUE BLUE VETERINARY HOSPITAL Total:				170.00
Vendor: TYCO FIRE & SECURITY (US) MANAGEMENT INC.				
TYCO FIRE & SECURITY (US	84234794	43400	CITY HALL FIRE ALARM	811.00
Vendor TYCO FIRE & SECURITY (US) MANAGEMENT INC. Total:				811.00
Vendor: USA BLUE BOOK				
USA BLUE BOOK	410354	43401	CHLORINE TESTER	81.47
Vendor USA BLUE BOOK Total:				81.47
Vendor: WASHINGTON STATE SUPPORT REGISTRY				
WASHINGTON STATE SUP	PR- 10/28/17	43402	PAYROLL DEDUCTION	142.71
WASHINGTON STATE SUP	PR- 11/11/17	43402	PAYROLL DEDUCTION	142.71
Vendor WASHINGTON STATE SUPPORT REGISTRY Total:				285.42
Vendor: WORK WELLNESS				
WORK WELLNESS	100852	43403	PD PRE EMPLOYMENT SCR	248.00
Vendor WORK WELLNESS Total:				248.00
Vendor: YANCEY LUMBER CO				
YANCEY LUMBER CO	A2017043322	43404	STREET LIGHT	11.63
YANCEY LUMBER CO	A2017043409	43404	FLAGS TO MARK OUTLINE	11.94
YANCEY LUMBER CO	A2017044099	43404	FLOWER BEDS	40.72
YANCEY LUMBER CO	A2017044295	43404	FLUSH LINE @ WELL	8.53
YANCEY LUMBER CO	A2017047145	43404	GRAFFITI ABATEMENT AT	63.58
YANCEY LUMBER CO	R2017024990	43404	PW SUPPLIES	52.38
Vendor YANCEY LUMBER CO Total:				188.78
Grand Total:				129,651.81

Report Summary

Fund Summary

Fund	Payment Amount
001 - GENERAL FUND	15,901.43
008 - CDBG REUSE FUND	184.00
009 - COMMUNITY CENTER FUND	559.77
016 - SWIM POOL FUND	729.56
017 - CITY WIDE LIGHTING & LAND	898.44
019 - RECREATION FUND	1,338.01
021 - ST/SIDEWALK MAINT	1,098.11
059 - STORM DRAIN	1,407.37
060 - WATER FUND	14,901.37
061 - SEWER FUND	6,877.16
062 - REFUSE	33,870.80
063 - AIRPORT FUND	31,826.31
074 - ASSESS - BORRELLI	199.86
093 - INSURANCE TRUST FUND	920.10
099 - PAYROLL TRUST FUND	17,439.52
101 - GENERAL GOVERNMENT IMPACT FEES	82.50
102 - POLICE IMPACT FEES	28.80
103 - FIRE IMPACT FEES	94.80
104 - PARKS IMPACT FEE	206.10
105 - STORM DRAIN IMPACT FEES	385.80
106 - WATER IMPACT FEES	169.20
107 - SEWER IMPACT FEES	360.00
108 - REGIONAL TRANSPORTATION IMPACT FEES	172.80
Grand Total:	129,651.81

Account Summary

Account Number	Account Name	Payment Amount
001-0000-200.085	SPAY/NEUTER DONATIO	170.00
001-0000-430.041-00	PLANNING DEPOSIT (PR	1,365.00
001-0110-520.010-00	DEPT OPERATING SUPPL	3.48
001-0110-530.201-00	OTHER CONTRACT SERVI	69.70
001-0120-530.091-00	MEETINGS & TRAINING	645.74
001-0140-520.010-00	DEPT OPERATING SUPPL	3.48
001-0140-530.090-00	MEMBERSHIPS/SUBSCRI	170.00
001-0140-530.201-00	OTHER CONTRACT SERVI	69.70
001-0141-530.009-00	OTHER PROFESSIONAL S	3,305.00
001-0150-520.010-00	DEPT OPERATING SUPPL	125.57
001-0150-520.011-00	UNIFORM ALLOWANCE	10.23
001-0150-530.201-00	OTHER CONTRACT SERVI	1,241.00
001-0210-520.000-00	OFFICE SUPPLIES	69.58
001-0210-520.010-00	DEPT OPERATING SUPPL	124.59
001-0210-530.009-00	OTHER PROFESSIONAL S	287.00
001-0210-530.091-00	MEETINGS & TRAINING	1,012.37
001-0210-530.201-00	OTHER CONTRACT SERVI	1,899.20
001-0230-520.010-00	DEPT OPERATING SUPPL	63.58
001-0230-530.091-00	MEETINGS & TRAINING	91.00
001-0410-530.009-00	OTHER PROFESSIONAL S	3,303.86
001-0410-530.030-00	ADVERTISING	178.86
001-0610-520.010-00	DEPT OPERATING SUPPL	995.54
001-0610-520.011-00	UNIFORM ALLOWANCE	10.22
001-0610-530.072-00	OTHER EQUIPMENT REP	10.00
001-0610-530.201-00	OTHER CONTRACT SERVI	676.73
008-0140-530.030-00	ADVERTISING	184.00
009-0150-520.010-00	DEPT OPERATING SUPPL	5.22
009-0150-530.201-00	OTHER CONTRACT SERVI	554.55
016-0613-520.010-00	DEPT OPERATING SUPPL	3.48
016-0613-530.201-00	OTHER CONTRACT SERVI	69.70

Account Summary

Account Number	Account Name	Payment Amount
016-0613-540.030-00	MACHINERY & EQUIPME	656.38
017-0120-530.091-00	MEETINGS & TRAINING	1.18
017-0270-520.010-00	DEPT OPERATING SUPPL	239.98
017-0270-530.201-00	OTHER CONTRACT SERVI	114.75
017-0610-520.010-00	DEPT OPERATING SUPPL	37.47
017-0610-520.011-00	UNIFORM ALLOWANCE	20.46
017-0610-530.201-00	OTHER CONTRACT SERVI	484.60
019-0613-520.010-00	DEPT OPERATING SUPPL	891.46
019-0613-530.201-00	OTHER CONTRACT SERVI	446.55
021-0120-530.091-00	MEETINGS & TRAINING	1.18
021-0310-520.010-00	DEPT OPERATING SUPPL	160.62
021-0310-520.011-00	UNIFORM ALLOWANCE	18.43
021-0310-530.201-00	OTHER CONTRACT SERVI	917.88
059-0120-530.091-00	MEETINGS & TRAINING	0.47
059-0730-520.010-00	DEPT OPERATING SUPPL	698.70
059-0730-520.030-00	MOTOR VEHICLE EXPEN	100.45
059-0730-530.009-00	OTHER PROFESSIONAL S	75.00
059-0730-530.072-00	OTHER EQUIPMENT REP	10.00
059-0730-530.201-00	OTHER CONTRACT SERVI	522.75
060-0120-530.091-00	MEETINGS & TRAINING	8.30
060-0140-530.093-00	BANK CHARGES	15.00
060-0410-530.030-00	ADVERTISING	34.83
060-0710-520.010-00	DEPT OPERATING SUPPL	8,145.74
060-0710-520.011-00	UNIFORM ALLOWANCE	42.99
060-0710-520.030-00	MOTOR VEHICLE EXPEN	476.09
060-0710-530.009-00	OTHER PROFESSIONAL S	675.00
060-0710-530.072-00	OTHER EQUIPMENT REP	10.00
060-0710-530.201-00	OTHER CONTRACT SERVI	5,493.42
061-0120-530.091-00	MEETINGS & TRAINING	6.64
061-0410-530.030-00	ADVERTISING	34.83
061-0520-520.010-00	DEPT OPERATING SUPPL	2,151.56
061-0520-520.011-00	UNIFORM ALLOWANCE	83.90
061-0520-520.030-00	MOTOR VEHICLE EXPEN	452.09
061-0520-530.009-00	OTHER PROFESSIONAL S	900.00
061-0520-530.072-00	OTHER EQUIPMENT REP	10.00
061-0520-530.201-00	OTHER CONTRACT SERVI	3,098.50
061-0520-540.030-00	MACHINERY & EQUIPME	139.64
062-0120-530.091-00	MEETINGS & TRAINING	1.18
062-0510-520.000-00	OFFICE SUPPLIES	34.83
062-0510-520.011-00	UNIFORM ALLOWANCE	18.43
062-0510-530.009-00	OTHER PROFESSIONAL S	33,084.53
062-0510-530.030-00	ADVERTISING	34.83
062-0510-530.201-00	OTHER CONTRACT SERVI	697.00
063-0120-530.091-00	MEETINGS & TRAINING	1.19
063-0340-520.016-00	AVIATION GASOLINE	31,770.18
063-0340-530.089-00	COMMUNITY PROMOTI	54.94
074-0910-530.201-00	OTHER CONTRACT SERVI	199.86
093-0000-220.070	INSURANCE TRUST	920.10
099-0000-220.050	PERS PAYABLE	16,097.10
099-0000-220.071	POA DEDUCT PAYABLE	720.00
099-0000-220.081	UNION DUES PAYABLE	337.00
099-0000-220.098	WASHINGTON SUPPORT	285.42
101-0140-530.009-00	OTHER PROFESSIONAL S	82.50
102-0210-530.009-00	OTHER PROFESSIONAL S	28.80
103-0220-530.009-00	OTHER PROFESSIONAL S	94.80
104-0610-530.009-00	OTHER PROFESSIONAL S	206.10
105-0730-530.009-00	OTHER PROFESSIONAL S	385.80
106-0710-530.009-00	OTHER PROFESSIONAL S	169.20

Account Summary

Account Number	Account Name	Payment Amount
107-0520-530.009-00	OTHER PROFESSIONAL S	360.00
108-0310-530.009-00	OTHER PROFESSIONAL S	172.80
	Grand Total:	129,651.81

Project Account Summary

Project Account Key	Payment Amount	
None	129,651.81	
	Grand Total:	129,651.81

Jami Westervelt



TREASURER'S REPORT

Period Ending October 31, 2017

The following investment and cash information pertains to the period ending October 31, 2017:

<u>Institution</u>	<u>Acct#</u>	<u>Investment Type</u>	<u>Interest Rate</u>	<u>Balance</u>
Investments				
State of California LAIF	088-200.188	Pooled	1.140%	\$5,301,424.24
Non Interest Bearing Items				
Tri-Counties Bank	099-100.004	Payroll Account		\$374,600.50
Tri-Counties Bank	000-100.100	General Checking		\$661,914.55
<i>Subtotal</i>				\$1,036,515.05
Total Cash and Investments				\$6,337,939.29

Prepared by:

Jami Westervelt, Finance Director



COUNCIL AGENDA ITEM

NOVEMBER 21, 2017

PREPARED BY: Doug Dunford, City Manager

SUBJECT: Council to Waive the Second Reading and Approve an Ordinance Amending the Gustine Municipal Code Relating to Marijuana Cultivation

BACKGROUND/ DISCUSSION:

Staff brought this Marijuana Staff Report to Council at the November 7, 2017 meeting for the first reading. This is the required second reading of the Marijuana Ordinance amending the Gustine Municipal Code relating to marijuana cultivation.

In 1996, California voters approved Proposition 215, codified as Health and Safety Code Section 11362.5, et seq., and entitled the Compassionate Use Act of 1996 ("the Act"). Proposition 215 was intended to allow persons who are in need of marijuana for specific medical reasons to purchase and use the substance under limited, specific circumstances as set forth by State Law. Subsequently in 2004 the State Legislature passed SB 420 (codified as Health and Safety Code Section 11362.7 et seq.), which authorized city and county governments to adopt and enforce rules and regulations consistent with SB 420 and "the Act". In 2012 the City of Gustine passed an ordinance prohibiting the establishment of medical marijuana dispensaries within City limits.

More recently the State Legislature has passed the Medical Marijuana Regulation and Safety Act (MMRSA). The intent of the MMRSA was to establish licensing requirements at both a State and Local level. The MMRSA added cultivation as well as transportation as uses that can be regulated at a local level. Transportation with regard to medical marijuana would be described generally as transportation of medical marijuana by delivery services to patients within Gustine city limits. Cultivation would generally be defined into two separate categories. The first category would relate to commercial cultivation which would typically be larger grow operations for commercial sale. The second category would be personal cultivation which relates specifically to the allowances that individual patients have to grow a limited number of marijuana plants on their personal property.

In 2012 the City Council passed an ordinance which establishes rules for personal cultivation. The Ordinance prohibits the consumption of Medical Marijuana in all places except within private residences and notes that no odor or smoke from such activity shall be detected from any neighboring property or residence. The Ordinance also restricts personal cultivation of medical marijuana to enclosed structures and the area dedicated to cultivation can be no greater than 120 square feet in size. The structures are required to meet all applicable zoning and building code requirements and cultivation may not be in conjunction with any type of business.

On November 8, 2016 California voters approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act ("AUMA"), which authorizes and regulates the use

of marijuana for personal and commercial purposes, including the recreational (non-medical) use of marijuana by adults 21 years of age and older.

AUMA makes it lawful for individuals 21 years of age and older to possess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants. Further, AUMA authorizes cities to reasonably regulate without completely prohibiting cultivation of marijuana inside a private residence or inside a fully enclosed and secure accessory structure to a private residence. AUMA authorizes cities to completely prohibit outdoor cultivation on the grounds of a private residence.

