

# July 10, 2023 – City Council Regular Meeting – 7:00 p.m.



City Council Chamber  
390 Towne Centre Drive  
Lathrop, California  
(209) 941-7200  
[www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us)

## City Council

Sonny Dhaliwal, Mayor  
Paul Akinjo, Vice Mayor  
Minnie Diallo  
Diane Lazard  
Jennifer Torres-O'Callaghan

## City Staff

Stephen Salvatore, City Manager  
Salvador Navarrete, City Attorney  
Michael King, Assistant City Manager  
Teresa Vargas, Government Services  
Director / City Clerk  
Brad Taylor, City Engineer  
Tony Fernandes, Information Systems Director  
Cari James, Finance Director  
Juliana Burns, Human Resources Director  
Rick Caguiat, Community Development  
Director  
Todd Sebastian, Parks, Recreation and  
Maintenance Services Director  
Raymond Bechler, Chief of Police

## General Order of Business

1. Preliminary
  - Call to Order
  - Closed Session
  - Roll Call
  - Invocation
  - Pledge of Allegiance
  - Announcements by Mayor/City Mgr.
  - Informational Items
  - Declaration of Conflict of Interest
2. Presentations
3. Citizen's Forum
4. Consent Calendar
5. Scheduled Items
  - Public Hearings
  - Appeals
  - Referrals and Reports from Commissions and Committees
  - All Other Staff Reports and/or Action Items
  - Study Sessions
6. Council Communications
7. Adjournment

## Order of Discussion

Generally, the order of discussion after introduction of an item by the Mayor will include comments and information by staff followed by City Council questions and inquiries. The applicant, or their authorized representative, or interested residents, may then speak on the item; each speaker may only speak once to each item. At the close of public discussion, the item will be considered by the City Council and action taken.

## Consent Calendar

Items on the Consent Calendar are considered routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a Councilmember or interested resident so requests, in which case the item will be removed from the Consent Calendar and considered separately.



**July 10, 2023 – Regular Meeting Agenda – 7:00 p.m.**



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See Reverse

## **IMPORTANT NOTICE REGARDING THIS MEETING**

This public meeting will be conducted in person; all members of the City Council will attend in person. Members of the public are welcomed in person. This meeting will also be available for public participation by teleconference via ZoomGov at the following link:

**<https://www.zoomgov.com/j/1619689329?pwd=RndqV2NKM2djQkhFSGREb1gvN0pYQT09>**

- ✦ During the meeting, those joining by ZoomGov, will be allowed to speak prior to the close of public comment on an item. If you are using this method, please "raise the hand" feature to inform the City Clerk (meeting host) you wish to speak on the matter. Please ensure your computer speaker and microphone are fully functional.
- ✦ For audio / calling in only, dial: +1 (669) 254-5252 or +1 (669) 216-1590
  - To request to speak (same as the "raise hand" feature) press \*9 / When the City Clerk calls your name, press \*6 to unmute.
- ✦ Meeting Webinar ID: 161 968 9329 / Passcode: 386323
- ✦ If you are not able to attend the meeting in person or virtually - Public comment/questions will be accepted by email to City Clerk Teresa Vargas at [website cco@ci.lathrop.ca.us](mailto:cco@ci.lathrop.ca.us) or by calling (209) 941-7230
- ✦ Questions or comments must be submitted by 4:00 p.m., on the day of the meeting.
- ✦ To address City Council in person, please submit a purple card to the City Clerk indicating name, address, and number of the item upon which a person wishes to speak.

Council Meetings are live-streamed (with Closed Captioning) on Comcast Cable Channel 97, and on the City Council Webpage: <https://www.ci.lathrop.ca.us/citycouncil/page/live-stream>

### **Addressing the Council**

Any person may speak once on any item under discussion by the City Council after receiving recognition by the Mayor. Purple speaker cards will be available prior to and during the meeting. To address City Council, a card must be submitted to the City Clerk indicating name, address and number of the item upon which a person wishes to speak. When addressing the City Council, please walk to the lectern located in front of the City Council. State your name and address. In order to ensure all persons have the opportunity to speak, a time limit will be set by the Mayor for each speaker (see instructions on speaker form). In the interest of time, each speaker may only speak once on each individual agenda item; please limit your comments to new material; do not repeat what a prior speaker has said. If you challenge the nature of a proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

## **Citizen's Forum**

Any person desiring to speak on a matter, which is not scheduled on this agenda, may do so under the Citizen's Forum section. Please submit your purple speaker card to the City Clerk prior to the commencement of Citizen's Forum, or submit your request to speak via the "raise hand" feature in ZoomGov. Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen's Forum will be called upon to speak. Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item, which does not appear on the agenda, unless the item meets stringent statutory requirements. The Mayor will limit the length of your presentation (see instructions on speaker form) and each speaker may only speak once on this agenda item. Please note, the Council Chamber has limited occupancy due to social distancing.

To leave a voice message for all Councilmembers simultaneously, dial (209) 941-7230. To send an e-mail for Councilmembers simultaneously email: [citycouncil@ci.lathrop.ca.us](mailto:citycouncil@ci.lathrop.ca.us). This City Council Agenda and meeting materials can be accessed by computer or any smart device at: <https://www.ci.lathrop.ca.us/meetings>

## **General Information**

For reports citing supplemental documents relating to specific agenda items, these are available for review in the City Clerk's Office. This agenda was posted at the following locations: City Hall, Community Center, Generations Center, Senior Center, and the Lathrop-Manteca Fire District "J" Street and Somerston Parkway Offices. The meetings of the Lathrop City Council are broadcast on Lathrop Comcast Cable Television Channel 97 and live streamed on the City's website.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility and/or accommodations to this meeting. [28 CFR 35.102-35.104 ADA Title II] Interested persons must request the accommodation at least 2 working days in advance of the meeting by contacting the City Clerk at (209) 941-7230. Information about the City or items scheduled on the Agenda may be referred to:

Teresa Vargas, MMC  
Government Services Director / City Clerk  
390 Towne Centre Drive  
Lathrop, CA 95330  
Telephone: (209) 941-7230



**CITY OF LATHROP  
CITY COUNCIL REGULAR MEETING  
MONDAY, JULY 10, 2023  
7:00 P.M.  
COUNCIL CHAMBER, CITY HALL  
390 Towne Centre Drive  
Lathrop, CA 95330**

**AGENDA**

**PLEASE NOTE: There will be a Closed Session commencing at 5:45 p.m. The Regular Meeting will reconvene at 7:00 p.m., or immediately following the Closed Session, whichever is later.**

**1. PRELIMINARY**

1.1 CALL TO ORDER

1.2 CLOSED SESSION

1.2.1 CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation - Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)

- Potential Case(s)

1.2.2 CONFERENCE WITH REAL PROPERTY NEGOTIATIONS: Pursuant To Government Code Section 54956.8

Property: APNs 192-020-44 & 192-020-45

Agency Negotiator: Stephen Salvatore, City Manager

Negotiation Parties: Saybrook, CLSP, LLC

Under Negotiation: Price and Terms of Negotiations

1.2.3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION: Pursuant to Government Code Section 54957

- City Attorney
- City Manager

**RECONVENE**

1.2.4 REPORT FROM CLOSED SESSION

1.3 ROLL CALL

1.4 INVOCATION

1.5 PLEDGE OF ALLEGIANCE

1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

- 1.7 INFORMATIONAL ITEM(S) – None
- 1.8 DECLARATION OF CONFLICT(S) OF INTEREST

**2. PRESENTATIONS**

- 2.1 PRESENTATION OF ARTWORK DONATION FROM THE MARTIN FAMILY TO THE LATHROP MAYOR’S ART SHOW AND SALE COMMITTEE
- 2.2 PRESENTATION OF CERTIFICATES OF APPRECIATION TO THE LATHROP-MANTECA FIRE DEPARTMENT, AND CITY OF LATHROP PUBLIC WORKS, POLICE, AND PARKS, RECREATION & MAINTENANCE SERVICES DEPARTMENTS FOR THEIR INVOLVEMENT IN THE PREPARATION OF THE ANNUAL JULY 1 CELEBRATION EVENT
- 2.3 PROCLAMATION DECLARING JULY 2023 AS PARKS AND RECREATION MONTH
- 2.4 QUARTERLY ECONOMIC DEVELOPMENT PRESENTATION
- 2.5 POLICE DEPARTMENT PRESENTATION REGARDING PRIORITY ONE CALL TYPES AND UPDATED RESPONSE TIMES

**3. CITIZEN’S FORUM**

Any person desiring to speak on a matter, which is not scheduled on this agenda, may do so under Citizen’s Forum. Please submit a purple speaker card to the City Clerk prior to the commencement of Citizen’s Forum. Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen’s Forum will be called upon to speak. Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item, which does not appear on the agenda, unless the item meets stringent statutory requirements. The City Council can, however, allow its members or staff to briefly (no more than five (5) minutes) respond to statements made, to ask questions for clarification, make a brief announcement or report on his or her own activities. (See California Government Code Section 54954.2(a)). Unless directed otherwise by a majority of the City Council, all questions asked and not answered at the meeting will be responded to in writing within 10 business days. ALL PUBLIC COMMENTS MUST BE MADE IN COMPLIANCE WITH THE LATHROP CITY COUNCIL HANDBOOK OF RULES AND PROCEDURES!

**4. CONSENT CALENDAR**

Items on the Consent Calendar are considered routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless the Mayor, Councilmember, or citizen so requests, in which event the item will be removed from the Consent Calendar and considered separately.

- 4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS  
Waive the Reading in Full of Ordinances and Resolutions on Agenda and Adopt by Reading of Title Only, Unless Otherwise Requested by the Mayor or a Councilmember
- 4.2 APPROVAL OF MINUTES  
Approve Minutes for the Regular Council Meeting of June 12, 2023
- 4.3 SECOND READING AND ADOPTION OF ORDINANCE 23-446 OF THE CITY COUNCIL OF THE CITY OF LATHROP LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)  
Waive Full Reading and Adopt Ordinance 23-446 Levying Special Taxes within City Of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2)
- 4.4 APPROVE UPDATES TO THE PERSONNEL RULES AND REGULATIONS  
Adopt Resolution to Approve Updates to the Personnel Rules and Regulations
- 4.5 APPROVE THE CREATION OF A DEPUTY CITY MANAGER POSITION  
Adopt Resolution Creating a Deputy City Manager Position at Grade 90, Approving the Job Description, Updating the Grade Step Table, Unfunding the Deputy Finance Director Position, and Approving the Related Budget Amendment
- 4.6 APPROVE OUT OF STATE TRAVEL FOR TWO (2) LATHROP POLICE DEPARTMENT SCHOOL RESOURCE OFFICERS TO ATTEND THE G.R.E.A.T OFFICER TRAINING IN JULY 2023  
Adopt Resolution Approving Out of State Travel for Two (2) Lathrop Police Department School Resource Officers to Attend the Gang Resistance Education and Training (G.R.E.A.T) Officer Training in Scottsdale, Arizona from July 24, 2023 to July 28, 2023
- 4.7 APPROVE PROFESSIONAL SERVICES AGREEMENT WITH SOLID NETWORKS INC. FOR INFORMATION TECHNOLOGY MAINTENANCE AND SUPPORT SERVICES  
Adopt Resolution Approving a Professional Services Agreement with Solid Networks, Inc. for Information Technology Maintenance and Support Services
- 4.8 APPROVE PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT & WATER, INC., FOR PFAS IN GROUNDWATER STUDY, CIP PW 20-16 GROUNDWATER TREATMENT IMPROVEMENTS

Adopt Resolution Approving a Professional Services Agreement with EKI Environment & Water, Inc., for PFAS Characterization and Evaluation of Planned PFAS Treatment for CIP PW 20-16 Groundwater Treatment Improvements

- 4.9 APPROVE PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT & WATER, INC., FOR MONITORING WELL NETWORK ABANDONMENT FOR CIP RW 24-16 RECYCLED WATER SYSTEM DECOMMISSIONING AND BUDGET AMENDMENT

Adopt Resolution Approving a Professional Services Agreement with EKI Environment & Water, Inc., for Monitoring Well Network Abandonment for CIP RW 24-16 Recycled Water System Decommissioning and Budget Amendment

- 4.10 APPROVE WASTEWATER TREATMENT CAPACITY TRANSFER FROM SOUTH LATHROP LAND, LLC TO D.R. HORTON, INC. THROUGH THE CITY  
Adopt Resolution Approving the Transfer of Wastewater Treatment Capacity in the Consolidated Treatment Facility from South Lathrop Land, LLC to D.R. Horton, Inc. through the City and an Associated Transfer Agreement

- 4.11 RATIFY CITY MANAGER'S APPROVAL OF AN AGREEMENT WITH SOLID NETWORKS, INC. FOR EQUIPMENT REQUIRED FOR THE CAD-RIMS TRANSFER PROJECT

Adopt Resolution Ratifying the City Manager's Approval of an Agreement with Solid Networks, Inc. for Equipment Required for CAD-RIMS Transfer Project

- 4.12 ACCEPT INTERSECTION IMPROVEMENTS ASSOCIATED WITH THE SIA FOR PM 19-03 FROM LATHROP GATEWAY 1, LLC, LOCATED AT THE INTERSECTION OF MCKINLEY AVENUE AND YOSEMITE AVENUE

Adopt Resolution Accepting Intersection Improvements Associated with the Subdivision Improvements Agreement for Parcel Map 19-03 from Lathrop Gateway 1, LLC, Located at the Intersection of McKinley Avenue and Yosemite Avenue

- 4.13 ACCEPT STREET LANDSCAPE IMPROVEMENTS LOCATED ON BARBARA TERRY BOULEVARD AND STANFORD CROSSING FROM LATHROP LAND ACQUISITION LLC

Adopt Resolution Accepting Street Landscape Improvements on Barbara Terry Boulevard and Stanford Crossing Related to Encroachment Permit Number 2022-16 from Lathrop Land Acquisition LLC

- 4.14 ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY MARINA LANDSCAPE FOR APOLINAR SANGALANG PARK IMPROVEMENTS, CIP PK 20-18

Adopt Resolution Accepting Public Improvements Constructed by Marina Landscape, Inc. for the Apolinar Sangalang Park Improvements, CIP PK 20-18, Authorize the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds

4.15 ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR FISCAL YEAR 2022/23 CITYWIDE ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45 AND APPROVE BUDGET AMENDMENT  
Adopt Resolution Accepting Public Improvements Constructed by George Reed, Inc. for Fiscal Year 2022/23 Citywide Road Maintenance and Rehabilitation, CIP PS 22-45, Authorize the Filing of a Notice of Completion, Release of Contract Retention, Release of Performance and Payment Bonds, and Approve Budget Amendment

4.16 ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN CONSTRUCTION CORPORATION FOR THE CTF DECHLORINATION FACILITY, ASSOCIATED WITH CIP WW 20-17 RECYCLED WATER RIVER DISCHARGE PROJECT  
Adopt Resolution Accepting Public Improvements Constructed by Cushman Construction Corporation for the CTF Dechlorination Facility, Associated with CIP WW 20-17 Recycled Water River Discharge Project, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds

4.17 REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVENUE AND MCKINLEY AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND RE-ADVERTISE FOR BIDS  
Adopt Resolution to Reject All Bids for Construction of Louise Avenue and McKinley Avenue Intersection Improvements, CIP PS 15-02 and Authorize Staff to Re-Advertise for Bids

***RIVER ISLANDS DEVELOPMENT CONSENT ITEM(S)***

4.18 ADOPT 2023 ADEQUATE PROGRESS FINDING TOWARD PROVISION OF 200-YEAR URBAN LEVEL OF FLOOD PROTECTION FOR ISLAND RECLAMATION DISTRICT 2062 (RIVER ISLANDS PHASES 1 AND 2)  
Adopt Resolution Adopting 2023 Adequate Progress Findings Toward Providing a 200-Year Urban Level of Flood Protection in Phases 1 and 2 Levees of Island Reclamation District 2062 by the Year 2025, Acting as the Land Use Agency



## **5. SCHEDULED ITEMS**

- 5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTING AN ORDINANCE TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM AND ADOPTING RESOLUTION TO APPROVE A JOINT POWERS AGREEMENT WITH EAST BAY COMMUNITY (EBCE) AUTHORITY TO PROVIDE ELECTRIC SERVICES IN THE CITY OF LATHROP  
City Council to Consider the Following:
1. Hold a Public Hearing; and
  2. First Reading and Introduction of an Ordinance to Implement a Community Choice Aggregation Program to Provide Electric Services in the City of Lathrop
  3. Adopt Resolution to Approve a Joint Powers Agreement with East Bay Community (EBCE) Authority to Provide Electric Services in the City of Lathrop
- 5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER FISCAL YEAR 2023-24 ASSESSMENTS FOR THE LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 93-1 WOODFIELD PARK MAINTENANCE ZONE  
Council to Consider the Following:
1. Hold a Public Hearing; and
  2. Adopt Resolution Amending and/or Approving the Final Engineer's Report and Ordering the Levy and Collection of Assessments for the Landscape and Lighting Maintenance District No. 93-1 Woodfield Park Maintenance Zone for FY 2023-24; Proposed Annual Assessment for Fiscal Year 2023-24 not to exceed \$123.90
- 5.3 APPOINTMENT OF VOTING DELEGATE/ALTERNATE FOR 2023 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE  
Approve Appointment of the City's Voting Delegate and Alternate for the 2023 League of California Cities Annual Conference, September 20-22, 2023, at the Sacramento SAFE Credit Union Convention Center
- 5.4 PROVIDE DIRECTION FOR HISTORIC LATHROP BEAUTIFICATION AND CREATE CIP GG 24-23  
Adopt Resolution Creating CIP GG 24-23 Historic Lathrop Beautification Project and Approving Related Budget Amendment

## **6. COUNCIL COMMUNICATIONS**

### **6.1 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)**

- *Central Valley Executive Committee/LOCC (Akinjo/Diallo)*
- *Council of Governments (Lazard/Diallo)*
- *Integrated Waste Management Solid Waste Division (Akinjo/Torres-O'Callaghan)*
- *Reclamation District 17 Joint Powers Authority (Salvatore)*
- *San Joaquin Partnership Board of Directors (Salvatore)*
- *San Joaquin County Commission on Aging (Ince)*
- *San Joaquin Valley Air Pollution Control District (Akinjo/Dhaliwal)*
- *Water Advisory Board (Torres-O'Callaghan/Lazard)*
- *Tri Valley-San Joaquin Valley Regional Rail Authority (Akinjo)*
- *San Joaquin Area Flood Control Agency (Akinjo/Lazard/Torres-O'Callaghan)*
- *LAFCo (Diallo)*

### **6.2 MAYOR & COUNCILMEMBER COMMENT(S)**

## **7. ADJOURNMENT**

*/Teresa Vargas/*

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Teresa Vargas, MMC  
Government Services Director  
City Clerk

**CITY OF LATHROP  
CITY COUNCIL REGULAR MEETING  
MONDAY, JUNE 12, 2023  
7:00 P.M.  
COUNCIL CHAMBER, CITY HALL  
390 Towne Centre Drive  
Lathrop, CA 95330**

**MINUTES**

**PLEASE NOTE: There was no Closed Session. The Regular Meeting commenced at 7:08 p.m.**

**1. PRELIMINARY**

1.1 CALL TO ORDER – Mayor Dhaliwal called the meeting to order at 7:08 p.m.

1.2 ROLL CALL Present: Mayor Dhaliwal; Vice Mayor Akinjo; and Councilmembers: Diallo, Lazard and Torres-O’Callaghan.

Absent: None.

1.3 INVOCATION – Pastor Nathaniel Camarena, Abundant Life Center Church, provided the invocation.

1.4 PLEDGE OF ALLEGIANCE – Pastor Camarena led the pledge of allegiance.

1.5 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

City Manager Stephen Salvatore announced the appointment of Rick Caguiat to Community Development Director; announced the grant award from the California Public Utilities Commission for the City’s Broadband Infrastructure Master Plan Project to serve the Eastside of Lathrop; and grant award through the Urban Community Drought Relief Grant Program, administered by the Department of Water Resources, for the Aquifer Storage and Recovery Project.

1.6 INFORMATIONAL ITEM(S) – NONE

1.7 DECLARATION OF CONFLICT(S) OF INTEREST

Councilmember Lazard declared conflict of interest with Items 4.15, 4.16 and 5.1, due to her employment with Dell’Osso Farms. Councilmember Diallo declared conflict of interest with Items 4.15, 4.16, and 5.1, due to an agreement with the River Islands Development.

## **2. PRESENTATIONS**

### **2.1 RECOGNITION OF LATHROP HIGH SCHOOL PRINCIPAL GREG LELAND FOR 38 YEARS OF SERVICE AS A DEVOTED EDUCATOR AND SCHOOL ADMINISTRATOR**

Vice Mayor Akinjo, on behalf of the City Council, presented a certificate of recognition to outgoing Lathrop High School Principal Greg Leland for 38 years of service as a devoted educator and school administrator.

### **2.2 RECOGNITION OF BENNIE GATTO FOR 34 YEARS OF EXCEPTIONAL PUBLIC SERVICE TO THE CITY OF LATHROP COMMUNITY**

Councilmember Lazard, on behalf of the City Council, presented a certificate of recognition to devoted longtime resident Bennie Gatto for 34 years of exceptional public service to the City of Lathrop community in the capacities of Mayor, Vice Mayor, and Planning Commissioner.

### **2.3 PROCLAMATION DECLARING JUNE 2023 AS PRIDE MONTH**

Councilmember Torres-O'Callaghan on behalf of the City Council presented a proclamation declaring June 2023 as Pride Month.

### **2.4 PROCLAMATION DECLARING JUNE 19, 2023 AS CELEBRATION OF JUNETEENTH NATIONAL FREEDOM DAY**

Councilmember Diallo on behalf of the City Council presented a proclamation declaring June 19, 2023, as celebration of Juneteenth National Freedom Day.

### **2.5 PRESENTATION REGARDING UTILITY PAYMENT LATE FEES AND WATER SERVICE DISCONNECT/ RECONNECT FEES**

Deputy Finance Director Thomas Hedegard provided the presentation, which included information related to utility payment late fees, water service disconnect / reconnect fees, resources available to the public, explanation of the funds collected through late fees and the Enterprise Fund, and a fee comparison between other nearby local jurisdictions. A question and answer period followed the presentation. City Attorney Salvador Navarrete, Finance Director Cari James, City Manager Stephen Salvatore provided additional information.

Christina Campoy-Laughlin (zoom speaker) requested information related to the percentage of monthly late fees from recipients of the CARE Program. The City Council directed staff to bring back an item for formal City Council action, including a rate study discussion.

### 3. CITIZEN'S FORUM

City Clerk Teresa Vargas announced public comment email received from Christina Campoy-Laughlin regarding the school lunch backpack giveaway. Ms. Campoy-Laughlin (via zoom) elaborated on her request for information related to the school lunch backpack giveaway. Councilmember Torres-O'Callaghan provided additional information regarding the school program. Gavin Cline (in person speaker), Legislative Representative for Congress Member John Duarte, provided an overview of various legislative updated and activities for California's 13th District. Jim Hilson (in person speaker) commented on the city's sewer rates. Adriana Lopez (in person speaker) commented on illegal parking and overall traffic enforcement on all traffic issues and violations. Reynna Camarena (in person speaker) commented on late fees for utility accounts, programs to assist low-income families, including seniors and veterans on fixed incomes.

### 4. CONSENT CALENDAR

On a motion by Mayor Dhaliwal, seconded by Councilmember Lazard, the City Council approved the Consent Calendar, Items 4.1 through 4.13, by the following roll call vote, unless otherwise indicated:

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan and Dhaliwal  
Noes: None  
Absent: None  
Abstain: \*Akinjo (Item 4.2 only); Diallo (Item 4.2 only)

*\*Vice Mayor Akinjo and Councilmember Diallo abstained from voting on Item 4.2, due to their absence during the May 8, 2023, Consolidated Meeting.*

On a motion by Vice Mayor Akinjo, seconded by Councilmember Lazard, the City Council approved Item 4.14 of the Consent Calendar, by the following roll call vote, unless otherwise indicated:

Ayes: Diallo, Lazard, Torres-O'Callaghan and Akinjo  
Noes: None  
Absent: None  
Abstain: \*\*Dhaliwal

*\*\*Mayor Dhaliwal abstained from voting on Item 4.14, due to his residence within the Landscape and Lighting Maintenance District No. 93-1 (Woodfield Park Maintenance Zone Area).*

#### 4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS

Waived the reading in full of ordinances and resolutions on agenda and adopt by reading of title only, unless otherwise requested by the Mayor or a Councilmember.

#### 4.2 APPROVAL OF MINUTES

*\*Vice Mayor Akinjo and Councilmember Diallo abstained from voting on Item 4.2 due to their absence during the May 8, 2023, Consolidated Meeting.*

Approved Minutes for the Regular Council Meeting of April 10, 2023, and Consolidated Meeting of May 8, 2023.

#### 4.3 AWARD AGREEMENT TO THE MANTECA BULLETIN FOR PUBLICATION OF LEGAL ADVERTISEMENTS

Pulled by Councilmember Torres-O'Callaghan. A question and answer ensued. City Clerk Teresa Vargas provided additional information regarding potential bidders from nearby adjudicated newspapers.

Adopted **Resolution 23-5298** awarding an Agreement to the Manteca Bulletin for publication of legal advertisements for the period of July 1, 2023 through June 30, 2024.

#### 4.4 AWARD CONSTRUCTION CONTRACT TO D.L. FALK CONSTRUCTION, INC. FOR THE LATHROP POLICE DEPARTMENT PROPERTY AND EVIDENCE BUILDING ASSOCIATED WITH CIP GG 21-13 CORPORATION YARD IMPROVEMENTS

Adopted **Resolution 23-5299** awarding a Construction Contract to D.L. Falk Construction, Inc. for the Lathrop Police Department Property and Evidence Building, associated with CIP GG 21-13, Corporation Yard Improvements.

#### 4.5 AWARD CONSTRUCTION CONTRACT TO STOCKBRIDGE GENERAL CONTRACTING, INC. FOR SHILLING AVENUE BASIN PARK, CIP PK 22-34 AND APPROVE BUDGET AMENDMENT

Pulled by Councilmember Diallo. A question and answer ensued. City Engineer Brad Taylor provided additional information regarding a design map for the park improvements.

Adopted **Resolution 23-5300** awarding a Construction Contract to Stockbridge General Contracting, Inc. for the Shilling Avenue Basin Park, CIP PK 22-34, and approving budget amendment.

4.6 DECLARE END OF DROUGHT EMERGENCY AND DISCONTINUE LEVEL 2 WATER SHORTAGE RESPONSE ACTIONS OF THE CITY OF LATHROP WATER SHORTAGE CONTINGENCY PLAN

Pulled by Councilmember Akinjo. A question and answer ensued. City Engineer Brad Taylor provided additional information regarding the end of the drought emergency and reverting to Level 1 response actions.

Adopted **Resolution 23-5301** declaring the end of the Drought Emergency and Discontinuation Level 2 Water Shortage Response Actions of the City of Lathrop Water Shortage Contingency Plan.

4.7 AUTHORIZE ACCEPTANCE OF CALAPP GRANT FUND AWARD FROM THE CALIFORNIA ENERGY COMMISSION FOR THE HARDWARE, TRAINING, AND IMPLEMENTATION OF SOLARAPP+

Pulled by Councilmember Akinjo. A question and answer ensued. City Engineer Brad Taylor provided additional information regarding the implementation and selection of the SolarAPP+.

Adopted **Resolution 23-5302** authorizing the acceptance of CalAPP Grant Fund Award from the California Energy Commission for the hardware, training and implementation of SolarAPP+, for the Building Department.

4.8 ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY A. TEICHERT & SON, INC., DBA TEICHERT CONSTRUCTION FOR RECYCLED WATER RIVER DISCHARGE, CIP WW 20-17

Adopted **Resolution 23-5303** accepting public improvements constructed by A. Teichert & Son, Inc., dba Teichert Construction, for Recycled Water River Discharge, CIP WW 20-17, authorizing the filing of a Notice of Completion, releasing of contract retention, and release of Performance and Payment Bonds.

4.9 APPROVE OUT OF STATE TRAVEL FOR CITY STAFF TO PARTICIPATE IN THE IAMC FALL FORUM IN SEPTEMBER 2023

Adopted **Resolution 23-5304** authorizing out of state travel for the Economic Development Administrator to attend and represent the City of Lathrop at the Industrial Asset Management Council's Fall Forum, in Boise, Idaho, from September 7, 2023 through September 12, 2023.

4.10 APPROVE FACILITY FEE WAIVER REQUEST FROM UNITED BACARRENEOS OF AMERICA

Adopted **Resolution 23-5305** approving the Facility Fee Waiver Request from United Bacarreneos of America for a celebration of the Sister City relationship established April 15, 2003, and use of the Scott Brooks Gymnasium on July 22, 2023.

4.11 APPROVE AGREEMENT TO ADOPT ALTERNATIVE METHOD OF MEETING REQUIREMENTS OF DEVELOPMENT AGREEMENT WITH SOUTH LATHROP LAND, LLC FOR THE SOUTH LATHROP COMMERCE CENTER

Pulled by Councilmember Akinjo. A question and answer ensued. City Engineer Brad Taylor provided additional information regarding the conditions of the South Lathrop Developer Agreement.

Adopted **Resolution 23-5306** approving an Agreement to adopt alternative method of meeting requirements of Section 7.04.7.1 of the Development Agreement, with South Lathrop Land, LLC, for the South Lathrop Commerce Center.

4.12 APPROVE PROGRAM SUPPLEMENT AGREEMENT WITH CALTRANS FOR FEDERAL FUNDING TOWARD LOUISE AVENUE AND MCKINLEY AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02

Adopted **Resolution 23-5307** approving Program Supplement Agreement with Caltrans for federal funding towards Louise Avenue and McKinley Avenue Intersection Improvements, CIP PS 15-02, and authorize the City Manager to execute said agreement.

4.13 APPROVE CONTRACT CHANGE ORDER NO. 1 WITH TIM PAXIN'S PACIFIC EXCAVATION INC. DBA PACIFIC EXCAVATION FOR THE FIBER OPTIC SPLICING AND TERMINATIONS INTO THE TRAFFIC SIGNAL NETWORK CABINETS, CIP PS 23-01

Adopted **Resolution 23-5308** approving Contract Change Order No. 1 with Tim Paxin's Pacific Excavation Inc, dba Pacific Excavation, for the fiber optic splicing and terminations into the traffic signal network cabinets, CIP PS 23-01.

4.14 APPROVE THE PRELIMINARY ENGINEER'S REPORT AND DECLARING INTENTION TO LEVY ANNUAL ASSESSMENTS FOR FISCAL YEAR 2023-24 FOR LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 93-1 (WOODFIELD PARK)



*\*\*Mayor Dhaliwal abstained from voting on Item 4.14, due to his residence within the Landscape and Lighting Maintenance District No. 93-1 (Woodfield Park Maintenance Zone Area).*

Adopted **Resolution 23-5309** approving the Preliminary Engineer's Report for Landscape and Lighting Maintenance District No. 93-1 (Woodfield Park) and declaring intention to levy annual assessments for Fiscal Year 2023-24.

**RIVER ISLANDS DEVELOPMENT CONSENT ITEM(S)**

*Councilmember Lazard and Councilmember Diallo recused themselves prior to the vote of Items 4.15, 4.16 and 5.1, due to declared conflict of interested as noted on Item 1.7.*

On a motion by Vice Mayor Akinjo, seconded by Councilmember Torres-O'Callaghan, the City Council approved Items 4.15 and 4.16, by the following roll call vote, unless otherwise indicated:

Ayes: Akinjo, Torres-O'Callaghan and Dhaliwal  
Noes: None  
Absent: None  
Abstain: Diallo and Lazard

4.15 APPROVE QUITCLAIM DEED TO TRANSFER OPEN SPACE PARCEL (APN 210-590-04) TO ISLAND RECLAMATION DISTRICT NO. 2062

Adopted **Resolution 23-5310** approving a Quitclaim Deed to transfer an open space (APN 210-590-04) to Island Reclamation District No. 2062.

4.16 ACCEPT PUBLIC IMPROVEMENTS FROM RIVER ISLANDS DEVELOPMENT, LLC FOR VILLAGE "U", TRACTS 3989 AND 3990

Adopted **Resolution 23-5311** accepting public improvements from River Islands Development, LLC for Village "U", Tracts 3989 and 3990.

**5. SCHEDULED ITEMS**

5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO FORM COMMUNITY FACILITIES DISTRICT 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)

Finance Director Cari James provided the presentation. A question and answer period followed. City Attorney Salvador Navarrete provided additional information. Mayor Dhaliwal opened the public hearing. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Mayor Dhaliwal, seconded by Councilmember Torres-O'Callaghan, the City Council:

1. Held a public hearing; and
2. Adopted **Resolution 23-5312** of formation of the Community Facilities District 2023-1 (River Islands Public Services and Facilities #2).

Ayes: Akinjo, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: Diallo and Lazard

On a motion by Mayor Dhaliwal, seconded by Councilmember Torres-O'Callaghan, the City Council:

3. Adopted **Resolution 23-5313** calling Special Election for the Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2).

Ayes: Akinjo, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: Diallo and Lazard

City Clerk Teresa Vargas opened the ballot and announced the results of the election.

On a motion by Mayor Dhaliwal, seconded by Councilmember Torres-O'Callaghan, the City Council:

4. Adopted **Resolution 23-5314** Declaring Results of Special Election and Direct Recording of Notice of Special Tax Lien for the Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2).

Ayes: Akinjo, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: Diallo and Lazard

On a motion by Mayor Dhaliwal, seconded by Councilmember Torres-O'Callaghan, the City Council:

5. Introduced an ordinance levying special taxes within Community Facilities District No. ~~2013-1~~ 2023-1 (River Islands Public Services and Facilities #2).

Ayes: Akinjo, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: Diallo and Lazard

*Councilmember Lazard and Councilmember Diallo returned to the dais following the vote on Item 5.1.*

5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER FISCAL YEAR 2023-24 ASSESSMENTS FOR LATHROP INDUSTRIAL LIGHTING MAINTENANCE DISTRICT; RESIDENTIAL LIGHTING MAINTENANCE DISTRICT; MOSSDALE LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT; STORM DRAIN ZONE 1 AND 1A

Deputy Finance Director Thomas Hedegard provided the presentation. A question and answer period followed. Finance Director Cari James provided additional information. Mayor Dhaliwal opened the public hearing. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Councilmember Lazard, seconded by Mayor Dhaliwal, the City Council considered the following:

1. Held a public hearing; and
2. Adopted **Resolution 23-5315** amending and/or approving the Final Engineer's Report, and ordering the levy and collection of assessments for the City of Lathrop Industrial Lighting Maintenance District for FY 2023-24; maximum assessment for Fiscal Year 2023-24 not to exceed Zone A \$8.59; Zone B \$43.79; Zone C \$8.59; and proposed annual assessment for Fiscal Year 2023-24 Zone A \$8.59; Zone B \$43.79; Zone C \$8.59; and
3. Adopted **Resolution 23-5316** amending and/or approving the Final Engineer's Report, and ordering the levy and collection of assessments for the City of Lathrop Residential Lighting Maintenance District for FY 2023-24; maximum assessment for Fiscal Year 2023-24 not to exceed Zone A \$49.89; Zone B \$53.46; Zone C \$35.15; Zone D \$65.39; Zone E \$68.74; Zone F \$39.54; Zone G \$9.04, and proposed annual assessment for Fiscal Year 2023-24 Zone A \$49.89; Zone B \$53.46; Zone C \$35.15; Zone D \$65.39; Zone E \$68.74; Zone F \$39.54; Zone G \$9.04; and

4. Adopted **Resolution 23-5317** amending and/or approving the Final Engineer’s Report, and ordering the levy and collection of assessments for the Mosssdale Landscape and Lighting Maintenance District for FY 2023-24; maximum assessment for Fiscal Year 2023-24 not to exceed \$310.75 and proposed annual assessment for Fiscal Year 2023-24 \$310.75; and
5. Adopted **Resolution 23-5318** amending and/or approving the Final Engineer’s Report and ordering the levy and collection of assessments for the Storm Drain Zone 1 and Zone 1A for Fiscal Year 2023-24; proposed annual assessment for Fiscal Year 2023-24 for Storm Drain Zone 1 not to exceed \$112.52; and proposed annual assessment for Fiscal Year 2023-24 for Storm Drain Zone 1A not to exceed \$199.92.

Ayes: Akinjo, Diallo, Lazard, Torres-O’Callaghan and Dhaliwal  
 Noes: None  
 Absent: None  
 Abstain: None

*Vice Mayor Akinjo abstained from voting on Item 5.3, due to his residence within the Stonebridge Landscaping, Drainage, and Lighting Maintenance Districts.*

5.3 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER FISCAL YEAR 2023-24 ASSESSMENTS FOR THE STONEBRIDGE LANDSCAPING DISTRICT; AND THE STONEBRIDGE DRAINAGE & LIGHTING MAINTENANCE DISTRICT

Deputy Finance Director Thomas Hedegard provided the presentation. A question and answer period followed. Mayor Dhaliwal opened the public hearing. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Councilmember Lazard, seconded by Councilmember Diallo, the City Council considered the following:

1. Held a Public Hearing; and
2. Adopted **Resolution 23-5319** amending and/or approving the Final Engineer’s Report and ordering the levy and collection of assessments for the Stonebridge Landscaping District for FY 2023-24; maximum assessment for Fiscal Year 2023-24 not to exceed \$507.95, and proposed annual assessment for Fiscal Year 2023-24 is \$426.05; and

3. Adopted **Resolution 23-5320** amending and/or approving the Final Engineer’s Report and ordering the levy and collection of assessments for the Stonebridge Drainage & Lighting District for FY 2023-24; maximum assessment for Fiscal Year 2023-24 not to exceed \$507.95, and proposed annual assessment for Fiscal Year 2023-24 is \$315.25.

Ayes: Diallo, Lazard, Torres-O’Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: Akinjo (*due to his residence within the Stonebridge Landscaping, Drainage, and Lighting Maintenance Districts*)

*Vice Mayor Akinjo returned to the dais following the vote of Item 5.3.*

- 5.4 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER A RESOLUTION TO ADOPT THE CITY OF LATHROP BIENNIAL CAPITAL IMPROVEMENT PLAN BUDGET FOR FISCAL YEARS 2023-2024 and 2024-2025

Assistant City Manager Michael King provided the presentation. A question and answer period ensued throughout the presentation. Parks, Recreation, and Maintenance Services Director Todd Sebastian provided additional information regarding park designs. Mayor Dhaliwal opened the public hearing. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Councilmember Lazard, seconded by Vice Mayor Akinjo, the City Council considered the following:

1. Held a Public Hearing; and
2. Adopted **Resolution 23-5321** City of Lathrop Biennial Capital Improvement Plan Budget for Fiscal Years 2023-2024 and 2024-2025.

Ayes: Akinjo, Diallo, Lazard, Torres-O’Callaghan and Dhaliwal  
Noes: None  
Absent: None  
Abstain: None

## 6. COUNCIL COMMUNICATIONS

- 6.1 MAYOR DHALIWAL REFERRAL – Appointment of Two (2) of Members to the Planning Commission, with Term Ending June 30, 2027
  - Four (4) Applications Received / Two (2) Vacancies Available

Mayor Dhaliwal made the following appointments:

**Planning Commission**

Ash Ralmilay  
Paul Camarena

**Term Expires**

June 30, 2027  
June 30, 2027

On a motion by Councilmember Diallo, seconded by Councilmember Lazard, the City Council approved the appointment made by Mayor Dhaliwal as noted above.

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: None

- 6.2 MAYOR DHALI WAL REFERRAL – Appointment of One (1) Member to the Parks and Recreation Commission, with Term Ending June 30, 2026
- One (1) Application Received / One (1) Vacancy Available

Mayor Dhaliwal made the following appointment:

**Parks & Rec Commission**

Marianne Hope Datoc

**Term Expires**

June 30, 2026

On a motion by Councilmember Lazard, seconded by Councilmember Diallo, the City Council approved the appointment made by Mayor Dhaliwal as noted above.

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: None

- 6.3 MAYOR DHALI WAL REFERRAL – Appointment of Three (3) Members to the Youth Advisory Commission, with Term Ending May 31, 2024
- Five (5) Applications Received / Three (3) Vacancies Available

Mayor Dhaliwal made the following appointments:

**Youth Advisory Commission**

Kirat Sidhu (appointed as voting member)  
Nishitha Kadiyala (appointed as voting member)  
Erin Joy Payopay (appointed as voting member)  
Faren Ahmadi (appointed as non-voting member)  
Shreya Nand (appointed as non-voting member)

**Term Expires**

May 31, 2024  
May 31, 2024  
May 31, 2024  
May 31, 2024  
May 31, 2024

On a motion by Vice Mayor Akinjo, seconded by Councilmember Torres-O'Callaghan, the City Council approved the appointment made by Mayor Dhaliwal as noted above.

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: None

- 6.4 MAYOR DHALIWAL REFERRAL – Appointment of One (1) Representative to the San Joaquin County Commission on Aging with Term Ending June 30, 2026
- One (1) Application Received / One (1) Vacancy Available

Mayor Dhaliwal made the following appointment:

<b><u>Commission on Aging</u></b>	<b><u>Term Expires</u></b>
Evonne Ince	June 30, 2026

On a motion by Councilmember Torres-O'Callaghan, seconded by Mayor Dhaliwal, the City Council approved the appointment made by Mayor Dhaliwal as noted above.

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan, and Dhaliwal  
Noes: None  
Absent: None  
Abstain: None

- 6.5 MAYOR DHALIWAL REFERRAL – Discussion on Historic Lathrop Beautification Options

Mayor Dhaliwal provided an overview. A question and answer period ensued. City Council consensus directed staff to agendize the matter to a future meeting.

- 6.6 COUNCILMEMBER DIALLO REFERRAL: Discussion Regarding Artist No Longer Have To Pay \$35 Fee For Business License As They Don't Sell Anything

Councilmember Diallo provided an overview. A question and answer period ensued. Finance Director Cari James and City Attorney Salvador Navarrete provided additional information regarding business license requirements. City Council consensus directed staff to waive the \$35 license fee requirement for entertainment groups and bands at City events, and bring back an ordinance amendment at a future meeting to codify the changes.

6.7 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

Councilmember Diallo announced her appointment as a voting member of LAFCo. Vice Mayor Akinjo reported his attendance to a recent Central Valley Executive Committee; and urged the importance of attending and participation in local division events.

6.8 MAYOR & COUNCILMEMBER COMMENT(S)

Councilmembers thanked those in attendance. Councilmember Diallo expressed appreciation to Congress Member Duarte for hosting local constituent meeting; expressed appreciation for recent grant awards. Councilmember Torres-O'Callaghan expressed concern with late-night door-to-door sales and illegal fireworks; and requested a response time update for police emergency calls and update on the safety drill training for Council, Commission and staff. Councilmembers congratulated the newly appointed Commissioners.

7. **ADJOURNMENT** – There being no further business, Mayor Dhaliwal adjourned the meeting at 10:27 p.m.

A handwritten signature in black ink, appearing to read 'Teresa Vargas', is written over a horizontal line.

Teresa Vargas, MMC  
Government Services Director  
City Clerk



**ITEM 4.3**

**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM:** **SECOND READING AND ADOPTION OF ORDINANCE 23-446 OF THE CITY COUNCIL OF THE CITY OF LATHROP LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)**

**RECOMMENDATION:** **Waive Full Reading and Adopt Ordinance 23-446 Levying Special Taxes within City Of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2)**

---

**RECOMMENDED ACTION:**

The City Council to conduct second reading and adopt Ordinance 23-446 entitled:  
  
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)

**SUMMARY:**

On June 12, 2023, the City Council approved the introduction and first reading of the subject Ordinance by the following vote:

AYES: Akinjo, Lazard, Torres-O'Callaghan, and Dhaliwal  
NOES: Diallo  
ABSTAIN: None  
ABSENT: None

The Ordinance will take effect 30 days after adoption.