AUMA also authorizes cities to completely prohibit the establishment or operation of any marijuana business licensed by its provisions, including marijuana retailers, manufacturers, and commercial cultivators. It also says cities have the authority to regulate or ban outright medical marijuana land uses.

Laws under the Federal Controlled Substances Act, the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need. In addition the indoor cultivation of marijuana has potential adverse effects to the health and safety of the occupants, including structural damage to the building due to increased moisture and mold, risk of fire

The purpose of this staff report is for the Council to discuss the following key items:

- Consideration of local regulations on:
 - Transportation
 - Commercial Cultivation
 - Personal Cultivation
 - Any other component of Gustine's existing Medical Marijuana Regulations

Staff presented this report to the Planning Commission on September 13, 2017, where they voted 4-0 to ban the dispensary and commercial growing of marijuana. The current deadline to enact regulations related to the MMRSA and AUMA is January 1, 2018.

RECOMENDATION:

It is recommended that the City Council approve and waive the second reading of an ordinance of the City Council of the City of Gustine amending Article 6 of Chapter 7 of Title 7 of the Gustine Municipal Code regarding marijuana cultivation.

EXHIBIT(S):

- A) Draft Ordinance
- B) Gustine Municipal Code - ARTICLE 6. - PUBLIC USE/CONSUMPTION AND PERSONAL CULTIVATION OF MEDICAL MARIJUANA

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
GUSTINE AMENDING CHAPTER 8 OF TITLE 5 AND ARTICLE
6 OF CHAPTER 7 OF TITLE 7 OF THE GUSTINE MUNICIPAL
CODE REGARDING MARIJUANA CULTIVATION**

WHEREAS, the City of Gustine ("City"), pursuant to the police powers delegated to it by the California Constitution, has the authority to enact laws which promote the public health, safety, and general welfare of its citizens; and

WHEREAS, California Government Code section 65800 et seq. authorizes the adoption and administration of zoning laws, ordinances, rules and regulations by cities as a means of implementing the City's General Plan; and

WHEREAS, the City currently prohibits any business or land use that cannot be conducted without violating state or federal law, expressly including medical marijuana dispensaries, deliveries and cultivation; and

WHEREAS, on November 8, 2016 California voters approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act ("AUMA"), which authorizes and regulates the use of marijuana for personal and commercial purposes, including the recreational (non-medical) use of marijuana by adults 21 years of age and older; and

WHEREAS, the AUMA makes it lawful for individuals 21 years of age and older to possess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants; and

WHEREAS, the AUMA authorizes cities to reasonably regulate without completely prohibiting cultivation of marijuana inside a private residence or inside a fully enclosed and secure accessory structure to a private residence; and

WHEREAS, the AUMA authorizes cities to completely prohibit outdoor cultivation on the grounds of a private residence; and

WHEREAS, the AUMA authorizes cities to completely prohibit the establishment or operation of any marijuana business licensed by its provisions, including marijuana retailers, manufacturers, and commercial cultivators;

WHEREAS, in May 2013, the California Supreme Court held in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, (2013) 56

Cal. 4th 729 that cities have the authority to regulate or ban outright medical marijuana land uses; and

WHEREAS, the Medical Cannabis Regulation and Safety Act ("MCRSA"), which took effect January 1, 2016, regulates commercial medical marijuana businesses; and

WHEREAS, Senate Bill 94, a bill tied to the State budget and signed by the Governor on June 27, 2017 to take effect immediately, repealed MCRSA and amended the AUMA to consolidate and streamline the state licensing scheme applicable to both medical and non-medical commercial marijuana activity; and

WHEREAS, the California Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that the cultivation or other concentration of marijuana in any location or premises without adequate security may increase the risk that nearby homes or businesses are negatively impacted by nuisance activity such as loitering or crime; and

WHEREAS, under the Federal Controlled Substances Act, the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need; and

WHEREAS, the indoor cultivation of marijuana has potential adverse effects to the health and safety of the occupants, including structural damage to the building due to increased moisture and mold, risk of fire and electrocution due to indoor growing equipment, and harmful use of pesticides and fertilizers; and

WHEREAS, in light of changing State law and potential negative effects on the public health, safety, and welfare related to unregulated personal and commercial uses of marijuana, both medical and recreational, the City desires to continue to ban all marijuana dispensaries, cultivation, delivery service land uses and other commercial marijuana uses within City Limits to the extent allowed by California law, and to regulate indoor personal cultivation of marijuana to the extent authorized by California law.

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

Section 1. The above recitals are true and correct and are incorporated into this Ordinance by this reference.

Section 2. Chapter 7 of Article 6 of Title 7 of the Gustine Municipal Code is hereby amended to read in full as set forth in the attached Exhibit A, incorporated by this reference.

Section 3. Chapter 8 of Title 5 of the Gustine Municipal Code is hereby amended to read in full as set forth in the attached Exhibit B, incorporated by this reference.

Section 4. This Ordinance shall take effect thirty (30) days after its adoption.

Section 5. The City Clerk shall publish this Ordinance as required by law.

Section 6. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional

APPROVED AND ADOPTED this ___th day of November, 2017, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Melvin Oliveira, Mayor

ATTEST:

Melanie Correa, Deputy City Clerk

EXHIBIT A

CITY OF GUSTINE

Article 6 - PUBLIC USE/CONSUMPTION AND PERSONAL CULTIVATION OF MARIJUANA

Sec. 7-7-270. - Purpose and intent.

It is the purpose of this chapter to promote the health, safety, morals, general welfare and enjoyment of private property of the residents within the city by restricting the public use and consumption of marijuana and by regulating the individual cultivation of marijuana.

Sec. 7-7-271. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Cultivation means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana, conducted by an individual strictly for that individual's personal use, possession, processing, transporting, or giving away without any compensation whatsoever in accordance with this Code and State law, as applicable.

Marijuana means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, including marijuana products derived therefrom. Unless otherwise specified, "marijuana" shall mean and include marijuana for medical purposes and non-medical marijuana. "Marijuana" does not include industrial hemp as defined by Health and Safety Code section 11018.5, as may be amended.

Sec. 7-7-272. - Regulations applicable to public use/consumption of marijuana.

No person shall smoke, ingest or otherwise consume marijuana in the city unless the following conditions are met:

- (1) Such smoking, ingesting or consumption occurs entirely inside a private residence;
- (2) No smoke or odor resulting from such smoking, ingesting or consumption may be detected from any neighboring property or residence and

- (3) Such smoking, ingesting or consumption is in compliance with all applicable state law.

Sec. 7-7-273. - Regulations applicable to individual cultivation.

Personal cultivation of marijuana is permitted in all residential zones under the following terms and conditions:

- (1) Secure enclosed structure. The cultivation of marijuana shall at all times only occur within a fully enclosed and adequately secured building having at least four solid walls and roof of masonry, metal, or wood, and standard locks, but not within any portion of a building or structure dedicated to living space.
- (2) The building within which cultivation of marijuana occurs, and any improvements within such building, shall meet all applicable building and zoning requirements (including but not limited to required setbacks, height limitations and fire sprinkler requirements), and the structure and improvements themselves shall have been properly and inspected.
- (3) Not more than six living plants may be planted, cultivated, harvested, dried, or processed at one time.
- (4) The cultivation must be conducted by a person that is 21 years of age or older, and marijuana cultivation areas shall not be readily accessible to persons under 21 years of age.
- (5) No cultivation in conjunction with a business: No sales of goods or services. The cultivation shall not occur in conjunction with any business. No products or services shall be sold from the property where cultivation occurs.
- (6) Cultivation may only be conducted by the property owner of the subject property or a resident of the subject property with written permission of the property owner of the subject property to conduct cultivation.

Sec. 7-7-274. - Penalties.

Any person who violates any provisions of this chapter shall be guilty of a misdemeanor, subject to a penalty of imprisonment in the county jail for a period of time not to exceed six months, or by a fine not to exceed \$1,000.00, or both, for each violation. Notwithstanding the classification of a violation of this chapter as a misdemeanor, at the time an action is commenced to enforce the

provisions of this chapter, the trial court, upon recommendation of the prosecuting attorney, may reduce the charged offense from a misdemeanor to an infraction.

EXHIBIT B

CITY OF GUSTINE

Chapter 8 - MARIJUANA BUSINESSES

Sec. 5-8-1. - Terms.

Commercial cultivation shall mean the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis for sale, profit or other business purpose but is distinguished from personal cultivation which is separately defined in title 7, chapter 7, article 6 of the Gustine Municipal Code.

Commercial marijuana activity shall mean any business activity, whether fixed, mobile, permanent or temporary, that involves the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of marijuana, expressly including but not limited to all commercial marijuana activities requiring a license issued pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act, Business and Professions Code 26000 et seq., as it may be amended.

Delivery or deliveries shall have the same meaning as set forth in Business and Professions Code section 26001 (p) as the same may be amended from time to time.

Marijuana means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, including marijuana products derived therefrom. Unless otherwise specified, "marijuana" shall mean and include marijuana for medical purposes and non-medical marijuana. "Marijuana" does not include industrial hemp as defined by Health and Safety Code section 11018.5, as may be amended.

Sec. 5-8-2. - Imposition of prohibition.

With the exception of deliveries of medical marijuana authorized under Section 5-8-3, the city council hereby prohibits all commercial marijuana activities, including commercial cultivation within all zones and planned developments within the city.

Sec. 5-8-3. - Deliveries.

Deliveries of medical marijuana are allowed to within the city limits of Gustine to private properties only. Delivery and transportation services are required to obtain a business license pursuant to title 5 chapter 2 of the Gustine

Municipal Code. Deliveries of medical marijuana shall only be delivered to the residence of the medical card holder. Delivery drivers are required under this section to verify this prior to completion of delivery.

ARTICLE 6. - PUBLIC USE/CONSUMPTION AND PERSONAL CULTIVATION OF MEDICAL MARIJUANA^[3]

Footnotes:

--- (3) ---

Cross reference— Medical marijuana dispensaries, Tit. 5, Ch. 8.

Sec. 7-7-270. - Purpose and intent.

It is the purpose of this chapter to promote the health, safety, morals, general welfare and enjoyment of private property of the residents within the city by restricting the public use and consumption of marijuana for medical purposes and by regulating the individual cultivation of medical marijuana.

(Ord. No. 463, 11-20-2012)

Sec. 7-7-271. - Definitions.

All definitions set forth in California Health and Safety Code §§ 11362.5 and 11362.7 et seq., as may be amended, including but not limited to the terms "person with an identification card," "primary caregiver," "qualified patient," and "identification card," shall apply under this chapter in addition to the definitions set forth as follows:

Cultivation of medical marijuana means the growing of medical marijuana for medical purposes as defined in strict accordance with California Health and Safety Code §§ 11362.5 and 11362.7 et seq.

Medical marijuana. In strict accordance with California Health and Safety Code §§ 11362.5 and 11362.7 et seq.

(Ord. No. 463, 11-20-2012)

Sec. 7-7-272. - Regulations applicable to public use/consumption of medical marijuana.

No person shall smoke, ingest or otherwise consume medical marijuana in the city unless the following conditions are met:

- (1) Such smoking, ingesting or consumption occurs entirely inside a private residence; and
- (2) No smoke or odor resulting from such smoking, ingesting or consumption may be detected from any neighboring property or residence.

(Ord. No. 463, 11-20-2012)

Sec. 7-7-273. - Regulations applicable to individual cultivation.

To the extent that the city is required to allow the cultivation of medical marijuana under state law, the rules set forth in this chapter shall apply. Nothing in this section shall be interpreted to permit medical marijuana dispensaries otherwise prohibited by this chapter.

- (1) Secure enclosed structure. The cultivation of medical marijuana shall at all times only occur within a fully enclosed and adequately secured building having at least four solid walls and roof of masonry, metal, or wood, and standard locks, but not within any portion of a building or structure dedicated to living space.
- (2) The building within which cultivation of medical marijuana occurs, and any improvements within such building, shall meet all applicable building and zoning requirements (including but not limited to required setbacks, height limitations and fire sprinkler requirements), and the structure and improvements themselves shall have been properly and inspected.
- (3) The total area dedicated to cultivation of medical marijuana shall be limited to a total of 120 square feet per parcel.
- (4) Any person responsible for cultivation of medical marijuana shall maintain evidence of qualification to use and cultivate medical marijuana as required by state law.
- (5) No cultivation in conjunction with a business: No sales of goods or services. The cultivation shall not occur in conjunction with any business. No products or services shall be sold from the property where cultivation occurs.
- (6) Cultivation may only be conducted by the property owner of the subject property or a resident of the subject property with written permission of the property owner of the subject property to conduct cultivation.

(Ord. No. 463, 11-20-2012)

Sec. 7-7-274. - Penalties.

- (a) Any person who violates any provisions of this chapter shall be guilty of a misdemeanor, subject to a penalty of imprisonment in the county jail for a period of time not to exceed six months, or by a fine not to exceed \$500.00, or both, for each violation. Notwithstanding the classification of a violation of this chapter as a misdemeanor, at the time an action is commenced to enforce the provisions of this chapter, the trial court, upon recommendation of the prosecuting attorney, may reduce the charged offense from a misdemeanor to an infraction.
- (b) Any person convicted of an infraction under this chapter shall be punished by:
 - (1) A fine not exceeding \$150.00 for a first violation;
 - (2) A fine not exceeding \$250.00 for each additional violation of this chapter within one year.