**SUBMITTED BY:**

  
\_\_\_\_\_  
Teresa Vargas, City Clerk

7/5/23  
\_\_\_\_\_  
Date

**ORDINANCE NO. 23-446**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2023-1 (RIVER ISLANDS PUBLIC SERVICES AND FACILITIES #2)**

**WHEREAS**, on April 10, 2023 this City Council (the "City Council") of the City of Lathrop (the "City"), adopted a Resolution entitled "Resolution of Intention to Establish Community Facilities District " stating its intention to establish "City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2)" (the "CFD"), including a "City of Lathrop Community Facilities District No. 2023-1 (River Islands Public Services and Facilities #2) (Future Annexation Area), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, sections 53311, *et. seq.*, of the California Government Code (the "Act"), to finance certain services and the acquisition and construction of certain facilities;

**WHEREAS**, notice was published as required by the Act relative to the intention of this City Council to form the CFD and to provide for certain Services and Facilities #2;

**WHEREAS**, this City Council has held noticed public hearings as required by the Act relative to (i) the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to finance the authorized Services and Facilities #2 for the CFD;

**WHEREAS**, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of said special taxes were heard, substantial evidence was presented and considered by this City Council and a full and fair hearing was held;

**WHEREAS**, subsequent to the hearing, this City Council adopted Resolutions entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation") and "Resolution Calling Special Election", which Resolutions defined the Public Services and Facilities #2 to be financed by the CFD (the "Services and Facilities #2"), established the CFD, authorized the levy of a special tax with the CFD and called an election within the CFD on the propositions of levying a special tax, and establishing an appropriations limit within the CFD, respectively; and

**WHEREAS**, on June 12, 2023 a special election was held within the CFD at which the eligible landowner-electors approved such propositions by the two-thirds vote required by the Act.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LATHROP**, as follows:

**Section 1.** By the passage of this Ordinance this City Council hereby authorizes and levies special taxes within the CFD pursuant to the Act, at the rate and in accordance with the formula (the "Rate and Method") set forth in the Resolution of Formation, which Resolution of Formation is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2023-24 and in each fiscal year for the period provided in the Rate and Method, as contemplated by the Resolution of Formation, and all costs of administering the CFD.

**Section 2.** The Finance Director of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

**Section 3.** Properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation.

**Section 4.** All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of the costs of the Services and Facilities #2, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the special tax.

**Section 5.** The special taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that this City Council may provide for other appropriate methods of collection by resolutions of this City Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. The Finance Director of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of San Joaquin in order to effect proper billing and collection of the special tax, so that the special tax shall be included on the secured property tax roll of the County of Solano for fiscal year 2023-14 and for each fiscal year thereafter for the period of time provided in the Rate and Method.

**Section 6.** If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within the CFD shall not be affected.

**Section 7.** The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

**Section 8.** This Ordinance shall take effect 30 days from the date of final passage.

\* \* \* \* \*

**THIS ORDINANCE** was introduced at a regular meeting of the City Council of the City of Lathrop on the 12<sup>th</sup> day of June 2023, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the \_\_\_\_ day of \_\_\_\_\_ by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

\_\_\_\_\_  
Salvador Navarrete, City Attorney

**ITEM: APPROVE UPDATES TO THE PERSONNEL RULES AND REGULATIONS**

**RECOMMENDATION: Adopt a Resolution to Approve Updates to the Personnel Rules and Regulations**

---

**SUMMARY:**

The City's Personnel Rules and Regulations have been established to outline personnel related matters such as rules for calling in sick, bereavement leave, requesting and accruing vacation/sick leave, recruitments and discipline. Occasionally, it becomes necessary to update these rules and regulations due to a change in procedures, legal compliance or to reflect the language in an approved Memorandums of Understanding (MOU). The last update to the Personnel Rules and Regulations was adopted by the City Council in November 2017 by Resolution 17-4312.

Significant changes to the updated version of the Personnel Rules and Regulations being presented to Council tonight includes the following:

- EEOC Policy Statement (Legal Compliance)
- Application Form (Procedural Change)
- Probation Period (establishing probation period for unrepresented, sworn staff)
- Training and Education (MOU)
- Bereavement Leave (Legal Compliance)
- Management Leave (MOU)

**BACKGROUND**

The information included in the updates are the result of a change procedural processes, legal compliance or to match language included in the MOUs.

The significant changes incorporated into the document presented for approval by the City Council include:

**2.1 EEOC Policy Statement:**

The City belongs to an Employment Relations Consortium offered by Liebert Cassidy Whitmore (LCW). LCW provides legal counsel to the City with regards to employment related matters, as needed. Through this membership, the City subscribes to a library of policies prepared by LCW. The update to the EEOC policy reflects a change by incorporating the LCW policy language.

**3.4 Selection of Employees:**

**A. Application Form** - The updated language reflects a change in our internal process to accept employment applications electronically. Paper applications are still available upon request.

**3.6 Probationary Period:**

**A. All New Employees** and **B. Promoted Employees** - The updated language establishes a probationary period for unrepresented, sworn staff. The probation period recommended is 15 months of probation for a new hire and 12 months for a promotional appointment. This recommended probation period is the same time period established by the LPOA MOU for sworn positions.

**5.1 Training and Education:**

This section is being updated to reflect the benefit provided in the MOU's for LMCEA, SEIU and LPOA. The adopted language in the MOU's provide for an increased benefit amount and recognizes that higher education and certificate programs qualify for a reimbursement request under the guidelines outlined. The approved use was expanded to include technical or correspondence schools that may not issue a grade, but rather issue a certificate of completion. The maximum benefit amount allowed increased from \$1,100 to \$3,000 per year.

**8.7 Bereavement Leave:** Effective January 1, 2023, AB 1949 requires employers to provide five (5) day of bereavement leave to all regular full-time employees. The leave should be taken within three (3) months of the date of death of the family member. AB 1949 allows bereavement leave to be taken pursuant to any existing bereavement leave policy of the employer. The City's current policy provides a regular full-time employee three (3) days of paid bereavement leave and five (5) days of paid bereavement leave if out-of-state travel is required. Two additional days of accrued leave may also be used. In order to fully comply with AB 1949, the Personnel Rules are being updated to allow the leave to be used within three months of the death of a family member and removes the requirement that the leave must be taken within a seven (7) consecutive day period.

**8.12 Management Leave:**

This language is being updated to reflect changes in the LMCEA MOU which were effective July 1, 2022. The update provides for leave to be accrued on a quarterly basis rather than annually on January 1<sup>st</sup>.

**Other Changes:**

The other updates include formatting, minor edits, updating the Director of Human Resources title and a change to the operating hours of City facilities.

**CITY MANAGER'S REPORT** **PAGE 3**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ADOPT A RESOLUTION APPROVING AN UPDATE TO THE PERSONNEL RULES**  
**AND REGULATIONS**

**REASON FOR RECOMMENDATION:**

The updates to the Personnel Rules and Regulations are being recommended to reflect legal updates, procedural updates or to maintain consistency with the applicable MOU's.

**FISCAL IMPACT:**


The increased benefit for the training and education reimbursements and bereavement leave is already included in the approved FY 23/24 and 24/25 budgets.

**ATTACHMENTS:**

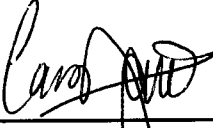
- A. Adopt a Resolution to Approve an Update to the Personnel Rules and Regulations
- B. Personnel Rules and Regulations Update

**CITY MANAGER'S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ADOPT A RESOLUTION APPROVING AN UPDATE TO THE PERSONNEL RULES**  
**AND REGULATIONS**

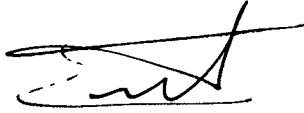
**APPROVALS:**

  
\_\_\_\_\_  
Juliana Burns  
Director of Human Resources

7/3/23  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Cari James  
Director of Finance

7/6/2023  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

7-3-2023  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7-5-23  
\_\_\_\_\_  
Date



**RESOLUTION NO. 23-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO APPROVE UPDATES TO THE PERSONNEL RULES AND REGULATIONS**

**WHEREAS**, in November 2017, the City Council adopted Resolution 17-4312 which approved the current version of the Personnel Rules and Regulations; and

**WHEREAS**, procedural changes, legal compliance or an update to one or more of the Memorandums of Understandings (MOU) may necessitate an update to the Personnel Rules and Regulations; and

**WHEREAS**, the EEOC Policy Statement is being updated to reflect recommended language obtained from the Liebert Cassidy Whitmore Library; and

**WHEREAS**, the language for the Application Form is being updated to reflect the fact that the City uses an electronic application system; and

**WHEREAS**, a new hire probation period of fifteen (15) months and a promotional probation period of twelve (12) months is being established for unrepresented, sworn positions; and

**WHEREAS**, the Training and Education section is being updated to reflect the language approved in the LMCEA, SEIU and LPOA MOU's which expands the allowed use of the benefit to be requested for technical or correspondence schools that may not issue a grade, but rather issue a certificate of completion; and

**WHEREAS**, the Training and Education benefit in the LMCEA, SEIU and LPOA MOU's was approved for up to \$3,000 per calendar year; and

**WHEREAS**, AB 1949 requires employers to provide five days of bereavement leave to all regular full-time employees pursuant to any existing policy; and

**WHEREAS**, bereavement leave shall be used within three months of the death of a family member and removes the requirement that leave must be taken within a consecutive time period; and

**WHEREAS**, for non-contract employees, Management leave will be accrued on a quarterly basis rather than annual basis as reflected in the LMCEA MOU which was effective July 1, 2022; and

**WHEREAS**, other changes in the Personnel Rules and Regulations update include formatting, updating the Director of Human Resources title and a change to the operating hours referenced for City facilities;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve the proposed update to the Personnel Rules and Regulations

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

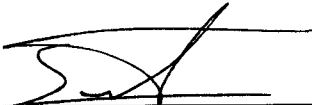
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**City of Lathrop**

**PERSONNEL RULES AND REGULATIONS**

**July 10, 2023**



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## **RULE 1: GENERAL PROVISIONS**

### **1.1 Intent**

The Personnel System of the City of Lathrop has been established under Lathrop Municipal Code Chapter 2.40. These Personnel Rules and Regulations are intended to govern the Personnel System.

### **1.2 Adoption**

These Personnel Rules and Regulations (hereafter “Rules and Regulations”) have been adopted by City Council Resolution No. 17-431223-\_\_\_\_\_.

The Rules and Regulations supersede any and all Personnel Rules and Regulations previously adopted. Additional rules and regulations regarding personnel may be issued from time to time as approved by City Council or City Manager authority.

### **1.3 Priority of Collective Bargaining Agreements (MOUs)**

If a provision of these Rules and Regulations conflicts with a provision of an applicable collective bargaining agreement (referred to as “MOU”) entered into by the City and a recognized employee organization (Union), the provision in the MOU shall prevail with respect to employees in the Union. However, if the provision in the Personnel Rules was adopted subsequent to the MOU pursuant to a meet and confer process consistent with the provisions of the MOU, the Personnel Rule will then control.

### **1.4 Administration**

The City Manager shall administer these Rules and Regulations.

Department Heads shall administer these Rules and Regulations within their department. Department Heads may establish department rules and regulations to ensure efficient operation of their departments. Department rules and regulations shall not be in conflict with these Rules and Regulations.

### **1.5 Non-Contract**

These Rules and Regulations do not create a contract of employment, express or implied or any rights contractual in nature.

### **1.6 Coverage of Rules and Regulations**

In general, these Rules and Regulations shall apply to all employees of the City except the following and except where the rules specifically provide otherwise, or as required by law.

- A. All Council – appointed City officers except as may be provided in their contract.
- B. Personnel engaged under contract to provide expert, professional, technical or any other services.

- C. Volunteers, including but not limited to, personnel such as ~~volunteer firefighters,~~ reserve officers or volunteers, and volunteers who may be eligible for workers compensation benefits.
- D. Emergency personnel hired to meet immediate requirements of an emergency condition such as an extraordinary fire, flood, or earthquake or a declared state of emergency which threatens life or property.

The employees or positions in the foregoing list hold their positions at the will of the City Council or City Manager and, unless otherwise required by law or as specified in these rules, are not obligated by or entitled to benefits under these Rules and Regulations. However, this list is not inclusive of all at-will employees such as Assistants to the City Manager, Department Heads, other at-will management employees, and temporary and seasonal employees. For this reason, some rules will specifically provide they are not applicable to at-will employees to exclude any additional at-will employees not listed above. Also, as discussed above, some rules will specify that they apply to all employees to include all employees at the City.

## **1.7 Definitions and Interpretation**

### **A. Interpretation**

All words and phrases shall be construed according to the common and approved usage of the language, but technical words and phrases and such others as may have acquired a peculiar and appropriate meaning in the law shall be construed and interpreted according to such peculiar and appropriate meaning.

### **B. Definitions**

Where appropriate, specific definitions are utilized in these Rules and Regulations and shall prevail. Such definition shall be applicable throughout these Rules and Regulations unless otherwise stated.

### **C. Officials and Designees**

Whenever a duty, responsibility, or authority is vested in a particular position, the duty, responsibility or authority shall also be vested in that person's designee. There is no need to state "or designee" in a provision.

## **1.8 Personnel Records**

### **A. Establishment and Maintenance of Personnel Files**

1. An official personnel file for each City employee shall be maintained by and shall be under the control of the Director of Human Resources, or designee.
2. A personnel file shall contain only material that is necessary and relevant to the City's administration of its Personnel System.
3. Department Heads may establish working files for individual employees. However, the establishment of such files must comply with the security and access provisions contained within the policy. Those files are not



considered to be the official personnel files of the City and disclosure of contents can only be made to the employee, the direct supervisory chain of command, the City Manager and the City Attorney.

4. Upon termination, the employee's personnel records that are maintained by the City shall be retained as required by law.
5. A separate confidential file containing medical information shall be established and maintained consistent with the Americans with Disabilities Act (42 U.S.C. section 12112(d)(3)(b)) and the California Confidentiality of Medical Information Act. (California Civil Code sections 56 et seq.)
6. Payroll and benefit records shall be maintained by the Finance Department and benefit records shall be maintained by the Human Resources Department. Access to this information shall be limited to the City Manager and authorized staff, the named employee, the Department Head and other individuals on a "need to know" basis as approved by the City Manager.

#### B. Access to Personnel Information

1. If a request for information about employees is received by City, the request is to be forwarded to the Human Resources Department. The City will release information required to be released by the California Public Records Act.
2. Reference checks and requests for information concerning current or former employees must be referred to the Director of Human Resources, or designee. The City will release such information only if the employee has signed an Authorization for Release of Employment Information. Absent a signed release, the only information to be released shall be the position held, dates of employment, and salary.
3. Employees may inspect their own files at reasonable times and intervals. Employees desiring to inspect their files should contact the Director of Human Resources, or designee. Employees may not remove any documents, or add to or delete documents from their personnel files, except when following an agreed upon process for submitting written comments concerning any document in the personnel file. They may ask that the Director of Human Resources, or designee, make copies of documents or add a document to the file.
4. Documents not available for inspection include:
  - a. Records relating to the investigation of a possible criminal offense
  - b. Letters of reference
  - c. Ratings, reports, or records that were:
    - i. Obtained prior to the employee's employment
    - ii. Prepared by identifiable examination committee members

- iii. Obtained in connection with a promotional examination
- d. Employees subject to the Public Safety Officers Procedural Bill of Rights
- e. Employees of agencies subject to the Information Practices Act

C. Changes Regarding Employee Information

It is important that the City have accurate personal information regarding employees. Each employee must promptly notify the Human Resources Department and Department Head regarding changes in personal information such as mailing address, telephone number, emergency contact information, and number of dependents.

**1.9 Violation of Rules**

Violation of any of the provisions of these Rules and Regulations by any person employed in the municipal service may be subject to disciplinary action as set forth in Rule 9.

**1.10 Employment Constitutes Acceptance of Rules**

In accepting employment with the City, each employee agrees to be governed by and to comply with these Rules and Regulations, administrative rules and procedures established by the City Manager pursuant thereto, and rules, regulations, and directives of the department in which he or she is employed.

**1.11 Supplemental Provisions in Administrative Manual**

Under Chapter 2.40, of the Lathrop Municipal Code, the City Manager is authorized to administer the Personnel System. Pursuant to that authority the City Manager has issued and will continue to issue personnel-related administrative policies as set forth in the City of Lathrop Administrative Policies Manual. Employees are expected to become familiar with personnel-related provisions in the administrative manual.

**1.12 Amendment and Revision of Rules**

Proposed amendments or revisions to these Rules and Regulations shall be considered and adopted by the City Council by Resolution in accordance with Section 2.40.030 of the Lathrop Municipal Code. A City Council adopted resolution or ordinance relating to any subject matter under these Rules and Regulations shall be deemed to supersede said subject matter unless otherwise provided in the resolution or ordinance.

**RULE 2: EQUAL EMPLOYMENT POLICY AND PRACTICES**

Notwithstanding any language in these Personnel Rules and Regulations, this Rule 2 shall be applicable to all employees.

## 2.1 EEO Policy Statement

The City affords equal employment opportunity for all qualified employees and applicants to all terms of employment with the City, including, but not limited to, compensation, hiring, training, promotion, transfer, discipline and termination.

The City prohibits discrimination against employees and applicants for employment on the basis of the employee or applicant's race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (40 and over), sexual orientation, or military and veteran status or any other basis protected by law.

Any employee, volunteer, or applicant who believes they have experienced any form of employment discrimination or abusive conduct are encouraged to report the conduct immediately by using the complaint procedures provided in these Policies, or by contacting the Equal Employment Opportunity Commission ("EEOC"), or the Civil Rights Department ("CRD").~~The City does not discriminate against qualified applicants for employment or employees on the basis of race, color, national origin, ancestry, sex (including gender identity), religion, creed, physical or mental disability, medical condition, marital status (including registered domestic partner status), sexual orientation, age, or any other basis protected by federal, state or local law.~~

~~The City's policy of equal employment opportunity applies to all employment practices including, but not limited to, recruitment, employment, training, compensation, benefits, promotions, layoffs, terminations and any and all other terms and conditions of employment.~~

### A. Reasonable Accommodation Policy

The City will comply with applicable laws ensuring equal employment opportunities to qualified individuals with disabilities and medical conditions. The City will make reasonable accommodations for the known physical or mental disability or medical condition of an otherwise qualified individual who is an applicant or an employee unless undue hardship would result. Any such applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the Director of Administrative Services Human Resources, or designee, to request an accommodation.

## 2.2 Unlawful Harassment Prohibited

The City prohibits harassment because of sex (which includes sexual harassment, gender harassment, and harassment due to pregnancy, childbirth, or related medical condition) and harassment because of race, color, national origin, ancestry, sex (including gender identity), religion, creed, physical or mental disability, medical condition, marital status (including registered domestic partner

status), sexual orientation, age, or any other basis protected by federal, state or local law including harassment of employees, independent contractors, and business representatives. All such harassment is unlawful and will not be tolerated. The City is committed to taking all reasonable steps to prevent harassment from occurring. Any employee, including a supervisor or manager, who engages in unlawful harassment will be subject to discipline, up to and including termination.

### **2.3 Unlawful Harassment Defined**

Unlawful harassment includes conduct that is:

- A. Unwelcome;
- B. Related to a protected category identified in the paragraph above;
- C. Offensive to the recipient and to a reasonable person; and/or
- D. Severe or pervasive so that the conduct unreasonably interferes with an employee's work performance or creates an intimidating, hostile or offensive work environment.

If the conduct is related to a protected category, then the following may constitute unlawful harassment: jokes, graffiti, comments, stories, photographs, gestures, e-mail, written materials, threats of job detriment, or actual changes to an employee's compensation, workload or assignments. Harassment may be in the form of verbal conduct such as vulgar remarks, ethnic jokes, and threats of physical harm. Harassment may be in the form of physical conduct such as inappropriate touching, blocking of movement, vulgar gestures, hitting, shoving, or other physically threatening conduct such as invading an individual's personal space.

### **2.4 Sexual Harassment Defined**

Sexual harassment is defined as unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when:

- A. Submission to such conduct is made a term or condition of employment; or
- B. Submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual; or
- C. Such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive work environment.

Sexual harassment also may be defined as unwanted sexual advances or visual, verbal or physical conduct of a sexual nature. The following are some examples of forms of offensive behavior under this definition:

1. Unwanted sexual advances.
2. Offering employment benefits in exchange for sexual favors.

3. Making or threatening reprisals after a negative response to sexual advances.
4. Visual conduct such as leering, making sexual gestures, displaying sexually suggestive objects or pictures, cartoons, or posters.
5. Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, comments about an employee's body or dress.
6. Verbal sexual advances or propositions.
7. Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes or invitations.
8. Physical conduct including touching, assaulting, impeding or blocking movement.
9. Retaliation for having reported or threatened to report harassment.

It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females. Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by or of a supervisor or manager, harassment by or of independent contractors of City, harassment by or of elected officials, or harassment by or of persons doing business with or for the City.

## **2.5 Anti-Bullying Policy**

In addition to prohibiting all forms of discrimination and harassment identified above, the City of Lathrop also prohibits any form of "intimidation or bullying" in the workplace or elsewhere, such as at offsite events.

**Policy Coverage:** Every employee and other individuals, such as temporary agency workers, consultants, independent contractors and visitors, have the right to be treated with respect. Bullying is the use of aggression with the intention of harming another individual. It can include any intentional written, visual, verbal, or physical act, when the act physically harms the individual or damages his or her property; has the effect of interfering with an employee's ability to work; is severe or pervasive; and creates an intimidating or threatening environment.

Bullying comes in many shapes and sizes and can take many forms including, but not limited to, excluding, tormenting, taunting, abusive comments, using threatening gestures; pushing, shoving, punching, unwanted physical contact, or any use of violence; graffiti; name-calling, sarcasm, spreading rumors, teasing. Such conduct can also occur via use of electronic or telephonic communications such as the internet, email and chatroom misuse, mobile threats by text messaging, or calls or misuse of cameras and video equipment.

## **2.6 Obligations of Supervisors/Managers**

A copy of this policy will be provided to all employees of the City, as well as displayed in prominent locations throughout the City.

A copy of the information sheet on sexual harassment prepared by the Department of Fair Employment and Housing is available to all City employees upon request.

The City will periodically notify employees of the procedures for registering a complaint as well as available redress. Such notification shall occur through the normal channels of communication.

The Human Resources Department office will make available upon request information from the Department of Fair Employment and Housing and the Equal Employment Opportunity Commission about filing claims of sexual harassment with these entities.

A copy of "Equal Employment Policy and Practices" as set forth in this Rule 2, shall appear in any publication which sets forth the comprehensive rules, regulations, procedures and standards of conduct for employees. Employees of the City shall receive periodic training on this Policy.

## **2.7 Complaint Procedure**

Employees who believe they have experienced any form of discriminatory harassment or behavior in violation of the Anti-Bullying Policy are encouraged to report this experience immediately, using the complaint procedure provided in Rule 2.8 below of these Rules and Regulations.

## **2.8 Complaint Procedure for Discriminatory Harassment, Bullying Behavior**

A. Obligations of all employees. Comments, gestures or actions that are perceived as harassing or bullying should be immediately communicated with the person who is harassing. That person should be told such actions/words are not welcome.

All employees should immediately report any conduct that they believe violates the City Equal Employment Policies and Practices. This includes conduct they personally experience or directly observe, whether or not reported by the employee who is the object of the conduct. This also includes conduct by non-employees, such as sales representatives or service vendors, or conduct aimed at such contractors.

Employees should immediately report the conduct to their supervisor, manager, any Department Head or the Director of ~~Administrative Services~~Human Resources, or designee. Under no circumstances shall City employees who believe they have been the victim of discrimination, harassment or bullying behavior be required to first report that harassment to a supervisor or other authority figure if that person or authority figure is the individual alleged to have committed the harassing conduct. These employees should instead report the conduct to any manager or Department Head or the Director of ~~Administrative Services~~Human Resources, or designee.

All employees must cooperate with any investigation of any alleged act of discriminatory harassment conducted by the City or its agents.

- B. Responsibilities of Supervisors or Management. Any supervisor or manager who receives a complaint regarding discriminatory harassment or bullying behavior shall immediately report it to the Director of ~~Administrative Services~~Human Resources, or designee. If it is not possible to report it to the Director of ~~Administrative Services~~Human Resources, or designee, then the supervisor or manager must instead report the complaint to the City Manager.
- C. Investigative/Corrective Action. The Director of ~~Administrative Services~~Human Resources, or designee, will authorize an investigation or conduct an investigation of the complaint. The investigation will be conducted in a manner that ensures, to the extent feasible, the privacy of the parties involved.

The person designated to investigate shall immediately report in writing the findings of fact to the Director of ~~Administrative Services~~Human Resources, or designee. The Director of ~~Administrative Services~~Human Resources, or designee, will determine whether the Policy has been violated and communicate the conclusion to the complainant. Disciplinary action shall be decided in accordance with City policy and after consultation with the Human Resources Department.

## **2.9 Policy Against Retaliation:**

No employee will be subjected to any form of retaliation for reporting an incident of bullying or harassment, or participating in an investigation by the City of Lathrop or its representatives into allegations of bullying or illegal harassment.

Retaliation is any adverse conduct taken because an applicant, employee, or contractor has reported harassment or discrimination, or has participated in the complaint and investigation process described herein, and is prohibited. "Adverse conduct" includes, but is not limited to: taking sides because an individual has reported harassment or discrimination, spreading rumors about a complaint, shunning and avoiding an individual who reports harassment or discrimination, real or implied threats of intimidation to prevent an individual from reporting harassment or discrimination, or taking negative employment action.

## **RULE 3: EMPLOYMENT**

### **3.1 Position Request**

Any employment position that is to be filled must first be approved by the City Manager. Department Heads are responsible for communicating to the City Manager the need for additional personnel including necessary budget information.

After approval from the City Manager, the recruitment will be conducted through the Human Resources Department. This applies to all recruitment including: full-time, part-time, contractual, temporary, seasonal, etc.

Any position that is to be filled must be authorized in the budget or specifically approved by the City Council.

### **3.2 Recruitment**

It is the responsibility of the Human Resources Department to ensure that all applicants are treated fairly and to ensure that the procedures outlined herein are followed. The Department Head shall be responsible for initiating the recruitment.

#### **A. Types of Recruitment**

##### **1. Open and Competitive**

Open to all applicants who meet the minimum qualifications and other requirements of the position, as stated in the announcement.

##### **2. In-house**

The Department Head, with the City Manager's approval, shall have the option to open up any recruitment in-house prior to an open recruitment. If the position is not filled in-house, open and competitive procedures should be followed. In-house recruitment is open to all City employees who meet the minimum qualifications and other requirements of the position. In-house recruitment should stay open for a minimum of seven (7) calendar days, and should be extended one (1) day for any holiday falling within the seven (7) days.

##### **3. Promotional**

- a. Departments may use an in-house recruitment to fill senior, supervisory or management positions when such action is in the best interest of the City. Promotional recruitment may be open to all City employees or only to the requesting department's employees, as determined appropriate by the Department Head with approval of the City Manager; or
- b. Departments may use an open and competitive recruitment as described above to fill senior, supervisory or management positions.

##### **4. Temporary**

- a. Temporary recruitment is open to all applicants who meet the minimum qualifications and other requirements of the position, as stated in the announcement; or
- b. Departments may use temporary employment services without open competitive recruitment to fill temporary positions, when such action is in the best interest of the City including special projects, abnormal workloads, or seasonal needs.

##### **5. Internships**

- a. Internships are open to all applicants who are attending any college or university with relevant programs and meet the minimum qualifications and other requirements of the position and other employment with the City, as stated in an announcement or position description.



- b. Internships may be recruited openly or by direct referral from campus placement services, academic advisors, and/or current interns.

#### 6. Emergency Help

- a. When a department has an emergency or urgent need for employment assistance of three (3) months or less, former City employees or other applicants who meet minimum qualifications and possess the needed skills and abilities may be hired or rehired to fill this role without necessitating a formal selection process.
- b. Departments may also use college students presently filling or who recently filled an internship who meet the minimum qualifications to fill an emergency or urgent need for employment assistance.
- c. Departments may also temporarily fill a position as an internship. Interns for emergency help may be selected from student referrals by the appropriate academic advisor, college department directors or students, rather than from the formal selection process.

#### B. Minimum Qualifications

Minimum qualifications will be described in job announcements for each position advertised for recruitment. These are to be reasonably applied by the hiring department so that, if there is any reasonable doubt that an applicant may qualify, the applicant shall not be eliminated based upon minimum qualifications. If no applicant meets the minimum qualifications, the Department Head may interview the most qualified candidates for the position, re-advertise the position, or under-fill the position.

#### C. Recruiting Methods

The City may use all available, timely and cost effective means of recruiting qualified applicants. This includes but is not limited to contacting an employment agency, minority and other employment referral agencies with job announcements, utilizing professional newsletters and magazines, newspaper classified advertising, maintaining a job interest listing, and other appropriate recruitment methods.

1. The Department Head will develop an employment announcement to be reviewed by the Human Resources Department and approved by the City Manager. Such announcement should include the following information: position title, salary range, summary of the job and duties, minimum qualifications, testing and selection procedures and recruitment closing date.
2. The responsibility for the development of personnel advertisements is a coordinated effort of the hiring department and the Human Resources Department.

### 3.3 Employment of Relatives: No Nepotism Policy

The hiring and promotion of an immediate family member to any position of direct supervision over another immediate or extended family member is prohibited to ensure against preferential treatment, internal control problems, and other related managerial problems. For purposes of this Rule only, the term immediate family includes spouses, registered domestic partners, parents, children, brothers, sisters, grandchildren, grandparents, uncles, aunts, nieces, and nephews.

It is the responsibility of the Human Resources Department and the Department Head making the final hiring decision to ensure that this rule is adhered to.

### 3.4 Selection of Employees

The objective of recruitment and selection is to provide the City with the most qualified applicant for a position. Selection should be done in accordance with employment opportunities as described in these Rules and Regulations.

The City will endeavor to use a selection process which involves ~~testing~~ fairly assessing the qualifications of applicants through written tests, personal interviews, performance tests, work samples, successful completion of required training, or any combination of these, or other testing methods. The determination of which testing method will be used, or how the testing will be administered, shall be ~~solely~~ within the discretion of the Department Director, Director of Administrative Services Human Resources, or designee, and City Manager.

#### A. Application Form

Job applications must be made using the online application system designated by the City. ~~on forms provided by the Director of Administrative Services, or designee.~~ Upon request, a paper application will be provided. Applications submitted must be completed in full and signed by the applicant. The City will not process any incomplete or unsigned application.

#### B. Special Application Form for Applicants and Volunteers Working with Children

Under California Public Resources Code section 5164, the City shall not hire a person or volunteer to perform services at a park, playground, or recreational center in a position having supervising or disciplinary authority over a minor if that person has been convicted of any of various specified offenses. Applicants and volunteers for the above-referenced types of positions must complete a separate application that inquires whether the individual has been convicted of any specified offense. Additionally, the City shall screen any such prospective employee's or volunteer's criminal background as authorized by Penal Code Section 11105.3. The City shall include the person's fingerprints in its request for Department of Justice records.

#### C. Qualifying and Referral

1. The Director of ~~Administrative Services~~ Human Resources, or designee, should only consider applications received by or postmarked no later than the closing date for the recruitment unless unusual circumstances beyond the control of the applicant cause the delay, e.g. delays in testing or

handling by an approved employment agency, or other circumstances approved by the Director of ~~Administrative Services~~Human Resources, or designee.

2. The Director of ~~Administrative Services~~Human Resources, or designee, and Department Head should develop the selection criteria used for evaluation of the applicants based upon education, experience, skills, and any applicable tests. Based upon these criteria the top applicants should be identified. The most qualified applicants may be interviewed, assessed, background and references checked or otherwise tested to select the best applicant for the position.
3. The Director of ~~Administrative Services~~Human Resources, or designee, may reject an application at any time during the application or selection process if the applicant:
  - a. Lacks any of the minimum qualifications or licenses established for the position, unless there are no qualified applicants and the department elects to consider under-filling the position.
  - b. Made a false statement of material fact or practiced fraud or deception in the application, examination or interview to secure eligibility or appointment.
  - c. Used or attempted to use political pressure or bribery to secure an advantage in establishing eligibility for an examination or appointment;
  - d. Directly or indirectly obtained information the applicant was not entitled to regarding the test or examination for the position.
  - e. Violated provisions of these Rules and Regulations or state or federal law.
  - f. Is a current user of illegal drugs;
  - g. Is a relative of an employee and is subject to the No Nepotism Policy.

#### D. Out of Area Applicants

The general rule is that when out-of-area applicants apply for positions with the City, transportation, lodging and meal costs are the responsibility of that applicant. The City Manager may exercise his or her discretion to pay for or reimburse such reasonable costs on a case by case basis.

#### E. Oral Interview

An oral interview will be conducted by an oral interview board with all referred applicants. The Director of ~~Administrative Services~~Human Resources, or designee should make a reasonable effort by telephone and/or by e-mail to contact applicants to inform them of their eligibility for an interview. The Director of ~~Administrative Services~~Human Resources, or designee will work with the interview board to establish an interview questionnaire and ensure that only appropriate inquiries are made.

#### F. Eligible List

Employment lists of eligible applicants will be established using interview ratings, appropriate test scores or other reasonable screening methodologies. These lists shall be referred to as “eligible lists.” Applicants shall be placed on the eligible list according to ratings, high to low. If tied applicants have the same application date, they shall be placed alphabetically.

The Eligible List shall expire no later than one (1) year after the date it is established for the position or three (3) months for seasonal positions. The Director of ~~Administrative Services~~ Human Resources, or designee may extend the time for an additional six (6) months. The Director of ~~Administrative Services~~ Human Resources, or designee may abolish the Eligible List if there is a change in the duties or minimum qualifications of the position which would impact the examination and placement of applicants on the list, or if less than five (5) names appear on the list, after the one (1) year period.

#### G. Reference Checks

Reference checks of previous employers, co-workers and other individuals with personal knowledge of the applicant should be made by the Human Resources Department on all applicants who are placed on employment lists and/or all applicants who are selected as finalists for an opening. Adverse or unsatisfactory references may disqualify the applicant from further consideration.

#### H. Background Checks

Background and/or credential checks may be made, when deemed necessary, by the City Manager. Also, where pertinent or legally required, driver’s license and criminal background checks will be made. Adverse or unsatisfactory results of background, credential, or criminal background checks may disqualify an applicant from further consideration.

#### I. Post-Employment Offer Physical Exam and Drug Screening Test

After the City makes an offer, but before an employee starts work, the City will require the employee to take a physical exam as permitted by law and to undergo a drug screen test in accordance with Rule 9.5.

#### J. Final Selection

The final selection shall be based on the City’s evaluation of the best applicant for the position from among the available candidates.

#### K. Selection Documentation

All selection criteria, testing scores or results and oral interview rating and references must be recorded and maintained by the City for a minimum of three years. Documentation must be submitted at the time of final selection.

#### L. Exceptions

The procedures outlined above may be appropriately modified for the recruitment and selection of appointed positions with the approval of the City Manager.

### **3.5 Rehire of Employees**

Individuals who satisfactorily complete an original probationary period and subsequently separate from City employment in good standing, may be eligible for rehire without competing through open public recruitment into any similar City position for which they qualify. The decision to rehire a previous full-time regular or part-time regular employee shall always be at the option of the Department Head subject to the approval of the City Manager. Rehiring of a previous employee shall be subject to all other provisions of employment with the City, including but not limited to serving a probationary period except that at-will employees (including at-will management, temporary, and seasonal employees) shall not be required to serve a probationary period.

### **3.6 Probationary Period**

Section 3.6 (Probationary Period) does not apply to at-will employees (including at-will management, temporary, and seasonal employees).

#### **A. New Employees**

1. New employees\_ shall serve a probationary period of not less than six (6) months of actual service.

2. Unrepresented, sworn staff shall serve a probation period of 15 months.

1.3. \_\_\_\_\_ Periods of time on paid or unpaid leave exceeding five (5) days (consecutive or not; excluding compensatory time taken) shall automatically extend the probation period by the number of days the employee is on leave. This probationary period may be extended for a period up to six (6) additional months at the recommendation of the Department Head and approved by the Director of ~~Administrative Services~~Human Resources, or designee, and City Manager. Any extension of probation shall be in writing and must be given to the employee before the probationary period has ended.

2.4. \_\_\_\_\_ The probationary period is considered to be part of the selection process. Employees have no right to employment during this probationary period. Probationary employees may be dismissed at any time without cause by the City.

3.5. \_\_\_\_\_ Probationary employees do not have access to the grievance or appeal process and are not entitled to a hearing upon dismissal.

#### **B. Promoted Employees**

1. On accepting a promotion, an employee serves a new probationary period of six (6) months of actual service.

2. Unrepresented, sworn staff shall serve a promotional probation period of 12 months

- 1.3. \_\_\_\_\_ Periods of time on paid or unpaid leave exceeding five (5) days (consecutive or not) shall automatically extend the probation period by the number of days the employee is on leave. This probationary period may be extended for a period of up to six (6) additional months. at the recommendation of the Department Head and approved by the Director of Human Resources, or designee, and City Manager. Any extension of probation shall be in writing and must be given to the employee before the probationary period has ended.
- 2.4. \_\_\_\_\_ An employee who fails theis probationary period has no right to their former position. Also, an employee who fails theis probationary period and is dismissed has no right to the grievance or hearing procedures.
- 3.5. \_\_\_\_\_ The end of the probationary period shall be the new Performance Review Date (PRD) for the promoted employee. At this time the employee will be eligible for a step increase as outlined in these Rules and Regulations.

### **3.7 Regular Employee Status**

- A. Regular Full-Time Employees. Employees who are employed in a position who successfully complete their probationary period and who regularly work a minimum of forty (40) hours per week shall be deemed regular full-time employees.
- B. Regular Part-Time Employees. Employees who are employed in a position who successfully complete their probationary period and who regularly work less than forty (40) hours per week, but at least thirty (30) shall become regular part-time employees.

### **3.8 Lay Off Procedures and Bumping Rights**

- A. Statement of Intent. Whenever the City eliminates a position or has a reduction in force due to reduced work, reduced revenues, or other reasons, or when in the judgment of the City Manager, it becomes necessary to abolish any position of employment, the employee holding such position may be laid off or demoted, without disciplinary action and without the right of appeal.
- B. Notification. Employees to be laid off shall be given, whenever possible, at least fifteen (15) calendar days' prior notice, which shall include an opportunity to submit in writing or meet with the Director of ~~Administrative Services~~Human Resources, or designee regarding the reasons for the layoff and his or her seniority and bumping rights. The Director of ~~Administrative Services~~Human Resources, or designee, will render a reply in writing within seven (7) calendar days after receiving the employee's response.
- C. Vacancy and Demotion. Except as otherwise provided, whenever there is a layoff under this rule, the City shall first demote to a vacancy, if any, in a lower class for which the employee to be laid off is qualified. All persons so demoted shall have their names placed on the City's reemployment list.

D. Employee Rights. A permanent employee affected by layoff shall have the right to displace an employee who has less seniority in a lower class in the same class series or in a lower classification in which the affected employee once had permanent status. Seniority includes all periods of full-time service at or above the classification level where layoff is to occur.

E. Seniority.

1. In order to retreat to a former or lower class, an employee must have more seniority than at least one (1) of the incumbents in the retreat class, and shall request displacement action in writing to the Director of Administrative Services Human Resources, or designee, within five (5) working days of receipt of notice of layoff. Notice of layoff shall include a notice of the rights set forth in this rule.

1.2. Employees retreating to a lower or similar class shall be placed at the salary step representing the least loss of pay. In no case shall the salary be increased above that received in the class from which the employee was laid off.

2.3. Employees retreating to a lower or similar class shall serve a probationary period in the new class unless they have previously successfully completed a probationary period in the class or the class series.

F. Employment Status.

1. Only regular full-time employees and regular part-time employees as defined in Rule 3.7 shall be entitled to any rights under this Rule.

2. In cases where there are two (2) or more employees in the class from which the layoff is to be made, employees whose last overall evaluation rating have been "improvement-needed" or worse shall be laid off first, regardless of seniority. If no employees within the class fit such criteria, or after all so-rated employees have been laid off, layoffs shall be in inverse order of the employees' seniority in that or a higher class.

G. Reemployment List.

1. The names of persons laid off in accordance with these rules shall be entered upon a reemployment list. Lists from different departments or at different times for the same class of position shall be combined into a single list. Such list shall be used when a vacancy arises in the same or lower class of position before certification is made from an eligible list.

2. Names of persons laid off shall be carried on a re-employment list for one (1) year, except that persons appointed to permanent positions at the same level from which they were laid off shall, upon such appointment, be dropped from the list. Persons who refuse reemployment shall be dropped from the list. Persons reemployed in a lower class, or on a temporary basis, shall be continued on the list for the higher position for two (2) years. The City Manager may extend the duration of a reemployment list.

## **RULE 4: WORKING CONDITIONS AND WORK RULES**

### **4.1 Working Hours and Breaks**

The City of Lathrop will strive to serve the needs of the public by establishing reasonable business hours. This rule establishes guidelines for working hours for employees as well as lunch periods and breaks.

#### **A. City of Lathrop Business Hours**

1. The City of Lathrop shall strive to provide reasonable business hours to ensure accessibility for the public and meet the general needs of citizens. Each department within the City will establish business hours to best service the public, as determined by the Department Head and City Manager and shall be posted at the City building and on the City website. ~~Normal business hours for citizen access to City offices are from 8:00 am to 6:00 p.m., Monday through Thursday, and 8:00 a.m. to 5:00 on Fridays.~~ Extended hours may be considered to provide adequate public accessibility. City offices are closed on holidays.
2. Department Heads should make sure there are sufficient personnel available to effectively operate the department during all business hours.
3. Certain departments may provide emergency service ~~twenty-four (24)~~ hours a day as determined by the Department Head and City Manager.

#### **B. Lunch Period and Breaks**

1. Lunch Period. Each employee who works at least an eight (8) hour day is entitled to a one (1) hour lunch period unless otherwise modified by MOU. A one-half (0.5) hour lunch period may be taken with approval of the employee's Department Head. The supervisor should establish a reasonable lunch schedule for all employees, generally between the hours of 11:00 am and 2:00 pm based on the employees regular work schedule. Part-time employees working five (5) hours or more are entitled to at least one (1) half hour lunch period. The Department Head may approve a longer lunch period for part-time employees.
2. Breaks. Full time employees shall be entitled to a fifteen (15) minute rest break around the midpoint of each ~~four (4) hour segment~~ half of the shift worked, of a shift. Unless a supervisor specifically requires an employee to miss a scheduled break, rest breaks shall not be combined with a lunch period or otherwise banked. If a City emergency arises which requires that an employee miss a scheduled break, the two (2) scheduled breaks may be combined provided operation requirements allow and provided the missed break is taken on the same day as it was missed. Part-time employees working less than three (3) hours per day are not normally entitled to a rest break. One (1) rest break may be taken for part-time shifts of three and one-half (3.5) hours to five (5) hours.



### C. Scheduling Time Off and Time Away From the Office

1. All employees are responsible for keeping appropriate personnel advised as to scheduled time off work, sickness, or other absences, in accordance with City and department rules and practice.
2. All employees should keep appropriate personnel informed of their location during scheduled work time, in accordance with City and department policy or practices.

### D. Flexible Work Schedules

Employees' work schedules should be set by their Department Head with the approval of the City Manager. Normal work schedules will involve an eight to twelve hour block of time based on the work schedule established by the department in order to meet the appropriate business needs of the City. ~~between the hours of 7:00 a.m. and 6:00 p.m. Monday – Thursday and 7:00 a.m. and 5:00 p.m. on Friday.~~ This shall not include the lunch break period. ~~Circumstances may arise which require other work schedules. In these instances, a~~ Approval for other schedules shall be obtained from the City Manager. Scheduled days off in a work week shall be consecutive.

## 4.2 Overtime and Compensatory Time

The City of Lathrop intends to compensate City employees for all hours worked, including overtime hours worked in compliance with the Fair Labor Standards Act (FLSA), or as set forth in the applicable Memorandum of Understanding. ~~—~~The FLSA categorizes employees as exempt and nonexempt. Exempt employees are not eligible for overtime or compensatory time. Exempt employees includes all employees who meet one or more of the duties test exemptions from overtime under the FLSA (e.g. executive, administrative, professional, etc.) and who are paid on a salary basis. Salary basis means compensation in a predetermined amount that is generally not reduced regardless of the quality or quantity of work actually performed.

The City Manager shall classify all positions for purposes of FLSA. Department Heads shall see that records are kept and overtime and compensatory time are approved in accordance with this section and departmental procedures. ~~The~~ Director of Finance Manager shall calculate pay periods. For purposes of the 9/80 alternate work schedule, the Friday worked ends/begins mid-day Friday; the designation of mid-day Friday is the start of the pay period.

#### A. Overtime Compensation

1. An employee who works beyond the specified numbers of hours in the pay period shall receive compensation at the rate of one and one-half times the regular base pay. All time in paid status, with the exception of vacation, sick and compensatory time taken, shall be deemed time worked for the purposes of this section, or as set forth in the applicable Memorandum of Understanding.
2. Compensatory time may be given in lieu of paid overtime at the discretion of the Department Head. Employees earning compensatory time may only accumulate eighty (80) hours. Employees who accumulate more than the maximum eighty (80) hours shall be paid for overtime hours in excess of the maximum.

#### B. Approval of Overtime

1. Overtime worked must be approved by the Department Head prior to being worked. The Department Head should make sure that appropriate and accurate records of all overtime hours worked and any compensatory time earned are kept.
2. Failure to have overtime approved in advance, except for call-back time, will not prevent the City from compensating the eEmployee for the time worked; however, disciplinary action may be taken for working unauthorized hours.

#### C. Payment of Accrued Overtime

- ~~1. Any accrued compensatory time shall be used before accrued vacation leave whenever an employee takes time off.~~
- 2.1. Use of compensatory time should not create a situation where overtime for other personnel within the department or City is necessary to maintain operations.
- 3.2. Upon termination of employment, any compensatory time up to the maximum accrual earned and unused by the employee shall be paid at a rate of pay equal to the employee's current rate of pay at termination.

#### D. Record Keeping

Each Department Head shall see that accurate records are kept of all hours worked by each employee within the department. Such records shall differentiate between scheduled hours and overtime hours worked and all leave hours taken per work period for each employee. Copies of all time worked records shall be submitted to the Finance Department at the end of each pay period or each work period. These records shall be maintained for at least three (3) years.

Hours worked shall be documented and compensated in fifteen (15) minute intervals. For example, an employee working more than five (5) minutes in a fifteen (15) minute interval shall be compensated for fifteen (15) minutes.

### 4.3 Light Duty Assignment (Workers Compensation)

#### A. Policy and Description.

A modified duty/return to work program is an essential part of a cost containment effort. Modified duty/return to work assignments are temporary assignments to assist employees on the job to progressively escalate to full duty status. It shall be the policy of the City that all supervisors implement, maintain, and adhere to the modified duty/return to work program guidelines. This Rule applies to light duty under Workers Compensation. See Rule 2.15 for reasonable accommodations under state and federal laws.

The City has established this modified duty/return to work program with the following objectives:

1. To return all injured employees to work as soon as possible without danger of re-injury.
2. To reduce the number of employee days lost from work and the cost of workers' compensation temporary disability benefits.
3. To increase communication with injured employees and eliminate any perception of indifference on the part of the employer.
4. To reduce the number and expense of litigated cases.
5. To diminish the feelings of unproductiveness and depression which may accompany an employee's injury and reinstate self-confidence and dignity in their place.
6. To perform tasks for the City which can be supplemental, enhance services, or that currently go undone or which would otherwise require extra help, while at the same time providing productive work for a temporarily injured employee.

Modified duty/return to work assignments are only temporary assignments designated for employees who were injured and who can return to work within the physical restrictions set forth by their health care provider. These assignments are established for a period not anticipated to exceed two (2) or three (3) months. Assignments created for modified duty/return to work participants are not permanent assignments and are not funded in the most recently approved budget. It is in no way the intent of the City to make modified duty/return to work assignments permanent assignments.

#### B. Procedures

1. Injured employees will be medically treated as deemed appropriate. The City's designated medical provider will be aware of the City's modified duty/return to work program so they can assist the City in placing the injured employee in an appropriate assignment.
  - a. Upon return from the health care provider's office, the employee, and supervisor and a representative from the Human Resources Department will meet to discuss the work restrictions as reported by the doctor on

the ~~Medical Service Order~~ Work Status Report. If the work restrictions require modified/light duty work, then such assignment will be evaluated and made available in the work unit if possible.

- b. If any question should arise concerning the injured employee's ability to perform a specific modified/light duty assignment, the health care provider who authorized the modified/light duty work must be contacted for clarification.
  - c. If no modified duty/return to work assignment is available within the injured employee's regular department, the supervisor will contact the Human Resources Department within one working day following the meeting with the employee. If modified/light duty work is not available within the employee's normal work area, oral notification shall be given by the Human Resources Department as to the availability and location of modified duty/return to work assignments.
  - d. If no assignments can be found, the injured employee will be placed on temporary disability until such time as appropriate work, within the work restrictions, is available, or the restrictions are lifted pursuant to direction from the doctor. A letter or memorandum notifying the injured employee of the modified duty/return to work assignment must always follow the oral notification.
2. If it appears that the injured employee will not return to their regular job within a reasonable period of time, the Human Resources Department will contact the workers' compensation third party administrator to request that an appointment be made with a specialist for consultation and/or treatment and to make a determination on the issue of returning to regular work duties. Under this provision, sixty (60) to ninety (90) days shall be deemed to be a reasonable period of time.

#### **4.4 Use of Personal Equipment**

Use of personal equipment for performing work for the City shall not be permitted without authorization from the Department Head. Personal vehicles may be used with the approval of the Department Head. Employees using their personal vehicles for City business will be compensated for mileage at the approved IRS rate for mileage reimbursement. Employees authorized to use their personal vehicle for City business shall also provide proof of vehicle insurance acceptable to the City as outlined in the City Vehicle policy.

#### **4.5 Use of City Facilities, Funds, Property, Vehicles, Equipment, and Supplies**

##### **A. Public Resources**

City facilities, funds, property, vehicles, equipment and supplies are public resources. Employees may not use these public resources for personal purposes or private gain.

##### **B. Use of City Facilities, Funds, Property, Vehicles and Equipment**

Employees are expected to exercise due care, safety and economy in the use of City facilities, funds, property, vehicles, and equipment. For example, turning off electrical lights when not needed and reporting needed repairs are essential to the City's economy. City facilities, property, vehicles, equipment and supplies may be used only for the purpose for which they were intended.

C. Inappropriate Use Constitutes Misconduct

The following is strictly prohibited and constitutes misconduct under Rule 9:

1. The use of any city facilities or property without approval.
2. The use and/or removal of any city funds, vehicles, equipment and supplies without approval.
3. The theft or conversion of City funds, vehicles, equipment and supplies for personal purposes or use.

D. Restitution and Repayment to City

In addition to the imposition of discipline for misconduct as provided under this Rule, employees may be required to repay City funds and to provide restitution to City for any City facilities, property, vehicles and equipment which are damaged, destroyed, stolen and/or converted.

**4.6 Policy Regarding Cell Phones and Text Messaging**

A. Limitations on Use of Wireless Telephones (Cell Phones)

Employees are prohibited from using cell phones or any type of mobile service device (pagers, texting devices, laptops, etc.) while driving on City business and/or City time (except in emergency situations when it is necessary to contact law enforcement, an emergency health care provider, the fire department, etc.).

B. Prohibition Regarding Text-Based Communications

Employees on City time or City business shall not drive a motor vehicle while using a wireless communication device to write, send, or read a text-based communication including, but not limited to, a communication referred to as a text message, instant message, or electronic mail.

C. Authorized Use

In the event an employee's job requires that the employee's cell phone be kept on while driving, the employee must use a hands-free device or safely pull off the road before using the cell phone to conduct City business. Except in emergency situations, under no circumstances should an employee make phone calls or use a mobile service device while operating a motor vehicle on City business and/or City time.

D. State Law

California law prohibits a driver of a motor vehicle from using a wireless telephone unless a hands-free device is used except in emergency situations (i.e. calling law enforcement, an emergency health care provider, the fire department, etc.). California law also prohibits a driver of a motor vehicle from using an electronic wireless communication device to write, send, or read a text-based communication. Violation of this City policy regarding the use of cell phones and/or text messaging will constitute a violation of California law and a violation of City rules.

## **RULE 5: TRAINING, EDUCATION AND PERFORMANCE EVALUATIONS**

### **5.1 Training and Education**

It is the City's policy to promote operational efficiency. Department Heads may make specific funds available for job-related education and training within their departments. The expenditure of training funds is discretionary with a Department Head within budget appropriations. Notwithstanding any other provisions of these Rules and Regulations, in the event an MOU negotiated with a Union representing City employees provides for enhanced benefits of the type provided in this Section 1, the enhanced benefits shall supersede the benefits provided in this Rule.

#### **A. Education**

Permanent full-time employees are eligible to receive tuition reimbursement for educational purposes which tend to improve their ability to accomplish their City job for courses taken on the employee's own time. . Courses taken at any college or university, business or technical school, or courses given by a recognized correspondence school shall be recognized when they are:

- a. Related to the employee's current position within the City
- b. Related to the employee's potential development within the City
- c. Part of a program leading to a degree relating to the employee's position or possible development within the City

- ~~1. Reimbursement must be recommended by the Department Head and approved by the City Manager prior to the starting date of the course. Requests are to be submitted on an approved form provided by the Human Resources Department. Requests will be returned to the employee within fourteen (14) calendar days of submittal. Payment of education funds is discretionary within appropriate budget limits. Approval for reimbursement must be given by the City Manager prior to enrollment. Requests should be submitted in writing to the City Manager. An Educational Assistance Form may be used.~~
- ~~2. The payment of education funds is discretionary with a Department Head within appropriate budget limits:~~

- a. Costs are not to exceed \$1,100.00-3,000 maximum per calendar year, per employee; including books, materials and lab fees.
- b. Employee's time, ~~books, materials~~ and travel are at employee's own expense.
- c. Class time must be on employee's own time unless the Department Head approves an exception. ~~approved by the Department Head.~~
- d. A P passing grade (C or better), or a certificate of completion is required in each cours for reimbursement ~~-is required for reimbursement.~~
- d.e. The City shall reimburse the employee within (30) calendar days of submitting the necessary documentation. If an employee voluntarily separates within one year of receiving the educational reimbursement, he/she must reimburse the City of Lathrop within one year from the separation date.

3.2. An employee must reimburse City if employment is voluntarily terminated within one (1) year.

#### B. Training

- 1. Employee training which is mandated or sponsored by the City should be funded by the employee's department.
- 2. Training may, at the discretion of the Department Head, be taken during regularly scheduled work time.
- 3. All training and travel costs shall be approved by the Department Head, except out of state travel which must be approved by the City ManagerCouncil.
- 4. The City approved travel policy must be adhered to, as applicable

3.5 Training requests shall be made using any training request forms established by the employee's department, or Human Resources.

### 5.2 Performance Evaluations

It is the policy of the City to base compensation of employees on performance. A performance planning and review system that recognizes and rewards outstanding performance and corrects poor performance can contribute significantly to improved morale and productivity. In order to promote employee job satisfaction and morale, employees need to know that their supervisor is interested in their progress and development as well as providing regular systematic written feedback.

#### A. Applicability

- 1. Performance appraisals shall be performed for probationary, full-time, and part-time employees.
- 2. Departments are encouraged to extend use of performance appraisals to temporary and other employees.

3. Performance appraisals shall take place ~~after the third and~~ prior to the end ~~sixth month~~ of the probationary period. For probation periods exceeding 6 months, an evaluation may be provided mid-way through the probationary period. Subsequent performance appraisals should be performed at least annually on the employees Performance Review Date (PRD) and may take place more often. Unless a completed, satisfactory performance appraisal form is turned in to the City Manager fourteen (14) calendar days prior to completion of the ~~third (3rd) and sixth (6th) months~~ probation period, employment may be terminated at the discretion of the City Manager.

B. Elements of a Performance Appraisal

A performance appraisal form shall be established which shall be uniform to all departments and shall incorporate the necessary elements for each department. This form shall be used by each department unless otherwise authorized by the City Manager.

C. Approvals

1. The employee and supervisor shall discuss and sign the performance appraisal at the end of the appraisal meeting.
2. If the employee disagrees with the appraisal, he or she shall have the opportunity to rebut the appraisal within 10 days of being issued and have the rebuttal placed in his or her personnel file with the appraisal.

D. The Department Head must review and sign the performance appraisal, before any salary action or corrective action may be taken. Records

A copy of all signed and completed performance appraisal forms shall be submitted to the Director of ~~Administrative Services~~ Human Resources, or designee, to be included in the employee permanent personnel files.

## **RULE 6: COMPENSATION**

### **6.1 Time Records and Pay Periods**

A. Time Records

All employees shall be required to complete and submit to the Finance Department a record of hours worked at the end of each pay period. The Finance Department shall provide a time sheet to record time and shall be responsible for maintaining time sheets for each employee.

B. Pay Periods

Pay periods consist of a two (2) week period. Pay checks are distributed one (1) week following the end of a pay period.



## 6.2 Salary Plan

The City diligently strives to pay competitive market salaries to its employees. In order to achieve this, the City Administration has devised a City-wide salary plan based upon competitive market values.

### A. Establishment

A classification and salary plan shall be established according to City ordinance. The salary plan shall be administered by the City Manager.

### B. Appointment

New employees generally should be paid at step one of the salary range. An employee may start at a higher step at the discretion of the City Manager upon recommendation from the Department Head if the qualifications of the applicant exceed the minimum qualifications of the position or because of unusual circumstances. For example, additional work experience and/or education beyond the minimum requirements of the job, the possession of special skills and knowledge, or special market conditions which warrant or demand a higher starting salary.

### C. Under-filled Positions

A position may be under-filled to provide career development opportunities if the Department Head deems that workloads can be satisfactorily managed and staff is able to provide appropriate training and supervision or if, after the recruitment process, a qualified applicant is not available. An under-filled position will be on a six (6) month trainee period during which time the salary shall be fifteen (15) percent below the starting salary for that position. At the end of a satisfactory six (6) month trainee period, the employee shall be eligible to move to the first step of the range for that position and begin the regular employee probationary period as a promoted employee. At any time during the trainee period, the Department Head may determine to return the employee filling the under-filled position to his or her regular position.

### D. Salary Adjustments

#### 1. Market Adjustments

At least once annually all salary ranges shall be reviewed by the City Manager. This review may include a salary survey for some or all positions in the City. After review of salary ranges, the City Manager may make recommendations to the City Council for market and/or cost-of-living adjustments to salary ranges and the incumbents of those ranges. Individual positions may be market adjusted only with the approval of the City Manager and within budget constraints as approved by the City Council.

#### 2. Step Increases

- a. Employees are eligible to receive a step increase at least once annually at their PRD with approval of the City Manager upon recommendations

from the department head. After an employee reaches Step 5 of their salary range a step increase is no longer available without advancement to a new position.

- b. Any step increase shall be based on a performance appraisal to justify the increase and should be based on recognized and documented overall satisfactory performance during the performance period as defined by the performance appraisal documents. Supervisors should give a recommendation regarding step increases for each employee after the employee's performance appraisal. This recommendation should be made to the Department Head.

#### E. Promotions

Any employee receiving a promotion shall start on the first step of the salary range of the class to which he or she is promoted and be eligible for salary increases as provided in the salary plan, unless the present salary level is equal to or exceeds the first step of the class to which the employee is promoted. In that event, the employee shall be assigned to the step in the salary range to which they are promoted that is the equivalent of at least a five (5) percent increase in salary.

#### F. Demotion

An employee who is moved by management to a position with a different job title and lower salary range for cause or disciplinary reasons may receive a reduction in base salary rate in an amount deemed appropriate by the Department Head. If the salary reduction leaves the base salary rate above the new position salary range the salary shall be Y-Rated until such time as the salary is in line with the salary range.

#### G. Transfers

There should be no salary adjustment for a lateral transfer of an employee without the approval of the City Manager.

### 6.3 Uniforms

Certain employees within the City may be required to wear uniforms. The City shall prescribe what type of uniform shall be worn and the City will provide such uniform. Generally employees will be responsible for maintenance and cleaning of such uniforms. Employee uniforms shall be evaluated annually by the Department Head to determine the need for replacement of uniforms by the City. At the discretion of the Department Head, with the approval of the City Manager, a uniform service may be used for providing and cleaning of uniforms.

### 6.4 Court Appearance Pay

Employees who are subpoenaed to appear as witnesses on behalf of the City may be deemed to be on duty and granted leaves of absence with pay from their assigned duties until released. The employee shall remit all fees received for such appearances to the City within thirty (30) days from the termination of their services. Compensation for mileage and subsistence allowance shall not be

by the employee unless the employee uses a city vehicle to report for the court appearance.

### **6.5 Call-Back Pay**

An employee may be called out to work during non-scheduled work hours. The City shall strive to compensate these employees fairly and equally.

- A. Members of the City's bargaining unit responding to an off-duty emergency callback shall be compensated for all hours worked at the overtime rate of one and one-half (1.5) times per case or compensatory time provided, however, that the minimum compensation shall be two (2) hours at the time and one-half rate.
- B. Consecutive recalls occurring within thirty minutes of release from the initial call back shall be treated as part of initial call back. Consecutive recalls occurring after thirty minutes from release shall be subject to the same compensation hereinabove mentioned.
- C. Full-time employees shall receive \$3.00 per hour as stand-by compensation.

### **6.6 Severance Procedures**

- A. When an employee separates from the City for any reason, the City should:
  - 1. Collect all equipment and keys from the employee, delete the employee security codes from computer systems if appropriate and any other items or activities identified by the Department Head or City Manager to facilitate the employee leaving City employment and protect the security of the City. All items must be signed off by the Department Head and the employee.
  - 2. Conduct, at the discretion of the City Manager, an exit interview with the employee. Such interviews may be conducted by the City Manager, Director of ~~Administrative Services~~Human Resources, or designee, or the Department Head.
  - 3. Pay the employee all accrued vacation leave, compensatory time and all hours worked not previously compensated up to the date and time of separation.
  - 4. Pay any agreed upon severance pay as provided by City ordinance, the Compensation Plan or other independent agreement.
  - 5. Obtain written approval from an employee before withholding from the final pay check monies owed the City by the employee to recover monies for such items including but not limited to:
    - a. Travel advances;
    - b. City credit card use;
    - c. Misappropriated City assets;
    - d. Any City property not returning to the City;
    - e. Overpayment of salary or benefits;

f. Educational expenses.

Release of a final pay check does not waive the City's right to pursue the recovery of the items— listed above, or any other monies owed by the employee to the City.

- B. Employees may elect to have funds withheld from their final pay check to fund the continuation of employee benefits as provided by law or contract, including health insurance.
- C. The City shall not provide the following to employees after their date of separation.
  - 1. Any paid allowances, such as vehicle, uniform, tools, etc.
  - 2. Additional leave and holiday benefits on paid severance.
  - 3. The cash value of contribution to any benefits other than retirement and Medicare.
- D. The City should make final payment to a voluntarily separated employee during the next regularly scheduled pay day unless the Department Head requests a more prompt payment.

**RULE 7: EMPLOYEE BENEFITS**

**7.1 Paid Holidays**

The City recognizes that various special occasions occur during the course of a year which warrant special celebrations and/or observances. These occasions are generally designated by Federal and/or State Statute, or by tradition. In order to acknowledge these occasions, the City has determined that it will recognize certain holidays throughout the year and allow City employees to observe these occasions by granting employees time off work, with pay or giving an additional day's or shift's pay.

- A. Any day designated as a paid holiday by the City Council shall be considered a legal holiday for City employees.
- B. The City shall observe the following holidays:

<u>HOLIDAY</u>	<u>DATE OBSERVED</u>
New Year's Day	January 1
Martin Luther King Jr. Day :	3rd Monday in January
Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4

Labor Day	1st Monday in September
Veteran's Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	4th Friday in November
December 24	December 24
December 25th	December 25
December 31	New Years Eve

If a holiday falls on a Sunday, the following Monday will be observed as the holiday, except that if December 24th or December 31st falls on Sunday, the preceding Friday will be observed as the holiday. If a holiday falls on Saturday, the preceding Friday will be observed as the holiday. If December 24th or December 31st falls on Friday, the preceding Thursday will be observed as the holiday.

C. Floating Holiday

Employees shall be entitled to one (1) floating holiday equivalent to one regular work day (based on employee work schedule) each Fiscal Year. Floating Holiday time shall be accrued during the pay period that includes July 1st. New employees hired after July 1st shall not accrue a floating holiday until the following July 1st.

Floating holiday accrued shall be available for use the first day following the pay period in which they are accrued, and shall be scheduled at a time mutually agreed upon between the employee and Supervisor/Department Head. Floating holiday hours must be used in the fiscal year they are received and is to be used in a full day increment. Any Floating holiday hours remaining at June 30<sup>th</sup> shall be rolled over into the employee's vacation bank.

C.D. Part-time Employees

Part-time employees working at least thirty (30) hours per week shall receive the same holidays on a pro-rated basis to their average hours worked per week. For example, if a part-time employee was scheduled to work thirty (30) hours per week, the individual would receive six (6) hours of holiday pay for each holiday observed.

D.E. Temporary and Seasonal Employees

Temporary and Seasonal employees, do not receive paid holidays but may be given leave without pay to observe the occasion. If required to work a holiday, straight time or overtime pay may be made in accordance with these Rules and Regulations.

E.F. Employees Occasionally Working Holidays

Regular full-time and regular part-time employees required to occasionally work on a holiday (e.g., Parks and Recreation and Public Works employees) may be permitted to take a different day as the holiday, accrue the time as compensatory time or be compensated for the holiday as approved by the Department Head. Compensation shall include eight (8) hours of Holiday Pay, for full-time employees, plus time and a half for the number of hours actually worked.

**7.2 Vacation Time**

The City of Lathrop seeks to provide City employees with time away from their daily job duties in order to relax, to refresh their energies and dedication to the job, and to maintain their health and personal well-being. For this purpose, the City has devised a vacation program for City employees.

**A. Full-time Employees**

Full-time employees shall begin to accrue vacation leave on the date of hire on a bi-weekly basis at a rate based upon tenure of employment:

<u>Years of Service</u>	<u>Monthly Accrual</u>	<u>Approx. Annual</u>	<u>Max Accrual</u>
0 – 4 <u>years</u> <u>hrs.</u>	6.667 <u>hrs.</u> <u>hours</u>	80 <u>hrs.</u> <u>hours</u>	240
5 – 9 <u>years</u> <u>hrs.</u>	10 <u>hrs.</u> <u>hours</u>	120 <u>hrs.</u> <u>hours</u>	360
10 + <u>years</u> <u>hrs.</u>	13.33 <u>hrs.</u> <u>hours</u>	160 <u>hrs.</u> <u>hours</u>	480

**B. Part-time Employees**

Part-time employees working at least thirty (30) hours per week shall accrue vacation leave on the same basis as full-time employees, except that the accrual will be prorated based on the average number of hours worked per week.

**C. Seasonal and Temporary Employees**

Seasonal and temporary employees do not accrue or receive vacation time but may be allowed leave without pay.

**D. Vacation Buy-Back**

Exempt employees are eligible to buy back up to forty (40) hours of accrued vacation hours per year. This will be based on the amount of vacation accrued on December 1<sup>st</sup> of each year. Vacation buy-back will not be automatic. Employees wanting to buy-back vacation must submit a written request to the City Manager by December 15<sup>th</sup> of each year. At the time the request is submitted, the exempt employee must have accrued a minimum of forty (40)

hours of vacation time. If a request is not received by December 15th, the buy-back will not be allowed.

#### E. Vacation Scheduling

All vacation time must be scheduled in advance with the Department Head and should be taken at a time which does not unnecessarily burden the department. As much as possible and as work scheduling permits employees may take multiple weeks of vacation when properly scheduled with their Department Head. All leave shall be approved by submitting a completed leave form to the Department Head for approval. Leave equaling one (1) week or more should be scheduled at least two (2) months in advance. Earlier scheduling of leave is encouraged in order to allow supervisors to reassign work load.

#### ~~F. Use of Compensatory Time~~

~~Any compensatory time shall be taken before vacation time is taken.~~

#### G.F. Use of Vacation Benefits

Employees are eligible to take accrued vacation time after completion of an approved probationary period. An employee may take some accrued vacation time prior to having completed the probationary period if approved by the Department Head. The vacation time will only be allowed if the situation requiring the taking of the vacation time is an emergency, or if the taking of the vacation time was negotiated prior to employment.

#### H.G. Vacation Accrual

Employees may accrue vacation time to a maximum of three (3) times their current annual accrual rate. Any employee exceeding this maximum accrual on December 31st of each year shall discontinue accruing vacation until such time as the total accrual drops below the maximum accrual limit. An employee's accrual limit may exceed the maximum limit during the year; however, the employee will discontinue accruing vacation on December 31st of each year if his/her accrual exceeds the maximum limit.

Employees who have a scheduled vacation canceled during the months of November and December due to an emergency may have their maximum vacation accrual temporarily increased. In this case the employee must meet the following conditions:

1. The employee's vacation accrual must be above the maximum on December 31st of that year.
2. The Department Head must determine that there was no other available time during the months of November and December when the vacation could be rescheduled.
3. The maximum accrual extension must be approved by the City Manager.
4. The provisions for discontinuing accrual based on exceeding the maximum limit will be waived for one (1) year. The provisions for discontinuing accrual based on maximum limit shall be enforced the following year.

I.H. Accrued Vacation Upon Separation

Employees are entitled to all accrued vacation leave upon their separation as a City employee.

**RULE 8: EMPLOYEE LEAVE**

**8.1 Authorized Absence**

Employees shall be in attendance as required by their position. Any unauthorized absence may be cause for discipline. Authorized absence means permission to be absent from duty for a specified purpose, with the right to return before or upon the expiration of the leave period. Requests for leave are to be completed on a City approved form and submitted to the employee's Department Head.

**8.2 Sick Leave**

The City understands that there are times when a City employee, because of illness or injury, or illness or injury related circumstances, cannot and should not be at work. Sick leave is not a privilege to be used at an employee's discretion, but may only be used in cases of necessity and actual illness or disability of the employee or a family member needing care as set forth under this Rule. The City shall adhere to appropriate state and federal mandated family care leave laws. (See Rule 8.4.)

A. Accumulation and Use of Sick Leave

1. Full-time and exempt employees may begin to accumulate sick leave on the date of hire at a rate of eight (8) hours per month.
2. Regular part-time employees may begin to accumulate sick leave on the date of hire on a prorated basis.
3. An employee eligible for sick leave may accumulate an unlimited amount of unused sick leave. An employee may begin to utilize accumulated sick leave after having completed three (3) full pay periods of employment.
4. Effective July 1, 2015, the City of Lathrop will provide paid sick leave to covered employees in accordance with the Healthy Workplaces, Healthy Families Act of 2014. This paid sick leave is available to employees who work in a part-time, temporary or seasonal capacity and do not qualify for other leave benefits. Sick leave may only be used in cases of necessity and actual illness or disability of the employee or a family member needing care. In those cases, the sick leave may be used as follows:
  - a. An employee who works 90 or more days in a twelve month period is entitled to paid sick leave.
  - b. An employee is only allowed to use up to a maximum of three (3) days or 24 hours, whichever is greater, or paid leave in the calendar year.



- c. Employees will be credited with 24 hours of sick leave at the beginning of the calendar year. Unused sick leave will not be rolled over to the next calendar year. This is not a vested benefit.
- d. Employees whose hire date is after January 1st of any year will have their accruals prorated for the remainder of that fiscal year. An employee is not eligible to begin using any accrued paid sick leave until the 90th day of employment with the City.
- ~~e. Part-time employees are excluded from receiving paid Bereavement Leave, but may use accrued sick leave for a bereavement occurrence pursuant to the City's Bereavement Policy. (See Rule 8.7)~~
- ~~f. Paid sick leave will not be considered as hours worked for the purposes of overtime calculation.~~
- ~~g. An employee will not receive compensation for unused accrued paid sick leave upon transfer to full-time status, termination, resignation, retirement or other separation from employment from the City.~~
- ~~h. g. If an employee separates from City employment and is re-hired in a part-time, temporary or seasonal status, the employee must satisfy the 90 days of employment requirement collectively over the periods of employment with the City before paid sick leave can be used.~~

B. Definition of "Family Member" pursuant to Labor Code Section 245.5

1. "Family Member" includes the following:
  - a. A child, which for purposes of this Rule means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis. This definition of a child is applicable regardless of age or dependency status.
  - b. A biological, adoptive or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.
  - c. A spouse
  - d. A registered domestic partner
  - e. A grandparent
  - f. A grandchild
  - g. A sibling.

C. Notification of Need to Use Sick Leave

1. Employees should provide reasonable notice to their supervisor of medical appointments. Any employee needing to be absent from work because of a sick leave circumstance will arrange for a telephone report to his or her

supervisor by the beginning of the scheduled work day or shift (no later than the start of the work shift) to ensure coverage can be arranged.

2. Any use of sick leave, including maternity, paternity, and parenting leave, which results in absence from work exceeding three (3) successive work days, may be required to be supported by a medical certificate or other evidence acceptable to the supervisor. This evidence may be required on the first working day the employee returns to work. The supervisor or Department Head may ask for medical evidence of illness for any use of sick leave if the request for evidence is made to the employee prior to his or her returning to work following the illness, or if the supervisor has a suspicion of sick leave abuse.
3. If a sick leave circumstance requires an employee to be away from work for a period beyond the individual's accumulated sick leave, then the time away from work may be taken as vacation time or compensatory time if either is available. When all paid leave is exhausted, leave without pay may be given.
4. Upon return to duty after use of sick leave, the employee shall complete a leave form to be signed by the Department Head and forwarded to the Payroll office.
5. Any employee who is absent from work for a period of three (3) consecutive work days without notifying his or her supervisor shall be separated from employment with the City. This separation shall be defined as a voluntary resignation and as such shall not be subject to the appeal grievance process.

#### D. Sick Leave Conversion

1. Employees eligible to accumulate sick leave may at the end of each calendar year convert some of the unused sick leave accumulated during each calendar year to vacation leave provided:
  - a. A full-time employee has an accumulated balance of unused sick leave of more than ninety-six (96) hours; conversion does not reduce unused sick leave hours below ninety-six (96) hours; and the employee has not used more than forty (40) hours of sick leave during the prior calendar year. A maximum of forty (40) hours of sick leave may be converted, but will be reduced hour for hour by sick leave used by the employee during the calendar year. If an employee uses forty (40) or more hours of sick leave during the year, no sick leave may be converted.
  - b. A part-time employee has an accumulated balance of unused sick leave of more than seventy two (72) hours; conversion does not reduce unused sick leave hours below seventy two (72) hours; and the employee has not used more than thirty (30) hours of sick leave during the calendar year. A maximum of thirty (30) hours of sick leave may be converted, but will be reduced hour for hour by sick leave used by the employee during the calendar year. If a part-time employee uses thirty

(30) or more hours of sick leave during the year, no sick leave may be converted.

2. Once an employee has met the criteria for his or her particular category of employment, the sick leave conversion will automatically take place and the employee will be able to notice the additional vacation hours on his/her check stub or other record. Any sick leave converted shall be added to accrued vacation and be governed by the vacation accrual limits and usage rules. Conversion of sick leave shall be done after the last pay period of each calendar year.

E. Abuse of Sick Leave

Use of sick leave without legitimate medical need is sick leave abuse which will be cause for discipline in accordance with disciplinary procedures.

F. Dealing with Sick Leave upon Termination of Employment

An employee leaving City employment for any reason will not receive or be compensated for unused sick leave.

G. Sick Leave Use and Other Income Benefits

1. Workers Compensation

Sick Leave should not be used for work shifts or days missed during periods of work related injury or illness except to compensate for time not covered by workers compensation insurance. When the injury is reported, the employee shall also declare to the Human Resources Department his/her intent to:

- a. Take the workers compensation benefits received in which event the City shall reduce the bi-weekly pay check by the amount of workers compensation benefits accrued (generally two-thirds of regular wages). The employee may use sick leave for the time not reimbursed by workers compensation; or
- b. Immediately release all workers compensation benefits received to the City. By doing so the employee may use sick leave to cover the entire period of work missed due to a work related injury or illness. At the time the workers compensation benefits are returned to the City, the appropriate amount of sick leave taken will be reinstated to the employee's accrual. If the employee fails to return the workers compensation benefits to the City, the City may reduce the employee's pay check by deduction to compensate the City for the value of the workers compensation benefits. In addition the employee may forfeit the sick leave used.
- c. Leave related to workers compensation injuries such as worker's compensation hearings and post injury health care provider's visits, may be compensated to the employee through administrative leave if approved by the Director of ~~Administrative—Services~~Human ResourcesDirector of Human Resources, or designee.

2. Disability Insurance

Sick leave may be used in conjunction with disability benefits in order to receive 100% of an employee's salary during disability. It is the responsibility of the employee to make sure sick leave use is recorded and documented with the Finance Department when used in conjunction with disability leave.

3. Other

Sick leave use must be coordinated with other benefits as outlined in this Rule.

**8.3 Family and Medical Leave Under Federal and State Law (FMLA and CFRA)**

Section 8.3 (Family and Medical Leave under Federal and State Law (FMLA and CFRA)) applies to all employees of the City who meet the eligibility requirements as set forth in the policy.

A. The Leave Policy.

The City provides family and medical leave for eligible employees as required by state and federal law. For those reasons, these Rules may change from time to time if required by state or federal law.

Under the federal Family and Medical Leave Act ("FMLA") and the California Family Rights Act ("CFRA"), eligible employees may take up to twelve (12) weeks of unpaid Family and Medical Leave within any rolling twelve (12) month period and be restored to the same or a comparable position upon the employee's return from leave provided the employee has worked for the City for at least twelve (12) months, and for at least 1,250 hours in the preceding twelve (12) months. The 1,250 hours worked during the previous twelve (12) months of employment need not be consecutive.

The City of Lathrop measures its twelve (12) month period as follows: a rolling twelve (12) month period measured backward from the date leave is taken and continuous with each additional leave day taken. Unless otherwise provided in this Rule 8.3, "leave" under this Rule shall mean leave under the FMLA and CFRA.

NOTE: See special provisions for Military Family Leave below in Rule 8.3 C.

B. Reasons for Leave.

An employee may take Family and Medical Leave for any of the following reasons:

1. The birth of a child and to care for such child;
2. The placement of a child with the employee for adoption or foster care and to care for the newly-placed child;
3. To care for a spouse, domestic partner, child, or parent ("covered relation") with a serious health condition;

4. Because of the employee's own serious health condition that renders the employee unable to perform an essential function of his or her position;
5. Leave under the FMLA to care for an injured military service member who is a spouse, son, daughter, or parent, "next of kin" and has a serious health condition or illness suffered in the line of duty in the Armed Forces; or

Leave because of reasons "1" or "2" must be completed within the twelve (12) month period beginning on the date of birth, adoption, or placement.

C. Military Family Leave.

Section 585(a) of the National Defenses Authorization Act amends the FMLA to provide military family leave entitlements.

1. Military Caregiver Leave (also known as Covered Servicemember Leave): Eligible employees who are family members of covered servicemembers may take up to 26 work weeks of leave in a "single 12-month period" to care for a covered servicemember with a serious illness or injury incurred in the line of duty on active duty. This is a special provision that extends the FMLA job-protected leave beyond the normal 12 weeks of FMLA leave. This provision also extends FMLA protection to additional family members (defined as "next of kin") beyond those who may take FMLA leave for other qualifying reasons.
2. Qualifying Exigency Leave: The normal 12 work weeks of FMLA job-protected leave is available for eligible employees with a covered military member servicing in the National Guard or Reserves to use for "any qualifying exigency" arising out of the fact that a covered military member is on active duty or called to active duty status in support of contingency operation. "Qualifying exigency" under this provision includes a number of broad categories for which employees can use FMLA Leave:
  - a. Short notice deployment;
  - b. Military events and related activities;
  - c. Childcare and school activities;
  - d. Financial and legal arrangements;
  - e. Counseling;
  - f. Rest and Recuperation;
  - g. Post-deployment activities; and
  - h. Additional activities not encompassed in the other categories, but agreed to by the employer and employee.

Department of Labor certification forms will be used by the City to facilitate certification requirements for the use of Military Family Leave.

D. Notice of Leave.

If an eligible employee's need for Family and Medical Leave is foreseeable, the employee must give the Director of ~~Administrative Services~~Human Resources Director of Human Resources, or designee, at least thirty (30) days prior notice of the need for leave, preferably in writing.

If this is not possible, the employee must at least give notice as soon as practicable (generally within one (1) to two (2) business days of learning of the need for leave). Failure to provide such notice may be grounds for delay of leave. Additionally, if an employee is planning a medical treatment, the employee should consult with the Director of ~~Administrative Services~~Human Resources Director of Human Resources, or designee, first regarding the dates of such treatment. Where the need for leave is not foreseeable, the employee should notify the City as soon as possible and practical.

#### E. Medical Certification.

If an employee is requesting leave because of his or her own or a covered relation's serious health condition, the employee must provide appropriate medical certification from the relevant health care provider within fifteen (15) calendar days after the request for leave, if practical. The employee may obtain medical certification forms from the Human Resources Office. If the employee provides at least thirty (30) days notice, the employee should provide the medical certification before leave begins. Failure to provide requested medical certification in a timely manner may be grounds for delay of leave.

The City, at its expense, may require an examination by a second health care provider designated by the City, if it reasonably doubts the medical certification the employee initially provides for his or her own serious health condition. If the second health care provider's opinion conflicts with the original medical certification, the City, at its expense, may retain a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion.

The City may require subsequent medical recertification at the expiration of an employee's previous certification or if the employee requests an extension. Failure to provide requested recertification within fifteen (15) days, if such is practical, may result in delay of further leave until it is provided.

#### F. Reporting While on Leave.

If an employee takes leave because of his or her own serious health condition or to care for a covered family relation, the employee must contact the Director of ~~Administrative Services~~Human Resources Director of Human Resources, or designee, as directed regarding the status of the condition and of the intention to return to work. In addition, the employee must give notice as soon as practicable (within two business days if feasible) if the dates of leave change or are extended or initially were unknown.

#### G. Leave is Unpaid.

Family and Medical Leave is unpaid leave [although an employee may be eligible for short or long-term disability payments and/or workers compensation

benefits under those insurance plans]. An employee may elect to substitute any accrued paid time off such as vacation or sick leave for unpaid Family and Medical Leave.

The City will require that the employee substitute any accrued vacation time for unpaid Family and Medical Leave for his or her own serious health condition other than pregnancy, childbirth, or a related medical condition, for the serious health condition of a covered family member, or for "bonding" leave. The City also will require that an employee substitute accrued sick leave for unpaid Family and Medical Leave for an employee's own serious health condition caused by pregnancy, childbirth, or related medical conditions.

The substitution of paid leave time for unpaid leave time does not extend the maximum 12-week leave period. Further, in no case may the substitution of paid leave time for unpaid leave time result in an employee receiving more than 100% of his or her salary.

#### H. Medical and Other Benefits.

For the first twelve (12) weeks of an approved Family and Medical Leave, the City will maintain the employee's health benefits as if the employee continued to be actively employed. If an employee takes a leave for disability caused by pregnancy, childbirth, or a related medical condition and follows that leave with "bonding" leave to care for the newborn child, the leave may exceed twelve (12) weeks, but the City will only pay for medical benefits for the first twelve (12) weeks of leave. If paid leave is substituted for unpaid Family and Medical Leave, the City will deduct the employee's portion of the health plan premium as a regular payroll deduction. If the leave is unpaid, the employee must pay his or her portion of the premium as directed by the City. Health care coverage will cease if his/her premium payment is more than thirty (30) days late. If payment is more than thirty (30) days late, the City will send the employee a letter to this effect. If the City does not receive the co-payment within fifteen (15) days of that letter, coverage may cease. If the employee elects not to return to work for at least thirty (30) calendar days at the end of the leave period, the employee may be required to reimburse the City for the cost of the health benefit premiums paid by the City for maintaining coverage during the unpaid leave, unless the employee cannot return to work because of a serious health condition or other circumstances beyond his/her control.

#### I. Employment Status During Unpaid FMLA/CFRA.

An employee who is on an approved FMLA/CFRA absence will retain his or her employment status with the City during the period of FMLA/CFRA leave. An unpaid FMLA/CFRA leave period will not be credited as service hours for seniority (i.e., employees are not entitled to accrue any additional benefits or seniority during an unpaid FMLA/CFRA leave, but will not lose any benefits or seniority accrued prior to the leave.

Eligible employees who commence a FMLA/CFRA leave while on probation shall have their probationary period extended. In addition, performance

reviews or evaluations may be delayed if the time period for the review was extended by a FMLA/CFRA leave.

Salary step increases which are based on length of service and performance will be delayed for any employee on an unpaid FMLA/CFRA leave. Shift preferences may also be delayed when related to an FMLA leave.

Salary increases resulting from the collective bargaining process will not be affected by FMLA/CFRA leave.

J. Exemption for Highly-Compensated Employees.

Highly-compensated employees (i.e., highest paid 10% of salaried employees) may not be returned to their former or equivalent position following a leave if restoration of employment will cause substantial and grievous economic injury to the City. This fact-specific determination will be made by the City on a case-by-case basis. The City will notify such employee if he or she qualifies as a "highly-compensated" employee, if the City intends to deny reinstatement, and of the employee's rights in such instances.

K. Intermittent and Reduced Schedule Leave.

Leave because of a serious health condition, including pregnancy-related disabilities, may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced-leave schedule (reducing the usual number of hours the employee works per workweek or workday) if medically necessary. Employees are required to give the City reasonable notice of the need to take intermittent or reduced schedule leave. Employees also may be eligible for intermittent leave for birth or placement of a child.

If leave is unpaid, the City will reduce the salary based on the amount of time actually worked. In addition, while on an intermittent or reduced leave schedule, the City may temporarily transfer an employee to an available alternative position that better accommodates the recurring leave and has equivalent pay and benefits.

L. Returning from Leave.

If an employee takes leave because of his or her own serious health condition (except if taking intermittent leave), the employee is required to provide medical certification that he or she is fit to resume work. Employees may obtain return-to-work medical certification forms from the Human Resources Office. An employee failing to provide the return-to work medical certification form will not be permitted to resume work until it is provided.

Under most circumstances, an employee who returns from a Family and Medical Leave will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if she or he had been continuously employed rather than on leave. In addition, employees who do not return to work are not entitled to an accrual of seniority or employment benefits that may have occurred during a leave period.



M. No Work While on Leave.

The taking of another job while on Family and Medical Leave or any other authorized leave of absence may be considered as voluntary resignation.

N. Definitions.

For the purposes of this rule, the following definitions apply:

"Child" includes biological, adopted, foster children, step-children, legal wards, and other persons for whom the employee acts in the capacity of a parent and who is either under 18 years of age or over 18 year of age but incapable of caring for himself or herself because of a physical or mental disability.