(Ord. No. 463, 11-20-2012)



COUNCIL AGENDA ITEM

NOVEMBER 21, 2017

PREPARED BY: Doug Dunford, City Manager

SUBJECT: Our Lady of Guadalupe Society Celebration Parade

BACKGROUND/DISCUSSION

The Shire of Our Lady of Miracles and the Our Lady of Guadalupe Society has submitted their request to have Their Our Lady of Guadalupe Society Celebration Parade on Tuesday, December 12, 2017 at 2:00 PM. City Council authorization is required to use various City streets, sidewalks, City personnel and additional costs to the City.

The Our Lady of Miracles Church is asking for the use of the following City streets and sidewalks for the parade route:

The parade will begin staging at Henry Miller Park on 3rd Avenue. The parade will travel eastbound 3rd avenue to 5th Street turning southbound. They will then travel 5th Street until 4th Avenue where the parade will turn westbound onto 4th. They will proceed down 4th Avenue until West Avenue then turn northbound onto West Avenue. The parade will then turn westbound onto Lucerne Street. They will continue down Lucerne Avenue to Linden Avenue. At Linden Avenue the parade will again turn southbound and proceed to the Our Lady of Miracles Church, where the parade will terminate.

FISCAL IMPACT

Additional uniformed officers will be required to assist with the parade. Total cost for police services is estimated at \$240.00. Public Works will be required to stage and retrieve barricades for this event. Total cost for Public Works assistance is estimated at \$200.00. Insurance costs will roughly be \$162.10. **Total labor and insurance costs to the City are estimated at \$602.10**

RECOMMENDATION

City Council to authorize the request from Our Lady of Miracles and Our Lady of Guadalupe Society for the use of City streets/sidewalks and City Personnel for the Our Lady of Guadalupe Society Celebration Parade.

EXHIBIT

A) Letter of request from OLM



Shrine of Our Lady of Miracles
370 Linden Avenue • Gustine, Ca 95322

November 2, 2017

City of Gustine and
Gustine Police Dept
P.O. Box 16
Gustine, Ca 95322

To Whom It May Concern:

This is a request from the Shrine of Our Lady of Miracles and the Our Lady of Guadalupe Society to have a parade on Tuesday, December 12, 2016 at 2:00 p.m.

The parade route would be starting at the Library in Henry Miller Park, going past GPS hall turning on 5th street until 4th Avenue (Gustine Pioneer Drug Store). It would then proceed west on 4th until West Avenue. At West Avenue it would go north until Lucerne Ave, proceeding down Lucerne to Linden Ave. Ending at the Shrine of Our Lady of Miracles.

If you have further questions please call the church office. Thank you for your consideration.

Sincerely,

Rev. Leonard J. Trindade
Pastor



ITEM NO. 7

CITY COUNCIL AGENDA ITEM

NOVEMBER 21, 2017

PREPARED BY: Doug Dunford, City Manager

SUBJECT: Consider Adopting Resolutions Required by the State Water Resources Control Board for the Water Meter Replacement Project

BACKGROUND/DISCUSSION

On August 15, 2017, the City Council approved a contract with Schneider Electric and authorized the City Manager to execute an agreement and application for a project to replace water meters throughout the City of Gustine.

The project will replace an antiquated system, composed of aging water meters, with new meters that are both more accurate and efficient. Accurate meters insure that *all* customers are charged fairly for the water they use. The new software for the meters will allow City staff to provide more information to customers when they express concern over water usage billed. The meter technology also removes a large portion of the person hours required to read the old meters—thereby providing limited public works personnel time to work on other pressing City needs.

The project will be funded through the State Water Resources Control Board (SWRCB). Half will be funded through a grant while the other half is paid for through a low-interest loan to be paid back through water revenues. Saving on uncollected water use attributable to failing meters is expected to pay for those low-interest payments, according to a study by Schneider Electric.

The application for SWRCB funding is lengthy and staff has been working with consultants on the multitude of components required. One requirement of the application is approval of three resolutions by the Council per SWRCB templates.

FISCAL IMPACT

There are no changes to the project or additional fiscal impacts beyond those considered by the Council at previous meetings on the project.

RECOMMENDATION

Council adopt attached resolutions required to submit application materials for funding of the Water Meter Replacement Project to the State Water Resources Control Board.

EXHIBIT(S):

- A) Reimbursement Resolution
- B) Authorizing Resolution/Ordinance
- C) Pledged Revenues and Fund(s) Resolution

RESOLUTION 2017-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUSTINE FOR REIMBURSEMENT FOR THE CITY OF GUSTINE WATER METER REPLACEMENT PROJECT

WHEREAS, the City of Gustine (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$1,544,437.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES:

NOES:

ABSTAIN:

ABSENT:

Mayor

ATTEST:

Deputy City Clerk

RESOLUTION 2017-XXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUSTINE FOR
AUTHORIZATION OF THE RESOLUTION OF THE CITY OF GUSTINE WATER METER
REPLACEMENT PROJECT**

WHEREAS the City of the City of Gustine has a desire and responsibility to provide safe drinking water in an energy efficient manner that provides customers access to accurate water use data that allows them to better conserve the natural resource;

RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUSTINE (the "Entity"), AS FOLLOWS:

The City Manager (the "Authorized Representatives") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of Water Meter Replacement Project (the "Project").

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

AYES:

NOES:

ABSTAIN:

ABSENT:

Mayor

ATTEST:

Deputy City Clerk

RESOLUTION 2017-XXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUSTINE FOR
PLEGGED REVENUES AND FUND(S) RESOLUTION FOR THE CITY OF
GUSTINE WATER METER REPLACEMENT PROJECT**

WHEREAS the City of the City of Gustine has a desire and responsibility to provide safe drinking water in an energy efficient manner that provides customers access to accurate water use data that allows them to better conserve the natural resource;

THEREFORE BE IT RESOLVED, the City of Gustine (the "Entity") hereby dedicates and pledges water revenues from payments and fees to the water enterprise fund (Fund 060 on the City chart of accounts) to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for Water Meter Replacement Project (the "Project") Project number 8358-110.

The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

AYES:

NOES:

ABSTAIN:

ABSENT:

Mayor

ATTEST:

Deputy City Clerk



ITEM NO. 8

CITY COUNCIL AGENDA ITEM

NOVEMBER 21, 2017

PREPARED BY: Jami Westervelt, Finance Director

SUBJECT: **Community Development Block Grant Program Income (PI) Reuse Agreement and Accompanying Resolution**

BACKGROUND/DISCUSSION

The City of Gustine received general allocation grants from the Community Development Block Grant (CDBG) Program in the 1990s and submitted re-use plans for the funds in 2008. The CDBG program is a federal program within the U.S. Housing and Urban Development (HUD) Department.

The plans called for the City to provide loans to homes and small businesses for rehabilitation on properties. The loan re-payments made from the borrowers to the City over the years, called *Program Income (PI)* by CDBG, resides in a City fund for CDBG. Those funds can only be used for similar loans until the HUD approves a City reuse plan.

The City has submitted reuse paperwork requesting use of the program income for rehabilitation of the Al Goman Center. As part of the review of that paperwork, the Council needs to approve an updated Program Income (PI) Reuse Agreement.

The Agreement is required of projects utilizing PI dollars. HUD requires the Agreement for any reuse of Program Income funds. HUD officials stated they do not have a signed Agreement on file for the City. This may be due to the length of time that has passed since the City originally received the funding. HUD requires approval of the agreement and adoption of an accompanying resolution.

RECOMMENDATION

Staff recommends Council adopt the attached Program Income (PI) Reuse Agreement and accompanying Resolution.

EXHIBIT(S):

- A) CDBG Program Income (PI) Reuse Agreement
- B) Resolution approving the commitment of CDBG Program Income Funds

APPROVED BY:

DOUG DUNFORD, CITY MANAGER

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
(CDBG)
PROGRAM INCOME (PI) REUSE AGREEMENT**

Execution of the this Program Income (PI) Reuse Agreement by both the Jurisdiction and the California, State Department of Housing and Community Development (Department) provides official notification of the Department's approval for the Jurisdiction to expend PI funds under the State's administration of the Federal Community Development Block Grant Program (CDBG) for (1) State Non-Entitlement Jurisdictions; and (2) former State Non-Entitlement Jurisdictions that are now Entitlement Jurisdictions;, pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. CDBG funding is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program. The Agreement also includes asset repayments from activities administered under Disaster Recovery Initiative (DRI) contracts.

By completing this PI Reuse Agreement and signing the end of this document, the Authorized Representative certifies the Jurisdiction has read, understands and will adhere to the PI Reuse Overview and Process discussed in the first section of this document, the Jurisdictional Certifications in the second section of this document, and Department of Housing and Community Development (hereinafter Department) terms and conditions in the third section of this document.

SECTION ONE: OVERVIEW AND PROCESS

JURISDICTION: City of Gustine

GOVERNING BODY ADOPTED ON: November 21, 2017

This PI Reuse Agreement establishes policies and procedures for the administration and utilization of PI received as a direct result of eligible activities funded under CDBG and DRI contracts with the Department. *For payments generated under DRI contracts, while the funding was loaned under DRI, when a payment is received, per DRI regulation, the payment becomes CDBG PI.*

Applicability of this Agreement:

This PI Reuse Agreement between the Jurisdiction and Department is required by CDBG Federal Regulation. This Agreement allows Jurisdictions receiving repayments from CDBG and DRI assets to spend those PI funds in the absence of an active Department CDBG grant contract. This Agreement applies to all current Department-eligible Non-Entitlement Jurisdictions and HUD Entitlement Jurisdictions that are receiving Department Non-Entitlement PI funds (CDBG and DRI).

RECEIPT OF PROGRAM INCOME

Pursuant to the definition of PI found at 24 CFR 570.489(e)(2), repayments of assets generated from use of CDBG funds received by the Jurisdiction from the Department are PI. These repayments of loans, lease payments, and proceeds of asset sales will be deposited into one of three separate local PI accounts depending on what activity generated the PI. It is possible that the Jurisdiction may have up to three separate accounts with which to manage PI.

1. If the Jurisdiction has a Department approved Revolving Loan Fund (RLF) for Housing and/or Economic Development (ED), any PI from Housing or ED activities must be deposited into the RLF associated with the activity that generated the PI.

This means:

- a. Housing PI must be deposited into the Housing RLF.
- b. ED PI must be deposited into the ED RLF.

***Note:** The accounts for each RLF must be separate accounts, however, both must be interest bearing.*

2. If RLF(s) are not approved for use, the Jurisdiction must deposit all CDBG repayments into a single regular PI account which must be separate from either of the RLF accounts, but it must also be interest bearing.
3. If repayment comes from a loan or asset that was originally paid with CDBG and non-CDBG funds, the PI accounting and reporting must reflect the correct amounts and proportions of CDBG PI and non-CDBG funds invested in the asset. Only the CDBG portion of the repayment is deposited into one of the three PI accounts.

OVERVIEW OF WAYS TO USE PROGRAM INCOME

There are five (5) ways to manage PI under the Agreement. They are:

1. *Expend PI and RLF monies first on active grant contract activities;*
2. *Expend PI for General Administration (GA) Activities (up to allowable limits);*
3. *Expend through an approved PI Revolving Loan Fund (RLF);*
4. *Expend PI on an approved waiver activity when no active contract is in force; and,*
5. *Return PI annually to the Department.*

The undersigned Jurisdiction certifies that PI will be expended first when there is an active grant contract with the Department. PI being received when there is no active grant contract will be deposited into separate accounts for approved activities under this Agreement (via GA, PI Waiver or RLF) and only be distributed and expended, as follows:

1. Expend PI and RLF Monies First on Active Grant Contract Activities:

If the undersigned Jurisdiction has an active grant contract with the Department, all PI on hand must be expended on open grant activities, prior to requesting grant funds from the Department.

If the undersigned Jurisdiction has a Department approved PI Revolving Loan

Fund (RLF) per this Agreement, and has an active grant contract which includes the same eligible CDBG activity as the RLF, the RLF monies must be expended first before requesting any contract funds from the Department. PI must always be expended first on active contract activities, prior to requesting grant contract funds.

See the Chapter on Program Income and Revolving Loan Funds in the Department's CDBG Grant Management Manual (GMM) for additional information regarding use of PI to pay costs for activities under an active grant contract in the Department.

2. Expend PI General Administration (PI GA) for GA Activities (up to allowable limits)

The undersigned Jurisdiction must track a calculation of up to seventeen percent (17%) of PI received annually for eligible GA costs. However, the seventeen percent (17%) PI GA only applies to PI received that is **not** generated by a RLF activity.

PI, including PI GA, must be expended first, prior to requesting funds from the Department under an active grant contract. PI GA funds cannot be held and used only as PI GA costs are incurred. All PI must be spent prior to the next funds request submitted. The Jurisdiction can choose to keep an accounting of the total amount of PI GA available for use based on all regular PI received and report this on Department PI Reports semi-annually.

PI GA funds cannot be used for planning studies or technical assistance activities, these activities can only be funded under awarded grant contracts. See the PI Chapter for further details on eligible PI GA activities under this Agreement.

3. Expend PI through an approved PI Revolving Loan Fund (RLF):

To establish one or both of the RLFs discussed below, the undersigned Jurisdiction must submit formal written request for Department approval using the required process included with this Agreement.

The undersigned Jurisdiction agrees to all the Department's RLF requirements as stated in this Agreement and detailed in the GMM Chapter.

The two RLFs and their corresponding definitions, as permitted by this Agreement, are:

A. Housing Revolving Loan Fund (RLF)

Eligible housing activities under this RLF include:

- I. Housing Rehabilitation (HR) - Single Unit Residence program for **owner and/or tenant occupied** properties. Matrix code **14A**.
- II. Housing Rehabilitation (HR) - 2-4 Units program for **tenant occupied**

properties. Matrix code **14B**.

- III. Housing Acquisition (HA) - Single-family program for homebuyer assistance. Matrix code **13**.

B. Economic Development (ED) Revolving Loan Funds (RLF)

Eligible ED activities under this RLF include:

- I. Business Assistance (BA) program (direct financial assistance to a for-profit business). Matrix code **18A**; and,
- II. Microenterprise Financial Assistance (ME Loans) program. Matrix code **18C**.

The undersigned Jurisdiction will ensure that their programs have appropriate and up-to-date Guidelines and will administer the programs according to CDBG Regulations and policies and procedures. Per the above activities Grant Management Manual Chapters, Program Guidelines must comply with those rules. **Note:** *CDBG is now requiring that Housing Rehabilitation Guidelines (1-4 Units) be separated into two guidelines: Owner-Occupied (1-unit) and Tenant-Occupied (1-4 Units). At minimum the Housing Rehabilitation Guidelines must be separate by two sections.*

Department written approval must be received before incurring any activity or activity delivery costs associated with implementing any activities under the approved RLF. All approved RLF projects, will be required to be reported to the Department via the applicable CDBG Set-up/Completion reports.

4. Expend PI on an Approved PI Waiver Activity when no active contract is in force.

The undersigned Jurisdiction may only utilize the Department's PI Waiver process when it has no active grant contracts with the Department. Once there are no active contracts with the Department, the undersigned Jurisdiction can have up to two active eligible CDBG activities approved by the Department, for which PI may be expended. Waivers will consist of a single program, service or single project activity. If it is a single program activity, it cannot be the same program activity as funded under an approved RLF.

The undersigned Jurisdiction will follow all PI Waiver procedural requirements as stated in the PI Chapter of the GMM.

Written Department approval is required before expending any PI funds on a Waiver activity. Each Waiver activity must clear the activity General Conditions, and any Special Conditions, which include Federal overlays as posted on Department's webpage.

A PI Waiver project can only be approved if the total project / program cost for the proposed activity is on hand in the Jurisdiction's PI account. Future PI may not be committed for PI Waivers.

The undersigned Jurisdiction understands that PI Waiver activities are limited to two active projects, services and/or programs, and will remain active until close out has been completed and approved by the Department. Each approved Waiver activity will be set up with the Department using current Set-Up Report.

The undersigned Jurisdiction understands if they receive a subsequent award of CDBG funds, upon execution of the new grant contract all waiver activities are to be completed first, after which, PI must be expended first on the active grant contract activities. PI Waivers will not be included in the grant, because Supplemental activities will be included in contracts.

5. Return PI to the Department

The undersigned Jurisdiction has the option to return PI back to the Department. However, semi-annual and annual reports are still required to confirm PI being returned.

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SECTION TWO: PROCEDURES AND USE OF PROGRAM INCOME

Since CDBG is a Federal funding source, Citizen Participation is required when utilizing any of the five (5) ways to use PI listed above. Those requirements are incorporated below.

The City of Gustine certifies that:

1. Resolution:

The PI Reuse Agreement was formally adopted via resolution on November 21, 2017 by the Jurisdiction's Governing Body, executed by the Authorized Representative and submitted to the Department with certified copy of the approving resolution attached for full execution.

2. Citizen Participation:

Each of the processes discussed in this Agreement will be carried out in compliance with the CDBG Citizen Participation process, as specified in Federal Regulations at 24 CFR 570.486, and Jurisdiction's public hearing requirements.

3. Governing Compliance:

The undersigned Jurisdiction certifies the administration of all CDBG eligible activities conducted under the above described Ways to Spend PI, will be conducted in compliance with all current State and Federal Regulations and policies, including all applicable GMM chapters and Department Management Memorandums.

4. Ineligible Activities and Costs:

The undersigned Jurisdiction acknowledges that if ineligible activities or costs are paid for with CDBG PI, those funds must be returned to the Jurisdiction's PI or RLF account (whichever account expended ineligible funds) using local Jurisdiction funds.

The undersigned Jurisdiction acknowledges that ineligible activities or costs paid for with PI under an active grant contract must be repaid to the Department using local non-Federal funds.

5. Jurisdictions Leaving the State Non-Entitlement Program and Jurisdictions Entering the State Non-Entitlement Program:

The undersigned Jurisdiction certifies that it will follow these procedures when leaving or entering the State CDBG Program:

A. 24 CFR 570.489(e)(3)(iii) Transfer of program income to Entitlement program.

Jurisdictions that were State CDBG Program participants but become entitlement communities or part of an urban agreement, have the following options for PI and RLFs:

PI not associated with a RLF, the jurisdiction must:

- 1) Complete the process to certify they will be reporting the State PI into the Entitlement Programs process, including receipting the CDBG proceeds into IDIS; or,
- 2) Return all State CDBG PI to the Department, the amounts on hand once the HUD agreement is signed and as it is received until all PI generated by State CDBG funding has been returned.

PI in an approved RLF:

Entitlement jurisdictions and those who are part of an urban agreement may keep their RLF(s) and monies within an RLF as long as the following is met:

- 1) They have a State PI Reuse Agreement signed by the Department and the City/County Authorized Representative.
- 2) Agree to operate the RLF under the Department's RLF rules going forward.
- 3) Report all expenditures and accounting of RLF(s), as required by the Department.
- 4) The Jurisdiction shall be required to have: a) loan servicing policies and procedures; and, b) asset management policies and procedures, pursuant to the Department's Grant Management Manual Chapter on Asset and Real Property Management.

B. 24 CFR 570.489(e)(3) (iv) Transfer of program income of grantees losing Entitlement status.

Upon entry into the State CDBG Program, a unit of general local government that has lost or relinquished its Entitlement status must submit a letter to the Department, signed by the Authorized Representative stating which of the following options the jurisdiction will be implementing. Keep in mind, that retaining Entitlement PI while participating in the State CDBG Program will require PI reporting for both sets of funding. Entitlement PI and any PI generated by State CDBG fund cannot be comingled.

Within 90 days of leaving the Entitlement Program to join the State CDBG

Program, the jurisdiction must certify that it will either:

- 1) Retain PI generated under Entitlement grants and continue to comply with Entitlement Program requirements for PI, including reporting it into IDIS or the urban county; or,
- 2) Retain the PI and transfer it to the State CDBG Program, in which case the jurisdiction must comply with the State's rules for PI and RLF contained in this Agreement and current PI Chapter in the Department's CDBG Grant Management Manual.

6. Requirements of Program Income

This PI Reuse Agreement is intended to satisfy the requirements specified in Federal Statute and Regulation at Section 104(j) of the Housing and Community Development Act ("the Act"), as amended in 1992 and 24 CFR 570.489(e) and (f). These statutory and regulatory sections permit a unit of local government to retain PI for CDBG-eligible activities, with Department approval. Under Federal Guidelines adopted by the State of California's CDBG Program, local governments are permitted to retain PI as long as the local government has received advance approval from the State of a local agreement that will govern the expenditure of the PI. This Agreement has been developed to meet that requirement when an active contract between the Department and the undersigned Jurisdiction is not in force.

The undersigned Jurisdiction certifies their PI will be used to fund eligible CDBG activities that meet a National Objective and any public benefit requirements. Eligible activities, National Objective and public benefit requirements are specified in Federal Statute at Sections 104(b), 105(a) of The Housing and Community Development Act of 1974, and in Federal Regulations at 24 CFR 570.482 and 24 CFR 570.483. The Jurisdiction understands, if it is determined that an activity/project funded with PI that does not meet a National Objective and/or meet the public benefit requirement, the Jurisdiction will be required to use its own local funds to repay the PI Account.

7. Definition of Program Income

"Program Income" means gross income earned by the Jurisdiction from grant-funded activities and is subject to CDBG regulatory requirements pursuant to 24 CFR, Part 570.489(e) - Program Administrative Requirements as amended in the CDBG Final Rule, 24 CFR, Part 570.504 - Program Income, 24 CFR Part 85 - Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, and OMB Circulars A-87 and A-122 as applicable. These regulations include the requirement that the Jurisdiction record the receipt and expenditure of PI as part of the financial transactions of the grant activity(ies).

For activities generating PI that are only partially funded with CDBG funds, such income is prorated to reflect the actual percentage of CDBG participation. Examples of PI include but are not limited to: payments of principal and interest

on housing rehabilitation or business loans made using CDBG funds; interest earned on PI pending its disposition; interest earned on funds that have been placed in a revolving loan account; net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; and, income (net of costs that are incidental to the generation of the income) from the use or rental of real property that has been acquired, constructed or improved with CDBG funds and that is owned (in whole or in part) by the participating Jurisdiction or Subrecipient.

8. Fiscal Reporting of Program Income Receipts, Deposits and Disbursements

The undersigned Jurisdiction certifies that CDBG PI will be accounted for using the Department's fiscal year timeframe (July 1 to June 30). All receipts of PI or RLF revenue (and the depositing of those funds into separate account(s)), and expenditures of PI in accordance with this PI Reuse Agreement, will be monitored and reported per the Department's fiscal year cycle. The undersigned Jurisdiction certifies that they will report using the Department's reports/forms and will submit them in a timely manner.

9. Duration of This Program Income Reuse Agreement

The undersigned Jurisdiction certifies that it and its Governing Body understand that this document is effective for five (5) years from the execution date by the authorized CDBG Representative listed in this Agreement. At that time unless here are no further CDBG PI assets generating repayments, or the Jurisdiction has become a HUD entitlement Jurisdiction and uses these funds for entitlement activities, a new PI Reuse Agreement will be submitted to the Department. The Department has the Authority to void the Agreement with notice for cause.

10. Program Income General Administration (PI GA)

A. After the PI Reuse Agreement is executed, the Jurisdiction reserves the right to calculate and track up to seventeen percent (17%) of PI received pursuant to Section 1, item 2 above, for payment of eligible PI GA costs. PI GA will not be calculated for any RLF deposits. As noted above, these funds cannot be set aside since all PI must be expended first on whatever CDBG cost must be paid, however tracking the amount of PI GA generated by the Jurisdiction's PI revenue permits the Jurisdiction to use that amount on eligible CDBG costs that don't have to meet a National Objective, and ensures the Department is not exceeding the administrative funding cap of twenty percent (20%), as set by Federal statute.

B. If more funds are expended than what is available under PI GA calculation, the Jurisdiction will be required to return the over-expended PI GA amount back into their PI Account.

C. Ineligible PI GA costs will be required to be returned to their PI Account.

D. PI GA funds, once approved for use, may be used to pay for costs

associated with receiving Department approval of PI activities funded under this Agreement. Before submitting any proposed PI activities (Waivers or RLF) for Department approval, the Jurisdiction must hold at least one formal public hearing to discuss eligible activities and proposed PI activities. Department recommends that this public hearing be conducted to review current fiscal year PI activities and proposed and possible activities for future Department applications.

11. Revolving Loan Funds (RLFs)

- A. Pursuant to the criteria noted below, the undersigned Jurisdiction may be eligible to request Department approval of the Housing RLF and/or the ED RLF.
- B. RLFs listed under the Agreement will only be utilized after the Jurisdiction submits written certification and receives written Departmental approval certifying that the proposed RLF meets the Department's definition as follows:
 - 1) There are existing loans and assets from past RLF eligible activities that can be reasonably expected to generate repayments.
 - 2) The existing loans and assets have generated at least one loan repayment in the current fiscal year.
- C. The two RLFs and their respective CDBG eligible activities listed in this Agreement will be administered under the guidance and requirements provided in this Agreement and in the Department's current GMM Chapter on PI, and any subsequent policy, regulation, or statutory guidance from the Department.
- D. Pursuant to Management Memorandum 14-05 and/or the current PI Chapter in the GMM, the undersigned Jurisdiction certifies acknowledgement that the Department reserves the right to cancel the grantee's RLF and require the funds to be returned to the Department as a corrective action for significant, ongoing non-compliance with RLF rules.
- E. The two (2) RLFs listed below each have a multiple eligible CDBG Program activities. All CDBG rules pertaining to eligible RLF Program activities, including Department written approval for establishing, will be followed.

1) Housing Revolving Loan Fund

Eligible housing activities under this RLF include:

- i. Housing Rehabilitation (HR) - Single Unit Residence program for owner and/or tenant occupied properties. Matrix code **14A**.
- ii. Housing Rehabilitation (HR) - 2-4 Units program for owner and/or tenant occupied properties. Matrix code **14B**.
- iii. Housing Acquisition (HA) - Single-family program for homebuyer assistance. Matrix code **13**.