"Continuing treatment" means: (1) two or more treatments by a health care provider; (2) two or more treatments by a provider of health care services (e.g., physical therapist) on referral by or under orders of a health care provider; (3) at least one treatment by a health care provider that results in a regimen of continuing treatment under the supervision of the health care provider (e.g., a program of medication or therapy); or (4) under the supervision of, although not actively treated by, a health care provider for a serious long-term or chronic condition or disability which can not be cured (e.g., Alzheimer's or severe stroke).

"Domestic Partner" means: two adults who have established a domestic partnership in accordance with the requirements of California law, Family Code Sections 297 and 299.2 and shall have the same meaning as "spouse" for purposes of CFRA leave.

"Health care provider" means: (1) an MD or OD licensed by the state (or country) in which he or she practices; (2) podiatrists, dentists, clinical psychologists, optometrists, or chiropractors (limited treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice under the state law; (3) nurse practitioners and nurse-midwives authorized under state law; (4) Christian Science practitioners; (5) certified social workers; (6) a health care provider who practices in a foreign country in accordance with the laws of that country and; (7) any other health care provider from whom the employer or the employee's group health plan benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.

"Needed to care for" a covered relation encompasses: (1) physical and psychological care of a child, spouse, domestic partner, or parent with a serious health condition; and (2) where the employee is needed to fill in for others providing care or to arrange for third party care of a child, spouse, domestic partner, or parent who is receiving inpatient or home care.

"Parent" includes biological, foster, adoptive, step-parents, or a legal guardian or other person who stood in loco parentis to the employee when the employee was a child, but does not include parents-in-law.

"Serious Health Condition" means an illness, injury, impairment, or physical or mental condition that involves:

1. "Inpatient care," meaning an overnight stay in a hospital, hospice, or residential care facility, including any period of "incapacity" or any subsequent "treatment" in connection with such inpatient care; or
2. "Continuing treatment" by a "health care provider," meaning an incapacity of more than three consecutive calendar days; and (a) two or more treatments by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (e.g., physical therapist) under orders or referral of a health care provider; or one treatment by a health care provider which results in a "regimen of continuing treatment" under the supervision of the health care provider (e.g., prescription medication); or (b) Only under the FMLA, serious health condition means any period of incapacity because of pregnancy or prenatal care (even without treatment by a health care provider during the absence and even if the absence is less than three days (e.g., morning sickness); or (c) any period of incapacity because of a "chronic serious condition" (even without treatment by a health care provider during the absence and even if the absence is less than three days (e.g., asthma attack, migraine headaches, etc.); or (d) any period of absence to receive multiple treatments by health care providers or provider of health care services (under order or referral of a health care provider) for reconstructive surgery after an accident, injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days if untreated (e.g., cancer (chemotherapy), severe arthritis (physical therapy), or kidney disease (dialysis)).

"Spouse" means a partner in marriage as defined in California Family Code section 300.

"Unable to perform the functions of his or her job" means an employee is: (1) unable to work at all; or (2) unable to perform any one of the essential functions of his or her position at the time notice is given or leave commenced, whichever is earlier. The term "essential functions" is borrowed from the Americans with Disabilities Act ("ADA") and state disability discrimination laws to mean "the fundamental job duties of the employment position," but does not include the marginal functions of the position.

#### **8.4 Pregnancy Disability Leave and the FMLA/CFRA Entitlement**

Section 8.4 (Pregnancy Disability Leave and the FMLA/CFRA Entitlement) applies to all employees of the City who meet the eligibility requirements as set forth in the policy.

The Federal FMLA statute considers pregnancy to be a disability. The California CFRA statute does not consider pregnancy to be a disability since there is already another California law, Pregnancy Disability Leave (PDL), which addresses this

issue. Reading each of these laws individually, it must be remembered that the employee will always enjoy the greatest benefit that each law provides.

Under California law, Pregnancy Disability Leave (PDL) provides special protection for women with pregnancy related disabilities. This law allows an employee who is disabled by virtue of a pregnancy related disability to take up to four (4) months off work due to her disability. This benefit is only permitted during the period that the employee is actually disabled as documented by the treating physician. Following the period of disability, the employee would be eligible to take an additional twelve (12) weeks off work under the CFRA statute. CFRA basically provides an opportunity to “bond” with the newborn. Under these conditions, an employee could potentially remain off work for a maximum of up to four (4) months (Pregnancy Disability Leave) and an additional 12 weeks (CFRA bonding leave). Again, remember that there cannot be any overlap between PDL and CFRA leave for pregnancy related disabilities. PDL is based on the existence of a medical disability associated with the pregnancy while CFRA is a bonding leave.

Eligibility for PDL leave commences with the date of employment. Unlike the FMLA/CFRA, there is no eligibility requirements pertaining to the one year period of service or minimum number of hours worked.

Due to the fact that the Federal FMLA does consider pregnancy to be a disability, there will be an overlap with the PDL and FMLA leaves. The following example is an illustration of the interaction between these leaves: An eligible employee is disabled due to pregnancy for eight weeks. During this eight week period, she will be covered by both the provisions of the PDL and FMLA. She now decides to take an additional six weeks to “bond” with her newborn. Since the FMLA is both a disability and a bonding leave, the employee will exhaust the remaining for weeks of her FMLA entitlement. Concurrent with the remaining four weeks of FMLA, the employee will also use four weeks of her CFRA leave entitlement.

The law requires the City to pay its share of the employee’s health insurance premium for a maximum of twelve (12) weeks. This will apply regardless of whether the leave is designated as FMLA, CFRA, or PDL. If an employee wishes to continue with her health insurance coverage beyond the twelve (12) week period, the employee must pay the City’s normal portion of the premium.

FMLA/CFRA “bonding” time must be taken within one year of the birth of the child or placement of an adopted/foster child. Both male and female employees are entitled to FMLA/CFRA time off work to bond with a newborn or newly placed adopted/foster child as long as FMLA/CFRA time has not been previously exhausted.

## **8.5 Leave to Visit Child’s School or Day Care Facility**

Section 8.5 (Leave to Visit Child’s School or Day Care Facility) applies to all employees of the City who meet the eligibility requirements as set forth in the policy.

The City shall permit a City employee who is a parent, guardian, or grandparent having custody of one or more children in kindergarten or grades 1 to 12, inclusive,

or attending a licensed child care facility to take up to 40 hours each year, not exceeding eight hours in a calendar month to participate in activities of the school or child care facility. The employee is required to give reasonable notice of the planned absence. In the event both parents work for the City at the same worksite, only the parent who gives first notice to the City shall be entitled to take leave. The other parent may take leave only if approved by the City.

An employee shall utilize existing vacation or compensatory time off for this leave. If vacation and compensatory time leave are not available, the employee shall take leave without pay. Under California law, the right for leave under this section may not be diminished by an MOU between the City and the employee union.

### **8.6 Military Leave**

An employee on official military duty under orders may take military leave, as required by California State Law or an applicable federal law. The City will pay any differential in salary for working/holiday hours missed while on military duty, provided the military rate of pay is less than the employee's City rate of pay.

### **8.7 ~~Funeral Leave/Bereavement Leave~~**

Regular full-time employees who suffer a death in their immediate family, as defined in this section, may be allowed up to 5 days of bereavement leave. Employees are provided three (3) work days of scheduled work time of funeral leave with pay, at his/her request for bereavement, or to attend the funeral of a member of the immediate family. In the event that out-of-state travel is necessary, employees may be allowed five (5) scheduled City-work days for each occurrence. This leave shall not be charged against sick or accrued vacation leave, but shall be counted as additional paid time away from work. In addition, employees may use an additional two days of accrued sick leave, vacation leave, or compensatory time for bereavement or the funeral of an immediate family member. Employees ~~must take this leave within a seven consecutive day period and will be paid only for days and hours they were scheduled to work.~~ Leave shall be used within three (3) months 30 days of the death of an immediate family member.

For purposes of this Rule only, the term immediate family includes: spouse/domestic partner, child, parent, sibling, grandparent, great grandparent, grandchild, or step or foster derivative of the above, or of the employee's spouse/domenstic partner's, mother, father, brother-in-law or sister-in-law, ~~domestic partner~~, or any permanent resident in the employee's personal household.

Part-time employees are excluded from receiving paid Bereavement Leave, but may use accrued sick leave for a bereavement occurrence pursuant to the City's Bereavement Policy.

### **8.8 Jury Duty**

Any employee summoned for jury duty shall receive compensation at their regular rate for those days missed. Any amount received for jury duty pay must be returned to the City. An employee may elect to take compensatory time to perform jury duty and keep the court fees received. If any employee is subpoenaed to court on a

personal matter, any time away from work during regularly scheduled working hours shall be compensatory time, vacation time, or leave without pay. Court pay for mileage shall be retained by the employee.

## **8.9 Leave for Crime Victims**

Section 8.9 (Leave for crime victims) applies to all employees of the City who meet the eligibility requirements as set forth in the policy.

- A. Employees who have been victims of serious or violent felonies, as specified under California law, or felonies related to theft or embezzlement, may take time off work to attend judicial proceedings related to the crime. Employees also may take time off if an immediate family member has been a victim of such crimes and the employee needs to attend judicial proceedings related to the crime. "Immediate family member" under this Rule is defined as spouse, registered domestic partner, child, child of registered domestic partner, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.
- B. Employees must give the Human Resources Department a copy of the court notice given to the victim of each scheduled proceeding before taking time off, unless advance notice to the City of the need for time off is not feasible. When advance notice is not feasible, the employee must provide the city with documentation evidencing the judicial proceeding, within a reasonable time after the absence. The documentation may be from the court or government agency setting the hearing, the district attorney or prosecuting attorney's office, or the victim/witness office that is advocating on behalf of the victim.
- C. Employees may elect to use accrued paid vacation time, paid sick leave time, or other paid time off for the absence. If the employee does not elect to use paid time off, the absence will be unpaid. However, exempt employees will be paid their full salary for any workweek interrupted by the need for time off under this policy.
- D. Victims of domestic violence or sexual assault may take time off work to obtain help from a court, seek medical attention, obtain services from an appropriate shelter, program, or crisis center, obtain psychological counseling, or participate in safety planning, such as permanent or temporary relocation. The City may require proof of an employee's participation in these activities.
  1. Whenever possible the employee must provide his or her supervisor reasonable notice before taking any time off under this Rule. The employee may use any accrued vacation or compensatory time off for the leave under this Rule.
  2. Leave under this policy does not extend the time allowable under the "Family and Medical Leave Act" as set forth in Rule 8.3.
  3. When an unscheduled absence under this Rule 8.9 D occurs, the City may not take action against the employee if the employee, within a reasonable time after the absence, provides certification in the form of a police report; court order of other evidence that the employee appeared in court; or

documentation from a professional, domestic violence advocate or advocate for victims of sexual assault, health care provided, or counselor that the employee was undergoing treatment for physical or mental injuries from an act of violence or sexual assault.

4. To the extent allowed by law, the City shall maintain the confidentiality of any employee requesting leave under Rule 8.9 D.

#### **8.10 Administrative Leave**

- A. The City shall have the right to place an employee on leave at any time with full pay.
- B. When a circumstance arises which may warrant granting administrative leave, the Department Head will consult with the Director of Administrative Services ~~Human Resources~~ Director of Human Resources, or designee, and obtain approval from the City Manager.
- C. Administrative Leave shall be documented and approved by use of the standard Personnel Leave Form.

#### **8.11 Leave Without Pay**

- A. In addition to any statutory leaves without pay provided for by law (e.g., FMLA and CFRA leave), any employee may be granted leave without pay for up to one month with the approval of the Department Head. Any leave without pay in excess of one month must be approved in advance by the City Manager. The employee must make a written request to the Department Head stating the reasons why he/she needs to be granted the leave without pay. The Department Head shall either approve or disapprove of the employee's request upon the grounds of whether or not the request will benefit both the City and the employee.
- B. During any leave without pay exceeding one full pay period, except for suspensions because of discipline, the employee will be responsible for the payment of premiums for health, life, and disability insurance benefits and sick leave and vacation time will not be earned.
- C. All leave shall be approved by submitting a completed leave form to the Department Head for approval.
- D. Leave without pay shall only be granted when all other eligible leave has been exhausted.

#### **8.12 Management Leave**

- A. Exempt employees, who are ineligible for overtime pay, are given ~~ten eighty~~ ~~(80)~~ ~~one hundred (100)~~ hours of management leave each calendar year with the exception of the Assistant City Manager, City Engineer, City Clerk and Department Directors, all of whom are given one hundred twenty (120) hours of management leave each calendar year, ~~and the Accounting Manager, Senior Accountant, Chief Building Official, Principle Engineer, Senior Engineer, Senior Civil Engineer, Information Technology Manager, Chief Planning~~

~~Official, Animal Services Manager, Parks & Recreation Administrator, Budget Manager, Parks & Recreation Project & Program Manager, Special Districts Manager, Senior Management Analyst, and Utility and Street Maintenance Superintendent who will be given one hundred hours of management leave each calendar year. This leave shall be prorated at the time of hire for new employees.~~

B. Exempt employees, shall accrue management leave (25-30 hours based on classification) per quarter in January, April, July and October. This leave shall be prorated at the time of hire for new employees. This provision does not apply to contracted employees.

B.C. Management leave not used by December 31st of each year will be converted to vacation time.

C.D. Scheduling of management leave shall be done in the same manner as vacation scheduling, as outlined in Rule 7.2.

## **RULE 9: RULES OF CONDUCT; DISCIPLINE**

The procedures set forth in this Rule 9 are not applicable to Assistants to the City Manager, Department Heads, other At-Will employees (including seasonal and temporary employees), and probationary employees.

### **9.1 Employee Conduct Guidelines**

#### **A. Introduction**

City employees are expected to observe certain standards of job performance and conduct. When job performance or conduct do not meet City's standards, City will endeavor, when in its sole discretion it deems appropriate, to provide employees with a reasonable opportunity to correct the deficiency. If, however, the employee fails to make the correction, or if the misconduct is severe or serious in nature, he or she will be subject to discipline, including termination.

The rules set forth in this Rule supplement are intended to provide employees with fair notice of what is expected of them. It is not possible, however, to provide an exhaustive list of all types of impermissible conduct and performance. Therefore, employees should be aware that conduct not specifically listed below, but which adversely affect or is otherwise detrimental to the interests of the City or other employees may also result in disciplinary action, including termination.

#### **B. Job Performance**

Employees may be subjected to discipline, including termination, for poor job performance, including but not limited to the following:

1. Unsatisfactory work quality or quantity;

2. Excessive absenteeism, tardiness, or abuse of break and lunch privileges;
3. Failure to follow instructions or City procedures; or
4. Failure to follow established safety regulations.

C. Misconduct

Employees may be subject to discipline, including termination, for violating the following:

1. Violation of any City ordinance, resolution, or the provisions of these Rules and Regulations, Administrative Manual provisions, or departmental rules and regulations.
2. Falsifying or making a material omission on an employment application or any other City record.
3. Inexcusable neglect of duty.
4. Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor in an appropriate manner.
5. Dishonesty.
6. Purchasing, possessing, using, selling, or being under the influence of alcohol or illegal drugs while on duty.
7. Working under the influence of an over the counter drug or prescribed medication that impairs the employee's ability to safely and efficiently perform the duties of his or her position.
8. Unlawful harassment as defined in Rule 2 of these Rules and Regulations.
9. Unlawful use, distribution, sale, or possession of illegal drugs while on duty or while operating a City vehicle.
10. Discourteous or harassing treatment of the public or other employees.
11. Improper political activity as defined by State Law.
12. Violation of safety procedures.
13. Failure to immediately report work-related accidents to supervisor.
14. Misuse, abuse, and damage of City facilities, property, vehicles and equipment.
15. Theft of City facilities, property, vehicles and equipment
16. Refusal to take or subscribe to any oath of affirmation which is required by law in connection
17. Conviction of a felony, or conviction of a misdemeanor, involving moral turpitude. A plea or verdict of guilty, or a conviction following a plea of nolo contendere, to a charge of a felony or any offense involving moral turpitude is deemed to be conviction within the meaning of this section.



18. Any other act which a Department Head or the City Manager deems a violation of City conduct standards.

D. Attendance

In addition to the general rules stated above, employees may be subject to discipline, including termination, for failing to observe attendance rules such as the following:

1. Reporting to work on time, observing the time limits for rest and lunch periods, and a failure to obtain approval to leave work early.
2. Notifying the supervisor in advance of anticipated tardiness or absence.
3. Unauthorized leave.

**9.2 Employee Discipline**

A. Types of Discipline

The type and degree of discipline imposed shall be determined based on the nature and severity of the employee conduct. While the City's goal is to provide progressive discipline, the nature and severity of the employee conduct may not warrant progressive discipline.

The type of discipline to be used includes, but is not limited to:

1. Counseling
2. Verbal Warning
3. Counseling or Warning Letter
4. Imposition of Review Period
5. Performance Salary Reduction
6. Suspension
7. Demotion
8. Termination

B. Procedures for Disciplinary Action.

The following procedure shall be applicable to regular full-time and part-time employees; provided the part-time employees work thirty (30) or more hours per week. The following procedure shall be used for disciplinary actions regarding performance salary reduction, suspension, demotion, and termination of an employee.

1. Employee shall be served with a Notice of Intended Disciplinary Action (Notice).
2. The Notice of proposed discipline shall include:
  - a. A statement of the nature of the proposed action.

- b. A statement of the reasons for the proposed action, including the specific acts or omissions giving rise to the proposed action.
  - c. A copy of any documents or other written materials upon which the disciplinary action was fully or in part based.
  - d. A statement advising the employee of his/her right to appeal such action and the right to union representation.
  - e. The date, time and location of the Skelly Response meeting, and the name of the Skelly Officer.
3. In those extraordinary circumstances wherein the City Manager determines immediate disciplinary action is necessary as a result of accusations involving misappropriation of public funds or property, or action which would constitute a felony or misdemeanor involving moral turpitude, or where the employee's presence on the job is deemed to be a threat to the safety of other employees or members of the public, the City Manager may place the employee on paid administrative leave while proceeding with the procedures for disciplinary action.
4. Skelly Meeting – the employee shall have the right to respond informally to the charges verbally, in writing, or both, before the discipline is imposed. The employee shall have ten (10) calendar days from receipt of the notice within which to respond to the charges. The employee may request a reasonable extension of time to respond for justifiable reasons. The City Representative hearing the response, the Skelly Officer, shall render a final written decision within ten (10) calendar days of receiving the employee's response. The Skelly Officer may sustain, modify or overturn the recommended disciplinary action. The Skelly response will be delivered to the employee in person, via registered mail or overnight delivery. If the Skelly Officer sustains or modifies the disciplinary action, the action may be imposed after the post-Skelly decision is delivered to the employee.
5. Appeal – the employee shall have the right to appeal the disciplinary action within ten (10) days of receiving the post-Skelly disciplinary decision as follows:
  - a. Step 1 – meet with Department Head or if Department Head served as Skelly Officer, then employee may send appeal to the City Manager. The appeal shall be in writing and describe why the employee believes the disciplinary action taken was not appropriate. The response to the appeal will be provided to the employee within ten (10) calendar days.
  - b. Step 2 – If not satisfied with the result of Step 1 above, the employee may provide the written appeal to the City Manager for review. The City Manager's written response will be provided to the employee within ten (10) calendar days.

- c. Step 3 – If the employee is not satisfied with the results of Step 2, the employee may request binding arbitration/an appeal hearing. The written request shall be submitted to the City Manager within ten (10) calendar days of receiving the City Manager's response to the appeal.
6. An appeal of the Order of Disciplinary Action shall be heard by an independent hearing officer. The City Manager or designee shall request a list of neutrals from the State Mediation and Conciliation Service. Such list shall be requested within five working days of receipt of an employee's appeal demanding a hearing. The City Manager or designee, and the employee, or the employee's authorized representative shall meet not later than three working days after receipt of the list and select the hearing officer utilizing the alternate strike method. The party striking first shall be determined by the toss of a coin. Should the person selected as the hearing officer be unavailable to commence the hearing process within ninety (90) days of this selection, the parties shall request another name from the State Mediation and Conciliation Service and shall proceed again through the list as provided above unless the parties agree to a later date for the hearing using the selected arbitrator/hearing officer.
7. The Arbitrator/Hearing Officer shall regulate the conduct of the hearing process. The Arbitrator/Hearing Officer shall set the date, time and place of the hearing, which place shall be on City premises, and shall, by certified United States mail, postage prepaid, give not less than ten (10) days' notice of such date, time and place to the appellant, or his or her other designated representative, the City Manager and the Director of ~~Administrative Services~~ Human Resources Director of Human Resources, or designee. The hearing shall be recorded by a court reporter or electronic process. Oral evidence may be heard only on oath or affirmation. The Arbitrator/Hearing Officer shall, within thirty (30) calendar days of the close of the hearing, file with the Director of ~~Administrative Services~~ Human Resources Director of Human Resources, or designee, the decision affirming, modifying, or revoking the Order, and his or her findings and decision to the appellant and to the City Manager.
8. The decision of the Arbitrator/Hearing Officer shall be final for all purposes unless an action or proceeding is commenced in a court of competent jurisdiction to determine the validity of the decision within thirty (30) calendar days of the date of mailing of the notice of decision to the appellant and the City Manager.
9. Employee's failure to respond or file an appeal within any specified time period in section 9.2 shall terminate the right to a hearing and the Order shall be deemed final.

### **9.3 Grievance Procedures**

#### **A. Purpose**

Grievance procedures for employees are provided herein:

1. To promote improved employer-employee relations.
2. To afford employees individually a systematic means of obtaining further consideration of problems after every other reasonable effort has failed to resolve them through discussions.
3. To provide that grievances shall be settled as near as possible to the point of origin.
4. To provide that grievances shall be resolved as informally as possible.

#### **B. Matters Subject To Grievance Procedures**

An employee shall have the right to submit a written grievance regarding a claimed violation of these Rules and Regulations. The grievance process shall not be applicable to employee discipline, to employee evaluations, or any disputes resolved through another City process.

#### **C. Employee Rights**

1. The employee may request the assistance of another person in preparing and presenting a grievance at any level of review.
2. A reasonable amount of time during work hours to prepare the grievance.
3. Freedom from reprisal for using the grievance procedures.
4. The right to call other employees as witnesses.

#### **D. Informal Grievance Procedure**

1. An employee should first attempt to resolve a grievance or complaint through discussion with his/her immediate supervisor without undue delay but within ten (10) calendar days of the issue or the employee's first awareness of the issue. If, after such discussion, the employee does not believe the problem has been satisfactorily resolved, he/she shall have the right to discuss it with the supervisor's immediate superior, if any without undue delay, but within ten (10) calendar days after initial supervisory discussion. Every effort should be made to find an acceptable solution by informal means at the most immediate level of supervision. If the employee is not in agreement with the decision reached through such discussion, he/she shall have the right to file a formal grievance in writing within ten (10) calendar days after receiving the informal decision of his/her supervisor. An informal grievance shall not be taken above the Department Head.
2. All informal grievances should be documented by the supervisor and any other supervisors involved.

#### **E. Formal Grievance Procedure**

The following formal grievance procedure may be used after exhaustion of the informal grievance procedure:

1. Department Review.
  - a. The grievance shall be presented in writing to the employee's Department Head who may discuss the grievance with the employee, employee representative, if any, and with other appropriate persons. Said grievance must be submitted within thirty (30) calendar days after the employee receives the decision on the informal grievance. The grievance shall include the following information:
    - i. The specific section of the Rules and Regulations at issue;
    - ii. Facts supporting the grievance including dates, times, documents, and witnesses; and
    - iii. The remedy sought.
  - b. The Department Head shall provide a written decision to the employee within fifteen (15) calendar days after receiving the grievance.
  - c. If the employee does not agree with the decision reached, or if no answer has been received within fifteen (15) calendar days, the employee may present the grievance in writing to the City Manager. Any such grievance shall be presented within ten (10) calendar days after receipt of the Department Head decision.
  - d. Failure of the employee to take further action within ten (10) calendar days after receipt of the Department Head's decision, or within a total of twenty five (25) calendar days if no decision is rendered, will constitute withdrawal of the grievance.
2. City Manager Review.
  - a. Upon receiving the grievance, the City Manager shall provide a written response to the employee within fifteen (15) calendar days. The City Manager may respond based on 1) a review of the grievance file, 2) a meeting with the employee, employee representative, if any, and with other appropriated persons; or both.
  - b. The City Manager shall render a decision in writing to the employee within twenty (20) calendar days after receiving the grievance. The decision of the City Manager is final.
3. The time limits specified above may be extended to a definite date by mutual agreement of the employee and the reviewer concerned.

#### **9.4 Drug and Alcohol Use**

- A. The City recognizes the importance of maintaining a work place free from the use of drugs and alcohol. This section is intended as a guideline to recognize and prevent the use of drugs and alcohol in the work place. Use of these substances can detract from an employee's work performance, efficiency,

safety, and health. In addition to such impairment, the use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes the City to the risks of injury to other person or property loss or damage.

The use of prescription drugs and/or over the counter drugs may also impair an employee's job performance and may pose the type of danger or risks of injury referenced above.

#### B. Job Applicants

Applicants for City employment will be required to undergo a drug and alcohol test upon an offer of employment and prior to their final appointment. An applicant who refuses to consent to such testing will be denied employment and removed from any eligible list. An applicant with a positive test may be denied employment after review and consideration of all facts regarding the test.

#### C. Employee Actions and Conduct

1. An employee shall inform his or her supervisor any time he or she is taking any prescription or over the counter drug which can, or will, according to label warnings or physician instructions, impair the employee's ability to safely perform assigned duties, such as drugs causing drowsiness, restricted vision or restricted motor control if the employee is required to operate a vehicle or motor equipment on City business.
2. No employee shall report to work under the influence of alcohol or any drug that may cause impaired performance of duties or if the ability to perform assigned duties is significantly impaired. If there is a question, the Director of Administrative Services ~~Human Resources~~ Director of Human Resources, or designee, should be contacted for assistance to determine the risk or impairment.
3. No employee who is on-call or on duty shall consume alcohol or any drug which may impair ability to perform assigned duties.
4. A supervisor may have reasonable suspicion that an employee is unable to safely perform his or her assigned duties. If the supervisor determines the employee may be impaired, the supervisor shall take action to reassign the duties the employee can perform safely; send the employee home on sick leave or, if it is deemed necessary, Administrative Leave pending administrative review; or send the employee for a drug or alcohol screening test in accordance with Rule 9.5 below.
5. Any employee who is called back to work during nonscheduled work hours and has recently consumed alcohol or drugs which impair the ability to safely perform shall inform the supervisor that he/she is unable to safely respond and perform. The supervisor shall determine whether or not the employee should perform the duties.

6. No employee shall operate any City vehicle, either on or off duty, or any other vehicle while on City business, while under the influence of alcohol or any drug.

#### D. Reasonable Cause

Reasonable cause shall exist when a supervisor observes specific behavioral, performance or contemporaneous physical indicators of being under the influence of drugs or alcohol on the job. Any of the following objective factors may constitute reasonable cause:

- a. Incoherent or slurred speech, disorientation or inattention.
- b. Odor of alcohol on breath.
- c. Staggering gait, disorientation or balance problem.
- d. Red, watery eyes with dilated or constricted pupils.
- e. Dry mouth with frequent swallowing or lip wetting.
- f. Hand tremors.
- g. High energy, agitated, talkative, paranoid or bizarre behavior.
- h. Drowsiness or detachment from physical and/or emotional pain.

Cause is not reasonable and not a basis if it is based solely on the reports and observations of third parties. An incident report form must be completed by the supervisor documenting the grounds for reasonable cause.

#### E. Evaluation and Rehabilitation

1. Upon discovery of an employee who may be under the influence of drugs or alcohol or whose job performance is being impacted by drugs or alcohol, the following procedures should be followed:
  - a. The City may refer the employee to the City's Employee Assistance Program (EAP) for assessment or if reasonable suspicion is present under Rule 9.4 B above may test the employee for drugs or alcohol in accordance with Rule 9.5. The employee may designate a therapist acceptable to the City in lieu of the City's EAP referral to evaluate the employee and recommend an appropriate treatment.
  - b. No disciplinary action may be taken against employees who voluntarily identify themselves as drug users, prior to the time it is apparent their use has been detected and who obtain counseling and rehabilitation through the City's Employee Assistance Program, and thereafter refrain from violating the City's policy on drug and alcohol abuse. However, this provision shall not restrict the City from taking disciplinary action arising from other violations of City rules and standards or making job reassignments to reduce the risks of accident or injury that may result from the use of alcohol or drugs.

- c. If the employee agrees to medical treatment or rehabilitation, counseling, training, and/or education, the employee may select an appropriate provider of treatment, subject to approval by the City.
- d. All medical records obtained by the City under this process and test results shall be maintained by the Human Resources Department and are deemed as confidential. The medical records shall only be used in any hearing or administrative review as legally permissible and to the extent necessary to fairly conduct the hearing or review.
- e. Failure to establish or comply with a program of therapy or corrective action may be considered insubordination and/or grounds for disciplinary action, including termination.

**9.5 Drug/Alcohol Screening**

**A. Testing Procedures**

- 1. The City may require a City employee to undergo drug and alcohol testing if there is reasonable cause by the supervisor or other management personnel that the employee is under the influence of drugs or alcohol during work hours. Reasonable cause is defined above in Section 9.4 D.
- 2. A supervisor may upon reasonable cause and after consulting with the Department Head, Director of ~~Administrative—Services~~Human ResourcesDirector of Human Resources, or designee, or City Manager ask any on-duty employee to submit to an alcohol and drug screening test for the presence of alcohol or drugs. The employee shall be immediately informed of the supervisor’s suspicions and advised that he or she may have a representative present. The delay in securing representation shall not exceed one hour from the time the employee is ordered to submit to the drug or alcohol test. The employee shall be permitted up to 15 minutes to confer with his or her representative upon arrival. The employee will be given an opportunity to provide an explanation for his or her condition such as fatigue, reaction to a prescribed drug, etc.
- 3. Before a drug and alcohol test is administered, employees and job applicants will be asked to sign a consent form authorizing the test and release of test results to those City officials with a need to know. The consent form shall provide space for employees and applicants to acknowledge that they have been notified of the City's drug testing policy and to indicate current or recent use of prescription and over-the-counter medication(s).
- 4. An employee who refuses to consent to a drug and alcohol screen test when reasonable suspicion of drug or alcohol use has been identified is subject to disciplinary action up to and including termination. The reasons for the refusal shall be considered in determining the appropriate disciplinary action. No disciplinary action shall be taken without first discussing the matter with the employee.

**B. Confirmation of Test Results**



1. An employee or job applicant whose drug test yields a positive result shall be given a second test using a gas chromatography/mass spectrometry (GC/MS) test. The second test shall use a portion of the same test sample withdrawn from the employee or applicant for use in the first test.
2. If the second test confirms the positive test result, the employee or applicant shall be notified of the results in writing by the appropriate department head. The letter of notification shall identify the particular substance found and its concentration level.
3. An employee or applicant whose second test confirms the original positive test result, may, at the employee's or applicant's own expense, have a third test conducted on the same sample at a laboratory selected by the City.

#### C. Confidentiality of Test Results

All information from an employee's or applicant's drug and alcohol test is confidential and only those with a need to know are to be informed of test results. Disclosure of test results to any other person, agency or organization is prohibited unless written authorization is obtained from the employee or applicant or upon subpoena. The results of a positive drug test shall not be released until confirmed.

#### D. Laboratory Testing Requirements

All drug and alcohol testing of employees and applicants shall be conducted at medical facilities or laboratories selected by the City. To be considered as a testing site, a medical facility or lab must submit in writing a description of the procedures that will be used to maintain test samples. Factors to be considered by the City in selecting a testing facility include but are not limited to:

1. Collection and testing procedures which ensure privacy and accuracy;
2. Chain of custody procedures which ensure accuracy;
3. Procedure that ensure confidentiality of test results.
4. Methods of analysis which ensure reliable test results.

#### E. Second Confirmation Test

1. The applicant or employee may request a second confirmation test of the same sample and a review by the City within 24 hours of notification of the positive test results.
2. The cost of the second confirmation test must be paid in advance by the applicant or employee. If the test is negative, the City shall reimburse the applicant or employee for the cost of the test.
3. The second confirmation test will be performed by a medical facility or laboratory selected by the City and interpreted by a qualified physician of the City's choice.
4. Consequences for Positive Test Results.

- a. Applicants: Job applicants will be denied employment with the City if their initial positive test results have been confirmed. Applicants shall be informed in writing if they are rejected on the basis of a confirmed positive drug test result.
- b. Employees: If an employee's positive test result has been confirmed, the employee is subject to disciplinary action up to and including termination. If an employee's positive test result has been confirmed, the employee is subject to disciplinary action up to and including termination. Factors to be considered in determining the appropriate disciplinary response include the employee's work history, length of employment, current job performance, and the existence of past disciplinary actions. If termination is not selected as the appropriate course of action, a documented course of corrective action may be established. In addition, if the alcohol and drug screen test is positive, the employee may be referred to an EAP counselor to establish a course of therapy or arrange action to address the drug or alcohol abuse. A "Return to Work/Rehabilitation Agreement," to be approved by the City Manager and the City Attorney may be established between the employee and the City.

#### **9.6 Acceptance of Gifts, Entertainment and Services**

- A. Acceptance of gifts, entertainment and services by City employees may give the appearance of impropriety to the public. For this reason, the City has adopted a policy of not allowing employees to accept gifts from the public. All City employees are expected to be aware of and follow this policy.
- B. City of Lathrop employees may not accept gifts, entertainment and other services or benefits from any individual or company doing business with or seeking to do business with the City.
- C. Exceptions are permitted only if all of the following conditions are met:
  1. The gift; entertainment, or service is of nominal value. Nominal value shall be defined as any gift, entertainment, or service valued at \$30 or less.
  2. Giving or receiving the item or service is customary and gives no appearance of impropriety.
  3. Giving or receiving the item or service imposes no sense of obligation either on the giver or the receiver.
  4. Giving or receiving the item or service results in no special favored treatment.
  5. The item or service is given and received with no effort to conceal the full facts.

**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: APPROVE THE CREATION OF A DEPUTY CITY MANAGER POSITION**

**RECOMMENDATION: Adopt Resolution Creating a Deputy City Manager Position at Grade 90, Approving the Job Description, Updating the Grade Step Table, Un-funding the Deputy Finance Director Position, and Approving the Related Budget Amendment**

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**SUMMARY**

Over the past several years Lathrop has experienced unprecedented growth, making it the fastest growing city in the State of California. We are processing the development approvals for some of the largest master planned communities in the state, millions of square feet of industrial/manufacturing/retail/commercial properties and building various short term as well as long term capital projects on par with many medium to large sized cities. In 2020, the city had approximately 95 full time positions. Today, with the addition of the Police Department and support positions, the city has grown to approximately 177 full time positions.

The addition of the Police Department necessitates oversight of complex day to day matters that arise in finance, human resources, risk management and police budgeting. Staff requests Council consideration to approve the creation of a Deputy City Manager position at grade 90, un-fund the Deputy Finance Director position and approve a budget amendment in the amount of \$51,700 to cover the difference in salary and benefits.

**BACKGROUND:**

Over the past eleven years, City staff has worked tirelessly to position the city in a manner that is fiscally healthy and sustainable to support the steady growth and maintain high-levels of quality services to our community.

A nod to the collaborate efforts throughout the city are the rankings from Fiscal Year 2016-17 through 2020-21, in which the State Auditor classified the City of Lathrop with an overall "low risk" of financial distress: placing Lathrop as the 9th most fiscally sound city in California, with a fiscal grade of 96.24 of 100 points. Additionally, in May 2023, the State released the annual population and housing estimates report, in which it mentioned Lathrop as one of the top five cities in California where housing production drove population growth; placing Lathrop with an 11.1% growth as the fastest growing city in San Joaquin County, and the fastest growing city in the State with population over 30,000. These accomplishments are due to collaborate efforts across all city departments, in which every department contributed to the success of the City.

**CITY MANAGER’S REPORT  
JULY 10, 2023 CITY COUNCIL MEETING  
APPROVE THE CREATION OF A DEPUTY CITY MANAGER POSITION**

Furthermore, the City of Lathrop has also doubled in staffing since 2020. Currently, with the adoption of the 2023-24 fiscal year budget, the city now has approximately 177 budgeted positions. With the steady growth and complex projects over the years, there comes a need to expand in high-level support positions. Therefore, staff requests that the City Council consider approving the creation of a Deputy City Manager Position at Grade 90, including the related job description, and updating the city’s grade step table. Additionally, staff is requesting to un-fund the Deputy Finance Director position, and approve a budget amendment in the amount of \$51,700 to cover the difference in salary and benefits from the Deputy Finance Director to a Deputy City Manager position.

**REASON FOR RECOMMENDATION:**

The City Manager serves as the Chief Administrative Officer for the City of Lathrop and is responsible for the day-to-day oversight and management of all City departments. Adding a Deputy City Manager will allow for additional support in the execution and implementation of higher-level complex projects, and oversight of the Finance and Human Resources Departments, and Police Department budget.

**FISCAL IMPACT:**

If approved by Council, the attached resolution will create a Deputy City Manager Position at Grade 90 in the City Manager’s Office, un-fund the Deputy Finance Director position, and approve a budget amendment in the amount of \$51,700 to cover the difference in salary and benefits from the Deputy Finance Director to a Deputy City Manager position.

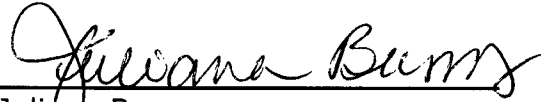
Increase Appropriations - City Manager Dept. Salaries		
1010-11-20-410-11-00	Salary	\$214,133
1010-11-20-410-xx-00	Benefits/PERS	\$75,921
Decrease Appropriations - Finance Dept. Salaries		
1010-15-10-410-11-00	Salary	\$167,181
1010-15-10-410-xx-00	Benefits/PERS	\$71,179
Net Fiscal Impact Change / Difference		\$51,694

**ATTACHMENTS:**

- A. Resolution Creating a Deputy City Manager Position at Grade 90, Approving the Job Description, Updating the Grade Step Table, Un-funding the Deputy Finance Director Position, and Approving the Related Budget Amendment
- B. Deputy City Manager Job Description, at Grade 90
- C. Updated Grade Step Table
- D. Updated Position Control Roster

**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL MEETING  
APPROVE THE CREATION OF A DEPUTY CITY MANAGER POSITION**

**APPROVALS:**



Juliana Burns  
Human Resources Director

7-6-2023

Date



Salvador Navarrete  
City Attorney

7-6-2023

Date



Stephen J. Salvatore  
City Manager

7.6.23

Date

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP CREATING A DEPUTY CITY MANAGER POSITION AT GRADE 90, APPROVING THE JOB DESCRIPTION, UPDATING THE GRADE STEP TABLE, UN-FUNDING THE DEPUTY FINANCE DIRECTOR POSITION, AND APPROVING THE RELATED BUDGET AMENDMENT**

**WHEREAS**, over the past several years Lathrop has experienced unprecedented growth, making it the fastest growing city in the State of California; and

**WHEREAS**, the city is processing the development approvals for some of the largest master planned communities in the state, millions of square feet of industrial/manufacturing/retail/commercial properties and building various short term as well as long term capital projects on par with many medium to large sized cities; and

**WHEREAS**, in 2020, the city had approximately 95 full time positions. Today, with the addition of the Police Department and support positions, the city has grown to approximately 177 full time positions; and

**WHEREAS**, the addition of the Police Department necessitates oversight of complex day to day matters that arise in finance, human resources, risk management and police budgeting; and

**WHEREAS**, the City Manager serves as the Chief Administrative Officer for the City of Lathrop and is responsible for the day-to-day oversight and management of all City departments; and

**WHEREAS**, adding a Deputy City Manager will allow for additional support in the execution and implementation of higher-level complex projects, and oversight of the Finance and Human Resources Departments, and Police Department budget; and

**WHEREAS**, staff requests Council consideration to approve the creation of a Deputy City Manager position at grade 90, un-fund the Deputy Finance Director position and approve a budget amendment in the amount of \$51,700 to cover the difference in salary and benefits; and

**WHEREAS**, the Deputy City Manager position is an exempt, at-will, and unrepresented position appointed by the City Manager.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop hereby approves a Deputy City Manager position at Grade 90, approves the job description, updates the Grade Step Table, and un-funds the Deputy Finance Director position

**Increase Appropriations - City Manager Dept. Salaries**

1010-11-20-410-11-00	Salary	\$214,133
1010-11-20-410-xx-00	Benefits/PERS	\$75,921

**Decrease Appropriations - Finance Dept. Salaries**

1010-15-10-410-11-00	Salary	\$167,181
1010-15-10-410-xx-00	Benefits/PERS	\$71,179

Net Fiscal Impact Change / Difference \$51,694

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**CITY OF LATHROP  
DEPUTY CITY MANAGER**

*Class specifications are only intended to present a descriptive summary of the range of duties and responsibilities associated with specified positions. Therefore, specifications **may not include all** duties performed by individuals within a classification. In addition, specifications are intended to outline the **minimum** qualifications necessary for entry into the class and do not necessarily convey the qualifications of incumbents within the position.*

**DEFINITION:**

Under general administrative direction, performs highly responsible and complex professional administrative work while assisting the City Manager, or Assistant City Manager, with the direction and coordination of the activities of assigned City departments and or divisions. Under administrative direction, plans, manages, oversees and directs operations and services of the Finance Department, Human Resources Department, and budget operations of the Police Department; assists the City Manager, or Assistant City Manager, in coordinating and directing citywide departmental activities and operations; relieves the City Manager of day-to-day duties associated with municipal operations of assigned Departments and Divisions; promotes effective and efficient operations throughout the organization by facilitating interdepartmental cooperation and sharing of resources; provides responsible staff assistance to the City Manager, City Council, and department heads; performs other related duties as required.

**DISTINGUISHING CHARACTERISTICS:**

The **Deputy City Manager** is an administrative management level class, responsible for the overall management and operations of the Finance Department, Human Resources Department, and budget operations of the Police Department. Under the direction of the City Manager, or Assistant City Manager, the incumbent may assist and provide direction to assigned departments or divisions; may manage a variety of citywide programs, activities, and high-level projects. The Deputy City Manager acts for the City Manager, or Assistant City Manager, in their absence. This class is distinguished from the next higher classification of Assistant City Manager, in that the latter has higher overall responsibility for administering and directing assigned City departments and operations.

**SUPERVISION RECEIVED/EXERCISED:**

Receives administrative direction from the City Manager, or Assistant City Manager. Exercises direct and indirect supervision over assigned departments, professional and support function personnel.

**ESSENTIAL FUNCTIONS:** *(include but are not limited to the following)*

- Assumes full management responsibility for assigned functions, services, and activities of the City, including the City's Finance Department, Human Resources Department, and budget operations of the Police Department.
- Assists in the development and implementation of goals, objectives, policies and priorities for citywide government and the City Manager's Office.
- Provides professional analysis and advice to the City Manager, Assistant City Manager, City Council, and department representatives regarding governmental and administrative procedures and practices; conducts complex research and analysis for a variety of organizational projects and services; reviews, analyzes, and makes recommendations on state and federal legislation affecting municipal operations.