2) Economic Development (ED) Revolving Loan Funds (RLF)

Eligible ED activities under this RLF include:

- i. Business Assistance (BA) program (direct financial assistance to a for-profit business). Matrix code **18A**.
 - ii. Microenterprise Financial Assistance (ME Loans) program. Matrix code **18C**.
- F. Each approved RLF will offer all eligible activities under the RLF definition.
- G. Separate and formally adopted City/County Program Guidelines for each eligible activity must be completed by the Jurisdiction before requesting Department approval of a RLF. Program Guidelines and their approval date will be reviewed at monitoring.
- H. The undersigned Jurisdiction acknowledges that although all eligible activities under each approved RLF must be available, the Jurisdiction has the discretion to fund RLF loans for the activity or activities they deem to address the greatest need in their community.
- I. RLF receipts on deposit may be used for one or both single-family housing program activities. Although each Housing activity is required to be approved by the Department for use under the RLF, the Jurisdiction may choose to only operate one activity at a time or all three simultaneously.
- J. In addition, each approved RLF will meet the following criteria:
- 1) RLFs will operate on a fiscal year of July 1 to June 30 for accounting and performance reporting.
 - 2) Jurisdictions will set up RLFs as separate accounts (Housing and ED RLF accounts must be separate) with separate fund and transaction numbers. All other CDBG funds received as PI must be accounted for in a separate account.
 - 3) All accounts set up pursuant to 2.G.2 will be interest bearing.
 - 4) RLF monies will be expended first when the same RLF activity is funded under an awarded active grant contract.
 - 5) RLF projects may be funded with both RLF monies and an active grant contract.
 - 6) RLFs programs will not provide grants to eligible project activities. Thus, activities under an active contract that are funded using only grants rather than loans will use contract funds not RLF monies to pay for the activity. RLF Program activities that are also funded under an active contract, but limited to only grants to projects, will not require RLF funds to be spent first on the active grant activities.
 - 7) The RLFs will primarily provide financing instruments that will revolve, (i.e., loans), RLFs cannot fund projects primarily or solely with grants or forgivable loans.
 - 8) RLF receipts from loans or assets generated from the same program

activity (i.e., single-family housing rehabilitation loan repayments) will only be deposited into a Housing RLF. Thus, repayments from the same program activities that go into an RLF must be used for originating loans for the same program activities.

- 9) RLF PI balances will not be moved to another approved RLF account or to the Jurisdiction's regular PI account. The Department may use a State or Federal disaster declaration to formally allow for re-purposing of PI funds by the Jurisdiction. Funds approved by the Department for re-purposing to meet an urgent need are considered PI and must be expended first under active grant contracts or under approved waivers, if there is no active contract.
- 10) RLFs that become depleted of funds and do not have additional asset repayments to sustain revolving activities, such that no longer meeting the Department's RLF definition, will be canceled by the Department.
- 11) RLF PI received and deposited is not allowable for PI GA expenses thus, seventeen percent (17%) cannot be set aside as with Jurisdictions with separate PI accounts.
- 12) RLFs with no annual revolving activities (i.e., approved loans) are not able to be used by the Jurisdiction for reimbursement of non-revolving costs; therefore, activity delivery (AD) costs are not eligible. **AD costs are only eligible if one or more projects are funded and accomplishment data (i.e., beneficiaries) for those activity(ies), on an annual basis, are reported.**
- 13) RLF projects must be documented as meeting a National Objective. If a project does not meet a National Objective, then all expenses associated with the project (activity and activity delivery funds) must be repaid to the RLF with non-Federal funds.
- 14) Given that RLF revenue cannot be "banked" to remain eligible, a RLF must revolve. To meet the definition of revolving, the undersigned Jurisdiction will not have more than \$100,000 on deposit in an RLF within a fiscal year without making at least one loan. Nor will the undersigned Jurisdiction have more than \$500,000 on hand even if making loans each fiscal year.
- 15) The undersigned Jurisdiction certifies they are aware that the Department will address excess funds and revolving compliance by issuing finding letters to the grantee which could result in the Department cancelling the grantee's RLF, which immediately converts the funds to PI; and, therefore, must be used prior to drawing down grant funds.
- 16) RLF activity delivery funds (AD) may be used to pay for loan servicing costs.
- 17) Loan servicing costs under the RLFs are not eligible as PI GA costs, but are eligible AD costs. As such, loan servicing costs are only eligible if one or more loans are made in a fiscal year.
- 18) Citizens of the Jurisdiction must be the primary beneficiaries of all RLF

Program activities.

- 19) Financial and performance reporting on RLF projects will be done using current CDBG eligible activity Set Up and Completion Report forms, which will collect National Objective data and beneficiary demographics, as HUD required accomplishment information.
- 20) Additional financial reports for RLF PI deposits and expenditures will be done twice a year using the Department's current PI fiscal reporting forms.
- 21) The Jurisdiction will be required to repay the RLF account for ineligible costs or activities with local non-Federal funds.
- 22) Housing RLF Programs will meet the CDBG National Objective of benefit to Low/Moderate-income (Low/Mod) households, per 24 CFR Part 5 and in accordance with the Department's Income Manual.

K. Activity Specific Requirements:

1) **Housing RLF:**

- a. All Housing Rehabilitation and Homeownership Assistance Programs will only fund projects that meet a National Objective and comply with other State and Federal requirements, including Department Management Memorandums and GMM Chapters on Housing Rehabilitation, Multi-Family Rehabilitation (2-4 units) and Homeownership Assistance Activities.
- b. No more than nineteen percent (19%) of funds expended for **Housing Rehabilitation** in the RLF will be used for AD costs on an annual fiscal basis.
- c. No more than eight percent (8%) of funds expended in a fiscal year for **Homeownership Assistance** will be used to reimburse eligible AD costs.
- d. AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.
- e. Projects cannot be provided grants.

2) **ED RLF:**

- a. Both ED Programs will only fund projects that meet a National Objective and comply with other State and Federal requirements, including Department Management Memorandums and GMM Chapters on **ME Loans** and **BA** Activities.
- b. For **ME Loans**, income eligibility must be met per 24 CFR Part 5 and in accordance with the Department's Income Manual. For **BA**, income eligibility is done based on meeting National Objective standard of providing jobs to Low/Mod income persons or area benefit for goods or services.
- c. No more than 15 percent (15%) of the total funds expended for **BA** or **ME Loans** activities shall be used to reimburse Jurisdiction for

eligible activity delivery (AD) costs on an annual fiscal basis.

- d. Annual AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.
- e. For **BA**, local review and underwriting of business assistance projects requesting a CDBG loan under this RLF shall be conducted under the BA Program Guidelines that have been adopted by the Governing Body of the undersigned Jurisdiction.
- f. For ME Loans, the CDBG eligible activity of direct financial assistance to eligible microenterprise businesses will be conducted under this RLF. Local review and approval of microenterprise financial assistance projects requesting a CDBG loan under this RLF shall be conducted under the undersigned Jurisdiction's ME Loan Program Guidelines that have been adopted by the Governing Body. **Note:** *This subsection applies to Microenterprise loans only, not ME grants. Financial Assistance that is solely a grant cannot be made through an RLF.*

12. Loan Portfolio and Asset Management Policies and Costs

- A. The undersigned Jurisdiction certifies that it has asset management policies and loan portfolio servicing policies that are in compliance with HUD standards per 24 CFR Part 570, OMB Circulars A-87, A-122, A-133 and 24 CFR Part 85.
- B. The use of CDBG funds creates public financial assets. The public financial assets created can be in the form of loans or other repayment instruments which result in PI. Financial assets may also be in the form of real property or chattel (equipment and fixtures). All assets created from the use of CDBG funds must be administered in compliance with OMB Circulars A-87, A-122, A-133, 24 CFR Part 85. These policies will be used for managing all CDBG assets, including those which generate PI and RLF PI.
- C. General Administration PI funds may be used to reimburse the Jurisdiction for loan servicing and asset management costs. If the Jurisdiction has no PI GA available, GA funds from active grant contracts may be used to pay for eligible loan servicing costs.

13. Program Income Waivers

- A. The PI Waiver Submission Process will only be conducted when the undersigned Jurisdiction has no active grant contract(s) with the Department.
- B. The process below will be followed if a PI Waiver is to be requested:
 - 1) All PI Waiver requests will be submitted on approved Departmental forms for the Department's written approval.
 - 2) After the Department's review of the activity for eligibility and National

Objective compliance, the PI Waiver will be formally adopted via public hearing and resolution of the Jurisdiction's Governing Body, as part of the PI Waiver General (and Special Conditions if applicable) Clearance process.

- 3) Expenditure of PI Waiver funds will not commence until clearance of all required General and Special Conditions have been met and written Departmental approval has been issued to the Jurisdiction.
 - 4) Possible Waiver activities will be discussed at a properly noticed public hearing, held in front of the Jurisdiction's Governing Body, prior to submission of a Certified Resolution, as part of a PI Waiver Request to the Department.
 - 5) The PI Waiver request must be submitted in accordance with current Department policy, and any subsequent policy, regulation or statutory guidance.
 - 6) PI Waiver activity reporting will be submitted per current Departmental policies and includes financial accounting of all PI received and expended, including PI Waivers and PI Waiver activity performance.
 - 7) PI Waiver activities must be fully funded with PI already on hand.
 - 8) Only two (2) PI Waivers may be open and active at any one time.
 - 9) RLF funds will not be used for PI Waivers, since RLF monies must be expended on the activity that generated the payments.
 - 10) PI Waivers will not be approved for the same program activities for approved RLFs.
- C. PI GA and PI Waiver financial and performance reporting will be done using current CDBG eligible activity Set Up and Completion Reports forms, which will collect National Objective data and beneficiary demographics for HUD required accomplishment information.
- D. Additional financial reports for PI GA, PI Waivers, PI deposits and expenditures will be done semi-annually using the Department's current PI fiscal reporting forms.
- E. Ineligible costs will be required to be repaid to the PI Account. In some cases with ongoing significant compliance issues, the Department reserves the right to require the jurisdiction return all PI to the Department until it is satisfied that the jurisdiction has resolved all compliance issues.

14. Program Income Not Associated with an RLF

- A. Provided the undersigned Jurisdiction has made the Department aware at the beginning of the fiscal year they intend to exercise the \$35,000 Rule, PI which is received annually that has a cumulative amount up to \$35,000 (RLF receipts are not included in the \$35,000 Rule calculation) may be "re-categorized" as non-CDBG funds. In electing to exercise the \$35,000 Rule, the Jurisdiction agrees not to expend CDBG revenue until either the fiscal year ends or the amount received goes above \$35,000, at which point the

jurisdiction must consider the revenue as CDBG PI and must use it, first prior to drawing CDBG contract funds.

- B. The undersigned Jurisdiction certifies that it acknowledges, if it has PI on hand and has not applied for or been awarded CDBG funds within the past three NOFAs, the Jurisdiction will be required to submit a PI Expenditure Plan for its PI on hand. The plan must be submitted via the CDBG PI Waiver process. If the Jurisdiction does not initiate the request, the Department will send the Jurisdiction a letter requiring submission of the plan within a set time frame. If the Jurisdiction does not respond to the Department's letter, the Jurisdiction will be required to return all PI on hand to the Department, regardless of the amount of PI.

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SECTION THREE: DEPARTMENT TERMS, CONDITIONS AND AUTHORIZATION

TERMS AND CONDITIONS: The undersigned Jurisdiction certifies that all terms and conditions listed below have been read and understood, and will be implemented and followed:

1. Authority & Purpose

This Agreement provides official notification of the Jurisdiction's PI Reuse Agreement's approval under the State's administration of the Federal CDBG for Non-entitlement Jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - Community Development Block Grant Program.

In accepting the PI Reuse Agreement approval, the Jurisdiction agrees to comply with the terms and conditions of this Agreement, all exhibits hereto and the representations contained in the Jurisdiction's PI Reuse Agreement. Any changes made to the PI Reuse Agreement after this Agreement is accepted must receive prior written approval from the Department.

2. Distribution for Reuse of PI

A. The Jurisdiction shall perform PI funded activities as described in the Distribution for Reuse in the PI Reuse Agreement. All written materials or alterations submitted as addenda to the original PI Reuse Agreement and which are approved in writing by the Department are hereby incorporated as part of the PI Reuse Agreement.

The Department reserves the right to require the Jurisdiction to modify any or all parts of the PI Reuse Agreement in order to comply with CDBG requirements. The Department reserves the right to review and approve all work to be performed by the Jurisdiction in relation to this Agreement. Any proposed revision to the work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made in writing by the Department.

B. All PI funded activities must be approved by the Department prior to implementation or incurring activity costs (clear the activity General and any Special Conditions, which include Federal overlays, as posted on Department's webpage). All eligible activities shall principally benefit Low/Mod-income persons or households or businesses residing in the

Jurisdiction. HUD defines Low/Mod as having an annual income that is no more than 80 percent (80%) of the county median area income, adjusted for household size.

3. Sufficiency of Funds and Termination

The Department may terminate this Agreement at any time for cause. The Jurisdiction will have at least 14 days upon receipt of the Department's written notice. Termination shall consist of violations of any terms and/or conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority.