- Confers with department heads and employees regarding policy and procedural changes; administers, coordinates and monitors a variety of programs that cross a number of City operational lines; researches development opportunities to address funding needs.
- Oversees grant applications, grant-funded program activities and contracts on behalf of the City; identifies potential new funding sources; and assists departments with grant writing submittals.
- Coordinates activities of the City Manager's Office with other City departments and outside agencies; participates in developing and implementing policies, procedures, and objectives to ensure efficient, effective, and consistent delivery of services; identifies operational problems and issues and works with departments to resolve them.
- Manages and directs work plan of assigned departments and divisions; assigns work activities and responsibilities to appropriate department personnel; reviews and evaluates organizational effectiveness and productivity; identifies and resolves problems and/or issues; determines and executes disciplinary actions; recommends and oversees the use of consultants and outside professional services.
- Represents the City Manager's Office and assigned Departments before the City Council, community, outside agencies, and professional organizations; makes public presentations to groups such as the City Council, boards and commissions, citizen groups, developers, and other public agencies; serves as the primary liaison with federal, regional, and local agencies; collaborates with interested parties in meetings with developers, contractors, and other public agencies.
- Serves as a member of the City's executive management team, assists the City Manager, or Assistant City Manager with the City's overall administrative detail and policy planning process; acts as City Manager, or Assistant City Manager as assigned during their absence; may serve as Acting Department Head when there is a vacancy or absence.
- Keeps abreast of changes in federal, state, and local laws, rules and regulations; monitors projects to ensure City and Agency compliance with applicable statutes and regulations
- Develops, implements and maintains departmental goals, objectives, policies and procedures; reviews and evaluates work methods and procedures for improving organizational performance, enhancing services and meeting goals; ensures that goals are achieved.
- Establishes positive working relationships with representatives of community organizations, state/local agencies and associations, City management and staff, and the public.

**PHYSICAL, MENTAL AND ENVIRONMENTAL WORKING CONDITIONS:**

Position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement and fine coordination in preparing statistical reports and data using a computer keyboard. Additionally, the position requires near and far vision in reading correspondence, statistical data and using a computer. Acute hearing is required when providing phone and personal service. The need to lift, drag and push files, paper and documents weighing up to 25 pounds also is required. Some of these requirements may be accommodated for otherwise qualified individuals requiring and requesting such accommodations

**QUALIFICATIONS:** *(The following are minimal qualifications necessary for entry into the classification.)*

Any combination of education and experience that has provided the knowledge, skills and abilities necessary for a **Deputy City Manager**. A typical way of obtaining the required qualifications is to possess the equivalent of six years of progressively responsible administrative managerial or leadership experience in a public administration setting, including two years of management or supervisory experience, and a bachelor's degree in public administration, business administration, civil engineering, government law, organizational management or related field. A master's degree is highly desirable.

**KNOWLEDGE/ABILITIES/SKILLS:** *(The following are a representative sample of the KAS's necessary to perform essential duties of the position.)*

**Knowledge of:**

Modern principles and practices of municipal administration, organizations and functions; current social, political, and economic trends and operating problems of municipal government; principles and practices of municipal budgeting and finance; principles and practices of economic development and organizational management; principles and practices of public financing, including debt management and bond management; local and state legislative processes; assessment district operating requirements; principles of effective public relations and interrelationships with community groups and agencies, private businesses and firms, and other levels of government; methods and techniques of supervision, training and motivation; basic principles of mathematics; applicable federal, state and local laws, codes and regulations; methods and techniques of scheduling work assignments; standard office procedures, practices and equipment; modern office practices, methods and equipment, including a computer and applicable software; methods and techniques for record keeping and report preparation and writing; proper English, spelling and grammar; occupational hazards and standard safety practices.

**Ability to:**

Provide effective leadership and coordinate a variety of program activities, including grants administration; research, analyze, interpret, summarize, and present administrative and technical information and data in an effective manner; prepare and analyze a grants budget; serve effectively as the administrative agent of the City Council; plan, organize, train, evaluate and direct work of assigned staff; perform mathematical calculations quickly and accurately; interpret, explain and apply applicable laws, codes and regulations; read, interpret and record data accurately; organize, prioritize and follow-up on work assignments; work independently and as part of a team; make sound decisions within established guidelines; analyze a complex issue, and develop and implement an appropriate response; follow written and oral directions; observe safety principles and work in a safe manner; communicate clearly and concisely, both orally and in writing; establish and maintain effective working relationships.

**Skill to:**

Operate an office computer and a variety of word processing and software applications.

**HISTORICAL DATA**

Updated: July 10, 2023 by Resolution: 23-\_\_\_\_\_

Employment Status: At-will

FLSA Status: Exempt / Bargaining Unit: Unrepresented

**CITY OF LATHROP  
GRADE-STEP TABLE  
Eff. 7/10/2023**

Adopted by Resolution No. 23-\_\_\_\_\_

\*FOR REFERENCE USE ONLY

**Attachment C**

GRADE	CLASSIFICATION	UNIT		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
20			hourly	\$ 15.7899	\$ 16.5795	\$ 17.4086	\$ 18.2789	\$ 19.1928
			bi-weekly	1,263	1,326	1,393	1,462	1,535
			monthly	2,737	2,874	3,017	3,168	3,327
			annual	32,843	34,485	36,210	38,020	39,921
21			hourly	\$ 16.1847	\$ 16.9941	\$ 17.8436	\$ 18.7358	\$ 19.6727
			bi-weekly	1,295	1,360	1,427	1,499	1,574
			monthly	2,805	2,946	3,093	3,248	3,410
			annual	33,664	35,348	37,115	38,970	40,919
22			hourly	\$ 16.5888	\$ 17.4185	\$ 18.2892	\$ 19.2037	\$ 20.1637
			bi-weekly	1,327	1,393	1,463	1,536	1,613
			monthly	2,875	3,019	3,170	3,329	3,495
			annual	34,505	36,230	38,042	39,944	41,941
23			hourly	\$ 17.0040	\$ 17.8543	\$ 18.7470	\$ 19.6846	\$ 20.6684
			bi-weekly	1,360	1,428	1,500	1,575	1,653
			monthly	2,947	3,095	3,249	3,412	3,583
			annual	35,368	37,137	38,994	40,944	42,990
24			hourly	\$ 17.4294	\$ 18.3009	\$ 19.2156	\$ 20.1764	\$ 21.1852
			bi-weekly	1,394	1,464	1,537	1,614	1,695
			monthly	3,021	3,172	3,331	3,497	3,672
			annual	36,253	38,066	39,968	41,967	44,065
25			hourly	\$ 17.8651	\$ 18.7580	\$ 19.6959	\$ 20.6809	\$ 21.7151
			bi-weekly	1,429	1,501	1,576	1,654	1,737
			monthly	3,097	3,251	3,414	3,585	3,764
			annual	37,159	39,017	40,967	43,016	45,167
26			hourly	\$ 18.3116	\$ 19.2272	\$ 20.1885	\$ 21.1978	\$ 22.2577
			bi-weekly	1,465	1,538	1,615	1,696	1,781
			monthly	3,174	3,333	3,499	3,674	3,858
			annual	38,088	39,993	41,992	44,091	46,296
27	RECREATION LEADER	UNREP	hourly	\$ 18.7693	\$ 19.7078	\$ 20.6935	\$ 21.7282	\$ 22.8144
			bi-weekly	1,502	1,577	1,655	1,738	1,825
			monthly	3,253	3,416	3,587	3,766	3,955
			annual	39,040	40,992	43,043	45,195	47,454
28			hourly	\$ 19.2385	\$ 20.2004	\$ 21.2105	\$ 22.2710	\$ 23.3848
			bi-weekly	1,539	1,616	1,697	1,782	1,871
			monthly	3,335	3,501	3,676	3,860	4,053
			annual	40,016	42,017	44,118	46,324	48,640
29			hourly	\$ 19.7196	\$ 20.7056	\$ 21.7408	\$ 22.8278	\$ 23.9693
			bi-weekly	1,578	1,656	1,739	1,826	1,918
			monthly	3,418	3,589	3,768	3,957	4,155
			annual	41,017	43,068	45,221	47,482	49,856
30			hourly	\$ 20.2125	\$ 21.2231	\$ 22.2842	\$ 23.3984	\$ 24.5684
			bi-weekly	1,617	1,698	1,783	1,872	1,965
			monthly	3,504	3,679	3,863	4,056	4,259
			annual	42,042	44,144	46,351	48,669	51,102
31			hourly	\$ 20.7179	\$ 21.7536	\$ 22.8414	\$ 23.9833	\$ 25.1826
			bi-weekly	1,657	1,740	1,827	1,919	2,015
			monthly	3,591	3,771	3,959	4,157	4,365
			annual	43,093	45,248	47,510	49,885	52,380
32	OFFICE ASSISTANT I SENIOR RECREATION LEADER	SEIU SEIU	hourly	\$ 21.2358	\$ 22.2974	\$ 23.4125	\$ 24.5827	\$ 25.8121
			bi-weekly	1,699	1,784	1,873	1,967	2,065
			monthly	3,681	3,865	4,058	4,261	4,474
			annual	44,170	46,379	48,698	51,132	53,689
33			hourly	\$ 21.7666	\$ 22.8549	\$ 23.9976	\$ 25.1977	\$ 26.4575
			bi-weekly	1,741	1,828	1,920	2,016	2,117
			monthly	3,773	3,962	4,160	4,368	4,586
			annual	45,274	47,538	49,915	52,411	55,032
34			hourly	\$ 22.3108	\$ 23.4265	\$ 24.5979	\$ 25.8279	\$ 27.1189
			bi-weekly	1,785	1,874	1,968	2,066	2,170
			monthly	3,867	4,061	4,264	4,477	4,701
			annual	46,406	48,727	51,164	53,722	56,407
35	OFFICE ASSISTANT II	SEIU	hourly	\$ 22.8688	\$ 24.0119	\$ 25.2125	\$ 26.4730	\$ 27.7968
			bi-weekly	1,830	1,921	2,017	2,118	2,224
			monthly	3,964	4,162	4,370	4,589	4,818
			annual	47,567	49,945	52,442	55,064	57,817

**CITY OF LATHROP  
GRADE-STEP TABLE  
Eff. 7/10/2023**

Adopted by Resolution No. 23-\_\_\_\_\_

\*FOR REFERENCE USE ONLY

GRADE	CLASSIFICATION	UNIT		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
36			hourly	\$ 23.4405	\$ 24.6122	\$ 25.8431	\$ 27.1350	\$ 28.4918
			bi-weekly	1,875	1,969	2,067	2,171	2,279
			monthly	4,063	4,266	4,479	4,703	4,939
			annual	48,756	51,193	53,754	56,441	59,263
37	RECREATION SPECIALIST	SEIU	hourly	\$ 24.0262	\$ 25.2274	\$ 26.4889	\$ 27.8136	\$ 29.2039
	SPECIAL ASSISTANT	SEIU	bi-weekly	1,922	2,018	2,119	2,225	2,336
	ANIMAL CENTER ASSISTANT	SEIU	monthly	4,165	4,373	4,591	4,821	5,062
			annual	49,974	52,473	55,097	57,852	60,744
38			hourly	\$ 24.6272	\$ 25.8584	\$ 27.1511	\$ 28.5086	\$ 29.9342
			bi-weekly	1,970	2,069	2,172	2,281	2,395
			monthly	4,269	4,482	4,706	4,941	5,189
			annual	51,225	53,785	56,474	59,298	62,263
39			hourly	\$ 25.2427	\$ 26.5049	\$ 27.8299	\$ 29.2216	\$ 30.6823
			bi-weekly	2,019	2,120	2,226	2,338	2,455
			monthly	4,375	4,594	4,824	5,065	5,318
			annual	52,505	55,130	57,886	60,781	63,819
40			hourly	\$ 25.8740	\$ 27.1677	\$ 28.5260	\$ 29.9521	\$ 31.4496
			bi-weekly	2,070	2,173	2,282	2,396	2,516
			monthly	4,485	4,709	4,945	5,192	5,451
			annual	53,818	56,509	59,334	62,300	65,415
41	ADMINISTRATIVE ASSISTANT I	SEIU	hourly	\$ 26.5206	\$ 27.8466	\$ 29.2390	\$ 30.7009	\$ 32.2358
	MAINTENANCE WORKER I	SEIU	bi-weekly	2,122	2,228	2,339	2,456	2,579
	WATER METER READER I	SEIU	monthly	4,597	4,827	5,068	5,321	5,588
			annual	55,163	57,921	60,817	63,858	67,050
42	CUSTOMER SERVICE REPRESENTATIVE I	SEIU	hourly	\$ 27.1835	\$ 28.5427	\$ 29.9702	\$ 31.4685	\$ 33.0422
			bi-weekly	2,175	2,283	2,398	2,517	2,643
			monthly	4,712	4,947	5,195	5,455	5,727
			annual	56,542	59,369	62,338	65,455	68,728
43	POLICE OFFICER TRAINEE	NON-SWORN	hourly	\$ 27.8628	\$ 29.2564	\$ 30.7191	\$ 32.2551	\$ 33.8677
	POLICE RECORDS ASSISTANT I	SEIU	bi-weekly	2,229	2,341	2,458	2,580	2,709
			monthly	4,830	5,071	5,325	5,591	5,870
			annual	57,955	60,853	63,896	67,091	70,445
44	INFORMATION TECHNOLOGY TECHNICIAN	SEIU	hourly	\$ 28.5596	\$ 29.9878	\$ 31.4872	\$ 33.0615	\$ 34.7147
			bi-weekly	2,285	2,399	2,519	2,645	2,777
			monthly	4,950	5,198	5,458	5,731	6,017
			annual	59,404	62,375	65,493	68,768	72,206
45	ADMINISTRATIVE ASSISTANT II	SEIU	hourly	\$ 29.2736	\$ 30.7373	\$ 32.2743	\$ 33.8881	\$ 35.5825
	MAINTENANCE WORKER II	SEIU	bi-weekly	2,342	2,459	2,582	2,711	2,847
	RECREATION COORDINATOR	SEIU	monthly	5,074	5,328	5,594	5,874	6,168
	WATER METER READER II	SEIU	annual	60,889	63,934	67,130	70,487	74,012
46	POLICE RECORDS ASSISTANT II	SEIU	hourly	\$ 30.0058	\$ 31.5059	\$ 33.0810	\$ 34.7354	\$ 36.4719
			bi-weekly	2,400	2,520	2,646	2,779	2,918
			monthly	5,201	5,461	5,734	6,021	6,322
			annual	62,412	65,532	68,809	72,250	75,861
47	ADMINISTRATIVE ASSISTANT III	SEIU	hourly	\$ 30.7555	\$ 32.2937	\$ 33.9081	\$ 35.6034	\$ 37.3836
	ADMINISTRATIVE TECHNICIAN 1	SEIU	bi-weekly	2,460	2,583	2,713	2,848	2,991
	HUMAN RESOURCES TECHNICIAN	SEIU	monthly	5,331	5,598	5,877	6,171	6,480
	PERMIT TECHNICIAN I	SEIU	annual	63,971	67,171	70,529	74,055	77,758
48	MAINTENANCE WORKER III	SEIU	hourly	\$ 31.5247	\$ 33.1011	\$ 34.7558	\$ 36.4935	\$ 38.3185
	SOLID WASTE&RESOURCE CONSERV. COORD	SEIU	bi-weekly	2,522	2,648	2,780	2,919	3,065
			monthly	5,464	5,738	6,024	6,326	6,642
			annual	65,571	68,850	72,292	75,906	79,703
49	CUSTOMER SERVICE REPRESENTATIVE II	SEIU	hourly	\$ 32.3127	\$ 33.9283	\$ 35.6250	\$ 37.4063	\$ 39.2765
	PROPERTY AND EVIDENCE TECHNICIAN	SEIU	bi-weekly	2,585	2,714	2,850	2,993	3,142
			monthly	5,601	5,881	6,175	6,484	6,808
			annual	67,210	70,571	74,100	77,805	81,695
50	ENGINEERING TECHNICIAN I	SEIU	hourly	\$ 33.1205	\$ 34.7765	\$ 36.5155	\$ 38.3411	\$ 40.2583
			bi-weekly	2,650	2,782	2,921	3,067	3,221
			monthly	5,741	6,028	6,329	6,646	6,978
			annual	68,891	72,335	75,952	79,749	83,737
51	ADMINISTRATIVE TECHNICIAN II	SEIU	hourly	\$ 33.9487	\$ 35.6464	\$ 37.4285	\$ 39.3000	\$ 41.2648
	CRIME & INTELLIGENCE ANALYST	SEIU	bi-weekly	2,716	2,852	2,994	3,144	3,301
	PERMIT TECHNICIAN II	SEIU	monthly	5,884	6,179	6,488	6,812	7,153
	SENIOR ADMINISTRATIVE ASSISTANT	LMCEA	annual	70,613	74,144	77,851	81,744	85,831
	SENIOR CUSTOMER SERVICE REP	SEIU						

**CITY OF LATHROP  
GRADE-STEP TABLE  
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Adopted by Resolution No. 23-\_\_\_\_\_

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GRADE	CLASSIFICATION	UNIT		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
52	ACCOUNTANT I	SEIU	hourly	\$ 34,7972	\$ 36,5369	\$ 38,3639	\$ 40,2820	\$ 42,2962
	BUILDING INSPECTOR I	SEIU	bi-weekly	2,784	2,923	3,069	3,223	3,384
	COMMUNITY SERVICE OFFICER I	SEIU	monthly	6,032	6,333	6,650	6,982	7,331
	HR ANALYST I UTILITY OPERATOR I	LMCEA SEIU	annual	72,378	75,997	79,797	83,787	87,976
53	CONSTRUCTION INSPECTOR I	SEIU	hourly	\$ 35,6673	\$ 37,4503	\$ 39,3228	\$ 41,2891	\$ 43,3538
	POLICE RECORDS SUPERVISOR	LMCEA	bi-weekly	2,853	2,996	3,146	3,303	3,468
	LEGAL SECRETARY	LMCEA	monthly	6,182	6,491	6,816	7,157	7,515
	ANIMAL SHELTER SUPERVISOR		annual	74,188	77,897	81,791	85,881	90,176
54	ENGINEERING TECHNICIAN II	SEIU	hourly	\$ 36,5588	\$ 38,3868	\$ 40,3060	\$ 42,3214	\$ 44,4376
	EXECUTIVE ASSISTANT	LMCEA	bi-weekly	2,925	3,071	3,224	3,386	3,555
			monthly	6,337	6,654	6,986	7,336	7,703
			annual	76,042	79,845	83,836	88,028	92,430
55	BUILDING INSPECTOR II	SEIU	hourly	\$ 37,4729	\$ 39,3465	\$ 41,3138	\$ 43,3793	\$ 45,5484
	COMMUNITY SERVICE OFFICER II	SEIU	bi-weekly	2,998	3,148	3,305	3,470	3,644
	PERMIT TECHNICIAN III	SEIU	monthly	6,495	6,820	7,161	7,519	7,895
	SENIOR ACCOUNTING TECHNICIAN	SEIU	annual	77,944	81,841	85,933	90,229	94,741
56	ACCOUNTANT II	SEIU	hourly	\$ 38,4098	\$ 40,3301	\$ 42,3467	\$ 44,4642	\$ 46,6871
	DEPUTY CITY CLERK	LMCEA	bi-weekly	3,073	3,226	3,388	3,557	3,735
	HR ANALYST II	LMCEA	monthly	6,658	6,991	7,340	7,707	8,092
	MANAGEMENT ANALYST I (CONFIDENTIAL) UTILITY OPERATOR II	LMCEA SEIU	annual	79,892	83,887	88,081	92,486	97,109
57	CONSTRUCTION INSPECTOR II	SEIU	hourly	\$ 39,3698	\$ 41,3383	\$ 43,4054	\$ 45,5754	\$ 47,8544
	CUSTOMER SERVICE SUPERVISOR	LMCEA	bi-weekly	3,150	3,307	3,472	3,646	3,828
	LEGAL ASSISTANT	LMCEA	monthly	6,824	7,165	7,524	7,900	8,295
	PARKS & RECREATION SUPERVISOR	LMCEA	annual	81,889	85,984	90,283	94,797	99,537
58	ASSISTANT PLANNER	SEIU	hourly	\$ 40,3541	\$ 42,3718	\$ 44,4905	\$ 46,7147	\$ 49,0508
	JUNIOR ENGINEER	SEIU	bi-weekly	3,228	3,390	3,559	3,737	3,924
	SENIOR ENGINEERING TECHNICIAN	SEIU	monthly	6,995	7,344	7,712	8,097	8,502
	ELECTRICIAN / INSTRUMENT TECH	SEIU	annual	83,936	88,133	92,540	97,167	102,026
59	BUILDING INSPECTOR III	SEIU	hourly	\$ 41,3630	\$ 43,4312	\$ 45,6026	\$ 47,8825	\$ 50,2770
	CHIEF UTILITY OPERATOR	SEIU	bi-weekly	3,309	3,474	3,648	3,831	4,022
	COMMUNITY SERVICE OFFICER III	SEIU	monthly	7,170	7,528	7,904	8,300	8,715
	LANDSCAPE & IRRIGATION SPECIALIST MAINTENANCE SERVICES SUPERVISOR	LMCEA LMCEA	annual	86,035	90,337	94,853	99,596	104,576
60	EXECUTIVE ASSIST TO THE CITY MANAGER	LMCEA	hourly	\$ 42,3973	\$ 44,5171	\$ 46,7429	\$ 49,0801	\$ 51,5339
	INFORMATION TECHNOLOGY ENGINEER I	LMCEA	bi-weekly	3,392	3,561	3,739	3,926	4,123
	MANAGEMENT ANALYST II (CONFIDENTIAL)	LMCEA	monthly	7,349	7,716	8,102	8,507	8,933
			annual	88,186	92,596	97,225	102,087	107,191
61	CONSTRUCTION INSPECTOR III	SEIU	hourly	\$ 43,4569	\$ 45,6300	\$ 47,9112	\$ 50,3068	\$ 52,8222
	POLICE SERVICES MANAGER	LMCEA	bi-weekly	3,477	3,650	3,833	4,025	4,226
	UTILITY MAINTENANCE SUPERVISOR	LMCEA	monthly	7,533	7,909	8,305	8,720	9,156
	UTILITY OPERATOR III	SEIU	annual	90,390	94,910	99,655	104,638	109,870
62	WW TREATMENT PLANT SUPERVISOR	LMCEA	hourly	\$ 44,5434	\$ 46,7707	\$ 49,1090	\$ 51,5647	\$ 54,1427
			bi-weekly	3,563	3,742	3,929	4,125	4,331
			monthly	7,721	8,107	8,512	8,938	9,385
			annual	92,650	97,283	102,147	107,254	112,617
63	ASSOCIATE PLANNER	SEIU	hourly	\$ 45,6571	\$ 47,9399	\$ 50,3370	\$ 52,8535	\$ 55,4962
	SENIOR BUILDING INSPECTOR	SEIU	bi-weekly	3,653	3,835	4,027	4,228	4,440
			monthly	7,914	8,310	8,725	9,161	9,619
			annual	94,967	99,715	104,701	109,935	115,432
64	ASSISTANT ENGINEER	SEIU	hourly	\$ 46,7983	\$ 49,1381	\$ 51,5952	\$ 54,1752	\$ 56,8837
	COMPLIANCE ENGINEER	SEIU	bi-weekly	3,744	3,931	4,128	4,334	4,551
	PARKS AND FACILITATES MANAGER	LMCEA	monthly	8,112	8,517	8,943	9,390	9,860
	PARKS AND REC ADMINISTRATOR RECREATION MANAGER STREETS AND OPERATIONS MANAGER	SEIU LMCEA LMCEA	annual	97,341	102,207	107,318	112,684	118,318
65	BUDGET MANAGER	LMCEA	hourly	\$ 47,9684	\$ 50,3670	\$ 52,8851	\$ 55,5294	\$ 58,3061
	POLICE OFFICER	SWORN	bi-weekly	3,837	4,029	4,231	4,442	4,664
	SENIOR ACCOUNTANT	LMCEA	monthly	8,315	8,730	9,167	9,625	10,106
			annual	99,774	104,763	110,001	115,501	121,277

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GRADE	CLASSIFICATION	UNIT		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
66			hourly	\$ 49,1676	\$ 51,6259	\$ 54,2073	\$ 56,9175	\$ 59,7638
			bi-weekly	3,933	4,130	4,337	4,553	4,781
			monthly	8,522	8,948	9,396	9,866	10,359
			annual	102,269	107,382	112,751	118,388	124,309
67	COMMUNITY SERVICES SUPERVISOR HUMAN RESOURCES MANAGER INFORMATION TECHNOLOGY ENGINEER II SENIOR MANAGEMENT ANALYST SPECIAL DISTRICTS MANAGER	LMCEA EXEMPT LMCEA LMCEA LMCEA	hourly	\$ 50,3967	\$ 52,9168	\$ 55,5624	\$ 58,3410	\$ 61,2575
			bi-weekly	4,032	4,233	4,445	4,667	4,901
			monthly	8,735	9,172	9,631	10,112	10,618
			annual	104,825	110,067	115,570	121,349	127,416
68	PERMIT AND PLAN CHECK SUPERVISOR	LMCEA	hourly	\$ 51,6565	\$ 54,2396	\$ 56,9514	\$ 59,7991	\$ 62,7892
			bi-weekly	4,133	4,339	4,556	4,784	5,023
			monthly	8,954	9,402	9,872	10,365	10,883
			annual	107,445	112,818	118,459	124,382	130,602
69	SENIOR PLANNER UTILITY PLANT SUPERVISOR	LMCEA LMCEA	hourly	\$ 52,9481	\$ 55,5955	\$ 58,3755	\$ 61,2941	\$ 64,3587
			bi-weekly	4,236	4,448	4,670	4,904	5,149
			monthly	9,178	9,637	10,118	10,624	11,156
			annual	110,132	115,639	121,421	127,492	133,866
70	ASSOCIATE ENGINEER	SEIU	hourly	\$ 54,2720	\$ 56,9857	\$ 59,8346	\$ 62,8265	\$ 65,9677
			bi-weekly	4,342	4,559	4,787	5,026	5,277
			monthly	9,407	9,878	10,371	10,890	11,434
			annual	112,886	118,530	124,456	130,679	137,213
71	INFORMATION TECH ENGINEER III PARKS AND REC SUPERINTENDENT	LMCEA LMCEA	hourly	\$ 55,6289	\$ 58,4100	\$ 61,3306	\$ 64,3969	\$ 67,6168
			bi-weekly	4,450	4,673	4,906	5,152	5,409
			monthly	9,642	10,124	10,631	11,162	11,720
			annual	115,708	121,493	127,568	133,946	140,643
72	POLICE SERGEANT	SWORN	hourly	\$ 57,0195	\$ 59,8704	\$ 62,8640	\$ 66,0070	\$ 69,3074
			bi-weekly	4,562	4,790	5,029	5,281	5,545
			monthly	9,883	10,378	10,896	11,441	12,013
			annual	118,600	124,530	130,757	137,295	144,159
73	ASSISTANT CHIEF BUILDING OFFICIAL	LMCEA	hourly	\$ 58,4447	\$ 61,3670	\$ 64,4356	\$ 67,6572	\$ 71,0400
			bi-weekly	4,676	4,909	5,155	5,413	5,683
			monthly	10,130	10,637	11,169	11,727	12,314
			annual	121,565	127,643	134,026	140,727	147,763
74	CITY CLERK FINANCE MANAGER PRINCIPAL PLANNER SENIOR CIVIL ENGINEER	EXEMPT LMCEA LMCEA LMCEA	hourly	\$ 59,9062	\$ 62,9013	\$ 66,0461	\$ 69,3486	\$ 72,8159
			bi-weekly	4,792	5,032	5,284	5,548	5,825
			monthly	10,384	10,903	11,448	12,020	12,621
			annual	124,605	130,835	137,376	144,245	151,457
75			hourly	\$ 61,4039	\$ 64,4739	\$ 67,6973	\$ 71,0824	\$ 74,6363
			bi-weekly	4,912	5,158	5,416	5,687	5,971
			monthly	10,643	11,175	11,734	12,321	12,937
			annual	127,720	134,106	140,810	147,851	155,243
76	ACCOUNTING MANAGER CONSTRUCTION SUPERINTENDENT DEPUTY DIRECTOR OF PARKS, REC & MAINT PARKS PROJECT MANAGER PROJECTS MANAGER UTILITY OPERATIONS SUPERINTENDENT	LMCEA LMCEA LMCEA LMCEA LMCEA LMCEA	hourly	\$ 62,9387	\$ 66,0858	\$ 69,3898	\$ 72,8594	\$ 76,5023
			bi-weekly	5,035	5,287	5,551	5,829	6,120
			monthly	10,909	11,455	12,028	12,629	13,260
			annual	130,913	137,458	144,331	151,548	159,125
77	ASSISTANT CITY ATTORNEY	EXEMPT	hourly	\$ 64,5119	\$ 67,7378	\$ 71,1246	\$ 74,6807	\$ 78,4149
			bi-weekly	5,161	5,419	5,690	5,974	6,273
			monthly	11,182	11,741	12,328	12,945	13,592
			annual	134,185	140,895	147,939	155,336	163,103
78	DEPUTY FINANCE DIRECTOR	LMCEA	hourly	\$ 66,1252	\$ 69,4311	\$ 72,9028	\$ 76,5478	\$ 80,3755
			bi-weekly	5,290	5,554	5,832	6,124	6,430
			monthly	11,462	12,035	12,636	13,268	13,932
			annual	137,540	144,417	151,638	159,219	167,181
79	ECONOMIC DEV ADMINISTRATOR LAND DEVELOPMENT MANAGER	LMCEA LMCEA	hourly	\$ 67,7782	\$ 71,1668	\$ 74,7257	\$ 78,4617	\$ 82,3847
			bi-weekly	5,422	5,693	5,978	6,277	6,591
			monthly	11,748	12,336	12,952	13,600	14,280
			annual	140,979	148,027	155,429	163,200	171,360

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<u>2023 Compensation May Be Subject to CalPERS Compensation Limits Beginning at Grade 80/Step 5</u>								
80	ASSISTANT COM DEV DIRECTOR CHIEF PLANNING OFFICIAL PRINCIPAL ENGINEER	LMCEA LMCEA LMCEA	hourly	\$ 69,4724	\$ 72,9462	\$ 76,5935	\$ 80,4231	\$ 84,4443
			bi-weekly	5,558	5,836	6,127	6,434	6,756
			monthly	12,042	12,644	13,276	13,940	14,637
			annual	144,503	151,728	159,315	167,280	175,644
81	CHIEF BUILDING OFFICIAL CHIEF INFORMATION OFFICER POLICE LIEUTENANT SENIOR CONSTRUCTION MANAGER	EXEMPT EXEMPT SWORN LMCEA	hourly	\$ 71.2096	\$ 74.7701	\$ 78.5089	\$ 82.4341	\$ 86.5557
			bi-weekly	5,697	5,982	6,281	6,595	6,924
			monthly	12,343	12,960	13,608	14,289	15,003
			annual	148,116	155,522	163,299	171,463	180,036
82	ASSISTANT PUBLIC WORKS DIRECTOR	LMCEA	hourly	\$ 72.9896	\$ 76.6395	\$ 80.4711	\$ 84.4945	\$ 88.7197
			bi-weekly	5,839	6,131	6,438	6,760	7,098
			monthly	12,652	13,284	13,948	14,646	15,378
			annual	151,818	159,410	167,380	175,749	184,537
83			hourly	\$ 74.8145	\$ 78.5550	\$ 82.4829	\$ 86.6066	\$ 90.9372
			bi-weekly	5,985	6,284	6,599	6,929	7,275
			monthly	12,968	13,616	14,297	15,012	15,762
			annual	155,614	163,394	171,564	180,142	189,149
84	POLICE COMMANDER	SWORN	hourly	\$ 76.6846	\$ 80.5191	\$ 84.5448	\$ 88.7719	\$ 93.2110
			bi-weekly	6,135	6,442	6,764	7,102	7,457
			monthly	13,292	13,957	14,654	15,387	16,157
			annual	159,504	167,480	175,853	184,646	193,879
85	DIRECTOR OF GOV'T SERV/CITY CLERK DIRECTOR OF HUMAN RESOURCES DIRECTOR OF INFORMATION SYSTEMS DIRECTOR OF PARKS, REC & MAINT SERV	EXEMPT EXEMPT EXEMPT EXEMPT	hourly	\$ 78.6017	\$ 82.5320	\$ 86.6586	\$ 90.9915	\$ 95.5410
			bi-weekly	6,288	6,603	6,933	7,279	7,643
			monthly	13,624	14,306	15,021	15,772	16,560
			annual	163,492	171,667	180,250	189,262	198,725
86	CITY ENGINEER	EXEMPT	hourly	\$ 80.5667	\$ 84.5953	\$ 88.8249	\$ 93.2662	\$ 97.9295
			bi-weekly	6,445	6,768	7,106	7,461	7,834
			monthly	13,965	14,663	15,396	16,166	16,974
			annual	167,579	175,958	184,756	193,994	203,693
87	DIRECTOR OF FINANCE	EXEMPT	hourly	\$ 82.5811	\$ 86.7102	\$ 91.0458	\$ 95.5978	\$ 100.3779
			bi-weekly	6,606	6,937	7,284	7,648	8,030
			monthly	14,314	15,030	15,781	16,570	17,399
			annual	171,769	180,357	189,375	198,844	208,786
88	DIRECTOR OF COMMUNITY DEVELOPMENT DIRECTOR OF PUBLIC WORKS	EXEMPT EXEMPT	hourly	\$ 84.6456	\$ 88.8778	\$ 93.3216	\$ 97.9878	\$ 102.8872
			bi-weekly	6,772	7,110	7,466	7,839	8,231
			monthly	14,672	15,405	16,176	16,985	17,834
			annual	176,063	184,866	194,109	203,815	214,005
89			hourly	\$ 86.7618	\$ 91.0998	\$ 95.6550	\$ 100.4378	\$ 105.4594
			bi-weekly	6,941	7,288	7,652	8,035	8,437
			monthly	15,039	15,791	16,580	17,409	18,280
			annual	180,465	189,488	198,962	208,911	219,356
90	DEPUTY CITY MANAGER	EXEMPT	hourly	\$ 88.9310	\$ 93.3772	\$ 98.0462	\$ 102.9486	\$ 108.0960
			bi-weekly	7,114	7,470	7,844	8,236	8,648
			monthly	15,415	16,185	16,995	17,844	18,737
			annual	184,977	194,225	203,936	214,133	224,840
91	ASSISTANT CITY MANAGER	EXEMPT	hourly	\$ 91.1541	\$ 95.7115	\$ 100.4975	\$ 105.5226	\$ 110.7986
			bi-weekly	7,292	7,657	8,040	8,442	8,864
			monthly	15,800	16,590	17,420	18,291	19,205
			annual	189,601	199,080	209,035	219,487	230,461
92			hourly	\$ 93.4394	\$ 98.1119	\$ 103.0116	\$ 108.1600	\$ 113.5680
			bi-weekly	7,475	7,849	8,241	8,653	9,085
			monthly	16,196	17,006	17,855	18,748	19,685
			annual	194,354	204,073	214,264	224,973	236,221
93			hourly	\$ 95.7757	\$ 100.5564	\$ 105.5858	\$ 110.8640	\$ 116.4126
			bi-weekly	7,662	8,045	8,447	8,869	9,313
			monthly	16,601	17,430	18,302	19,216	20,178
			annual	199,213	209,157	219,618	230,597	242,138
94	POLICE CHIEF	EXEMPT	hourly	\$ 98.1660	\$ 103.0765	\$ 108.2249	\$ 113.6437	\$ 119.3221
			bi-weekly	7,853	8,246	8,658	9,091	9,546
			monthly	17,015	17,867	18,759	19,698	20,682
			annual	204,185	214,399	225,108	236,379	248,190
95			hourly	\$ 100.6104	\$ 105.6399	\$ 110.9289	\$ 116.4667	\$ 122.2965
			bi-weekly	8,049	8,451	8,874	9,317	9,784
			monthly	17,439	18,311	19,228	20,188	21,198
			annual	209,270	219,731	230,732	242,251	254,377
96			hourly	\$ 103.1306	\$ 108.2898	\$ 113.6978	\$ 119.3870	\$ 125.3574
			bi-weekly	8,250	8,663	9,096	9,551	10,029

**CITY OF LATHROP  
GRADE-STEP TABLE  
Eff. 7/10/2023**

Adopted by Resolution No. 23-\_\_\_\_

*\*FOR REFERENCE USE ONLY*

GRADE	CLASSIFICATION	UNIT	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
		monthly	17,876	18,770	19,708	20,694	21,729
		annual	214,512	225,243	236,491	248,325	260,743

CONTRACT							
	CITY ATTORNEY	EXEMPT	annual	\$ 258,153			
	CITY MANAGER	EXEMPT	annual	\$ 277,023			

**Changes**

Add:  
DEPUTY CITY MANAGER, GRADE 90



# AUTHORIZED POSITIONS BY DEPARTMENT

## Summary by Department

	2022/23 Adopted	2022/23 Amended 03/13/23	2023/24 Adopted Budget	2023/24 Amended 07/10/23
<b>CITY MANAGER</b>				
<b>City Manager</b>				
Assistant City Manager	0.00	0.25	0.25	0.25
Deputy City Manager	0.00	0.00	0.00	1.00
City Engineer	0.15	0.00	0.00	0.00
City Manager	1.00	1.00	1.00	1.00
Director of Government Services/City Clerk	0.50	0.50	0.50	0.50
Economic Development Administrator	1.00	1.00	1.00	1.00
<b>Total</b>	<b>2.65</b>	<b>2.75</b>	<b>2.75</b>	<b>3.75</b>
<b>CITY MANAGER - Total</b>	<b>2.65</b>	<b>2.75</b>	<b>2.75</b>	<b>3.75</b>
<b>CITY CLERK</b>				
<b>City Clerk</b>				
Deputy City Clerk	1.00	1.00	1.00	1.00
Director of Government Services/City Clerk	0.50	0.50	0.50	0.50
<b>Total</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>
<b>CITY CLERK - Total</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>
<b>CITY ATTORNEY</b>				
<b>City Attorney</b>				
Administrative Assistant I/II/III	1.00	1.00	1.00	1.00
City Attorney	1.00	1.00	1.00	1.00
Legal Secretary	0.00	1.00	1.00	1.00
Senior Administrative Assistant	1.00	0.00	0.00	0.00
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>CITY ATTORNEY - Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>HUMAN RESOURCES</b>				
<b>Human Resources</b>				
Human Resources Director	1.00	1.00	1.00	1.00
Human Resources Manager	1.00	1.00	1.00	1.00
HR Analyst I/II	0.00	1.00	1.00	1.00
HR Technician	0.00	1.00	1.00	1.00
<b>Total</b>	<b>2.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>HUMAN RESOURCES - Total</b>	<b>2.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

# AUTHORIZED POSITIONS BY DEPARTMENT

## Summary by Department

	2022/23 Adopted	2022/23 Amended 03/13/23	2023/24 Adopted Budget	2023/24 Amended 07/10/23
<b>FINANCE</b>				
<b>Finance</b>				
Accountant I/II	1.00	0.00	0.00	0.00
Accounting Manager	1.00	0.00	0.00	0.00
Accounting Specialist I/II/Technician	5.00	0.00	0.00	0.00
Administrative Technician I/II	1.00	1.00	1.00	1.00
Customer Service Representatives I/II	0.00	5.00	5.00	5.00
Customer Service Supervisor	0.00	1.00	1.00	1.00
Deputy Finance Director	1.00	1.00	1.00	0.00
Director of Finance	1.00	1.00	1.00	1.00
Finance Manager	1.00	1.00	1.00	1.00
Management Analyst I/II	0.50	2.00	2.00	2.00
Senior Administrative Assistant	1.00	0.00	0.00	0.00
Senior Customer Service Representative	0.00	1.00	1.00	1.00
Senior Accountant	0.00	0.50	1.00	1.00
Senior Management Analyst	1.00	1.00	1.00	1.00
<b>Total</b>	<b>13.50</b>	<b>14.50</b>	<b>15.00</b>	<b>14.00</b>
<b>FINANCE - Total</b>	<b>13.50</b>	<b>14.50</b>	<b>15.00</b>	<b>14.00</b>
<b>INFORMATION SYSTEMS</b>				
<b>Information Systems</b>				
Administrative Assistant I/II/III	0.50	0.00	0.00	0.00
Director of Information Systems	0.00	1.00	1.00	1.00
Chief Information Officer	1.00	1.00	1.00	1.00
Information Technology Technician	0.00	1.00	0.00	0.00
Information Technology Engineer I/II/III	3.00	5.00	6.00	6.00
Management Analyst I/II	0.00	1.00	1.00	1.00
<b>Total</b>	<b>4.50</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>
<b>INFORMATION SYSTEMS - Total</b>	<b>4.50</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>
<b>COMMUNITY DEVELOPMENT</b>				
<b>Planning</b>				
Administrative Assistant I/II/III	0.33	0.33	0.10	0.10
Assistant Community Development Director	0.00	1.00	0.00	0.00
Associate Planner	1.00	1.00	1.00	1.00
Director of Community Development	1.00	1.00	1.00	1.00
Executive Assistant	0.00	1.00	1.00	1.00
Principal Planner	1.00	0.00	0.00	0.00
Senior Administrative Assistant	1.00	0.00	0.00	0.00
Senior Planner	0.00	1.00	1.00	1.00
<b>Total</b>	<b>4.33</b>	<b>5.33</b>	<b>4.10</b>	<b>4.10</b>
<b>COMMUNITY DEVELOPMENT - Total</b>	<b>4.33</b>	<b>5.33</b>	<b>4.10</b>	<b>4.10</b>

# AUTHORIZED POSITIONS BY DEPARTMENT

## Summary by Department

	2022/23 Adopted	2022/23 Amended 03/13/23	2023/24 Adopted Budget	2023/24 Amended 07/10/23
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
<b>Sworn</b>				
Police Chief	1.00	1.00	1.00	1.00
Police Commander	2.00	2.00	2.00	2.00
Police Lieutenant	0.00	1.00	1.00	1.00
Police Officer	24.00	32.00	32.00	32.00
Police Sergeant	6.00	6.00	6.00	6.00
<b>Total</b>	<b>33.00</b>	<b>42.00</b>	<b>42.00</b>	<b>42.00</b>
<b>Non-Sworn</b>				
Police Forensic Analyst I/II	0.00	0.00	0.00	0.00
Police Records Assistant I/II	0.00	2.00	2.00	2.00
Police Records Supervisor	0.00	1.00	1.00	1.00
Property & Evidence Technician	0.00	1.00	1.00	1.00
<b>Total</b>	<b>0.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Administration</b>				
Management Analyst I/II	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Senior Administrative Assistant	1.00	0.00	0.00	0.00
<b>Total</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Community Services Division</b>				
Community Services Supervisor	1.00	1.00	1.00	1.00
Community Services Officer I/II/III	3.00	5.00	5.00	5.00
Administrative Assistant I/II/III	0.50	1.00	1.00	1.00
Animal Center Assistant	0.00	0.00	1.00	1.00
Animal Shelter Supervisor	0.00	1.00	1.00	1.00
Animal Services Assistant	1.00	0.00	0.00	0.00
<b>Total</b>	<b>5.50</b>	<b>8.00</b>	<b>9.00</b>	<b>9.00</b>
<b>PUBLIC SAFETY - Total</b>	<b>41.50</b>	<b>56.00</b>	<b>57.00</b>	<b>57.00</b>
<b>PARKS, RECREATION AND MAINTENANCE SERVICES</b>				
<b>Parks and Recreation</b>				
Administrative Assistant I/II/III	2.00	3.00	3.00	3.00
Director of Parks, Recreation and Maintenance	1.00	1.00	1.00	1.00
Deputy Director of Parks, Recreation and Maintenance	1.00	0.00	0.00	0.00
Management Analyst I/II	1.25	1.00	1.00	1.00
Recreation Coordinator	3.00	3.00	3.00	3.00
Recreation Leaders	9.45	9.45	9.45	9.45
Recreation Manager	0.00	1.00	1.00	1.00
Recreation Supervisor	1.00	2.00	2.00	2.00
Senior Accountant	0.00	0.25	0.00	0.00
Senior Administrative Assistant	0.00	1.00	1.00	1.00
Senior Recreation Leaders	5.35	7.00	5.00	5.00
<b>Total</b>	<b>24.05</b>	<b>28.70</b>	<b>26.45</b>	<b>26.45</b>

# AUTHORIZED POSITIONS BY DEPARTMENT

## Summary by Department

	2022/23 Adopted	2022/23 Amended 03/13/23	2023/24 Adopted Budget	2023/24 Amended 07/10/23
<b>Maintenance Services</b>				
Landscape and Irrigation Specialist	0.00	1.00	1.00	1.00
Maintenance Services Supervisor	1.00	1.00	1.00	1.00
Maintenance Worker I/II/III	9.00	9.00	5.00	5.00
Parks and Facilities Manager	0.00	0.00	0.00	0.00
Parks and Recreation Supervisor	0.00	0.00	1.00	1.00
Senior Recreation Leaders	0.00	0.00	2.00	2.00
<b>Total</b>	<b>10.00</b>	<b>11.00</b>	<b>10.00</b>	<b>10.00</b>
<b>PARKS, RECREATION AND MAINTENANCE - Total</b>	<b>34.05</b>	<b>39.70</b>	<b>36.45</b>	<b>36.45</b>
<b>BUILDING SAFETY AND INSPECTIONS</b>				
<b>Building</b>				
Administrative Assistant I/II/III	0.33	0.33	0.60	0.60
Assistant City Manager	0.00	0.32	0.32	0.32
Building Inspector I/II/III	2.00	3.00	3.00	3.00
Chief Building Official	1.00	1.00	1.00	1.00
Management Analyst I/II	0.00	0.00	1.00	1.00
Permit and Plan Check Supervisor	1.00	1.00	1.00	1.00
Permit Technician I/II/III	2.00	4.00	3.00	3.00
<b>Total</b>	<b>6.33</b>	<b>9.65</b>	<b>9.92</b>	<b>9.92</b>
<b>BUILDING SAFETY AND INSPECTIONS - Total</b>	<b>6.33</b>	<b>9.65</b>	<b>9.92</b>	<b>9.92</b>
<b>PUBLIC WORKS</b>				
<b>Public Works</b>				
Administrative Assistant I/II/III	2.34	2.34	3.30	3.30
Assistant City Manager	0.00	0.43	0.43	0.43
Assistant Engineer	1.00	3.00	3.00	3.00
Associate Engineer	1.00	1.00	1.00	1.00
City Engineer	0.85	1.00	1.00	1.00
Compliance Engineer	0.00	0.00	1.00	1.00
Construction Inspector I/II/III	3.00	3.00	3.00	3.00
Construction Superintendent	1.00	1.00	1.00	1.00
Director of Public Works	1.00	0.00	0.00	0.00
Electrician / Instrument Technician	0.00	0.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Maintenance Worker I/II/III	0.00	0.00	3.00	3.00
Management Analyst I/II	0.25	1.00	1.00	1.00
Meter Reader I/II	1.00	2.00	2.00	2.00
Senior Accountant	0.00	0.25	0.00	0.00
Senior Administrative Assistant	1.00	0.00	0.00	0.00
Senior Civil Engineer	1.00	2.00	2.00	2.00

# AUTHORIZED POSITIONS BY DEPARTMENT

## Summary by Department

	2022/23 Adopted	2022/23 Amended 03/13/23	2023/24 Adopted Budget	2023/24 Amended 07/10/23
Senior Construction Manager	1.00	1.00	1.00	1.00
Streets and Maintenance Operation Manager	0.00	1.00	1.00	1.00
Utility Operations Superintendent	1.00	1.00	1.00	1.00
Utility Operator I/II/III	6.00	6.00	7.00	7.00
Utility Plant Supervisor	1.00	1.00	1.00	1.00
<b>Total</b>	<b>24.44</b>	<b>28.02</b>	<b>34.73</b>	<b>34.73</b>
<b>PUBLIC WORKS - Total</b>	<b>24.44</b>	<b>28.02</b>	<b>34.73</b>	<b>34.73</b>
<b>Grand Total</b>	<b>137.8</b>	<b>173.45</b>	<b>177.45</b>	<b>177.45</b>

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## ITEM 4.6

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: APPROVAL OF OUT-OF-STATE TRAVEL FOR TWO (2) LATHROP POLICE DEPARTMENT SCHOOL RESOURCE OFFICERS TO ATTEND THE G.R.E.A.T OFFICER TRAINING IN JULY 2023**

**RECOMMENDATION: Adopt Resolution Approving Out-of-State Travel for Two (2) Lathrop Police Department School Resource Officers to Attend the Gang Resistance Education and Training (G.R.E.A.T) Officer Training in Scottsdale, Arizona from July 24, 2023 to July 28, 2023**

---

#### **SUMMARY:**

The G.R.E.A.T. Program is a nationally recognized initiative that focuses on preventing and reducing gang involvement and delinquency among young people. The Lathrop Police Department firmly believes that this program offers the most comprehensive and effective approach to address the evolving challenges of today's youth which involves gang activity, bullying, peer pressure, managing anger, and decision making. Additionally, the G.R.E.A.T Program also focuses on providing life skills, developing problem solving skills, promoting positive relationships with law enforcement, and strengthening healthy behaviors which provides the student the skills to not resort to delinquent behavior, gang membership, and violence.