The Department reserves the right, for any significant on-going non-compliance with RLF or PI rules, to cancel any RLF and require all RLF and PI funds to be returned to the Department.

4. Meeting National Objectives

All activities performed under this Agreement must meet one of the National Objectives determined by the HUD CDBG statutes and regulations. Use the CDBG National Objective Matrix to determine the correct standard for each activity conducted under this Agreement. National Objectives are authorized under Title I of the Housing and Community Development Act of 1974, as amended.

- A. **Benefit to HUD defined Low/Mod-income person or household (LMI).** The term Low/Mod-income is defined under CDBG as no more than 80 percent (80%) of the median area income, as determined by HUD, per Federal Regulation 24 CFR, Part 570.483(b); and/or,
- B. **Prevention or elimination of slums or blight** when activity qualifies per Federal Regulation 24 CFR, Part 570.483(c). Jurisdictions may only use this National Objective after submitting a written request to the Department and receiving written authorization; or,
- C. Jurisdictions may use the National Objective of Urgent Need, per Federal Regulation 24 CFR, Part 570.483(d), if a formal written request is made to the Department and the request is authorized in writing.

5. Inspections of Activities

- A. The Department reserves the right to inspect any activity(ies) performed hereunder to verify that the activity(ies) is in accordance with the applicable Federal, State and/or local requirements and this Agreement.
- B. The Jurisdiction shall inspect any activity performed by contractors and subrecipients hereunder to ensure that the activity(ies) is in accordance with the applicable Federal, State and/or local requirements and this Agreement.

The Jurisdiction agrees to require that all activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor (respectively), or subrecipient, until it is so corrected.

6. Insurance

The Jurisdiction shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Jurisdiction and the Department to be necessary for specific components of the activity(ies) described in this Agreement.

7. Contractors and Subrecipients

A. The Jurisdiction shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended and Ineligible Contractors.

- 1) Contractors are defined as program operators or construction contractors who are procured competitively.
- 2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded Jurisdiction to undertake eligible activities.

B. An agreement between the Jurisdiction and any contractor or subrecipient shall require:

- 1) Compliance with the applicable State and Federal requirements of this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/Prevailing Wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
- 2) Maintenance of, at minimum, the State-required Workers' Compensation Insurance for those employees who will perform the activity(ies) or any part of it.
- 3) Maintenance of, if so required by law, unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm or corporation, who may be injured or

damaged by the contractor, or any subcontractor in performing the activity(ies) or any part of it.

- 4) Compliance with the applicable Equal Opportunity Requirements described in this Agreement.

C. Contractors shall:

- 1) Perform the activity(ies) in accordance with Federal, State and local housing and building codes, as are applicable.
- 2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

D. Subrecipients shall:

- 1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.
- 2) Permit the State, Federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation and all other materials relevant to the agreement for the purpose of monitoring, auditing or otherwise examining said materials.

8. Obligations of the Jurisdiction with Respect to Certain Third Party Relationships

The Jurisdiction shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Activities funded under this Agreement with respect to which assistance is being provided under this Agreement to the Jurisdiction. Jurisdiction is responsible to oversee any third party contractors or subrecipients and monitor their work for CDBG compliance.

The Jurisdiction shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Jurisdiction, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974.

9. Periodic Reporting Requirements

During the term of this Agreement, the Jurisdiction must submit the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. The Jurisdiction's performance under this Agreement will be based, in part, on whether it has submitted the reports on a timely basis.

- A. Semi-Annual PI Expenditure/Performance Report: Submit by January 31 and July 31 of each year regardless of whether or not the Jurisdiction has any unexpended PI. PI Waivers or open Grants with no accomplishments are not excluded to the reporting requirement.
- B. Annual Federal Overlay Reporting: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State Fiscal Year. Annual Reporting includes but is not limited to: Section 3 and Minority Owned Business/Women Owned Business (MBE/WBE).
- C. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.
- D. Set-Up and Completion Reports for each eligible activity as posted on the Department's webpage.
- E. Any other reports that may be required as a General/Special Condition of this Agreement.

10. Monitoring Requirements

The Department shall perform a program and/or fiscal monitoring of the activity(ies). The Jurisdiction shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Jurisdiction's performance score on future applications.

Additionally, the Department reserve the right to suspend a Jurisdiction's authority to expend PI (Waiver, RLF and/or PI attached to an open grant) based on significant compliance issues, reporting concerns or serious lack of cooperation in clearing PI monitoring findings.

11. Signs

If the Jurisdiction places signs stating that the Department is providing financing, it shall indicate in a typeface and size commensurate with the Department's funding portion of the project that the Department is a source of financing through the CDBG Program.

12. Audit/Retention and Inspection of Records

- A. The Jurisdiction must have intact, auditable fiscal records at all times. If the Jurisdiction is found to have missing audit reports from the Office of the State Controller (SCO) during the term of this Agreement, the Jurisdiction will be required to submit an Agreement to the State, with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Jurisdiction will be subject to termination of this Agreement and disencumbrance of the funds awarded. The Jurisdiction's audit completion Agreement is subject to prior review and approval by the Department.
- B. The Jurisdiction agrees that the Department or its designee will have the right to review, obtain and copy all records pertaining to performance of this Agreement. The Jurisdiction agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. The Jurisdiction further agrees to maintain such records for a period of five (5) years after final payment under this Agreement. The Jurisdiction shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.
- C. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Jurisdiction.
- D. Absent fraud or mistake on the part of the Department, the determination by the Department of allowable expenditures shall be final.
- E. For the purposes of annual audits under OMB Circular A-133 (The United States Office of Management and Budget Circular for Audits of States and Local Governments), Jurisdiction shall use the Federal Catalog Number 14.228 for the State CDBG Program.
- F. Notwithstanding the foregoing, the Department will not reimburse the Jurisdiction for any audit cost incurred after the expenditure deadline of this Agreement.
- G. The Jurisdiction understands that the expenditure of PI is covered under the OMB A-133 Single Audit Requirements and will meet all these requirements and report said PI Expenditure along with grant funds each fiscal year.

13. Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials

Pursuant to 24 CFR 570.611, no member, officer, or employee of the Jurisdiction, or its designees or agents, no member of the Governing Body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The Jurisdiction shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this Section.

14. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Jurisdiction of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

15. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent Jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Jurisdiction shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

16. Lead-Based Paint Hazards

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Jurisdiction with assistance provided under this Agreement shall be made subject to the provisions for the

elimination or mitigation of lead-based paint hazards under these Regulations. The Jurisdiction shall be responsible for the notifications, inspections and clearance certifications required under these Regulations.

17. Prevailing Wages

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Jurisdiction shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.
- B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Jurisdiction and a licensed building contractor, the Jurisdiction shall serve as the "awarding body" as that term is defined in the LC. Where the Jurisdiction will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

18. Compliance with State and Federal Laws and Regulations

- A. The Jurisdiction agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity and all other matters applicable to the Jurisdiction, its subcontractors, contractors or subcontractors, and the Reuse activity(ies), and any other State provisions as set forth in this Agreement.
- B. The Jurisdiction agrees to comply with all Federal laws and regulations applicable to the CDBG Program and to the activity(ies), and with any other Federal provisions as set forth in this Agreement.

19. Anti-Lobbying Certification

The Jurisdiction shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this activity(ies) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this

certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement; and,
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

20. Bonus or Commission, Prohibition Against Payments of

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

- A. Obtaining the Department's approval of the Application for such assistance; or,
- B. The Department's approval of the Applications for additional assistance; or,
- C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

21. Citizen Participation

The Jurisdiction is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115.

22. Clean Air and Water Acts

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

23. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. The Jurisdiction shall report all perceived or actual conflicts of interest cases to the State for review before financial benefits are given.

24. Environmental Requirements

The Jurisdiction shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR, Part 58. The Jurisdiction shall not undertake any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives under 24 CFR, Part 58.22 until HUD or the Department has issued an environmental clearance.

25. Equal Opportunity

A. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances

During the performance of this Agreement, the Jurisdiction assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status or religious preference, under any activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

B. Rehabilitation Act of 1973 and the "504 Coordinator"

The Jurisdiction further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR, Part 8, including, but not limited to, for Jurisdiction's with fifteen (15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

C. The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance

- 1) The activity(ies) to be performed under this Agreement are subject to the requirements of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701(u). Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR, Part 135.34(a)(2).
- 2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3) The Jurisdiction will include these Section 3 clauses in every contract and subcontract for Work in connection with the activity(ies) and will, at the direction of the Department, take appropriate action pursuant to the contract or subcontract upon a finding that the Jurisdiction or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR, Part 135 and will not let any contract unless the Jurisdiction or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- 4) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided to the activity(ies), binding upon the Jurisdiction, its successors and assigns. Failure to fulfill these requirements shall subject the Jurisdiction, its contractors and subcontractors and its successors to such sanctions as are specified by 24 CFR, Part 135 and those sanctions specified by this Agreement.

D. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or More

The Jurisdiction hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Jurisdiction furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

26. Flood Disaster Protection

- A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3 (a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the National Flood Insurance Program pursuant to FDPA, Section 102(d) of said Act.
- B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said Act.
- C. Any contract or agreement for the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.
- D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

27. Federal Labor Standards Provisions

The Jurisdiction shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

- A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of Federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.
- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from (1) providing, attempting to provide or offering to provide any kickback; (2) soliciting, accepting or attempting to accept any kickback; or, (3) including directly or indirectly, the amount of any kickback prohibited by

clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.

- C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Title 29, Code of Federal Regulations CFR, Subtitle A, Parts 1, 3 and 5) are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Jurisdiction shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

28. Procurement

The Jurisdiction shall comply with the procurement provisions in 24 CFR, Part 85.36: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

29. Non-Performance

The Department shall review the actual National Objective and/or Public Benefit achievements of the Jurisdiction. In the event that the National Objective and/or Public Benefit requirements are not met, the Department will require the recapture of the entire PI expended on that project/activity. Additional remedies may include suspending the Jurisdiction's authority to use PI funds until the Jurisdiction has developed capacity to ensure future PI funds will be used for eligible activities that will meet a National Objective.

30. Relocation, Displacement, and Acquisition

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Jurisdiction and assisted in whole or in part by funds allocated by CDBG.

31. Uniform Administrative Requirements

The Jurisdiction shall comply with applicable Uniform Administrative Requirements as described in 24 CFR, Section 570.502, including cited Sections of 24 CFR, Part 85.

32. Section 3

The Jurisdiction will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing Regulations at 24 CFR, Part 135.

33. Affirmatively Furthering Fair Housing

The Jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the Jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

34. General and Special Conditions for Activities

Each eligible activity to be administered and paid for with PI under this agreement must be approved in writing by the Department. After receiving written approval, the Jurisdiction will submit all required documents listed on the Department's General Conditions Checklist for the approved activity. Upon completion of the General Conditions Checklist, the Department will provide written authorization to proceed with implementing the approved activity.

The above is applicable to RLFs, Waivers and Supplemental Activities.

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Please continue to the CERTIFICATION page.**

SECTION TWO: CERTIFICATION FOR USE OF PROGRAM INCOME

Certified Approving Resolution Is Attached

I certify that the foregoing is true and correct, and will follow all requirements of this Agreement and all Sections above. I understand that my certification also acknowledges that serious compliance issue with the above requirements could result in the State suspending the City of Gustine authority to expend PI; or may require the City of Gustine to return unused PI to the State until the City of Gustine clears the serious compliance issues.

Signature of Jurisdiction Authorized Representative

Doug Dunford, City Manager

Name and Title of Jurisdiction Authorized Representative

11/21/2017

Date Signed

Signature of CDBG Section Chief

Date Signed

Name of CDBG Section Chief

RESOLUTION 2017-XXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUSTINE
ADOPTING THE PROGRAM INCOME REUSE AGREEMENT FOR THE
CITY OF GUSTINE FOR THE CDBG PROGRAM**

WHEREAS, the City of Gustine receives funding from the State of California Department of Housing and Community Development (HCD), Community Development Block Grant (CDBG) Program; and,

WHEREAS, activities funded by CDBG have the potential to result in the generation, return or repayment of funds, known as CDBG Program Income; and,

WHEREAS, the City of Gustine is allowed to utilize program income funds for an approved Revolving Loan Account or eligible CDBG project;

WHEREAS, the State of California Department of Housing and Community Development (HCD) requires the City of Gustine City Council pass a resolution to adopt the Program Income Reuse Agreement for Community Development Block Grant (CDBG) Program funds;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUSTINE:

PASSED AND ADOPTED the Program Income Reuse Agreement for the CDBG program, at a regular meeting of the City Council of the City of Gustine held on November 21, 2017 by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

Mayor

ATTEST:

Deputy City Clerk



COUNCIL AGENDA ITEM

NOVEMBER 21, 2017

PREPARED BY: Doug Dunford, City Manager

SUBJECT: Joint User Agreement for Recreation Facilities

BACKGROUND/DISCUSSION:

Staff was asked to look at the feasibility of having a "Joint User of Recreation Facilities" agreement between the City and the Gustine Unified School District (District). This was brought about by some confusion that both sides had during the rental of their respective properties.

Staff has looked at and completed a comprehensive agreement plan that seems to work for both the City and the District. This agreement will eliminate the payment of fees for both sides when we/they are using that facility. In the past there had been problems with the timeliness of the requests and when monies are paid and how much was owed.

This agreement will eliminate the headache of the money exchange and offer a smooth transaction for both parties to conduct business. It has a team of 4 individuals that make up a team who oversee the areas to be used. Their job is to inspect the facility before and after to make sure that the facility is ready to use.

It does not allow third party users to benefit from this Agreement, so that does not become an issue. It also establishes the fact that the City and The District must fill out the necessary "Facility Use Agreement Form" 30 days in advance for each usage for tracking purposes.

Staff presented this Agreement to Council at the August 9th Council Meeting. Since that time the Agreement has been augmented to remove the usage of any facility by a "Third Party".

On November 8, 2017, Staff presented the new Agreement to the Gustine Unified School District School Board. They unanimously passed the Agreement.

Staff has attached to the agreement two exhibits that outline what facilities are to be used and their location. The City and the District both have priority over their respective facilities if needed for their own events.

FISCAL IMPACT:

Staff estimates that the Agreement will save approximately 30 hours of office time which equates to about \$600.00

RECOMMENDATION:

Staff is recommending that Council authorize the execution of the Joint User Agreement for Recreation Facilities between the City and the Gustine Unified School District

EXHIBIT(S):

- A) Joint User Agreement for Recreation Facilities

JOINT USE OF RECREATION FACILITIES

AGREEMENT BETWEEN THE CITY OF GUSTINE (CITY) AND THE GUSTINE UNIFIED SCHOOL DISTRICT (DISTRICT) FOR THE JOINT USE OF DISTRICT AND CITY FACILITIES FOR CITY AND SCHOOL USE

This Agreement is entered into by and between the City of Gustine (“City”), and the Gustine Unified School District (“District”). The City and District are sometimes individually referred to as a “party” and collectively as “parties.”

Recitals

WHEREAS, the Community Recreation Act (California Education Code sections 10900, et seq.) authorizes school districts and cities to organize, promote, and conduct community recreation programs and activities to promote the health and general welfare of the community; and

WHEREAS, the California Civic Center Law (California Education Code sections 38130, et seq.) establishes a civic center at every school for use by citizens for a variety of purposes, including recreation; and

WHEREAS, the District is the owner of real property in the City, including facilities and active use areas that are suitable for use by the City for community recreational purposes; and

WHEREAS, the City is the owner of real property in the City, including facilities and active use areas that are suitable for use by the District for school recreational purposes; and

WHEREAS, under appropriate circumstances, these publicly held lands and facilities should be used most efficiently to maximize use and increase recreational opportunities for the community; and

WHEREAS, California Education Code section 10905 authorizes the governing bodies to enter into agreements with each other to promote the health and general welfare of the community and to enhance the recreational opportunities afforded to the community; and

NOW, THEREFORE, the District and the City agree to cooperate with each other as follows:

1. Term

This Agreement will begin on November 22, 2017 and will continue through June 30, 2018, and then shall be automatically renewed on a yearly basis unless sooner terminated as provided for hereinafter in Section 19.

2. Effective Date

This Agreement shall be effective upon November 22, 2017 and upon inspection of affected

property as described hereinafter in Section 3 by District and City officials.

3. Cooperative Agreement

As provided herein, the District and the City hereby agree to cooperate in coordinating programs and activities conducted on all of their respective properties and in all of their respective facilities, to the extent listed on Exhibit A ("District Property") and Exhibit B ("City Property"). The District and the City shall have the right to add or exclude properties during the term of this Agreement, provided that any such change shall be in writing and approved by both the District and the City. Reference to District Property or City Property in this Agreement shall include the facilities and the property upon which the facilities are located. As used in this Agreement, "Owner" shall mean the party to this Agreement that owns a particular property and/or facility covered by this Agreement, and "User" shall mean the other party using the Owner's property and/or facility under the terms of this Agreement. "City Access Hours" shall mean the hours during which City or its Authorized Users use District Property. "District Access Hours" shall mean the hours during which the District or its Authorized Users use City Property.

This Agreement shall be effective upon November 22, 2017 and upon inspection of affected property as described hereinafter in Section 3 by District and City officials.

4. Cooperative Agreement

As provided herein, the District and the City hereby agree to cooperate in coordinating programs and activities conducted on all of their respective properties and in all of their respective facilities, to the extent listed on Exhibit A ("District Property") and Exhibit B ("City Property"). The District and the City shall have the right to add or exclude properties during the term of this Agreement, provided that any such change shall be in writing and approved by both the District and the City. Reference to District Property or City Property in this Agreement shall include the facilities and the property upon which the facilities are located. As used in this Agreement, "Owner" shall mean the party to this Agreement that owns a particular property and/or facility covered by this Agreement, and "User" shall mean the other party using the Owner's property and/or facility under the terms of this Agreement. "City Access Hours" shall mean the hours during which City or its Authorized Users use District Property. "District Access Hours" shall mean the hours during which the District or its Authorized Users use City Property.

i City Use Activities

City Use shall comprise educational and recreational activities and/or programs, including use by City for educational and recreational activities and/or programs. Any reference to "recreational activities" in this agreement shall mean those activities defined in Education Code section 10901 as activities voluntarily engaged in, which contributes to the physical, mental, or moral development of the individual or group participating therein, and includes any activity in the fields of visual and performing arts, handicraft, science, literature, nature study, nature contacting, aquatic sports, and athletics, or any of them, and any informal play incorporating any such activity.

- ii At all times during City Use, City shall enforce all District rules, regulations, and policies provided by the District while supervising community recreational activities on District Property. In planning programs and scheduling activities on school grounds, the security, academic, athletic, and recreational needs and opportunities of school-aged children will be the highest priority and be adequately protected.

(1) City Users shall not include any third party organizations affiliated with the City and providing for City Use, Authorized Users, agreed upon by and between the Parties.

b. City Property

i City Use

The City shall be entitled to the exclusive use of City Property for all purposes it deems necessary and appropriate, including, but not limited to, educational purposes, recreational purposes, anticipated use by persons seeking access under the Civic Center Act, other public school and school-related and at such other times as City Property is being used by the City or its agents.

The City shall make City Property available, as shall be set forth in the agreed Master Schedule (below) to District to use City Property for District Use Activities.

ii District Use Activities

District Use Activities shall comprise educational and recreational activities and/or programs, including use by District for educational and recreational activities and/or programs. Any reference to "recreational activities" in this agreement shall mean those activities defined in Education Code section 10901 as activities voluntarily engaged in, which contributes to the physical, mental, or moral development of the individual or group participating therein, and includes any activity in the fields of visual and performing arts, handicraft, science, literature, nature study, nature contacting, aquatic sports, and athletics, or any of them, and any informal play incorporating any such activity.

(1) At all times during District Use Activities, District shall enforce all City rules, regulations, and policies provided by the City while supervising community recreational activities on City Property. In planning programs and scheduling activities on school grounds, the security, academic, athletic, and recreational needs and opportunities of school-aged children will be the highest priority and be adequately protected.

iii Gustine Community Pool

During the normal school year, while school is in session, the City is not responsible for providing lifeguards at the pool for any event. However, if the District decides to use the pool, the District must provide to the City a list of current qualified and certified lifeguards the District would be using for that event. The documents would be required 30 days in advance of the event.

c. Third Party Use

The City and the District agree that no "Third Party" will benefit from this Agreement.

5. Compliance with Law

- a. All use of District and City Property shall be in accordance with state and local law. In the case of a conflict between the terms of this Agreement and the requirements of state law, the state law shall govern. Any actions taken by the District or the City that are required by state law, but are inconsistent with the terms of this Agreement shall not be construed to be a breach or default of this Agreement.

6. Communication

a. Designation of Employees

The District and the City shall respectively designate an employee with whom the other party, or any authorized agent of the party, may confer regarding the terms of this Agreement.

b. Joint Use Interagency Team

The District and the City shall establish a Joint Use Interagency Team ("Interagency Team"), composed of staff representatives of the District and the City, to develop the schedule for use of District and City Property, to recommend rules and regulations for the District and City to adopt to implement this Agreement, to monitor and evaluate the joint use project and Agreement, and to confer to discuss interim problems during the term of the Agreement.

- i. The Interagency Team shall hold conference calls or meetings at least quarterly and as reasonably requested by either Party on reasonable notice to review the performance of the joint use project and to confer to discuss interim problems during the term of the Agreement. If the Joint Use Interagency Team is unable to reach a solution on a particular matter, it will be referred to the City Manager and the School Superintendent, or their designees, for resolution.
- ii. The Interagency Team shall review the Agreement by May 1st each year to evaluate the joint use project, determine changes to the schedule, and to propose amendments to this Agreement, if necessary.

7. Scheduling Use of Property

a. Master Schedule

The District and City shall develop a master schedule for joint use of District and City Property to allocate property use to the District and City. At regular Interagency Team these meetings or conference calls, the District and City will review and evaluate the status and condition of jointly used properties and modify or confirm the upcoming

year's schedule. District and City understand and agree that City Property and District Property shall only be available for use by the other party when it is available for such as designated in the Master Schedule approved by both Parties. However, once the User has scheduled use of the property from the Owner, Owner shall not use the property or allow any third party to use the property during such scheduled time, as long as the scheduled use accords with the Master Schedule.

b. Scheduling of Property Use

- i Each Party shall keep the other promptly informed of any planned use by the Party or any Authorized Users. Neither Party, for itself or any Authorized User, may schedule the use of the other Party's Property no less than ten (10) business days' prior notice.
- ii Each Party shall exercise due diligence to ensure that any scheduled Use complies with the purposes described herein and shall not schedule Use, or permit or assist any Authorized User in scheduling a Use inconsistent with the purposes set forth herein

8. Documentation and Allocation of Operational Costs

a. Tracking Use of Facilities

The District and the City shall each track use of their respective properties under this Agreement.

b. Documentation of Costs

The District and the City shall maintain records of any revenues received through or connection with Use of the other Party's Property under this Agreement...

c. Payment of Employees or Contractors

Each party shall bear the cost of any compensation of employees or payment to contractors engaged in carrying out this Agreement.

9. Fees and Charges

a. Fees

The District may direct costs, as defined in Education Code section 38134(g), to Authorized Users of the District's property, which funds shall be split between the Parties in accordance with which Party primarily bears such direct costs. The City may require Authorized Users of City property to pay any normal user fees and charges for the use of such property.

b. Documentation of Fees

The District shall maintain records of direct costs collected under this Agreement. The

City shall maintain records of user's fees and charges collected under this Agreement. Each party shall provide to the other party an accounting on an annual basis of all fees collected under this Agreement.

10. Improvements

- a. The District shall obtain prior written consent of the City to make any alterations, additions, or improvements to City Property; the City shall obtain prior written consent of the District to make any alterations, additions, or improvements to District Property. The Owner of any Property shall have sole discretion in determining whether to allow any alterations, additions, or improvements to its Property.
- b. Any such alterations, additions, or improvements will be at the expense of the requesting party, unless otherwise agreed upon.
- c. Each party may, at its sole discretion, require the demolition or removal of any alterations, additions, or improvements made by the other party at the expiration or termination of this Agreement.

11. Interagency Training

The District and the City shall be responsible for ensuring their employees receive any training necessary and appropriate to implement this Agreement. The District and the City may, but are not required to invite the other Party to send its relevant employees to any training conducted. In any event that employees of one Party attend any training provided by the other, the party not providing the training shall waive any and all claims arising from or related to such training as against the other Party.

12. Supervision, Security, and Inspections

a. Supervision and Enforcement

Each User shall train as needed and provide an adequate number of competent personnel to supervise all activities on the Owner's Property. The User shall enforce all of the Owner's rules, regulations, and policies while supervising activities or programs on the Owner's Property.

b. Security

The Owner shall provide the User with access to the Owner's Property. The Owner will provide keys, security cards, and training as needed to the User's employee(s) responsible for opening and locking the Owner's Property while supervising activities or programs.

c. Inspection and Notification

The User and Owner shall inspect the Owner's Property after use to ensure that these sites are returned in the condition they were received. The User shall ensure that the

Owner is notified within 24 hours in the event that Owner's Property suffers damage during User's use. Such notification shall consist of sending written notification by letter, facsimile, or email to the Owner's designated employee identifying the damaged property, date of detection, name of inspector, description of damage, and estimated or fixed costs of repair or property replacement.

d. Fingerprinting

Each Party shall ensure, and be solely liable for, for compliance with the provisions of Education Code section 10911.5 by itself and each of its Authorized Users.

13. Supplies

The User shall furnish and supply all expendable materials necessary to carry out its programs while using the Owner's Property.

14. Maintenance, Custodial Services, and Toilet Facilities

a. Maintenance

The Party making Use of, or whose Authorized User makes use of the other Party's Property, shall exercise due care in the use of the Owner's Property. The User shall during the time of its use keep the Owner's Property in neat order.

The Owners shall be responsible for the regular maintenance, repair, and upkeep of their respective Properties in good condition, free of any known or reasonably observable hazardous conditions. Each Owner shall notify the other Party of any known change in condition of any Property that may adversely impact any anticipated Use.