In order for our law enforcement officers to be certified to teach any of the G.R.E.A.T curricula, they are required to successfully complete the G.R.E.A.T Officer Training. Lathrop Police Department has identified two (2) School Resource Officers (SRO) to teach the G.R.E.A.T Program in the upcoming school year.

The G.R.E.A.T Officer Training will take place in Scottsdale, Arizona. The cost for two (2) School Resource Officers to attend the G.R.E.A.T Officer Training is \$4,600. There are sufficient funds in the Lathrop Police Department's training budget to cover the cost of the training.

Staff recommends City Council approve the out-of-state travel for two (2) School Resource Officers to attend the G.R.E.A.T Officer Training in Scottsdale, Arizona from July 24, 2023 to July 28, 2023.

#### **BACKGROUND:**

The G.R.E.A.T. Program is a nationally recognized initiative that focuses on preventing and reducing gang involvement and delinquency among young people. The Lathrop Police Department firmly believes that this program offers the most comprehensive and effective approach to address the evolving challenges of our

**CITY MANAGER'S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**APPROVAL OF OUT-OF-STATE TRAVEL FOR TWO (2) LATHROP POLICE**  
**DEPARTMENT SCHOOL RESOURCE OFFICERS TO ATTEND THE G.R.E.A.T**  
**OFFICER TRAINING IN JULY 2023**

youth within the Lathrop community. For our law enforcement officers to be certified to teach any of the G.R.E.A.T curricula, they are required to successfully complete the G.R.E.A.T Officer Training.

There are two G.R.E.A.T trainings offered this year with one in Louisville, Kentucky and the other in Scottsdale, Arizona. The Lathrop Police Department has identified two (2) School Resource Officers (SRO) to teach the G.R.E.A.T Program in the upcoming school year and is requesting approval from Council for the SROs to attend the training in Scottsdale, Arizona on July 24, 2023 through July 28, 2023. This training will equip and enable them to teach the G.R.E.A.T Program and will cover various aspects of gang resistance education, including conflict resolution, decision-making skills, and positive youth development strategies.

Attending this out-of-state training is crucial for our SROs to acquire the necessary knowledge and skills to effectively engage with students, identify early signs of gang involvement, and implement prevention strategies. The G.R.E.A.T. Officer Training provides our officers with the tools and resources needed to establish meaningful connections with students, foster positive relationships, and guide them towards making responsible choices.

The cost for two (2) School Resource Officers to attend the G.R.E.A.T Officer Training is \$4,600. There are sufficient funds in the Lathrop Police Department's training budget to cover the cost of the training.

**REASON FOR RECOMMENDATION:**

For our law enforcement officers to be certified to teach any of the G.R.E.A.T curricula, they are required to successfully complete the G.R.E.A.T Officer Training. To be able to teach the G.R.E.A.T Program in the upcoming school year, staff recommends City Council approve the out-of-state travel for two (2) School Resource Officers to attend the G.R.E.A.T Officer Training in Scottsdale, Arizona from July 24, 2023 to July 28, 2023.

**FISCAL IMPACT:**

The cost for two (2) School Resource Officers to attend the G.R.E.A.T Officer Training is \$4,600. There are sufficient funds in the Lathrop Police Department's training budget to cover the cost of the training.

**ATTACHMENTS:**

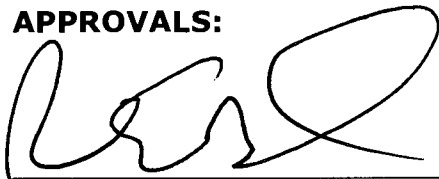
- A. Resolution Approving Out-of-State Travel for Two (2) Lathrop Police Department School Resource Officers to Attend the Gang Resistance Education and Training (G.R.E.A.T) Officer Training in Scottsdale, Arizona from July 24, 2023 to July 28, 2023



JULY 10, 2023 CITY COUNCIL REGULAR MEETING

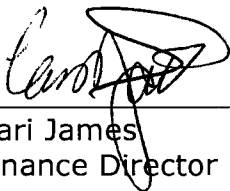
APPROVAL OF OUT-OF-STATE TRAVEL FOR TWO (2) LATHROP POLICE DEPARTMENT SCHOOL RESOURCE OFFICERS TO ATTEND THE G.R.E.A.T OFFICER TRAINING IN JULY 2023

APPROVALS:



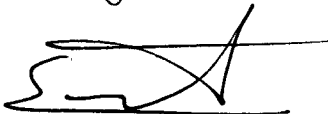
Raymond Bechler  
Chief of Police

6/20/23  
Date



Cari James  
Finance Director

6/26/2023  
Date



Salvador Navarrete  
City Attorney

6.21.2023  
Date



Stephen J. Salvatore  
City Manager

6.27.23  
Date

**RESOLUTION NO. 23 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING OUT-OF-STATE TRAVEL FOR TWO (2) LATHROP POLICE SCHOOL RESOURCE OFFICERS TO ATTEND THE GANG RESISTANCE EDUCATION AND TRAINING (G.R.E.A.T) OFFICER TRAINING IN SCOTTSDALE, ARIZONA FROM JULY 24, 2023 TO JULY 28, 2023**

**WHEREAS**, the G.R.E.A.T. Program is a nationally recognized initiative that focuses on preventing and reducing gang involvement and delinquency among young people; and

**WHEREAS**, the Lathrop Police Department firmly believes that this program offers the most comprehensive and effective approach to address the evolving challenges of today's youth which involves gang activity, bullying, peer pressure, managing anger, and decision making; and

**WHEREAS**, for our law enforcement officers to be certified to teach any of the G.R.E.A.T curricula, they are required to successfully complete the G.R.E.A.T Officer Training; and

**WHEREAS**, there are two G.R.E.A.T trainings offered this year with one in Louisville, Kentucky and the other in Scottsdale, Arizona; and

**WHEREAS**, the Lathrop Police Department has identified two (2) School Resource Officers (SRO) to teach the G.R.E.A.T Program in the upcoming school year and is requesting approval from Council for the SROs to attend the G.R.E.A.T Officer Training in Scottsdale, Arizona; and

**WHEREAS**, attending this out-of-state training is crucial for our SROs to acquire the necessary knowledge and skills to effectively engage with students, identify early signs of gang involvement, and implement prevention strategies; and

**WHEREAS**, the cost for two (2) School Resource Officers to attend the G.R.E.A.T Officer Training is \$4,600. This includes the registration, hotel and per diem for two (2) School Resource Officers; and

**WHEREAS**, there are sufficient funds in the Lathrop Police Department's training budget to cover the cost of the training; and

**WHEREAS**, as required by City policy, any out-of-state travel requires Council approval; and

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve the out-of-state travel for two (2) School Resource Officers to attend the G.R.E.A.T Officer Training in Scottsdale, Arizona from July 24, 2023 to July 28, 2023.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

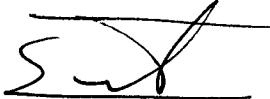
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

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## ITEM 4.7

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM:** **APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH SOLID NETWORKS INC. FOR INFORMATION TECHNOLOGY MAINTENANCE AND SUPPORT SERVICES**

**RECOMMENDATION:** **Adopt a Resolution Approving a Professional Services Agreement with Solid Networks, Inc. for Information Technology Maintenance and Support Services**

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#### **SUMMARY:**

Solid Networks has been providing the City with Information Technology Maintenance and Support Services for over ten (10) years. They have installed and configured most of the City's technical systems and have exclusive security network access to servers and other network devices. The engineers from Solid Network possess higher level certification and certification for the hardware that the City staff does not yet possess.

The current Agreement for Information Technology Maintenance and Support Services expired on June 30, 2023. Staff recommends Solid Networks to continue managing the City's technical systems, because the City's Information Technology Department needs on-going support to manage the specialized high-tech systems that require certified engineering.

Tonight staff is requesting that Council approve a thirty-six (36) month term Agreement with Solid Networks for Technical Maintenance and Support Services for an amount not-to-exceed \$410,220. The funds for Fiscal Years 23/24, 24/25 have been included in the biennial budget approved by City Council on June 14<sup>th</sup>, 2023.

#### **BACKGROUND:**

For over a decade Solid Networks has installed, configured, updated, expanded and co-managed the network systems for the City of Lathrop. This vendor possesses exclusive network security access, the capability to monitor the City's technical system non-stop and is very familiar with the City's network systems. Staff is content with the level of knowledge and services provided by Solid Networks.

In July 2020, the City entered into an Agreement with Solid Networks for Technical Maintenance and Support Services for a term of thirty-six (36) months. The Agreement expired on June 30, 2023. The Information Systems Department (ISD) requires on-going support to manage the specialized equipment that City Engineers are not yet certified for and of the City's technical systems. Located roughly twenty

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**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**SOLID NETWORKS PROFESSIONAL SERVICES AGREEMENT WITH SOLID NETWORKS INC. FOR INFORMATION TECHNOLOGY MAINTENANCE AND SUPPORT SERVICES**

(20) minutes from City Hall, allows for prompt response to critical and/or emergency information technology related events.

At staff request, Solid Networks submitted a proposal for a thirty-six (36) month term with services and fee billed on a per monthly basis for a monthly cost as shown in Table 1 and set forth in Exhibit “A” to the agreement. The cost in technical maintenance and support services has increased in comparison to the current agreement cost of \$266,958 is primarily due to the additional hardware installed as well as installed the inflationary condition of the economy, within the last three (3) years, to the City’s technology infrastructure. The ISD department has grown significantly in the last three years and supports approximately two-hundred and sixty (260) users, five-hundred (500) computers with network accounts, one-hundred and eighty (180) Servers, and one-hundred and twenty-five (125) network devices. This vast support ISD is able to provide is facilitated by the support Solid Networks is able to provide.

Table 1.

<b>Term</b>	<b>Monthly Cost</b>	<b>Annual Cost</b>
Term 1 (FY 23/24)	\$10,395	\$ 124,740
Term 2 (FY 24/25)	\$11,395	\$ 136,740
Term 3 (FY 25/26)	\$12,395	\$ 148,740
<b>Total Cost</b>		<b>\$ 410,220</b>

If the proposed agreement is approved, Solid Networks will continue to perform the on-going technical maintenance and support services required by the Information Technology Department at cost of \$10,395 per month for the first twelve (12) months and at a cost listed above for subsequent periods through the fiscal year 25/26. Therefore, Staff recommends Council approval of an agreement to allow Solid Networks to continue managing the City’s technical systems.

**REASON FOR RECOMMENDATION:**

The original agreement with Solid Networks expired on June 30, 2023. The Information Technology Department requires on-going technical maintenance and support specialized in technology equipment that requires certifications that they City staff does not possess and support services to maintain the City’s technical systems.

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**SUPPORT SERVICES**

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**FISCAL IMPACT:**


The funds for FY 23/24 and FY 24/25 services are budgeted and available in the Information Technology budget

**ATTACHMENTS:**


- A. Resolution of the City Council of the City of Lathrop Approving the Professional Services Agreement with Solid Networks, Inc. for Professional Information Technology Maintenance and Support Services
- B. Agreement with Solid Networks, Inc. for Professional Information Technology Maintenance and Support Services

**CITY MANAGER'S REPORT**  
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**SOLID NETWORKS PROFESSIONAL SERVICES AGREEMENT WITH SOLID**  
**NETWORKS INC. FOR INFORMATION TECHNOLOGY MAINTENANCE AND SUPPORT**  
**SERVICES**

**APPROVALS:**

  
\_\_\_\_\_  
Tony Fernandes  
Information Systems Director


6-28-2023  
Date

  
\_\_\_\_\_  
Cari James  
Director of Finance

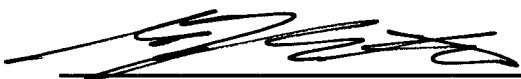
6/29/23  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6.30.23  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.29.2023  
Date

  
\_\_\_\_\_  
Stephen Salvatore  
City Manager

7.5.23  
Date



**RESOLUTION NO. 23 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE PROFESSIONAL SERVICES AGREEMENT WITH SOLID NETWORKS, INC. FOR INFORMATION TECHNOLOGY MAINTENANCE AND SUPPORT SERVICES**

**WHEREAS**, in July 2020, the City entered into an Agreement with Solid Networks for Technical Maintenance and Support Services and the Agreement expired on June 30, 2023; and

**WHEREAS**, the City's Information Technology Department needs on-going support to manage the specialized high-tech conditions of the City's technical systems; and

**WHEREAS**, Solid Networks installed and configured most of the City's technical systems and is well-versed with the City's hardware and software; and

**WHEREAS**, Staff is content with the level of knowledge and services provided by Solid Networks; and

**WHEREAS**, this vendor has exclusive access to the City's network systems and the capability to monitor the City's technical system 24/7; and

**WHEREAS**, at staff request, Solid Networks submitted a proposal for a thirty-six (36) month term with services and fee billed on a per monthly basis for a monthly cost for an annual expense of \$124,740 for the first year, \$136,740 for the second year and \$148,740 for the third year, for a total sum of \$410,220.; and

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Lathrop does hereby approve the Professional Services Agreement with Solid Network, Inc. for Information Technology Maintenance and Support Services.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Sonny Dhaliwal, Mayor

**ATTEST:**

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Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**



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Salvador Navarrete, City Attorney

**CITY OF LATHROP  
AGREEMENT WITH SOLID NETWORKS, INC. FOR PROFESSIONAL  
INFORMATION TECHNOLOGY MAINTENANCE AND SUPPORT  
SERVICES**

**FOR CO-MANAGEMENT OF SERVERS, NETWORK, VIRTUAL  
ENVIRONMENT AND STORAGE AREA NETWORK**

**THIS AGREEMENT**, dated for convenience this \_\_\_\_\_ day of July, 2023 is by and between Solid Networks (“CONSULTANT”) and the CITY OF LATHROP, a California municipal corporation (“CITY”);

**RECITALS:**

**WHEREAS**, CONSULTANT is specially trained, experienced, and competent to perform Information Technology Maintenance and Support Services, which are required by this agreement; and

**WHEREAS**, CITY selected the CONSULTANT pursuant to said qualifications; and

**WHEREAS**, CONSULTANT is willing to render such Information Technology Maintenance and Support Services, as hereinafter defined, on the following terms and conditions;

**NOW, THEREFORE**, CONSULTANT and the CITY agree as follows:

**AGREEMENT**

**(1) Scope of Service.**

CONSULTANT agrees to perform Co-Management of Servers, Network, Virtual Environment and Storage Area Network, in accordance with the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit “A” and incorporated herein by reference. CONSULTANT agrees to diligently perform these services in accordance with the upmost standards of its profession and to CITY’S satisfaction.

**(2) Compensation.**

CITY hereby agrees to pay CONSULTANT a sum not to exceed \$410,220 for Co-Management of Servers, Network, Virtual Environment and Storage Area Network as set forth in Exhibit “A”.

- Year 1 (FY 23/24) ..... \$10,395 per month (\$124,740 annual)
- Year 2 (FY 24/25) ..... \$11,395 per month (\$136,740 annual)
- Year 3 (FY 25/26) ..... \$12,395 per month (\$148,740 annual)

**CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT  
SOLID NETWORKS, INC. FOR CO-MANAGEMENT OF SERVERS, NETWORK,  
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CONSULTANT shall be paid within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit “A”, unless a written change order or authorization describing the extra work and payment terms has been executed by CITY’s authorized representative prior to the commencement of the work.

**(3) Effective Date and Term.**

The effective date of this Agreement is July 1, 2023, and it shall terminate no later than June 30, 2026 (which includes fiscal years ending June 30, 2024, 2025, and 2026). Renewal of this contract after the first three (3) fiscal years of this agreement shall be based upon the agreement of the parties at that time.

**(4) Independent Contractor Status**

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit “A” to City’s satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

**(5) Billings**

CONSULTANT’S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

**(6) Advice and Status Reporting**

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

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**(7) Assignment of Personnel**

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: **Joe Cram**, CONSULTANT shall not replace its Authorized Representative without the prior written approval by the CITY.

**(8) Assignment and Subcontracting**

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S authorized representative.

**(9) Insurance**

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars. In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the

**CITY OF LATHROP – PROFESSIONAL SERVICES AGREEMENT  
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California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.

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- (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
  - (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
  - (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
  - (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
- (c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than One Million Dollars (\$1,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:
- (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
  - (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
  - (iii) The policy must contain a cross liability or severability of interest clause.
  - (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
    1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
    2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

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3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
  4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.
- (d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;



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- (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
- (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

**(10) Indemnification - CONSULTANT'S Responsibility**

As to the CONSULTANT'S work hereunder, it is understood and agreed that (a) CONSULTANT has the professional skills necessary to perform the work, (b) CITY relies upon the professional skills of CONSULTANT to perform the work in a skillful and professional manner, and (c) CONSULTANT thus agrees to so perform.

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed. It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

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**(11) Licenses**

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

**(12) Business Licenses**

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

**(13) Termination**

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. In the event of termination, the CONSULTANT shall be entitled to compensation for services performed to the effective date of termination; provided, however, that the CITY may condition payment of such compensation upon CONSULTANT'S delivery to the CITY of any or all documents, photographs, computer software, video and audio tapes, and other materials provided to CONSULTANT or prepared by or for CONSULTANT or the CITY in connection with this Agreement.

**(14) Funding**

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

**(15) Notices**

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone fax number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

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SOLID NETWORKS, INC. FOR CO-MANAGEMENT OF SERVERS, NETWORK,  
VIRTUAL ENVIRONMENT AND STORAGE AREA NETWORK**

To City: City of Lathrop  
City Clerk  
390 Towne Centre  
Lathrop, CA 95330

Copy to: City of Lathrop  
Information Technology  
390 Towne Centre  
Lathrop, CA 95330

MAIN: (209) 941-7430  
FAX: (209) 941-7449

To Consultant: Joe Cram  
Solid Networks, Inc.  
5686 Pirrone Road  
Salida CA 95368

Phone: 209-338-1430  
Fax: 209-338-1431

**(16) Miscellaneous**

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (c) Definitions. The definitions and terms are as defined in these specifications.
- (d) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (e) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

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- (f) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (g) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (h) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (i) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (j) Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- (k) Status of CONSULTANT. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (l) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.

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- (m) Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (n) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (o) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

**(17) Notice to Proceed**

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

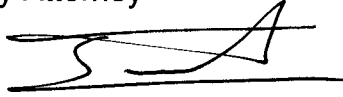
**(18) Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

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SOLID NETWORKS, INC. FOR CO-MANAGEMENT OF SERVERS, NETWORK,  
VIRTUAL ENVIRONMENT AND STORAGE AREA NETWORK**

Approved as to Form:

City of Lathrop  
City Attorney



6.28.2023

\_\_\_\_\_  
Salvador Navarrete

\_\_\_\_\_  
Date

Recommended for Approval:

City of Lathrop  
Chief Information Officer

\_\_\_\_\_  
Tony Fernandes

\_\_\_\_\_  
Date

Approved By:  
Resolution: \_\_\_\_\_

City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

\_\_\_\_\_  
Stephen V. Salvatore  
City Manager

\_\_\_\_\_  
Date

CONSULTANT:

Solid Networks, Inc.  
5686 Pirrone Road  
Salida, CA 95368

Fed ID # \_\_\_\_\_  
Business License # 20058

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name and Title)



**Solid Networks**

Mark Ricci

1.209.338.1424

Mark.Ricci@SolidNetworks.com

**Technology  
Simplified**



**We have prepared a quote for you**

**City of Lathrop FY24-FY26 SolidCare MSA Renewal**

Quote #008256  
Version v1

**Prepared for:**

**City of Lathrop**

Tony Fernandes  
tfernandes@ci.lathrop.ca.us

## Statement of Work

### **STATEMENT OF WORK**

This Statement of Work ("SOW") is governed under the Master Service Agreement (the "Agreement") between **Solid Networks, Inc.** ("we", "us", "our" or "**SNI**"), and **you** ("you", "your" or "**Client**"), the entity who accepts the order to which this SOW is attached (the "Order"). This SOW is effective as of date on which you accepted the Order ("Effective Date").

The services described in the Order and as described below (collectively, the "Services") will be provided to you. Services that are not specifically described in the Order and this SOW will be out of scope and will not be provided to you unless otherwise agreed to by us in writing. (From this point forward, the Order and this SOW will be collectively referred to as this "SOW").

### **SCOPE OF SERVICES**

#### **Onboarding Services.**

The following onboarding services will be performed under this SOW:

- Uninstall any monitoring tools or other software installed by previous IT consultants.
- Compile a full inventory of all protected servers, workstations, and laptops.
- Uninstall any previous virus protection and install our managed antivirus application.
- Install remote support access application on each managed device to enable remote support.
- Configure patch management application and check for missing security updates.
- Uninstall unsafe applications or applications that are no longer necessary.
- Optimize device performance including disk cleanup, antivirus, and spyware scans.
- Review firewall configuration and other network infrastructure devices.
- Review status of battery backup protection on all devices.
- Stabilize network and assure that all devices can securely access the file server.
- Review and document current server configuration and status.
- Determine existing backup strategy and status; prepare backup options for consideration.
- Review password policies and update user and device passwords.
- As applicable, make recommendations for changes that should be considered to the managed environment.

If deficiencies are discovered during the onboarding process, we will bring those issues to your attention and discuss the impact of the deficiencies on our provision of our monthly managed services. Please note, unless otherwise expressly stated in this SOW, onboarding-related services do not include the remediation of any issues, errors, or deficiencies ("Issues"), and we cannot guarantee that all Issues will be detected during the onboarding process.

**Ongoing / Recurring Services.** Upon the completion of onboarding services (if any), the services listed in the Order and described below will be provided to you on an ongoing basis during the term of this SOW.

#### **Managed Services**

See the Order for the scope of our managed services.

#### **Data Backup**

SNI's backup and disaster recovery (BDR) services include:



- Managed backup of servers and workstations listed in the Order

- § 24/7 monitoring of backup system, including offsite backup, offsite replication and an onsite backup appliance ("Backup Appliance")
- § Troubleshooting and remediation of failed backup disks
- § Preventive maintenance and management of imaging software
- § Firmware and software updates of backup appliance
- § Problem analysis by the network operations team
- § Monitoring of backup successes and failures
- § Daily recovery verification

- Backed-Up Servers / Workstations: See Order for servers/workstations that will be backed up.

*Note: Data on equipment that is not specifically listed in the Order will **not** be backed up.*

- Storage Limitation: Client will be allocated the of storage space for backup and recovery purposes as listed in the Order. Any space required or requested by Client beyond this amount will be provided to Client in blocks of 100 GBs, at the cost of \$5.00 per block.
- Backup Frequency: On-site backups will occur in real time; offsite backups will occur no less than every three (3) hours, Monday through Friday.
- Backup Data Security: All backed up data is encrypted in transit and at rest in 256-bit AES encryption. All facilities housing backed up data implement physical security controls and logs, including security cameras, and have multiple internet connections with failover capabilities.
- Backup Retention: SNI only guarantees retrieval of the most recent recovery point sent to the backup appliance in a local recovery situation. SNI only guarantees retrieval of archived data sent to the off-site data center in the prior calendar day.

**License Grant.** All Backup Appliances are embedded with proprietary software ("BDR Software"). SNI hereby grants to Client a non-exclusive, royalty free, non-transferable license, during the term of this SOW, to use the BDR Software in conjunction with the BDR-related services provided by SNI. Client shall not reverse engineer, de-compile or otherwise use the BDR Software in any manner not specifically authorized by SNI.

### Data Recovery Services

You must contact us if data recovery services are needed. Upon your payment of the applicable fees (described below), we will make your backed up data available to you in a hosted, virtual environment. Your access to the backed up data will continue for a period of two (2) weeks; extended access time is available as described in the Fees section, below.

### Locations Covered by Services

Services will be provided remotely unless, in our discretion, we determine that an onsite visit is required. Onsite visits will be scheduled in accordance with the priority assigned the issue (below), and are subject to technician availability. Unless we agree otherwise, all onsite Services will be provided at Client's primary office location listed in the Order.

### Managed Equipment / Hardware / Software

The Services will be applied to the equipment listed in the Order ("Covered Hardware").

The Services will apply to the software listed in the Order ("Supported Software") provided, however, that all Supported Software must, at all times, be properly licensed, and under a maintenance and support agreement from the Supported Software's manufacturer.

In this SOW, Covered Hardware and Supported Software will be referred to as the "Environment."

### Term; Termination

The Services will commence, and billing will begin, on the date indicated in the Order ("Commencement Date"). We reserve the right to delay the Commencement Date until all onboarding/transition services (if any) are completed, and all deficiencies / revisions identified in the onboarding process (if any) are addressed or

remediated to SNI' satisfaction.

The Services shall continue for a minimum term of thirty-six (36) months from the Commencement Date and, thereafter, shall continue on a month-to-month basis, cancelable by either party for any reason upon the provision of one (1) month prior written notice.

## **Assumptions / Minimum Requirements / Exclusions**

The scheduling, fees and provision of the Services are based upon the following assumptions and minimum requirements:

- All equipment with Microsoft Windows® operating systems must be running then-currently supported versions of such software and have all of the latest Microsoft service packs and critical updates installed.
- All software must be genuine, licensed and vendor-supported.
- Server file systems and email systems (if applicable) must be protected by licensed and up-to-date virus protection software.
- The Environment must have a currently licensed, vendor-supported server-based backup solution that can be monitored.
- All wireless data traffic in the environment must be securely encrypted.
- There must be an outside static IP address assigned to a network device, allowing VPN access.
- All servers must be connected to working UPS devices.
- Recovery coverage assumes data integrity of the backups or the data stored on the backup devices. We do not guarantee the integrity of the backups or the data stored on the backup devices. Server restoration will be to the point of the last successful backup.
- Client must provide all software installation media and key codes in the event of a failure.
- Any costs required to bring the Environment up to these minimum standards are not included in this SOW.
- Client must provide us with exclusive administrative privileges to the Environment.
- Client must not affix or install any accessory, addition, upgrade, equipment or device on to the firewall, server, or NAS appliances (other than electronic data) unless expressly approved in writing by us.

**Exclusions.** Services that are not expressly described in this SOW will be out of scope and will not be provided to Client unless otherwise agreed, in writing, by SNI. Without limiting the foregoing, the following services are expressly excluded under this SOW, and if required to be performed, must be agreed upon by SNI in writing:

- Major refresh projects, such as hardware (network, systems, endpoint) replacement or additions, major reconfigurations in hardware or software.
- Customization of third party applications, or programming of any kind.
- Support for operating systems, applications, or hardware no longer supported by the manufacturer.
- Data/voice wiring or cabling services of any kind.
- Battery backup replacement.
- Equipment relocation.
- The cost to bring the Environment up to the Minimum Requirements (unless otherwise noted in "Scope of Services" above).
- The cost of repairs to hardware or any supported equipment or software, or the costs to acquire parts or equipment, or shipping charges of any kind.

## Service Levels

Automated monitoring is provided on an ongoing (*i.e.*, 24x7x365) basis; response, repair, and/or remediation services (as applicable) will be provided only during business hours unless otherwise specifically stated in the Order. We will respond to problems, errors or interruptions in the provision of the Services in the timeframe(s) described below. Severity levels will be determined by SNI in our reasonable discretion. All remediation services will initially be attempted remotely; SNI will provide onsite service only if remote remediation is ineffective and, under all circumstances, only if covered under the Service plan selected by Client.

Trouble / Severity	Managed Service Plan
Critical problem: Service not available (all users and functions unavailable)	Response within four (4) hours after notification.
Significant degradation of service (large number of users or business critical functions affected)	Response within eight (8) hours after notification.
Limited degradation of service (limited number of users or functions affected, business process can continue).	Response within twenty-four (24) business hours after notification.
Small service degradation (business process can continue, one user affected).	Response to requested schedule, as available. No service level agreement.

\* All time frames are calculated as of the time that SNI is notified of the applicable issue / problem by Client through SNI's designated support portal, help desk, or by telephone at the telephone number listed in the Order. Notifications received in any manner other than described herein may result in a delay in the provision of remediation efforts. Ticket triage time target is .2 hours (12 minutes) during business hours. SLA target 90+%.

## Fees

The fees for the Services will be as indicated in the Order.

Initially, you will be charged the monthly fees indicated in the Order. Thereafter, if the amount of Covered Hardware or Supported Software changes, or if the number of authorized users accessing the Environment changes, then you agree that the fees will be automatically and immediately modified to accommodate those changes. Under no circumstances will the number of authorized users, or the quantity of Covered Hardware or Supported Software drop below the amounts initially indicated in this SOW without our consent.

In addition, we reserve the right to increase our monthly recurring and data recovery fees; provided, however, we will not do so more than once per calendar year. If an increase is more than five percent (5%) of the fees charged for the Services in the prior calendar year, then you will be provided with a thirty (30) day opportunity to terminate this SOW by providing us with written notice of termination. Your continued acceptance or use of the services after this thirty (30) day period will indicate your acceptance of the increased fees.

## Removal of Software Agents; Return of Firewall & Backup Appliances

Unless we expressly direct you to do so, you will not remove or disable, or attempt to remove or disable, any software agents that we installed in the Environment. Doing so without our guidance may make it difficult or impracticable to remove the software agents, which could result in network vulnerabilities and/or the continuation of license fees for the software agents for which you will be responsible, and/or the requirement that we remediate the situation under a separate

statement of work. Depending on the particular software agent and the costs of removal, we may elect to keep the software agent in the Environment but in a dormant and/or unused state.

Within ten (10) days after being directed to do so, Client will remove, package and ship, at Client's expense and in a commercially reasonable manner, all hardware, equipment, and accessories provided to Client by SNI that were used in the provision of the Services. If you fail to timely return all equipment to us, or if the equipment is returned to us damaged (normal wear and tear excepted), then we will have the right to charge you, and you hereby agree to pay, the replacement value of all such unreturned or damaged equipment.

## **Additional Terms**

### **Monitoring Services; Alert Services**

Unless otherwise indicated in this SOW, all monitoring and alert-type services are limited to detection and notification functionalities only. These functionalities are guided by Client-designated policies, which may be modified by Client as necessary or desired from time to time. Initially, the policies will be set to a baseline standard as determined by SNI; however, Client is advised to establish and/or modify the policies that correspond to Client's specific monitoring and notification needs.

### **Remediation**

Unless otherwise provided in this SOW, remediation services will be provided in accordance with the recommended practices of the managed services industry. Client understands and agrees that remediation services are not intended to be, and will not be, a warranty or guarantee of the functionality of the Environment, or a service plan for the repair of any particular piece of managed hardware or software.

### **Modification of Environment**

Changes made to the Environment without our prior authorization or knowledge may have a substantial, negative impact on the provision and effectiveness of the Services, and may impact the fees charged under this SOW. You agree to refrain from moving, modifying, or otherwise altering any portion of the Environment without our prior knowledge or consent. For example, you agree to refrain from adding or removing hardware from the Environment, installing applications on the Environment, or modifying the configuration or log files of the Environment without our prior knowledge or consent.

### **Anti-Virus; Anti-Malware**

Our anti-virus / anti-malware solution will generally protect the Environment from becoming infected with new viruses and malware ("Viruses"); however, Viruses that exist in the Environment at the time that the security solution is implemented may not be capable of being removed without additional services, for which a charge may be incurred. We do not warrant or guarantee that all Viruses and malware will be capable of being detected, avoided, or removed, or that any data erased, corrupted, or encrypted by malware will be recoverable. In order to improve security awareness, you agree that SNI or its designated third party affiliate may transfer information about the results of processed files, information used for URL reputation determination, security risk tracking, and statistics for protection against spam and malware. Any information obtained in this manner does not and will not contain any personal or confidential information.

### **Breach/Cyber Security Incident Recovery**

Unless otherwise expressly stated in this SOW, the scope of this SOW does not include the remediation and/or recovery from a Security Incident (defined below). Such services, if requested by you must be handled under a separate statement of work. Given the varied number of possible Security Incidents, we cannot and do not warrant or guarantee (i) the amount of time required to remediate the effects of a Security Incident (or that remediate will be possible under all circumstances), or (ii) that all data impacted by the incident will be recoverable. For the purposes of this paragraph, a Security Incident means any unauthorized or impermissible access to or use of the Environment, or any unauthorized or impermissible disclosure of Client's confidential information (such as user names, passwords, etc.), that (i) compromises the security or privacy of the information or applications in, or the structure or integrity of, the Environment, or (ii) prevents normal access to the Environment, or impedes or disrupts the normal functions of the Environment.

### **Environmental Factors**

Exposure to environmental factors, such as water, heat, cold, or varying lighting conditions, may cause installed equipment to malfunction. Unless expressly stated in this SOW, we do not warrant or guarantee that installed equipment will operate error-free or in an uninterrupted manner, or that any video or audio equipment will clearly capture and/or record the details of events occurring at or near such equipment under all circumstances.

### Fair Usage Policy

Our Fair Usage Policy ("FUP") applies to all services in this SOW that are described or designated as "unlimited." An "unlimited" service designation means that, subject to the terms of this FUP, you may use the service as reasonably necessary for you to enjoy the use and benefit of the service without incurring additional time-based or usage-based costs. However, unless expressly stated otherwise in this SOW, all unlimited services are provided during our normal business hours only and are subject to our technicians' availabilities, which cannot always be guaranteed. In addition, we reserve the right to assign our technicians as we deem necessary to handle issues that are more urgent, critical, or pressing than the request(s) or issue(s) reported by you. Consistent with this FUP, you agree to refrain from (i) creating urgent support tickets for non-urgent or non-critical issues, (ii) requesting excessive support services that are inconsistent with normal usage patterns in the industry (e.g., requesting support in lieu of training), (iii) requesting support or services that are intended to interfere, or may likely interfere, with our ability to provide our services to our other customers, or (iv) opening tickets for services that are outside the scope of this SOW (e.g., opening tickets for project work, break/fix work, etc.)

### O365 / Email

You are solely responsible for the security, confidentiality and integrity of all email and the content of all email, received, transmitted or stored through the email service that is under your control ("Email"). You agree to refrain from uploading, posting, transmitting or distributing (or permitting any of your authorized users of the Email to upload, post, transmit or distribute) any prohibited content, which is generally content that (i) is obscene, illegal, or intended to advocate or induce the violation of any law, rule or regulation, or (ii) violates the intellectual property rights or privacy rights of any third party, or (iii) mischaracterizes you, and/or is intended to create a false identity or to otherwise attempt to mislead any person as to the identity or origin of any communication, or (iv) interferes or disrupts the services provided by SNI or the services of any third party, or (v) contains Viruses, trojan horses or any other malicious code or programs. In addition, you must not use the Email for the purpose of sending unsolicited commercial electronic messages ("SPAM") in violation of any federal or state law.

SNI reserves the right, but not the obligation, to suspend Client's access to the Email and/or all transactions occurring under Client's Email account if SNI believes, in its discretion, that Client's email account is being used in an improper or illegal manner.

### Patch Management

We will keep all managed hardware and managed software current with critical patches and updates ("Patches") as those Patches are released generally by the applicable manufacturers. Patches are developed by third party vendors and, on rare occasions, may make the Environment, or portions of the Environment, unstable or cause the managed equipment or software to fail to function properly even when the Patches are installed correctly. We will not be responsible for any downtime or losses arising from or related to the installation or use of any Patch. We reserve the right, but not the obligation, to refrain from installing a Patch if we are aware of technical problems caused by a Patch, or we believe that a Patch may render the Environment, or any portion of the Environment, unstable.

### Backup (BDR) Services

All data transmitted over the Internet may be subject to malware and computer contaminants such as viruses, worms and trojan horses, as well as attempts by unauthorized users, such as hackers, to access or damage Client's data. Neither SNI nor its designated affiliates will be responsible for the outcome or results of such activities.

BDR services require a reliable, always-connected internet solution. Data backup and recovery time will depend on the speed and reliability of your internet connection. Internet and telecommunications outages will prevent the BDR services from operating correctly. In addition, all computer hardware is prone to failure due to equipment malfunction, telecommunication-related issues, etc., for which we will be held harmless. Due to technology limitations, all computer hardware, including communications equipment, network servers and related equipment, has an error transaction rate that can be minimized, but not eliminated. SNI cannot and does not warrant that data corruption or loss will be avoided, and Client agrees that SNI shall be held harmless if such data corruption or loss occurs. **Client is strongly advised to keep a local backup of all of stored data to mitigate against the unintentional loss of data.**

### Procurement

Equipment and software procured by SNI on Client's behalf ("Procured Equipment") may be covered by one or more manufacturer warranties, which will be passed through to Client to the greatest extent possible. By procuring equipment or software for Client, SNI does not make any warranties or representations regarding the quality, integrity or usefulness of the Procured Equipment. Certain equipment or software, once purchased, may not be returnable or, in certain cases, may be subject to third party return policies and/or re-stocking fees, all of which shall be Client's responsibility in the event that a return of the Procured Equipment is requested. SNI is not a warranty service or repair center. SNI will facilitate the return or warranty repair of Procured Equipment; however, Client understands and agrees that the return or warranty repair of Procured Equipment is governed by the terms of the warranties (if any) governing the applicable Procured Equipment, for which SNI will be held harmless.

### Business Review; IT Strategic Planning

Suggestions and advice rendered to Client are provided in accordance with relevant industry practices, based on Client's specific needs and SNI's opinion and knowledge of the relevant facts and circumstances. By rendering advice, or by suggesting a particular service or solution, SNI is not endorsing any particular

manufacturer or service provider.

#### VCTO or VCIO Services

The advice and suggestions provided us in our capacity as a virtual chief technology or information officer will be for your informational and/or educational purposes only. SNI will not hold an actual director or officer position in Client's company, and we will neither hold nor maintain any fiduciary relationship or position with Client. Under no circumstances shall Client list or place the SNI on Client's corporate records or accounts.

#### Sample Policies, Procedures.

From time to time, we may provide you with sample (*i.e.*, template) policies and procedures for use in connection with Client's business ("Sample Policies"). The Sample Policies are for your informational use only, and do not constitute or comprise legal or professional advice, and the policies are not intended to be a substitute for the advice of competent counsel. You should seek the advice of competent legal counsel prior to using or distributing the Sample Policies, in part or in whole, in any transaction. We do not warrant or guarantee that the Sample Policies are complete, accurate, or suitable for your (or your customers') specific needs, or that you will reduce or avoid liability by utilizing the Sample Policies in your (or your customers') business operations.

#### Penetration Testing; Vulnerability Assessment

You understand and agree that security devices, alarms or other security measures, both physical and virtual, may be tripped or activated during the penetration testing process, despite our efforts to avoid such occurrences. You will be solely responsible for notifying any monitoring company and all law enforcement authorities of the potential for "false alarms" due to the provision of the penetration testing services, and you agree to take all steps necessary to ensure that false alarms are not reported or treated as "real alarms" or credible threats against any person, place or property. Some alarms and advanced security measures, when activated, may cause the partial or complete shutdown of the Environment, causing substantial downtime and/or delay to your business activities. We will not be responsible for, and will be held harmless and indemnified by you against, any claims, costs, fees or expenses arising or resulting from (i) any response to the penetration testing services by any monitoring company or law enforcement authorities, or (ii) the partial or complete shutdown of the Environment by any alarm or security monitoring device.