Each User, or Authorized User, shall be responsible for any necessary preparation of Property prior to Use.

b. Custodial

The Owner shall make its trash receptacles available during the User's use of Owner's Property. The User shall encourage community users to dispose of trash in the trash receptacles during City Access Hours.

c. Toilet Facilities

The User shall place temporary, portable, restroom facilities at the Owner's outdoor Properties at the Owner's reasonable discretion. The use shall be the responsibility of the Owner to maintain these facilities.

If toilet facilities are available on a Property they shall be made available to the User.

15. Parking

During hours of use by the City and the District, the City and the District shall make available for public parking the parking facilities listed in Attachment A and B to this Agreement, as appropriate to a given Use.

16. Restitution and Repair

The User shall make restitution for the repair of damage to the Owner's Property during User's use of Owner's Property.

a. Inspection and Notification

The User shall, through its designated employee, inspect and notify the Owner, of any damage, as described above in subsection 12(c).

b. Repairs

Except as mutually agreed, the User shall not cause repairs to be made for any property, facility, building, or item of equipment for which the Owner is responsible. The Owner agrees to make such repairs within the estimated and/or fixed costs agreed upon. If it is mutually determined or if it is the result of problem-resolution under section 16(d) of this Agreement that the User is responsible for the damage, then the User agrees to reimburse the Owner at the estimated and/or fixed costs agreed upon.

c. Reimbursement Procedure

The Owner shall send an invoice to the User's designated employee within seven (7) days of completion of repairs or replacement of damaged Property. The invoice shall itemize all work hours, equipment, and materials with cost rates as applied to the repair work. If the repair is completed by a contractor, a copy of the contractor's itemized statement shall be attached. Actual costs shall be reimbursed if less than estimated and/or fixed costs. The User shall reimburse the Owner within thirty (30) days from receipt of such invoice.

d. Disagreements

The User shall retain the right to disagree with any and all items of damage to buildings or equipment as identified by the Owner, provided this disagreement is made within seven (7) days after a first notification.

- i The User shall notify the Owner of any disagreements in writing by letter, facsimile, or email to the Owner's designated employee. The User shall clearly identify the reasons for refusing responsibility for the damages. Failure to make the disagreement within the prescribed time period shall be considered as an acceptance of

responsibility by the User.

- ii After proper notification, members of the Joint Use Interagency Team, or other designated representatives of the City and District, shall make an on-site investigation and attempt a settlement of the disagreement.
- iii In the event an agreement cannot be reached, the matter shall be referred to the City Manager and School Superintendent, or their designees, for resolution and recommendation thereon to their respective governing body.
- iv The Owner shall have the right to make immediate emergency repairs or replacements of Property without voiding the User's right to disagree.

17. Liability and Indemnification

- a. The City shall defend, indemnify, and hold the District, its officers, employees and agents, harmless from and against any and all liability, loss, expense, attorneys' fees or claims for injury or damages, arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury are caused by or result from the negligent or intentional acts or omissions of the City, its officers, agents or employees.
- b. The District shall defend, indemnify, and hold the City, its officers, employees and agents, harmless from and against any and all liability, loss, expense, attorneys' fees or claims for injury or damages, arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury are caused by or result from the negligent or intentional acts or omissions of the District, its officers, agents or employees.
- c. The District and the City agree to provide the following insurance in connection with this Agreement, which may be provided by and through the Party's existing non-commercial risk coverage.
- d. Commercial General Liability for bodily injury and property damage, including Personal Injury and Blanket Contractual, with limits of \$1,000,000.00 (one Million dollars) per occurrence.

18. Termination

This Agreement may be terminated at any time prior to its expiration, for any reason upon 45 days written notice.

19. Entire Agreement

This Agreement constitutes the entire understanding between the parties with respect to the subject matter and supersedes any prior negotiations, representations, agreements, and

understandings.

20. Amendments

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

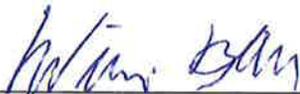
“City”

“District ”

CITY OF GUSTINE

GUSTINE UNIFIED SCHOOL DISTRICT

By: _____
Douglas Dunford, City Manager

By:  _____
Dr. William Barr, Interim Superintendent



CITY COUNCIL AGENDA ITEM

NOVEMBER 21, 2017

PREPARED BY: Doug Dunford, City Manager
Jami Westervelt, Finance Director

SUBJECT: Pavement Management System Cost Share Agreement

BACKGROUND/DISCUSSION

Through the passing of Measure V by Merced County voters and the availability of SB1 funding, the City expects to have additional funding available for transportation for the first time in a very long time. As funding has not been available to do any projects in the recent past, it also has not been available to gather any data to best inform those decisions either.

Our regional transportation planning agency, Merced County Association of Governments, approached jurisdictions with the possibility of implementing a pavement management system county wide.

Pavement management systems have been used for some time as a tool to assist decision-makers in developing and evaluating project lists. The system is based on condition data of the pavement – multiple distresses are measured and composite indices like PCI (pavement condition index) are measured. The data is used by pavement management software which considers the conditions, available funds, and treatment options to provide information to decision-makers. It is a useful tool for objectively assessing street conditions and scheduling maintenance.

The data provided is generally used by funders as well and is an item that is asked for on some funding applications. The General Plan update of 2002 identified a PMS system as a goal for the City but City finances have prohibited implementation to this point. The City of Gustine has neither a pavement management system nor recent pavement condition statistics on file.

Based on feedback from member cities, MCAG is leading the process to secure the vendor and set up the system. The costs associated would be split between each of the member jurisdictions in the County.

Attached is the cost sharing agreement from MCAG for the system. The agreement calls for data collection on 21 Centerline Miles for the City of Gustine. Once complete, the project will provide eight populated, pavement management systems—one for each jurisdiction and two years of maintenance. The agreement includes training for the jurisdictions on the system.

FISCAL IMPACT

The shared cost for the Pavement Data Collection and the two years of technical support, between the jurisdictions total, will be \$301,381 and the total project is \$501,381 (MCAG is contributing \$200,000 from its funding).

The cost to member jurisdictions is being split based upon average of collected pavement miles and population per jurisdiction. The cost share being requested from the City of Gustine total, for both elements, is \$3,656.76. The City has available funding sources for this expense, including Measure V and Gas tax funds.

RECOMMENDATION

Consider authorizing the execution of the attached paving management system cost share agreement with MCAG.

EXHIBIT(S):

- A) Cost Sharing/Funding Agreement- Pavement Management System Data Collection and Software

**COST SHARING/FUNDING AGREEMENT
PAVEMENT MANAGEMENT SYSTEM
DATA COLLECTION AND SOFTWARE**

THIS AGREEMENT, is made and entered into this ____ day of _____, 2017, by and between the **City of Gustine**, a municipal corporation, (hereinafter referred to as "CITY") and the **Merced County Association of Governments**, a California joint powers authority (hereinafter referred to as "MCAG").

WITNESSETH THAT :

WHEREAS, the City and MCAG have a mutual interest in the Pavement Management System Project (Project); and,

WHEREAS, MCAG has issued a Request for Proposals and will award Dynatest North America, Inc. a contract to perform the Project services as described herein; and

WHEREAS, the Project includes the automated collection of pavement condition data, the integration and setup of that collected data into eight (8) pavement management systems: one (1) countywide system with all pavement data loaded for the entire street/road network; seven (7) individual jurisdictional systems with all pavement data loaded for their respective street/road networks, and two additional years of technical support; and,

WHEREAS, the Project will include the cost for the pavement data collection, in the total amount of \$294,931.00, and the cost for the eight (8) pavement management systems and two additional years of technical support, in the total amount of \$206,450.00; as set forth in the proposal of Dynatest North America, Inc.; and,

WHEREAS, MCAG shall contribute \$200,000.00 towards the pavement data collection cost; and,

WHEREAS, the balance of the pavement data collection cost, in the amount of \$94,931.00, shall be apportioned amongst the seven (7) member jurisdictions based on collected pavement miles per jurisdiction as set forth in the following Table 1; and,

Table 1: Cost Sharing for Pavement Data Collection

Member Jurisdiction	Centerline Miles	Miles Requiring Additional Pass	Juris. % of Total Miles	Juris. Share of Pavement Data Collection Cost
City of Atwater	84	13	97 (3.7%)	3,540.29
City of Dos Palos	25	0	25 (1.0%)	912.45
City of Gustine	21	0	21 (0.8%)	766.46
City of Livingston	38	5	43 (1.7%)	1,569.41
City of Los Banos	123	32	155 (6.0%)	5,657.17
City of Merced	305	23	328 (12.6%)	11,971.31
County of Merced	1,756	(~10%) 176	1,932 (74.3%)	70,513.91
Total Miles	2,352	249	2,601 (100%)	\$ 94,931.00

WHEREAS, the cost for the pavement management systems and two additional years of technical support, in the amount of \$206,450.00, shall be apportioned amongst the seven (7) member jurisdictions based on the average of collected pavement miles and population per jurisdiction as set forth in the following Table 2; and,

Table 2: Cost Sharing for Pavement Management Systems

Member Jurisdiction	Juris. % of Total Miles	Juris. Pop. % DOF 1/2017	Average %	Juris. Share of Cost for Pavement Mgt. Systems
City of Atwater	97 (3.7%)	30,406 (11.1%)	7.4%	15,277.30
City of Dos Palos	25 (1.0%)	5,391 (2.0%)	1.4%	2,890.30
City of Gustine	21 (0.8%)	5,886 (2.1%)	1.4%	2,890.30
City of Livingston	43 (1.7%)	13,947 (5.1%)	3.4%	7,019.30
City of Los Banos	155 (6.0%)	39,993 (14.6%)	10.3%	21,264.35
City of Merced	328 (12.6%)	84,464 (30.8%)	21.7%	44,799.65
County of Merced	1,932 (74.3%)	94,578 (34.4%)	54.4%	112,308.80
Totals	2,601	274,664	100%	\$ 206,450.00

1. COSTS, PAYMENT, AND ADMINISTRATION

MCAG shall contribute \$200,000.00 from its 2017/18 budget to the funding of the Project. CITY agrees to pay **\$3,656.76**, as its apportioned share of the total Project cost. Any additional costs associated with the Project shall be apportioned between the seven (7) jurisdictions pursuant to the formulas set forth in Tables 1 and 2 above. Any additional services specific to a member jurisdiction shall be the financial responsibility of the member jurisdiction making the request.

All funds received by MCAG shall be deposited into a special account that shall be administered exclusively for the Project, in accordance with the terms of this Agreement and the payment terms of the professional services agreement between MCAG and Dynatest North America, Inc. Each jurisdiction shall have the right to inspect all records associated with said special account upon reasonable notice to MCAG. In the event that the Project is terminated prematurely, any funds remaining in the special account shall be refunded to the jurisdictions based on the funding apportionment mechanisms identified in Tables 1 and 2 above.

2. DESCRIPTION OF PROJECT

The Project includes the automated collection of pavement condition data among the seven (7) member jurisdictions, the integration and setup of that collected data into eight (8) pavement management systems: one (1) countywide system will all pavement data loaded for the entire street/road network and seven (7) individual jurisdictional systems loaded with their respective street/road networks, and two additional years of technical support.

3. NOTICES

All notices, requests, demands or other communications under this Contract shall be in writing. Notice shall be sufficiently given for all purposes as follows:

- A. Personal Delivery. When personally delivered to the recipient, notice is effective upon delivery.
- B. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
- C. Certified Mail. When mailed by certified mail, return receipt requested, notice is effective upon receipt, if delivery is confirmed by a return receipt.
- D. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
- E. Facsimile Transmission. When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective upon receipt, provided that: a) a duplicate copy of the notice is promptly given by first class mail or certified mail or by overnight delivery, or b) the receiving party delivers a written confirmation of receipt. Any notice given by fax shall be deemed received on the next business day if received after 5:00 P.M. (recipient's time) or on a non-business day.

Any correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messengers or overnight delivery service.

Information for notice to the parties to this Contract at the time of endorsement of this Contract is as follows:

CITY	MCAG
Douglas Dunford	
City of Gustine	Patrick Pittenger
P.O. Box 16	369 W. 18 th Street
Gustine, CA 95322	Merced, CA 95340
(209) 854-6471	(209) 723-3153
(209) 854-2127 (fax)	(209) 723-0322 (fax)
ddunford@cityofgustine.com	patrick.pittenger@mcagov.org

Any party may change its contact information by giving the other party notice of the change in any manner permitted by this Contract.

4. COMPLETENESS OF AGREEMENT

This Agreement and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of the Agreement or any part thereof shall have any validity or bind any of the parties hereto.

5. WAIVER OF TERMS

No waiver of any term, condition, or covenant of this Agreement, by either party shall be deemed as a waiver of any other term, condition, or covenant herein contained, nor of the strict and prompt performance thereof.

6. MODIFICATION OF AGREEMENT

Notwithstanding any of the provisions of the Agreement, the parties hereafter, by mutual consent, may agree to modifications hereof or additions hereto, in writing, which are not forbidden by law.

7. COPIES OF AGREEMENT

This Agreement is executed in counterparts, each of which shall be deemed a duplicate original.

CITY OF GUSTINE

MCAG

By _____

By _____
Executive Director

Date _____

Date _____

APPROVED AS TO FORM
CITY COUNSEL

APPROVED AS TO FORM
MCAG COUNSEL

By _____
Legal Counsel

By _____
Legal Counsel