#### HaaS

You will use all SNI-hosted or SNI-supplied equipment and hardware (collectively, "Infrastructure") for your internal business purposes only. You shall not sublease, sublicense, rent or otherwise make the Infrastructure available to any third party without our prior written consent. You agree to refrain from using the Infrastructure in a manner that unreasonably or materially interferes with our other hosted equipment or hardware, or in a manner that disrupts or which is likely to disrupt the services that we provide to our other clientele. We reserve the right to throttle or suspend your access and/or use of the Infrastructure if we believe, in our sole but reasonable judgment, that your use of the Infrastructure is violates the terms of this SOW or the Agreement.

#### Unsupported Configuration Elements Or Services

If you request a configuration element (hardware or software) or hosting service in a manner that is not customary at SNI , or that is in "end of life" or "end of support" status, we may designate the element or service as "unsupported," "non-standard," "best efforts," "reasonable endeavor," "one-off," "EOL," "end of support," or with like term in the service description (an "Unsupported Service"). We make no representation or warranty whatsoever regarding any Unsupported Service, and you agree that we will not be liable for any loss or damage arising from the provision of an Unsupported Service. Deployment and service level guarantees shall not apply to any Unsupported Service.

## Order Executive Summary

#### Order Notes:

- Primary Service Address: 390 Towne Centre Drive, Lathrop, CA 95330
- Managed hardware and software counts are from client inventory spreadsheet.
- Agreement Commencement Date: Starts on the next month after signed approval.
- 24x7 Response for remediation services provided on an on-call basis
- Urgent Support Contact: 209-338-1450
- Non-Urgent Support Contact: Service@SolidNetworks.com
- Agreement Term: **36 months**
- Agreement Scaling: Additional equipment may be added to this support agreement at any time during the term of agreement. Additional devices will be charged the monthly support fee for the remainder of the agreement term which may be prepaid. These devices will be reviewed on a quarterly basis.



SolidCare Co-Managed Network Services		Recurring	Qty	Ext. Recurring
C.N100.Network Services	Co-Managed Network Services	\$6,575.00	1	\$6,575.00
C.N102.CFMC	Managed Cisco Firepower Management Center		1	
C.N103.Firewall-24x7	Managed Network Firewall 24x7		2	
C.N104.Router-24x7	Managed Network Router 24x7		4	
C.N105.Switch.L2.8x5	Managed Network Switch Layer 2 - 8x5		82	
C.N105.Switch.L3-24x7	Managed Network Switch Layer 3 - 24x7		3	
C.N109.Network.WAN	Managed Network WAN		7	
C.N110.Access Point.8x5	Managed Network Access Points 8x5		14	
<b>Recurring Subtotal</b>				<b>\$6,575.00</b>

SolidCare Co-Managed System Services		Recurring	Qty	Ext. Recurring
C.S120 System Services	Co-Managed System Services	\$3,700.00	1	\$3,700.00
C.S123.Virtual Server	Managed Virtual Servers		13	
C.S125.Cisco UCS	Managed Cisco UCS		2	
C.S126.Vmware H-VDI Support	VMware Horizon VDI Support		1	
C.S130.Storage Array	Managed Storage Array		3	
<b>Recurring Subtotal</b>				<b>\$3,700.00</b>

SolidCare Co-Managed Voice Services		Recurring	Qty	Ext. Recurring
C.V140.Voice Services	Co-Managed Voice Services	\$1,570.00	1	\$1,570.00
C.V143.Virtual Voice-Server	Managed Virtual Server		5	
C.V145.Vgateways	Managed Voice Gateways		4	
C.V151.Handsets	Managed Handsets		200	
<b>Recurring Subtotal</b>				<b>\$1,570.00</b>

SolidCare Co-Managed Additional Services		Recurring	Qty	Ext. Recurring
C.W160.Added Services	Co-Managed Additional Services	\$550.00	1	\$550.00
C.W168.ManagedC W	Managed ConnectWise: Connectwise RMM with ScreenConnect (per endpoint /server)- Includes Connectwise licensing for selected servers/endpoints		55	
<b>Recurring Subtotal</b>				<b>\$550.00</b>

Service Credit - Y2023-24		Recurring	Qty	Ext. Recurring
C.X196.SalesCredit	Service Credit for 1st year 2023-24	(\$2,000.00)	1	(\$2,000.00)
<b>Recurring Subtotal</b>				<b>(\$2,000.00)</b>

Service Credit - Y2024-25		Recurring	Qty	Ext. Recurring
C.X197.SalesCredit	Service Credit for 2nd year 2024-25	(\$1,000.00)	1	(\$1,000.00)
<b>Recurring Subtotal</b>				<b>(\$1,000.00)</b>





# City of Lathrop FY24-FY26 SolidCare MSA Renewal

Quote #: 008256

Version: 1 Updated: 05/24/2023 Expiration Date: 06/23/2023

**Prepared by:**

**Solid Networks**

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**Prepared for:**

**City of Lathrop**

390 Towne Centre Drive  
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**Ship To:**

**City of Lathrop**

390 Towne Centre Drive  
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Tony Fernandes  
(209) 941-7200  
tfernandes@ci.lathrop.ca.us

## Recurring Expenses Summary

Description	Amount
SolidCare Co-Managed Network Services	\$6,575.00
SolidCare Co-Managed System Services	\$3,700.00
SolidCare Co-Managed Voice Services	\$1,570.00
SolidCare Co-Managed Additional Services	\$550.00
Service Credit - Y2023-24	(\$2,000.00)
<b>Recurring Total:</b>	<b>\$10,395.00</b>

## Payment Options

Description	Payments	Interval	Amount
<b>Term Options</b>			
Agreement Year 2023-24	12	Monthly	\$10,395.00
Agreement Year 2024-25	12	Monthly	\$11,395.00
Agreement Year 2025-26	12	Monthly	\$12,395.00

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Solid Networks

City of Lathrop

Signature: Mark Ricci

Signature: \_\_\_\_\_

Name: Mark Ricci

Name: Tony Fernandes

Title: Account Manager

Title: Information Technologies Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

OFFSITE STAGING & CONFIGURATION AGREEMENT FOR QUOTE# 008256 v1

The Offsite Staging & Configuration Agreement ("Agreement") is entered into upon approval of the Solid Networks Quote between (Quote listed customer "Client") and Solid Networks [SNI].

Client wishes to purchase equipment from SNI which will be held, staged, or configured at a location other than the client premises.

The parties therefore enter into this agreement, on the following terms and conditions:

A. Provisions Related to Equipment Purchases.

1. Transfer of Title

All equipment purchased by client hereunder shall be deemed to have been delivered and title shall transfer to Client when received at the offsite location. The offsite location may be an office location of Client or a staging facility as indicated in the SHIP-TO location of the agreement.

2. Invoicing

Client may be invoiced for the equipment upon delivery to the offsite location.

# Solid Networks, Inc.

## Master Services Agreement

**The following terms and conditions govern our relationship with you and limit our liability for any services or products that we provide to you. Please read these terms carefully and keep a copy for your records.**

### SCOPE; SERVICES

- a) *Scope.* This master services agreement (this “Agreement”) governs all services that **Solid Networks, Inc.**, a California corporation with offices located at 5686 Pirrone Road, Salida, California 95368 (“us”, “our”, “we” or “SNI”), performs for, as well as any licenses or products that we sell or re-sell, to you (collectively, the “Services”).
- b) *Quotes.* The Services are not described in this Agreement; instead, you will be provided with an electronic quote, proposal, and/or order (“Quote”) that describe the Services through which you agree to purchase the Services from us. The Quote may have one or more statements of work (each a “SOW”) attached to it that further describe, summarize, and/or define the scope of the Services. **By accepting the Quote, you agree to the terms of each SOW and the terms of this Agreement. If you do not agree to the terms of the SOW and this Agreement, then you should not accept the Quote. From this point forward in this Agreement, Quotes and SOWs will be collectively referred to as “SOW.”**
- c) *Conflict.* If there is a material difference between the language in a SOW and the language in this Agreement, then the language of the SOW will control, except in situations involving warranties, limitations of liability, or termination of this Master Services Agreement. Under those limited circumstances, the terms of this Agreement will control unless the SOW expressly states that it is overriding the conflicting provisions of this Agreement.

### GENERAL REQUIREMENTS

- a) *Environment.* For the purposes of this Agreement, “Environment” means, collectively, any computer network (cloud-based or otherwise), computer system, peripheral or device (virtual or physical) installed, maintained, monitored, or operated by us pursuant to a SOW. To avoid a delay or negative impact on our provision of the Services, during the term of each SOW you agree to refrain from modifying or moving the Environment or installing software in the Environment, unless we expressly authorize such activity.
- b) *Requirements.* At all times, all software on the Environment must be genuine and licensed, and you agree to provide us with proof of such licensing upon our request. If we require you to implement certain minimum hardware or software requirements in a SOW (“Minimum Requirements”), you agree to do so as an ongoing requirement of us providing our Services to you.
- c) *Updates.* Patches and updates to hardware and software (“Updates”) are created and distributed by third parties—such as equipment or software manufacturers—and may be supplied to us from time to time for installation into the Environment. If required under a SOW, we will implement and follow the manufacturers’ recommendations for the installation of Updates; however, (i) we do not warrant or guarantee that any Update will perform properly, (ii) we will not be responsible for any downtime or losses arising from or related to the installation, use, or inability to use any Update, and (iii) we reserve the right, but not the obligations, to refrain from installing an Update until we have determined, in our reasonable discretion, that the Updates will be compatible with the configuration of the Environment and materially beneficial to the features or functionality of the affected software or hardware.
- d) *Third Party Support.* If, in our discretion, a hardware or software issue requires vendor or OEM support, we may contact the vendor or OEM (as applicable) on your behalf and invoice you for all fees and costs involved in that process. If the fees or costs are anticipated in advance or exceed \$125, we will obtain your permission before incurring such expenses on your behalf unless exigent circumstances require otherwise.
- e) *Advice; Instructions.* From time to time, we may provide you with specific advice and directions related to the Services. (For example, our advice or directions may include upgrading the Environment’s server or hard drive capacity or replacing obsolete equipment.) You are strongly advised to promptly follow our advice which, depending on the situation, may require you to make additional purchases or investments in the Environment or the location in which the Environment is maintained, at your sole cost. We will not be responsible for any problems or issues (such as downtime or security-related issues) caused by your failure to promptly follow our advice. If, in our discretion, your failure to follow or implement our advice renders part or all of the Services economically or technically unreasonable to provide, then we may terminate the applicable SOW for cause by providing notice of termination to you. Unless specifically and expressly stated in a SOW, any services required to remediate issues caused by your failure to follow SNI’s advice or directions, or your unauthorized or unilateral modification of the Environment, as well as any services required to bring the Environment up to or maintain the Minimum Requirements, are out-of-scope and not covered under any SOW.
- f) *Prioritization.* All Services will be performed on a schedule, and in a prioritized manner, as we deem reasonable and necessary.

- g) *Authorized Contact(s)*. We will be entitled to rely on any directions or consent provided by your personnel or representatives who are authorized in a SOW to provide such directions or consent (“Authorized Contacts”). If no Authorized Contact is identified in an applicable SOW, then your Authorized Contact will be the person(s) (i) who signed this Agreement, (ii) who signed the applicable SOW, and/or (iii) who, given the totality of the circumstances, reasonably appears to have been given the authority by you to provide us with directions or consent. If you notify us in writing (e.g. by email), your change will take effect no later than three (3) business days after we receive your notice; and, if notice is given in person or by telephone, your change will take effect on the business day on which you provide us with your notice.
- h) *Insurance*. If you are supplied with SNI Equipment (defined below), you agree to acquire and maintain, at your sole cost, insurance for the full replacement value of that equipment. SNI must be listed as an additional insured on any policy acquired and maintained by you under this Agreement, and the policy will not be canceled or modified during the term of the applicable SOW without prior notification to SNI. Upon SNI’s request, you agree to provide proof of insurance to SNI, including proof of payment of any applicable premiums or other amounts due under the insurance policy.

**FEES; PAYMENT**

- a) *Fees*. You agree to pay the fees, costs, and expenses described in each SOW. You are responsible for sales tax and any other taxes or governmental fees associated with the Services. If you qualify for a tax exemption, you must provide us with a valid certificate of exemption or other appropriate proof of exemption. You are also responsible for all freight, insurance, and taxes (including but not limited to import or export duties, sales, use, value add, and excise taxes).
- b) *Schedule*. All undisputed fees will be due and payable in advance of the provision of the Services. If applicable, recurring payments made by ACH will be deducted from your designated bank account on the first business day of the month in which the Services are to be provided, and, if applicable, your designated credit card will be charged on the first business day of the month in which the Services are to be provided.
- c) *Nonpayment*. Fees that remain unpaid for more than fifteen (15) days after the due date on the invoice will be subject to interest on the unpaid amount(s) until and including the date payment is received, at the lower of either 2% per month or the maximum allowable rate of interest permitted by applicable law. We reserve the right, but not the obligation, to suspend part or all of the Services without prior notice to you in the event that any portion of undisputed fees are not timely received by us, and monthly or recurring charges shall continue to accrue during any period of suspension. Notice of disputes related to fees must be received by us within sixty (60) days after the applicable Service is rendered or the date on which you pay an invoice, whichever is later; otherwise, you waive your right to dispute the fee thereafter. A re-activation fee may be charged to you if we suspend the Services due to your nonpayment. Time is of the essence in the performance of all payment obligations by you.

**ACCESS**

You hereby grant to SNI and its designated third party vendors the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the Environment solely as necessary to enable us to provide the Services. It is your responsibility to secure, at your own cost and prior to the commencement of any Services, any necessary rights of entry, licenses (including software licenses), permits or other permissions necessary for SNI to provide Services to the Environment and, if applicable, at your designated premises, both physically and virtually. Proper and safe environmental conditions must be provided and assured by you at all times. SNI shall not be required to engage in any activity or provide any Services under conditions that pose or may pose a safety or health concern to any personnel, or that would require extraordinary or non-industry standard efforts to achieve.

**LIMITED WARRANTIES; LIMITATIONS OF LIABILITY**

- a) *Hardware / Software Purchased Through SNI*. All hardware, software, peripherals or accessories purchased through SNI (“Third Party Products”) are generally nonrefundable once the product is obtained from SNI’s third party provider or reseller. If you require a refund, then the third party provider’s or reseller’s return policies shall apply. We do not guarantee that purchased Third Party Products will be returnable, exchangeable, or that re-stocking fees can be avoided. You will be responsible for the payment of all re-stocking or return-related fees charged by the third party provider or reseller. We will use reasonable efforts to assign, transfer and facilitate all warranties (if any) and service level commitments (if any) for the Third Party Products to you, but will have no liability whatsoever for the quality, functionality or operability of any Third Party Products, and we will not be held liable as an insurer or guarantor of the performance, uptime or usefulness of any Third Party Products. All Third Party Products are provided “as is” and without any warranty whatsoever as between SNI and you (including but not limited to implied warranties).
- b) *Liability Limitations*. **This paragraph limits the liabilities arising under this Agreement or any SOW and is a bargained-for and material part of our business relationship with you.** You acknowledge and agree that SNI would not enter into any SOW or this Agreement unless SNI could rely on the limitations described in this paragraph. In no event shall either party be liable for any indirect, special, exemplary, consequential, or punitive damages, such as lost revenue, loss of profits (except for fees due and owing to SNI), savings, or other indirect or contingent event-based economic loss

arising out of or in connection with this Agreement, any SOW, or the Services, or for any loss or interruption of data, technology or services, or for any breach hereof or for any damages caused by any delay in furnishing Services under this Agreement or any SOW, even if a party has been advised of the possibility of such damages; however, reasonable attorneys' fees awarded to a prevailing party (as described below) shall not be limited by the foregoing limitation. Except for your payment obligations and your indemnification obligations described in this Agreement, a responsible party's ("Responsible Party's") aggregate liability to the other party ("Aggrieved Party") for damages from any and all claims or causes whatsoever, and regardless of the form of any such action(s), that arise from or relate to this Agreement (collectively, "Claims"), whether in contract, tort, indemnification, or negligence, shall be limited solely to the amount of the Aggrieved Party's actual and direct damages, not to exceed the amount of fees paid by you (excluding hard costs for licenses, hardware, etc.) to SNI for the specific Service upon which the applicable claim(s) is/are based during the six (6) month period immediately prior to the date on which the cause of action accrued. The foregoing limitations shall not apply to the extent that the Claims are caused by a Responsible Party's willful or intentional misconduct, or gross negligence. Similarly, a Responsible Party's liability obligation shall be reduced to the extent that a Claim is caused by, or the result of, the Aggrieved Party's willful or intentional misconduct, or gross negligence.

#### **INDEMNIFICATION**

Each party (an "Indemnifying Party") agrees to indemnify, defend and hold the other party (an "Indemnified Party") harmless from and against any and all losses, damages, costs, expenses or liabilities, including reasonable attorneys' fees, (collectively, "Damages") that arise from, or are related to, the Indemnifying Party's breach of this Agreement. The Indemnified Party will have the right, but not the obligation, to control the intake, defense and disposition of any claim or cause of action for which indemnity may be sought under this section. The Indemnifying Party shall be permitted to have counsel of its choosing participate in the defense of the applicable claim(s); however, (i) such counsel shall be retained at the Indemnifying Party's sole cost, and (ii) the Indemnified Party's counsel shall be the ultimate determiner of the strategy and defense of the claim(s) for which indemnity is provided. No claim for which indemnity is sought by an Indemnified Party will be settled without the Indemnifying Party's prior written consent, which shall not be unreasonably delayed or withheld.

#### **TERM; TERMINATION**

- a) *Term.* This Agreement begins on the earliest date on which you accept an Order and continues until terminated as described in this Agreement. Each SOW will have its own term and will be terminated only as provided herein, unless otherwise expressly stated in the applicable SOW. The termination of one SOW shall not, by itself, cause the termination of (or otherwise impact) this Agreement or the status or progress of any other SOW between the parties.
- b) *Termination Without Cause.* Unless otherwise agreed by the parties in writing or otherwise permitted under this Agreement, no party will terminate this Agreement without cause if, on the date of termination, a SOW is in progress. In addition, no party will terminate a SOW without cause prior to the SOW's natural expiration date. Notwithstanding the foregoing, if SNI decides to cease providing a service to all of its customers generally, then SNI may terminate an applicable SOW (or the applicable portion of the SOW) without cause by providing no less than one hundred and twenty (120) days prior written notice to you. If you terminate a SOW without cause and without SNI's consent, then you will be responsible for paying the termination fee described in the "Termination for Cause" section, below. If no SOW is in progress, then either party may terminate this Agreement without cause by providing the other party with five (5) days prior written notice.
- c) *Termination For Cause.* In the event that one party (a "Defaulting Party") commits a material breach under a SOW or under this Agreement, the non-Defaulting Party will have the right, but not the obligation, to terminate immediately this Agreement or the relevant SOW (a "For Cause" termination) provided that (i) the non-Defaulting Party has notified the Defaulting Party of the specific details of the breach in writing, with the notice prominently displaying the heading "Notice of Breach", and (ii) the Defaulting Party has not cured the default within twenty (20) days (ten (10) days for non-payment by Client) following receipt of written notice of breach from the non-Defaulting Party. If SNI terminates this Agreement or any SOW For Cause, or if you terminate any SOW without cause prior to such SOW's expiration date, then SNI shall be entitled to receive, and you hereby agree to pay to us, all amounts that would have been paid to SNI had this Agreement or SOW (as applicable) remained in effect. If you terminate this Agreement or a SOW For Cause, then you will be responsible for paying only for those Services that were properly delivered and accepted by you up to the effective date of termination.
- d) *Client Activity As A Basis for Termination.* In the event that (i) any Client-supplied equipment, hardware or software, or any action undertaken by you, causes the Environment or any part of the Environment to malfunction consequently requiring remediation by SNI on three (3) occasions or more ("System Malfunction"), and if under those circumstances, you fail to remedy, repair or replace the System Malfunction as directed by us (or you fail to cease the activity causing the System Malfunction, as applicable), or (ii) you or any of your staff, personnel, contractors, or representatives engage in any unacceptable act or behavior that renders it impracticable, imprudent, or unreasonable to provide the Services to you, then SNI will have the right, upon ten (10) days prior written notice to you, to terminate this Agreement or the applicable SOW For Cause or, at our discretion and if applicable, amend the applicable SOW to eliminate from coverage any System Malfunction or any equipment or software causing the System Malfunction.

- e) *Consent.* You and we may mutually consent, in writing, to terminate a SOW or this Agreement at any time.
- f) *Equipment / Software Removal.* Upon termination of this Agreement or applicable SOW for any reason, you will provide us with access, during normal business hours, to your premises or any other locations at which SNI-owned equipment or software (collectively, “SNI Equipment”) is located to enable us to remove all SNI Equipment from the premises. If you fail or refuse to grant SNI access as described herein, or if any of the SNI Equipment is missing, broken or damaged (normal wear and tear excepted) or any of SNI-supplied software is missing, we will have the right to invoice you for, and you hereby agree to pay immediately, the full replacement value of any and all missing or damaged items. Certain services may require the installation of software agents in the Environment (“Software Agents”). You agree not to remove, disable, circumvent, or otherwise disrupt any Software Agents unless we explicitly direct you to do so.
- g) *Transition; Deletion of Data.* In the event that you request SNI’s assistance to transition away from our services, we will provide such assistance if (i) all fees due and owing to us are paid to us in full prior to SNI providing its assistance to you, and (ii) you agree to pay our then-current hourly rate for such assistance, with up-front amounts to be paid to us as we may require. For the purposes of clarity, it is understood and agreed that the retrieval and provision of passwords, log files, administrative server information, or conversion of data are transition services, and are subject to the preceding requirements. **Unless otherwise expressly stated in a SOW, we will have no obligation to store or maintain any Client data in our possession or control beyond fifteen (15) calendar days following the termination of this Agreement.** We will be held harmless for, and indemnified by you against, any and all claims, costs, fees, or expenses incurred by either party that arise from, or are related to, our deletion of your data beyond the time frames described in this section.

### **RESPONSE; REPORTING**

- a) *Response.* We warrant and represent that we will provide the Services, and respond to any notification received by us of any error, outage, alarm or alert pertaining to the Environment, in the manner and within the time period(s) designated in an applicable SOW (“Response Time”), except for (i) those periods of time covered under the Onboarding Exception (defined below), or (ii) periods of delay caused by Client-Side Downtime (defined below), Vendor-Side Downtime (defined below) or (iii) periods in which we are required to suspend the Services to protect the security or integrity of the Environment or our equipment or network, or (iv) delays caused by a force majeure event.
  - i) Scheduled Downtime. For the purposes of this Agreement, Scheduled Downtime will mean those hours, as determined by us but which will not occur between the hours of 8:00 AM and 5:00 PM Pacific Time, Monday through Friday without your authorization or unless exigent circumstances exist, during which time we will perform scheduled maintenance or adjustments to the Environment. We will use our best efforts to provide you with at least twenty-four (24) hours of notice prior to scheduling Scheduled Downtime.
  - ii) Client-Side Downtime. We will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by your actions or omissions (“Client-Side Downtime”).
  - iii) Vendor-Side Downtime. We will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by third party service providers, third party licensors, or “upstream” service or product vendors.
  - iv) Remedies; Limitations. Except for the Onboarding Exception, if we fail to meet our service level commitment in a given calendar month and if, under such circumstances, our failure is not due to your activities, omissions, or inactivity, then upon receiving your written request for credit, we will issue you a pro-rated credit in an amount equal to the period of time of the outage and/or service failure. All requests for credit must be made by you no later than forty-five (45) days after you either (i) report the outage or service failure to us, or (ii) if applicable, receive a monthly report showing the outage and/or failure. The remedies contained in this paragraph and in the “Term; Termination” section above are in lieu of (and are to the exclusion of) any and all other remedies that might otherwise be available to you for our failure to meet any service level commitment during the term of this Agreement.
- b) *Onboarding Exception.* You acknowledge and agree that for the first forty-five (45) days following the commencement date of a SOW, the Response Time commitments described in this Agreement will not apply to us, it being understood that there may be unanticipated downtime or delays due to our initial startup activities and/or familiarization with you (the “Onboarding Exception”).

### **CONFIDENTIALITY**

- a) *Defined.* For the purposes of this Agreement, Confidential Information means any and all non-public information provided to us by you, including but not limited to your customer data, customer lists, internal documents, and related information. Confidential Information will not include information that: (i) has become part of the public domain through no act or omission of SNI, (ii) was developed independently by us, or (iii) is or was lawfully and independently provided to us prior to disclosure by you, from a third party who is not and was not subject to an obligation of confidentiality or otherwise prohibited from transmitting such information.

- b) *Use.* We will keep your Confidential Information confidential and will not use or disclose such information to any third party for any purpose except (i) as expressly authorized by you in writing, or (ii) as needed to fulfill our obligations under this Agreement.
- c) *Due Care.* We will exercise the same degree of care with respect to the Confidential Information we receive from you as we normally take to safeguard and preserve our own confidential and proprietary information, which in all cases will be at least a commercially reasonable level of care.
- d) *Compelled Disclosure.* If we are legally compelled (whether by deposition, interrogatory, request for documents, subpoena, civil investigation, demand or similar process) to disclose any of the Confidential Information, we will immediately notify you in writing of such requirement so that you may seek a protective order or other appropriate remedy and/or waive our compliance with the provisions of this Section. We will use its best efforts, at your expense, to obtain or assist you in obtaining any such protective order. Failing the entry of a protective order or the receipt of a waiver hereunder, we may disclose, without liability hereunder, that portion (and only that portion) of the Confidential Information that we have been advised, by written opinion from our counsel, that we are legally compelled to disclose.
- e) *Business Associate.* If we enter into a business associate agreement (“BAA”) with you for the protection of personal health information, then the terms of the BAA will be read in conjunction with the terms of the confidentiality provisions of this Agreement. The terms that protect confidentiality most stringently shall govern, and conflicting privacy- or confidentiality-related terms shall be governed by the BAA.

### ADDITIONAL TERMS; THIRD PARTY SERVICES

- a) *EULAs.* Portions of the Services may require you to accept the terms of one or more third party end user license agreements (“EULAs”). If the acceptance of a EULA is required in order to provide the Services to you, then you hereby grant us permission to accept the EULA on your behalf. EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in this Agreement. **You agree to be bound by the terms of such EULAs and will look only to the applicable third party provider for the enforcement of the terms of such EULAs.** If, while providing the Services, we are required to comply with a third-party EULA and the third party EULA is modified or amended, we reserve the right to modify or amend any applicable SOW with you to ensure our continued compliance with the terms of the third party EULA.
- b) *Third Party Services.* Portions of the Services may be acquired from, or rely upon the services of, third party manufacturers or providers, such as data hosting services, help desk services, domain registration services, and data backup/recovery services (“Third Party Service”). Not all Third Party Services may be expressly identified as such in a SOW, and at all times we reserve the right to utilize the services of any third party provider or to change third party providers in our sole discretion as long as the change does not materially diminish the Services to be provided to you under a SOW. We will not be responsible, and will be held harmless by you, for the failure of any third-party provider or manufacturer to provide Third Party Services to SNI or to you.
- c) *Data Loss.* Under no circumstances will we be responsible for any data lost, corrupted or rendered unreadable due to (i) communication and/or transmissions errors or related failures, (ii) equipment failures (including but not limited to silent hardware corruption-related issues), or (iii) our failure to backup or secure data from portions of the Environment that were not expressly designated in the applicable SOW as requiring backup or recovery services. Unless expressly stated in a SOW, we do not warrant or guarantee that any maintained storage device or functionality, data backup device or functionality, or load balancing functionality will operate in an error-free manner.
- d) *BYOD.* You hereby represent and warrant that we are authorized to access all devices, peripherals and/or computer processing units, including mobile devices (such as notebook computers, smart phones and tablet computers) that are connected to the Environment (collectively, “Devices”), regardless of whether such Devices are owned, leased or otherwise controlled by you. Unless otherwise stated in a SOW, Devices will not receive or benefit from the Services while the devices are detached from, or unconnected to, the Environment. **Client is strongly advised to refrain from connecting Devices to the Environment where such devices are not previously known to us and are not expressly covered under a managed service plan from us (“Unknown Devices”).** We will not be responsible for the diagnosis or remediation of any issues in the Environment caused by the connection or use of Unknown Devices in the Environment, and we will not be obligated to provide the Services to any Unknown Devices.
- e) *Equipment.* Unless otherwise noted in a SOW or Order, all SNI Equipment is licensed to you, and is neither owned by you nor leased to you. Upon the expiration of an applicable SOW, your license to use the SNI Equipment shall immediately terminate, and thereafter all SNI Equipment must be returned to us immediately at your expense. All configurations on the SNI Equipment are our proprietary information and will not be circumvented, modified, or removed by you without our prior written consent.

### OWNERSHIP



Each party is, and will remain, the owner and/or licensor of all works of authorship, patents, trademarks, copyrights and other intellectual property owned or licensed by such party (“Intellectual Property”), and nothing in this Agreement or any SOW shall be deemed to convey or grant any ownership rights or goodwill in one party’s Intellectual Property to the other party.

### ARBITRATION

Except for undisputed collections actions to recover fees due to us (“Collections”), any dispute, claim or controversy arising from or related to this Agreement, including the determination of the scope or applicability of this agreement to arbitrate, shall be settled by arbitration before one arbitrator who is mutually agreed upon by the parties. The arbitration shall be administered and conducted by the American Arbitration Association (the “AAA”) or if there is no AAA arbitrator available within a twenty (20) mile radius of our office, then by any arbitration venue as determined by us, pursuant to that venue’s arbitration rules for commercial disputes (the “Rules”). In the event of any inconsistency between the Rules and the procedures set forth in this paragraph, the procedures set forth in this paragraph will control. The arbitrator will be experienced in contract, intellectual property and information technology transactions. If the parties cannot agree on an arbitrator within fifteen (15) days after a demand for arbitration is filed, the arbitration venue shall select the arbitrator. The arbitration shall take place in our office. The arbitrator will determine the scope of discovery in the matter; however, it is the intent of the parties that any discovery proceedings be limited to the specific issues in the applicable matter, and that discovery be tailored to fulfill that intent. Initially, the cost of the arbitration shall be split evenly between the parties; however, the party prevailing in the arbitration shall be entitled to an award of its reasonable attorneys’ fees and costs.

### MISCELLANEOUS

- a) *Compliance.* Unless otherwise expressly stated in a SOW, the Services are not intended, and will not be used, to bring Client into full regulatory compliance with any rule, regulation, or requirement that may be applicable to Client’s business or operations. Depending on the Services provided, the Services may aid Client’s efforts to fulfill regulatory compliance; however, the Services are not (and should not be used as) a compliance solution.
- b) *Disclosure.* You warrant and represent that you know of no law or regulation governing your business that would impede or restrict our provision of the Services, or that would require us to register with, or report our provision of the Services (or the results thereof), to any government or regulatory authority. You agree to promptly notify us if you become subject to any of the foregoing which, in our discretion, may require a modification to the scope or pricing of the Services.
- c) *Security.* You understand and agree that no security solution is one hundred percent effective, and any security paradigm may be circumvented and/or rendered ineffective by certain malware, such as certain ransomware or rootkits that were unknown to the malware prevention industry at the time of infection, and/or which are purposely or intentionally downloaded or installed into the Environment. We do not warrant or guarantee that all malware or malicious activity will be capable of being detected, avoided, quarantined or removed, or that any data deleted, corrupted, or encrypted by such malware (“Impacted Data”) will be recoverable. Unless otherwise expressly stated in a SOW, the recovery of Impacted Data is not included in the scope of a SOW. **You are strongly advised to (i) educate your employees to properly identify and react to “phishing” activity (i.e., fraudulent attempts to obtain sensitive information or encourage behavior by disguising oneself as a trustworthy entity or person through email), and (ii) obtain insurance against cyberattacks, data loss, malware-related matters, and privacy-related breaches, as such incidents can occur even under a “best practice” scenario. Unless a malware-related incident is caused by our intentionally malicious behavior or our gross negligence, we are held harmless from any costs, expenses, or damages arising from or related to such incidents.**
- d) *Non-Solicitation.* Each party (a “Restricted Party”) acknowledges and agrees that during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, the Restricted Party will not, individually or in conjunction with others, directly or indirectly solicit, induce or influence any of the other party’s employees with whom the Restricted Party worked to discontinue or reduce the scope of their business relationship with the other party, or recruit, solicit or otherwise influence any employee of the other party with whom the Restricted Party worked to discontinue his/her employment or agency relationship with the other party. In the event of a violation of the terms of the restrictive covenants in this section, the parties acknowledge and agree that the damages to the other party would be difficult or impracticable to determine, and in such event, the Restricted Party will pay the other party as liquidated damages and not as a penalty an amount equal to fifty percent (50%) percent of that employee first year of base salary with the Restricted Party (including any signing bonus). In addition to and without limitation of the foregoing, any solicitation or attempted solicitation for employment directed to a party’s employees by the Restricted Party will be deemed to be a material breach of this Agreement, in which event the affected party shall have the right, but not the obligation, to terminate this Agreement or any then-current SOW immediately For Cause.
- e) *Collections.* If we are required to send your account to Collections or to start any Collections-related action to recover undisputed fees, we will be entitled to recover all costs and fees we incur in the Collections process including but not limited to reasonable attorneys’ fees and costs.

- f) *Assignment.* Neither this Agreement nor any SOW may be assigned or transferred by a party without the prior written consent of the other party. This Agreement will be binding upon and inure to the benefit of the parties hereto, their legal representatives, and permitted successors and assigns. Notwithstanding the foregoing, we may assign our rights and obligations hereunder to a successor in ownership in connection with any merger, consolidation, or sale of substantially all of the assets of our business, or any other transaction in which ownership of more than fifty percent (50%) of our voting securities are transferred; provided, however, that such assignee expressly assumes our obligations hereunder.
- g) *Amendment.* Unless otherwise expressly permitted under this Agreement, no amendment or modification of this Agreement or any SOW will be valid or binding upon the parties unless such amendment or modification is originated in writing by SNI, specifically refers to this Agreement or the SOW being amended, and is accepted in writing (email or electronic signature is acceptable) by you.
- e) *Time Limitations.* The parties mutually agree that, unless otherwise prohibited by law, any action for any matter arising out of this Agreement or any SOW (except for issues of nonpayment by Client) must be commenced within six (6) months after the cause of action accrues or the action is forever barred.
- f) *Severability.* If any provision hereof or any SOW is declared invalid by a court of competent jurisdiction, such provision will be ineffective only to the extent of such invalidity, illegibility or unenforceability so that the remainder of that provision and all remaining provisions of this Agreement or any SOW will be valid and enforceable to the fullest extent permitted by applicable law.
- g) *Other Terms.* We will not be bound by any terms or conditions printed on any purchase order, invoice, memorandum, or other written communication supplied by you unless such terms or conditions are incorporated into a duly executed SOW, or unless we have expressly acknowledged the other terms and, thereafter, expressly and specifically accepted such other terms in writing.
- h) *No Waiver.* The failure of either party to enforce or insist upon compliance with any of the terms and conditions of this Agreement, the temporary or recurring waiver of any term or condition of this Agreement, or the granting of an extension of the time for performance, will not constitute an Agreement to waive such terms with respect to any other occurrences.
- i) *Merger.* This Agreement, together with any and all Quotes and SOWs, sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings related to the Services; however, any payment obligations that you have or may have incurred under any prior superseded agreement are not nullified by this Agreement and remain in full force and effect. No representation, promise, inducement or statement of intention has been made by either party which is not embodied herein. We will not be bound by any of our agents' or employees' representations, promises or inducements if they are not explicitly set forth in this Agreement or any Quote or SOW. Any document that is not expressly and specifically incorporated into this Agreement or SOW will act only to provide illustrations or descriptions of Services to be provided and will not modify this Agreement or provide binding contractual language between the parties. The foregoing sentence shall not apply to any business associate agreement required under HIPAA, which the parties may (if required) enter into after the Effective Date of this Agreement.
- j) *Force Majeure.* Neither party will be liable to the other party for delays or failures to perform its obligations under this Agreement or any SOW because of circumstances beyond such party's reasonable control. Such circumstances include, but will not be limited to, any intentional or negligent act committed by the other party, or any acts or omissions of any governmental authority, natural disaster, act of a public enemy, acts of terrorism, riot, sabotage, disputes or differences with workmen, power failure, communications delays/outages, delays in transportation or deliveries of supplies or materials, cyberwarfare, cyberterrorism, or hacking, malware or virus-related incidents that circumvent then-current anti-virus or anti-malware software, and acts of God.
- k) *Survival.* The provisions contained in this Agreement that by their context are intended to survive termination or expiration of this Agreement will survive. If any provision in this Agreement is deemed unenforceable by operation of law, then that provision shall be excised from this Agreement and the balance of this Agreement shall be enforced in full.
- l) *Insurance.* SNI and you will each maintain, at each party's own expense, all insurance reasonably required in connection with this Agreement or any SOW, including but not limited to, workers compensation and general liability. We agree to maintain a general liability policy with a limit not less than \$1,000,000 per occurrence. All of the insurance policies described herein will not be canceled, materially changed or renewal refused until at least thirty (30) calendar days written notice has been given to the other party by certified mail.
- m) *Governing Law; Venue.* This Agreement and any SOW will be governed by, and construed according to, the laws of the state of California. You hereby irrevocably consent to the exclusive jurisdiction and venue of Stanislaus County, California, for any and all claims and causes of action arising from or related to this Agreement.
- n) *No Third Party Beneficiaries.* The Parties have entered into this Agreement solely for their own benefit. They intend no third party to be able to rely upon or enforce this Agreement or any part of this Agreement.
- o) *Usage in Trade.* It is understood and agreed that no usage of trade or other regular practice or method of dealing between the Parties to this Agreement will be used to modify, interpret, supplement, or SNI in any manner the terms of this Agreement.

- p) *Business Day.* If a time period set forth in this Agreement expires on a day other than a business day in Stanislaus County, California, such period will be extended to and through the next succeeding business day in Stanislaus County, California.
- q) *Notices; Writing Requirement.* Where notice is required to be provided to a party under this Agreement, such notice may be sent by U.S. mail, overnight courier, or email as follows: notice will be deemed delivered three (3) business days after being deposited in the United States Mail, first class mail, certified or return receipt requested, postage prepaid, or one (1) day following delivery when sent by FedEx or other overnight courier, or one (1) day after notice is delivered by email. Notice sent by email will be sufficient only if (i) the sender emails the notice to the last known email address of the recipient, and (ii) the sender includes itself in the “cc” portion of the email and preserves the email until such time that it is acknowledged by the recipient. Notwithstanding the foregoing, any notice from you to SNI regarding (a) any alleged breach of this Agreement by SNI, or (b) any request for indemnification, or (c) any notice of termination of this Agreement or any SOW, must be delivered to SNI by U.S. mail or courier, unless such requirement is expressly and specifically waived by SNI. All electronic documents and communications between the parties, including email, will satisfy any “writing” requirement under this Agreement.
- r) *Independent Contractor.* SNI is an independent contractor, and is not your employer, employee, partner, or affiliate.
- s) *Subcontractors.* Generally, we do not utilize subcontractors to perform onsite services; however, should we elect to subcontract a portion of those services, we will guarantee the work as if we performed the subcontracted work ourselves.
- t) *Data & Service Access.* Some of the Services may be provided by persons outside of the United States and/or your data may occasionally be accessed, viewed, or stored on secure servers located outside of the United States. You agree to notify us if your company requires us to modify these standard service provisions, in which case additional (and potentially significant) costs will apply.
- u) *Counterparts.* The parties intend to sign, accept and/or deliver any Quote, this Agreement, SOW or any amendment in any number of counterparts, and each of which will be deemed an original and all of which, when taken together, will be deemed to be one agreement. Each party may sign, accept, and/or deliver any Quote, this Agreement, any SOW or any amendment electronically (e.g., by digital signature and/or electronic reproduction of a handwritten signature) or by reference (as applicable).

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## ITEM 4.8

### CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING

**ITEM:** **APPROVE PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT & WATER, INC., FOR PFAS IN GROUNDWATER STUDY FOR CIP PW 20-16 GROUNDWATER TREATMENT IMPROVEMENTS**

**RECOMMENDATION:** **Adopt Resolution Approving a Professional Services Agreement with EKI Environment & Water, Inc., for PFAS Characterization and Evaluation of Planned PFAS treatment for CIP PW 20-16 Groundwater Treatment Improvements**

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#### **SUMMARY:**

Per- and Polyfluoroalkyl Substances (PFAS) are a large group of environmentally persistent manmade chemicals that are used in a wide range of products including fire-fighting foam, non-stick cookware and other products designed to be waterproof, non-stick or stain resistant. Due to their widespread use and persistence in the environment, most people in the United States have been exposed to PFAS. There is evidence that continued exposure above specific levels to certain PFAS may lead to adverse health effects.

PFAS were first detected in the City's groundwater supply wells in summer of 2019, and on October 14, 2019, Council approved the creation of CIP PW 20-16 Groundwater Treatment Improvements and approved the ratification of agreements with EKI to provide technical support services related to the detection of PFAS in the City's groundwater. Subsequently, in 2020 and 2022, additional studies have been performed by EKI and Carollo Engineers, Inc. (Carollo) related to the treatment and management of PFAS at the City's wells.

Well 9 has remained offline since 2019 as it has consistently shown PFAS levels that have exceeded the state drinking water Response Levels (RLs) that require removal or treatment of the source. Wells 6, 7, 8 and 10 have all shown PFAS exceeding state Notification Levels (NLs), but remain online as all of the observed PFAS concentrations in these wells have been significantly below the RLs.

In March 2023, the United States Environmental Protection Agency (US-EPA) released proposed federal Maximum Contaminant Levels (MCLs) for six PFAS compounds which exceed observed detections in all City wells for perfluorooctane sulfonate (PFOS). In addition, recent sampling results have shown an increase in Well 9, particularly in the doubling of previously observed PFOS concentrations.

**CITY MANAGER'S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**APPROVE PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT**  
**& WATER, INC., FOR PFAS IN GROUNDWATER STUDY FOR CIP PW 20-16**  
**GROUNDWATER TREATMENT IMPROVEMENTS**

At the request of City staff, EKI has provided a proposal to evaluate the impacts of the higher concentrations of PFAS observed at Well 9, and the potential for these higher concentrations to migrate and affect the City's other drinking wells in the future. To complete the evaluation, EKI will evaluate the locations of potential PFAS sources, the current extent and distribution of PFAS contamination in groundwater, and characterization and behavior of the groundwater system in response to groundwater extraction.

Staff is requesting that Council approve a Professional Services Agreement (PSA) with EKI in the amount of \$69,600 to provide this evaluation.

**BACKGROUND:**

In 2019, in response to monitoring orders issued by the California State Water Resources Control Board Department of Drinking Water, the City, with technical support from EKI, began sampling for PFAS in its groundwater supply. Detections of PFOS and perfluorooctanoic acid (PFOA) in groundwater collected from Well 9 have consistently exceeded the state drinking water NLS and RLS enforced through the California State Water Resources Control Board and detections of PFOS have exceeded the NLS in groundwater collected from Wells 6, 7, 8, and 10. Detections of perfluorohexane sulfonic acid (PFHxS) have exceeded the NLS in Wells 6 through 9.

In 2020, EKI evaluated 11 alternatives for PFAS management and treatment at the City's wells and at the centralized Louise Avenue Treatment Facility (LAWTF) and conducted a bench-scale granular activated carbon (GAC) test to explore the performance treating the City's groundwater with GAC pressure vessels. In a March 2020 technical memorandum, EKI recommended that the City (1) restart wells 6, 7, 8, and 10, with Well 9 remaining offline as a standby well, (2) move forward with the depth-specific profiling of wells to determine if any low-cost alternatives are viable, and (3) postpone treatment until regulatory standards are established. Well 9 has remained offline since 2019. In 2022, the City contracted with Carollo to further study and develop the City's options for GAC treatment of only groundwater from Well 9 and blended groundwater from all the City's Wells (Well 6-10) at the LAWTF.

In March 2023, after completion of these studies, the US-EPA proposed federal MCLs for six PFAS compounds, which are anticipated to be promulgated by the end of 2023 and effective by the end of 2026. Detections of PFAS in groundwater collected from each of the City's wells exceed the proposed MCLs. In addition, recent sampling results found an increase in PFAS concentrations in Well 9, particularly the doubling of the observed PFOS concentrations

At the request of Staff, EKI provided a proposal to further characterize PFAS in the City's groundwater supply and evaluate planned PFAS Treatment.

**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**APPROVE PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT & WATER, INC., FOR PFAS IN GROUNDWATER STUDY FOR CIP PW 20-16 GROUNDWATER TREATMENT IMPROVEMENTS**

**REASON FOR RECOMMENDATION:**

In order to further address the presence of PFAS in the City's groundwater supply, staff is requesting Council to approve a Professional Service Agreement with EKI in the amount of \$69,600 for PFAS Characterization and Evaluation of Planned PFAS Treatment.

**FISCAL IMPACT:**

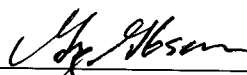
The total estimated time and materials cost of the PSA with EKI to provide the PFAS characterization and evaluation of planned PFAS treatment is \$69,600. The City has sufficient funds for this cost under CIP PW 20-16 Groundwater Treatment Improvements in the approved budget for Fiscal Year 2023-2024.

**ATTACHMENTS:**

- A. Adopt Resolution Approving a Professional Services Agreement with EKI Environment & Water, Inc., for PFAS Characterization and Evaluation of Planned PFAS treatment for CIP PW 20-16 Groundwater Treatment Improvements
- B. Professional Services Agreement with EKI Environment & Water, Inc., for PFAS Characterization and Evaluation of Planned PFAS treatment for CIP PW 20-16 Groundwater Treatment Improvements

**CITY MANAGER'S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**APPROVE PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT**  
**& WATER, INC., FOR PFAS IN GROUNDWATER STUDY FOR CIP PW 20-16**  
**GROUNDWATER TREATMENT IMPROVEMENTS**

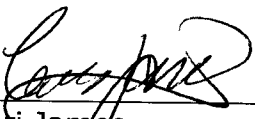
**APPROVALS:**

  
\_\_\_\_\_  
Greg Gibson  
Senior Civil Engineer

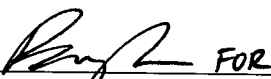
06/20/2023  
Date

  
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Brad Taylor  
City Engineer

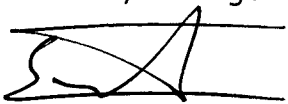
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Date

  
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Cali James  
Finance Director

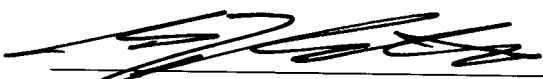
6/26/23  
Date

  
\_\_\_\_\_  
Michael King FOR  
Assistant City Manager

6/26/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.22.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7-5-23  
Date



## RESOLUTION NO. 23 -

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT & WATER, INC., FOR PFAS CHARACTERIZATION AND EVALUATION OF PLANNED PFAS TREATMENT FOR CIP PW 20-16 GROUNDWATER TREATMENT IMPROVEMENTS**

**WHEREAS**, Per-and Polyfluoroalkyl Substances (PFAS) are a large group of environmentally persistent manmade chemicals that are used in a wide range of products including fire- fighting foam, non-stick cookware and other products designed to be waterproof, non-stick or stain resistant; and

**WHEREAS**, due to their widespread use and persistence in the environment, most people in the United States have been exposed to PFAS. There is evidence that continued exposure above specific levels to certain PFAS may lead to adverse health effects; and

**WHEREAS**, PFAS were first detected in the City's groundwater supply wells in summer of 2019, and on October 14, 2019 Council approved the creation of CIP PW 20-16 Groundwater Treatment Improvements and approved the ratification of agreements with EKI to provide technical support services related to the detection of PFAS in the City's groundwater; and

**WHEREAS**, in 2020 and 2022, additional studies were performed by EKI and Carollo Engineers, Inc. (Carollo) related to the treatment and management of PFAS at the City's wells; and

**WHEREAS**, Well 9 has remained offline since 2019 as it has consistently shown PFAS levels that have exceeded the state drinking water Response Levels (RLs) that require removal or treatment of the source; and

**WHEREAS**, Wells 6, 7, 8 and 10 have all shown PFAS exceeding state Notification Levels (NLs), but remain online as all of the observed PFAS concentrations in these wells have been significantly below the RLs; and

**WHEREAS**, in March 2023, the United States Environmental Protection Agency (US-EPA) released proposed federal Maximum Contaminant Levels (MCLs) for six PFAS compounds which exceed observed detections in all City wells for perfluorooctane sulfonate (PFOS); and

**WHEREAS**, in addition, recent sampling results have shown an increase in Well 9, particularly in the doubling of previously observed PFOS concentrations; and

**WHEREAS**, at the request of City staff, EKI has provided a proposal to evaluate the impacts of the higher concentrations of PFAS observed at Well 9, and the potential for these higher concentrations to migrate and impact the City's other drinking wells in the future; and

**WHEREAS**, to complete the evaluation, EKI will evaluate the locations of potential PFAS sources, the current extent and distribution of PFAS contamination in groundwater, and characterization and behavior of the groundwater system in response to groundwater extraction; and

**WHEREAS**, in order to further address the presence of PFAS in the City's groundwater supply, staff is requesting Council to approve a Professional Service Agreement with EKI in the amount of \$69,600 for PFAS Characterization and Evaluation of Planned PFAS Treatment; and

**WHEREAS**, the City has sufficient funds for the \$69,600 cost for EKI's services for the PFAS Characterization and Evaluation of Planned PFAS Treatment under CIP PW 20-16 Groundwater Treatment Improvements in the approved budget for Fiscal Year 2023-2024.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve a Professional Service Agreement with EKI in the amount of \$69,600 for PFAS Characterization and Evaluation of Planned PFAS Treatment for CIP PW 20-16 Groundwater Treatment Improvements.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

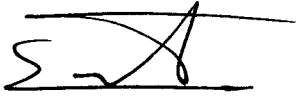
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**CITY OF LATHROP**

**AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES  
WITH EKI ENVIRONMENT & WATER, INC.**

**TO CHARACTERIZE PFAS IN GROUNDWATER AND EVALUATE PLANNED PFAS  
TREATMENT FOR CIP PW 20-16 GROUNDWATER TREATMENT IMPROVEMENTS**

**THIS AGREEMENT**, dated for convenience this **10th day of July 2023**, is by and between **EKI Environment & Water, Inc.** ("CONSULTANT") and the **City of Lathrop**, a California municipal corporation ("CITY");

**RECITALS:**

**WHEREAS**, CONSULTANT is specially trained, experienced, and competent to perform Professional Engineering Consulting Services, which are required by this agreement; and

**WHEREAS**, CITY selected the CONSULTANT pursuant to said qualifications; and

**WHEREAS**, CONSULTANT is willing to render such Professional Engineering Consulting Services, as hereinafter defined, on the following terms and conditions;

**NOW, THEREFORE**, CONSULTANT and the CITY agree as follows:

**AGREEMENT**

**(1) Scope of Service**

CONSULTANT agrees to perform Professional Engineering Consulting Services in accordance with the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT represents it is prepared to and can diligently perform these services in accordance with the upmost standards of its profession and to CITY'S satisfaction. The fee proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved of in advance and in writing, by the CITY.

**(2) Compensation**

CITY hereby agrees to pay CONSULTANT a sum not to exceed **\$69,600** for the Professional Engineering Consulting Services set forth in Exhibit "A". CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work. Payment is made based on a time and materials basis.

**(3) Effective Date and Term**

The effective date of this Agreement is **July 10, 2023** and it shall terminate no later than **June 30, 2024**

**(4) Independent Contractor Status**

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit "A" to City's reasonable satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

**(5) Billings**

CONSULTANT shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONSULTANT'S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

**(6) Advice and Status Reporting**

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

CONSULTANT shall submit to CITY such reports, diagrams, drawings and other work products developed pursuant to the Scope of Services.

**(7) Auditing**

CITY reserves the right to periodically audit all charges made by CONSULTANT to CITY for services under this Agreement. Upon request, CONSULTANT agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONSULTANT agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONSULTANT agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of 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 the requirement. CONSULTANT further agrees to maintain such records for a period of three (3) years after final payment under this agreement.

**(8) Assignment of Personnel**

CONSULTANT acknowledges that the CITY has relied on CONSULTANT's capabilities and on the qualifications of CONSULTANT's principals and staff as identified in its proposal to CITY. The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: **Jonathon Sutter, PE, Project Manager** CITY shall be notified by CONSULTANT of any change of its Authorized Representative, and CITY is granted the right of approval of all original, additional, and replacement personnel at CITY's sole discretion, and shall be notified by CONSULTANT of any changes of CONSULTANT's project staff prior to any change.

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

**(9) Assignment and Subcontracting**

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S authorized representative.

**(10) Insurance**

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars (\$1,000,000). In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO CHARACTERIZE PFAS IN  
GROUNDWATER AND EVALUATE PLANNED PFAS TREATMENT FOR CIP PW 20-16 GROUNDWATER  
TREATMENT IMPROVEMENTS

provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars (\$1,000,000) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
- (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
- (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
- (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO CHARACTERIZE PFAS IN  
GROUNDWATER AND EVALUATE PLANNED PFAS TREATMENT FOR CIP PW 20-16 GROUNDWATER  
TREATMENT IMPROVEMENTS

- (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
- (c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than Two Million Dollars (\$2,000,000) per claim made and per policy aggregate covering the licensed professionals' negligent errors and omissions, as follows:
  - (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
  - (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
  - (iii) The policy must contain a cross liability or severability of interest clause.
  - (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
    1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
    2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
    3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of three years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
    4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.
- (d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an



CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO CHARACTERIZE PFAS IN  
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TREATMENT IMPROVEMENTS

increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
  - (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
  - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

**(11) Indemnification - CONSULTANT'S Responsibility**

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed.

It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers or any third parties for whom CONSULTANT is not legally liable. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2782.8 of the California Civil Code. Notwithstanding anything to the contrary in the Agreement, the CONSULTANT shall have no duty to hire counsel to defend the CITY, but at the time of any

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO CHARACTERIZE PFAS IN  
GROUNDWATER AND EVALUATE PLANNED PFAS TREATMENT FOR CIP PW 20-16 GROUNDWATER  
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settlement or adjudication of a matter the CONSULTANT shall pay as damaged to CITY all reasonable attorney's fees and costs incurred by CITY to extent caused by the willful misconduct of negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

**(12) Licenses**

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

**(13) Business Licenses**

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

**(14) Termination**

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. Upon termination, or completion of services and payment of all amounts owed to CONSULTANT under this Agreement, all information collected, work product and documents shall be delivered by CONSULTANT to CITY within ten (10) calendar days.

**(15) Funding**

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

**(16) Notices**

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
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To City: City of Lathrop  
City Clerk  
390 Towne Centre  
Lathrop, CA 95330

Copy to: City of Lathrop  
Department of Public Works  
390 Towne Centre  
Lathrop, CA 95330  
MAIN: (209) 941-7430  
FAX: (209) 941-7449

To Consultant: EKI Environment & Water, Inc.  
2001 Junipero Serra Blvd, Suite 300  
Davis, CA 94014  
Phone: (650) 292-9100

**(17) Miscellaneous**

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Contract Terms Prevail. All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and attached exhibits, the terms of this Agreement shall prevail.
- (c) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (d) Definitions. The definitions and terms are as defined in these specifications.
- (e) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (f) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
- (g) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (h) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
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- (i) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (j) Ownership of Documents. All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall upon payment to CONSULTANT of all amounts owed under this Agreement be deemed the property of the CITY. Upon CITY's request, CONSULTANT shall allow CITY to inspect all such documents during the CONSULTANT's regular business hours.
- (k) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (l) Severability. The invalidity in whole or part of any provision of this Agreement shall not void or affect the validity of any other provision of this agreement. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- (m) Status of CONSULTANT. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (n) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (o) Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (p) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (q) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
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- (r) Except as may be specifically allowed under this Agreement, nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either CITY or CONSULTANT. CONSULTANT's Services hereunder are being performed solely for the benefit of CITY.
- (s) In the event of any dispute between the parties arising under this Agreement, the parties shall first endeavor to settle such disputes through mediation. The parties shall bear their own attorney's fees and costs but shall share equally in the cost of the mediator. If the parties are unable to settle the dispute through mediation, the dispute shall be settled by recourse to litigation.

**(18) Notice to Proceed**

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

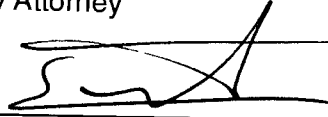
**(19) Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO CHARACTERIZE PFAS IN  
GROUNDWATER AND EVALUATE PLANNED PFAS TREATMENT FOR CIP PW 20-16 GROUNDWATER  
TREATMENT IMPROVEMENTS

Approved as to Form:

City of Lathrop  
City Attorney



\_\_\_\_\_  
Salvador Navarrete

6-22-2023

② Date

Recommended for Approval:

City of Lathrop  
Assistant City Manager

\_\_\_\_\_  
Michael King

Date

Approved by:

City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

Date

Consultant:

EKI Environment & Water, Inc.  
2827 Spafford Street  
Davis, CA 95618

Fed ID # \_94-3087395  
Business License # **20137**

\_\_\_\_\_  
Signature

Date

\_\_\_\_\_  
Print Name and Title

8 June 2023

Gregory Gibson, PE  
Senior Civil Engineer  
City of Lathrop – Public Works Department  
390 Towne Centre Drive  
Lathrop, CA 95330

**Subject: Proposal for to Characterize PFAS in Groundwater and Evaluate Planned PFAS Treatment (PW 20-16)**  
City of Lathrop, California  
(EKI C3-168)

EKI Environment & Water, Inc. (EKI) is pleased to present to the City of Lathrop (Lathrop or City) this proposal for evaluating the City's groundwater for the presence, potential transport, and potential sources of per- and polyfluoroalkyl substances (PFAS) and proposed PFAS treatment options. The proposed work included herein aims to expand on studies completed previously by EKI and others to better understand (1) the extent of PFAS contamination, (2) if the elevated levels of PFAS detected in Well 9 or other locations will impact the City's other drinking water supply wells, and (3) how these potential impacts may impact planned PFAS treatment.

## BACKGROUND AND PROJECT UNDERSTANDING

In 2019, in response to monitoring orders issued by the California State Water Resources Control Board Department of Drinking Water (DDW), the City, with technical support from EKI, began sampling for PFAS in its groundwater supply. Detections of perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA) in groundwater collected from Well 9 have consistently exceeded the state drinking water notification levels (NLs) and response levels (RLs) enforced through the California State Water Resources Control Board (SWRCB) and detections of PFOS have exceeded the NLs in groundwater collected from Wells 6, 7, 8, and 10. Detections of perfluorohexane sulfonic acid (PFHxS) have exceeded the NLs in Wells 6 through 9.

In 2020, EKI evaluated 11 alternatives for PFAS management and treatment at the City's wells and at the centralized Louise Avenue Treatment Facility (LAWTF) and conducted a bench-scale granular activated carbon (GAC) test to explore the performance treating the City's groundwater with GAC pressure vessels. In a March 2020 technical memorandum,<sup>1</sup> EKI recommended that the City (1) restart wells 6, 7, 8, and 10, with Well 9 remaining offline as a standby well, (2) move forward with the depth-specific profiling of wells to determine if any low-cost alternatives are

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<sup>1</sup> EKI, 2020. *Alternatives Evaluation for Use of Groundwater with Detections of Per- and Polyfluoroalkyl Substances (PFAS)*. 6 March 2020.

viable, and (3) postpone treatment until regulatory standards are established. Well 9 has remained offline since 2019. In 2022, the City contracted with Carollo Engineers (Carollo) to further study and develop the City's options for GAC treatment of only groundwater from Well 9 and blended groundwater from all the City's Wells (Well 6-10) at the LAWTF.<sup>2</sup>

In March 2023, after completion of these studies, the United States Environmental Protection Agency (EPA) proposed federal maximum contaminant levels (MCLs) for six PFAS compounds, which are anticipated to be promulgated by the end of 2023 and effective by the end of 2026. Detections of PFOS in groundwater collected from each of the City's wells exceed the proposed PFOS MCL; detections of PFOA and the mixture of perfluorononanoic acid (PFNA), PFHxS, perfluorobutane sulfonic acid (PFBS), and hexafluoropropylene oxide dimer acid (tradename GenX) compounds in Well 9 also exceed the proposed MCLs. In addition, recent sampling results found an increase in PFAS concentrations in Well 9, particularly the doubling of the observed PFOS concentrations.

The City has requested that EKI evaluate the (a) impacts of the higher concentrations of PFAS observed at Well 9, (b) the potential for these higher concentrations to migrate and impact the City's other drinking water supply wells in the future, and (c) the consequences of these potential impacts and updated PFAS regulations with respect to the proposed PFAS treatment options. To complete this evaluation, it is critical to understand (a) the locations of potential sources of PFAS, (b) the current extent and distribution of PFAS contamination in groundwater, and (c) the characteristics and behavior of the groundwater system in response to groundwater extraction. As described in the scope of work below, EKI will research available data and records to identify probable PFAS sources, model groundwater flow to establish upgradient sources and downgradient impacts, and provide suggestions for management and treatment of groundwater from Wells 6 through 10.

## **SCOPE OF WORK**

EKI Proposes the following tasks as part of this scope of work to complete the PFAS evaluation.

### **Task 1 – Review PFAS Water Quality Data and Historical Pumping Operations**

As an initial task, EKI will request from the City all the PFAS analytical data for groundwater collected from the City's wells after December 2019. EKI will additionally search for publicly available data through the SWRCB's GeoTracker PFAS map,<sup>3</sup> the SWRCB's Groundwater Ambient Monitoring and Assessment Program (GAMA) Groundwater Information System,<sup>4</sup> and the EPA's online PFAS Analytic Tool software.<sup>5</sup> EKI will compile the City's and publicly available data and

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<sup>2</sup> Carollo, 2022. *Technical Memorandum 1: PFAS Centralized Treatment Feasibility Study*, Carollo Engineers, June 2022.

<sup>3</sup> [https://geotracker.waterboards.ca.gov/map/pfas\\_map](https://geotracker.waterboards.ca.gov/map/pfas_map)

<sup>4</sup> <https://gamagroundwater.waterboards.ca.gov/gama/gamamap/public/Default.asp>

<sup>5</sup> <https://echo.epa.gov/trends/pfas-tools>



update tables and figures included in EKI's March 2020 technical memorandum tracking trends in PFAS concentrations in each of the City's wells. These updated tables and figures will be used to evaluate recent trends and distribution of PFAS concentrations in groundwater.

As part of this task, EKI will also request and review information related to the following:

- Records of the City's recent pumping operations for each of its water supply wells.
- Records of other relevant groundwater pumping operations including the groundwater extraction system operated by Occidental Chemical Corporation at the J.R. Simplot Site.
- Recent studies or efforts related to Well 9 completed by the City after 2019.

This information will help inform subsequent tasks.

**Deliverables:**

- Updated Table and Figure showing PFAS distribution and trends in each of the City's groundwater supply wells (electronic format).

**Assumptions:**

- Task 1 includes a kickoff meeting in which EKI will identify initial data needs.
- Findings from this task will be summarized in the technical memorandum prepared as part of Task 4.

**Task 2 – Identify Potential Sources of PFAS**

EKI will identify locations of potential sources of PFAS<sup>6</sup> surrounding the City's wells. In combination with the trends and distribution of PFAS in groundwater from Task 1 and groundwater flow directions from Task 3, this information will help to determine whether possible zones of high concentrations of PFAS in groundwater could migrate and impact the City's other drinking water supply wells in the future.

Developing the list of potential PFAS sources to groundwater will involve: 1) utilizing groundwater flow data from Task 3 to establish the upgradient direction compared to PFAS-impacted wells; 2) conducting a thorough search of current and historical possible sources, focusing on the wellhead protection areas (WHPAs) for the City of Lathrop supply wells identified in Task 3; and 3) evaluating and comparing the type and concentration (i.e., fingerprint) of PFAS in the City's wells and of the potential PFAS sources. Both current and historical records must be investigated to develop a list and timeline of potential users of PFAS, and to use this timeline to better

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<sup>6</sup> There are many potential sources that could contribute to PFAS impacted groundwater including wastewater treatment plants (WWTPs), airports and military bases, landfills, and industrial users/producers of PFAS.

understand how the area's zones of high PFAS concentration have migrated in the past and how they will continue to migrate near the City's wells.

Records and data review will include:

- Reviewing available historical land use information for the area surrounding the well locations (Site), adjoining properties, and surrounding area, e.g., historical Sanborn maps, historical aerial photographs, historical USGS topographic maps, and historical City Directories, provided by Environmental Data Resources, Inc. (EDR);
- Purchasing and reviewing an environmental regulatory agency database report for the Site and surrounding area prepared by EDR (referred to as an EDR Radius Map Report);
- Purchasing and reviewing an Environmental Lien Search report for the Site, prepared by EDR;
- Searching for environmental reports for the Site and selected nearby upgradient reported chemical release sites on the SWRCB GeoTracker and California Department of Toxic Substances Control (DTSC) EnviroStor database websites, and reviewing available files; and
- Reviewing, downloading, and analyzing publicly available PFAS data through resources mentioned in Task 1.

Probable PFAS sources identified through the database search will be mapped with well locations and groundwater flow directions. Simultaneously, the types and concentrations of PFAS at the wells and these probable upgradient locations will be compared using unsupervised hierarchical clustering to identify correlations in PFAS signatures (i.e., fingerprints) between the wells and sources. These correlations will help identify the most probable sources contributing to the PFAS-impacted wells. Examples of possible PFAS sources include wastewater treatment facilities, industrial facilities, landfills, airports, and military bases.

Site-specific data will be compared with publicly available neighboring data and California-wide data to identify any anomalies in PFAS signatures (e.g., comparing California-wide WWTPs PFAS data with the local WWTPs). Additionally, if any temporal data is available, these will be reviewed to help determine fate, transport, and possible transformation of precursor PFAS to products including PFOS and PFHxS, all of which will assist in the understanding of the sources and the timing of the PFAS contamination.

#### **Deliverables:**

- Written summary of findings from historical records from EDR.
- As needed, data tables/figures showing PFAS concentrations from surrounding potential sources.

- Map showing potential PFAS sources compared to well locations and groundwater flow direction.
- Figures depicting the PFAS signature/fingerprint of the Site and surrounding potential sources.

**Assumptions:**

- Findings from this task will be summarized in the technical memorandum prepared as part of Task 4.
- Task includes one status meeting with the City to present preliminary findings from Task 2.

**Task 3 – Model the Groundwater Transport to Evaluate Future Water Quality Impacts**

Task 3 will employ a numerical groundwater-flow model to map the WHPAs for City of Lathrop supply wells. A WHPA is the area from which groundwater flows to the water supply well within a specified time. It can delineate the area where land surface activities contribute dissolved constituents to groundwater (i.e., PFAS sources) and influence the quality of water produced by the well. The extent and shape of the WHPA is controlled by the geologic framework of the aquifer and the spatial distribution, rate and duration of recharge and pumping.

In 2004, Source Group, Inc. (SGI) developed the numerical model of the groundwater system beneath the City of Lathrop and adjacent areas. In 2018, the SGI model was updated by GHD<sup>7</sup> and finalized in 2019.<sup>8</sup> The final model simulates the spatial distribution of groundwater-flow paths and time-of-travel for water to move from recharge areas to the water supply wells. The following list of subtasks is designed to quantify the spatial and temporal variability in past water supply well extractions, likely projected extraction rates for the future, and the resulting distribution of WHPAs and time-of-travel for groundwater and dissolved constituents to move from areas of recharge to the well screens.

1. Summarize historical pumping records and projected future pumping rates for City water supply wells.
2. Summarize groundwater-flow paths and time-of-travel estimates reported by GHD representative of historical pumping rates to infer WHPA's for City wells and assess their uncertainty owing to the timing and duration of changes in the well pumping rates.

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<sup>7</sup> GHD, 2018. "Refinement of SGI 3D Groundwater Flow Model Former OCC Lathrop Facility, Lathrop, California." November 7, 2018.

<sup>8</sup> GHD, 2019. "Finalization of Groundwater Flow Model J.R. Simplot Facility, Lathrop, California," May 8, 2019.

3. Overlay and quantitatively compare the WHPA's and potential source areas identified above under Task 2 to prioritize likely potential PFAS sources consistent with groundwater hydraulics and water quality forensics (fingerprinting).
4. Update groundwater model to represent projected future conditions:
  - a. Decommissioning of percolation basin 1 (PB-1);
  - b. Remedial actions implemented at the Simplot site; and,
5. Utilize the updated model to quantify changes in the WHPA's and time-of-travel estimates. The results shall be utilized to infer potential future water quality impacts to Well 10 and other City water supply wells.

**Deliverables:**

- Map showing inferred historical WHPA's for City wells based on GHD's 2019 analyses and potential PFAS sources identified under Task 2.
- Groundwater model input data files for projected future conditions.
- Map showing inferred WHPA's for City wells based on modeled projections and potential PFAS sources identified under Task 2.

**Assumptions:**

- City will provide monthly (or at least annual) values of historical pumpage for each well operated by the City.
- Findings from this task will be summarized in the technical memorandum prepared as part of Task 4.
- Task includes one status meeting with the City to present preliminary findings from Task 3.

**Task 4 – Recommendations for the Management of PFAS-Impacted Groundwater**

Using the most probable PFAS sources in Task 2 with the groundwater modeling in Task 3, EKI will summarize the findings in a technical memorandum, complete with relevant figures, maps, and/or data tables. This memorandum will include recommended next steps for the management of Wells, 6, 7, 8, and 10, with the potential of using Well 9 as an emergency well; recommendations for additional information gathering as needed (e.g., water age analysis and/or shallow groundwater or soil PFAS sampling); and EKI's opinion on treatment options of the impacted wells.

As part of Task 4, EKI will evaluate whether the design criteria or other planning assumptions assumed by Carollo in their 2022 Feasibility Study should be updated based on the findings of this study. For example, if particularly high concentrations PFAS source upgradient of the City's wells indicate that PFAS concentrations in the City's groundwater supply are likely to increase in the future, the design criteria for the treatment system would have to be adapted. These

adaptations could include the volume of GAC utilized, vessel size, frequency of backwashing and/or media replacement, etc. and resulting capital and operational cost implications.

**Deliverables:**

- Draft and Final technical memorandum summarizing findings from Tasks 1-3, and an analysis of how findings from Tasks 1-3 could impact the City’s future groundwater management and the proposed PFAS Centralized Treatment System.
- Presentation materials (PowerPoint slides) summarizing results of the study.

**Assumptions:**

- EKI will present findings of the evaluation prior to the final technical memorandum’s completion at one status meeting.
- The City will provide a consolidated set of comments on the draft technical memorandum.

**COMPENSATION**

We propose that compensation for consulting services by EKI be on a time and expense reimbursement basis in accordance with our Schedule of Charges, dated 1 January 2023. (Attachment A). Based on the Scope of Work described above, we propose a budget of \$69,600, as outlined in Table 1 below and detailed in Attachment B. EKI will charge against this budget and will advise if additional budget becomes necessary.

**Table 1 – Cost Estimate by Task**

<b>Task</b>	<b>Cost</b>
Task 1 – Review PFAS Water Quality Data and Historical Pumping Operations	\$10,500
Task 2 – Identify Potential Sources of PFAS	\$18,300
Task 3 – Model the Groundwater Transport to Evaluate Future Water Quality Impacts	\$19,500
Task 4 – Recommendations for the Management of PFAS-Impacted Wells	\$21,300
<b>Total</b>	<b>\$69,600</b>

**PROJECT SCHEDULE**

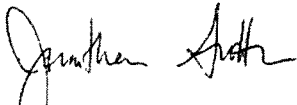
EKI is available to initiate work upon receiving authorization from the City. EKI anticipates that the above scope of work can be completed within approximately four (4) months of authorization.

**TERMS AND CONDITIONS**

Except as specifically modified above, all other terms of our 11 April 2022 Agreement shall remain in full force and effect. If this proposal meets with your approval, please send us an Agreement Amendment to review and execute.

We are excited about the opportunity to work with you on this project. Please call if you have any questions or wish to discuss this proposal in greater detail.

Very truly yours,  
EKI Environment & Water, Inc.



Jonathan Sutter, PE  
Project Manager



Michael T. Steiger, PE  
Principal-In-Charge

City of Lathrop

\_\_\_\_\_  
(Authorized Representative)

\_\_\_\_\_  
(Date)

**Attachments**

- A. 2023 Schedule of Charges
- B. Budget Estimate for Proposed Scope of Work

**Client/Address: Gregory Gibson, PE**  
**City of Lathrop – Public Works Department**  
 390 Towne Centre Drive  
 Lathrop, CA 95330



**Proposal/Agreement Date: 8 June 2023**

**EKI Proposal/Project # C3-168**

**SCHEDULE OF CHARGES FOR EKI ENVIRONMENT & WATER, INC.**

**2 January 2023**

<b><u>Personnel Classification</u></b>	<b><u>Hourly Rate</u></b>
Officer and Chief Engineer-Scientist	332
Principal Engineer-Scientist	320
Supervising I, Engineer-Scientist	309
Supervising II, Engineer-Scientist	298
Senior I, Engineer-Scientist	286
Senior II, Engineer-Scientist	275
Associate I, Engineer-Scientist	264
Associate II, Engineer-Scientist	248
Engineer-Scientist, Grade 1	231
Engineer-Scientist, Grade 2	218
Engineer-Scientist, Grade 3	200
Engineer-Scientist, Grade 4	178
Engineer-Scientist, Grade 5	157
Engineer-Scientist, Grade 6	138
Project Assistant	130
Technician	125
Senior GIS / Database Analyst	162
CADD Operator / GIS Analyst	144
Senior Administrative Assistant	159
Administrative Assistant	124
Secretary	104

**Direct Expenses**

Reimbursement for direct expenses, as listed below, incurred in connection with the work will be at cost plus ten percent (10%) for items such as:

- a. Maps, photographs, reproductions, printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, drillers, laboratories, and contractors.
- c. Rented vehicles, local public transportation and taxis, travel, and subsistence.
- d. Special fees, insurance, permits, and licenses applicable to the work.
- e. Outside computer processing, computation, and proprietary programs purchased for the work.

A Communication charge for e-mail access, web conferencing, cellphone calls, messaging and data access, file sharing, local and long distance telephone calls and conferences, facsimile transmittals, standard delivery U.S. postage, and incidental in-house copying will be charged at a rate of 4% of labor charges. Large volume copying of project documents, e.g., bound reports for distribution or project-specific reference files, will be charged as a project expense as described above.

Reimbursement for company-owned automobiles, except trucks and four-wheel drive vehicles, used in connection with the work will be at the rate of sixty cents (\$0.60) per mile. The rate for company-owned trucks and four-wheel drive vehicles will be seventy-five cents (\$0.75) per mile. There will be an additional charge of thirty dollars (\$30.00) per day for vehicles used for field work. Reimbursement for use of personal vehicles will be at the federally allowed rate plus fifteen percent (15%).

CADD and other specialized software computer time will be charged at twenty dollars (\$20.00) per hour. In-house material and equipment charges will be in accordance with the current rate schedule or special quotation. Excise taxes, if any, will be added as a direct expense.

Rate for professional staff for legal proceedings or as expert witnesses will be at a rate of one and one-half times the Hourly Rates specified above.

The foregoing Schedule of Charges is incorporated into the Agreement for the Services of EKI Environment & Water, Inc. and may be updated annually.

Budget Estimate for Proposed Scope of Work  
 Evaluation of Groundwater with Detections of PFAS  
 City of Lathrop, California

TASKS	EKI Labor							TOTAL EKI Labor, including 4% Comm. Charge (1)	Expenses		TOTAL (3)
	CAD/ GIS	G2 Staff Engineer - EKC	ASCII ENG - CMC	Associate 1 ENG/SCI - CL	Sup I - Jon Sutter	PRIN - John Flo	PRIN - MTS		CAD/GIS Charge (per hour)	TOTAL EXPENSES (1)	
<b>Task 1</b>	144	218	248	264	309	320	320	(\$)	\$20	(\$)	(\$)
Review and compile recent data and information		8	4	2	2	2	1	\$5,036	\$0	\$0	\$5,036
Kick off meeting (prep, mtg, and followup)		2	2		2	1		\$1,945	\$0	\$0	\$1,945
Update table, figure, from Tech Memo	4	4	2		1			\$2,343	\$80	\$80	\$2,583
Project management and communications					2		1	\$976	\$0	\$0	\$976
<b>Subtotal</b>	4	14	8	2	7	3	2	\$10,299	\$80	\$80	\$10,500
<b>Task 2: Investigate potential sources of PFAS</b>											
Establish basic hydrogeology for up/downgradient				6	1	2		\$2,634	\$0	\$0	\$2,634
Historical data/records search (i.e., EDR) EDR reports		8	8					\$3,877	\$0	\$0	\$3,877
PFAS Fingerprinting analysis and figures		2	8					\$0	\$0	\$0	\$550
Maps, data tables, figures with analyses	6	4	4		2		1	\$3,813	\$120	\$120	\$4,173
Status meeting (prep, mtg, followup)		4	3	2	2	2		\$3,538	\$0	\$0	\$3,538
Project management and communications					2		1	\$976	\$0	\$0	\$976
<b>Subtotal</b>	6	18	23	8	7	4	2	\$17,354	\$120	\$120	\$18,300
<b>Task 3: Model groundwater transport</b>											
Map wellhead protection areas				24		8		\$9,252	\$0	\$0	\$9,252
Establish time of travel for groundwater				24		8		\$9,252	\$0	\$0	\$9,252
Project management and communications					2	1		\$976	\$0	\$0	\$976
<b>Subtotal</b>	0	0	0	48	2	17	0	\$19,479	\$0	\$0	\$19,500
<b>Task 4: Management of PFAS impacted wells</b>											
Analysis of data, trends, treatment impacts, and recommendations		16	12		6	2	2	\$9,982	\$0	\$0	\$9,982
Memo drafting	4	8	6		4	2	2	\$6,577	\$80	\$80	\$6,817
Memo revising based on Client comments	1	4	2		2		1	\$2,548	\$20	\$20	\$2,608
Project management and communications					5		1	\$1,940	\$0	\$0	\$1,940
<b>Subtotal</b>	5	28	20	0	17	4	6	\$21,046	\$100	\$100	\$21,300
<b>TOTAL:</b>	15	60	51	58	33	28	10	\$68,179	\$300	\$300	\$69,600

**Notes:**

(1) A communications charge of 4% of labor costs covers e-mail access, web conferencing, cellphone calls, messaging and data access, file sharing, local and long distance telephone calls and conferences, facsimile transmittals, standard delivery U.S. postage, and incidental in-house copying.

(2) "Other Direct Costs" includes direct expenses, as listed below, incurred in connection with the work and will be reimbursed at cost plus ten percent (10%) for items such as:

- a. Maps, photographs, reproductions, printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, drillers, laboratories, and contractors.
- c. Rented vehicles, local public transportation and taxis, travel and subsistence.
- d. Special fees, insurance, permits, and licenses applicable to the work.
- e. Outside computer processing, computation, and proprietary programs purchased for the work.

(3) Subtotals and Total rounded to the nearest hundred dollars.



## ITEM 4.9

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: APPROVE PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT & WATER, INC., FOR MONITORING WELL NETWORK ABANDONMENT FOR CIP RW 24-16 RECYCLED WATER SYSTEM DECOMMISSIONING AND BUDGET AMENDMENT**

**RECOMMENDATION: Adopt Resolution Approving a Professional Services Agreement with EKI Environment & Water, Inc., for Monitoring Well Network Abandonment for CIP RW 24-16 Recycled Water System Decommissioning and Budget Amendment**

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#### **SUMMARY:**

At their June 2023 board meeting, the Central Valley Regional Water Quality Control Board (CVRWQCB) approved rescission of the Waste Discharge Requirements (WDRs) and amendment to the National Pollutant Discharge Elimination System (NPDES) permit to discharge effluent from the Consolidated Treatment Facility (CTF) to the San Joaquin River. Previously, the CVRWQCB issued a letter dated March 27, 2023, that provided conditional approval of a technical memorandum submitted by the City for the closure activities associated with WDR rescission, which designated the City as the responsible party for the proper abandonment of 67 monitoring wells associated with the WDR monitoring well network.

At the request of staff, EKI Environment & Water, Inc. (EKI) provided a proposal for professional services to assist the City with the monitoring well abandonment. EKI is uniquely qualified to provide these services based on approximately twenty years of experience assisting the City with groundwater monitoring and reporting for the CTF and former Crossroads WDRs. Approval of the proposed Professional Services Agreement (PSA) with EKI in the amount of \$487,000 is requested to assist the City with the monitoring well network abandonment.

The City has insufficient funds for these costs under CIP RW 24-16 Recycled Water System Decommissioning in the approved budget for Fiscal Years 2023-2024 and 2024-2025. Additional funds in the amount of \$100,000 is requested as a contingency for the monitoring well removal, and to cover additional costs associated with the recycled water system decommissioning. Staff is requesting that Council approve a budget amendment allocating \$455,500 from the CTF Fund 6110 for the City's cost share and approve a revenue adjustment increase of \$131,500 to recognize the revenue received from the responsible parties.

**CITY MANAGER’S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**APPROVE PSA WITH EKI ENVIRONMENT & WATER, INC., FOR MONITORING**  
**WELL NETWORK ABANDONMENT FOR CIP RW 24-16 RECYCLED WATER**  
**SYSTEM DECOMMISSIONING AND BUDGET AMENDMENT**

**BACKGROUND:**

At the June 2023 CVRWQB board meeting, the CVRWQB approved rescission of the WDRs and an amendment to the NPDES permit to discharge effluent from the CTF to the San Joaquin River. Previously the CVRWQCB had issued a letter on March 27, 2023, that provided conditional approval of a technical memorandum submitted by the City on the closure activities associated with WDR rescission, which designated the City as the responsible party for the proper abandonment of 67 monitoring wells associated with WDRs monitoring well network. Of the 67 wells, 34 wells are currently located on private property and 33 wells are currently located on City-owned land. In some instances, the developer of the parcel in which the well is located has been named as the responsible party to fund the cost of well abandonment.

At the request of staff, EKI Environment & Water, Inc., (EKI) provided a proposal for professional services for assisting the City with the monitoring well abandonment. EKI’s scope and fee proposal includes a breakdown of costs for wells associated with the City and developer funding sources as follows:

<b>Funding Source</b>	<b>Cost Estimate</b>
City	\$355,500
Richland	\$27,700
River Islands/Califia	\$73,400
Saybrook	\$11,500
Scannell Properties #478, LLC	\$18,900
<b>TOTAL:</b>	<b>\$487,000</b>

Staff requests City Council approve a PSA with EKI to assist the City with abandonment of 67 monitoring wells associated with the CTF WDRs. In addition, staff requests approval of additional budget in the amount of \$100,000 to provide a contingency for the monitoring well abandonment, and to cover additional costs associated with the recycled water decommissioning such as ordering title reports, preparation of grant deeds, easements and filing fees.

**REASON FOR RECOMMENDATION:**

EKI is uniquely qualified to provide these services based on approximately twenty years of experience assisting the City with groundwater monitoring services associated with the CTF and former Crossroads WDRs.

The professional services to be provided by EKI under this proposed agreement will meet the regulatory requirements for proper removal of the monitoring well network pursuant to the conditionally approved closure plan associated with the WDRs rescission. Removal of these monitoring wells under will help expedite returning lands back to developers that have a right of reverter for parcels with ponds and sprayfields that are planned to be decommissioned.

**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**APPROVE PSA WITH EKI ENVIRONMENT & WATER, INC., FOR MONITORING WELL NETWORK ABANDONMENT FOR CIP RW 24-16 RECYCLED WATER SYSTEM DECOMMISSIONING AND BUDGET AMENDMENT**

**FISCAL IMPACT:**

The total estimated time and materials cost of the proposed PSA with EKI to assist the City with the monitoring well network abandonment is \$487,000. The City has requested \$131,500 funding authorization from all responsible parties, and budgeted \$250,000 under CIP RW 24-16 Recycled Water System Decommissioning in the fiscal year 2023-2024 approved budget. However, this amount is insufficient to cover the City’s cost share for monitoring well removal and other anticipated costs. Additional funds in the amount of \$100,000 is requested to provide a contingency for monitoring well removal, and additional costs associated with the recycled water system decommissioning. Staff is also requesting that Council approve a budget amendment allocating \$205,500 from the CTF Fund 6110 for the City’s cost share and approve a revenue adjustment increase of \$131,500 to recognize the revenue received from the responsible parties as follows:


Increase Revenue		
2710-80-00-372-0100		\$131,500
Increase Transfer Out		
2710-99-00-990-9010		\$131,500
6110-99-00-990-9010		\$205,500
Increase Transfer In		
6091-99-00-393-00-00	CIP RW 24-16	\$337,000
Increase Appropriation		
6091-80-00-420-86-00	CIP RW 24-16	\$337,000

**ATTACHMENTS:**

- A. Adopt Resolution Approving a Professional Services Agreement with EKI Environment & Water, Inc., for Monitoring Well Network Abandonment for CIP RW 24-16 Recycled Water System Decommissioning and Budget Amendment
- B. Professional Services Agreement with EKI Environment & Water, Inc., for Monitoring Well Network Abandonment for CIP RW 24-16 Recycled Water System Decommissioning

**CITY MANAGER'S REPORT** **PAGE 4**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**APPROVE PSA WITH EKI ENVIRONMENT & WATER, INC., FOR MONITORING**  
**WELL NETWORK ABANDONMENT FOR CIP RW 24-16 RECYCLED WATER**  
**SYSTEM DECOMMISSIONING AND BUDGET AMENDMENT**

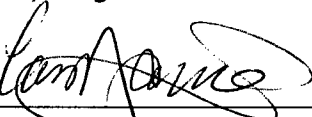
**APPROVALS:**

  
\_\_\_\_\_  
Greg Gibson  
Senior Civil Engineer

06/20/2023  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer

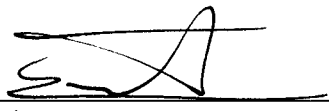
6/20/2023  
Date

  
\_\_\_\_\_  
Carl James  
Finance Director


6/26/2023  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6/28/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.21.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH EKI ENVIRONMENT & WATER, INC., FOR MONITORING WELL NETWORK ABANDONMENT FOR CIP RW 24-16 RECYCLED WATER SYSTEM DECOMMISSIONING AND BUDGET AMENDMENT**

**WHEREAS**, the Lathrop Consolidated Treatment Facility (LCTF) provides sewer treatment capacity for the Crossroads, Mossdale, River Islands, South Lathrop Specific Plan, Gateway Specific Plan and Central Lathrop Specific Plan development areas; and

**WHEREAS**, at their June 2023 board meeting, the Central Valley Regional Water Quality Control Board (CVRWQCB) approved rescission of the Waste Discharge Requirements (WDRs) and amendment to the National Pollutant Discharge Elimination System (NPDES) permit to discharge effluent from the Consolidated Treatment Facility (CTF) to the San Joaquin River; and

**WHEREAS**, the CVRWQCB issued a letter dated March 27, 2023, that provided conditional approval of a technical memorandum submitted by the City for the closure activities associated with WDR rescission, which designated the City as the responsible party for the proper abandonment of 67 monitoring wells associated with the WDR monitoring well network; and

**WHEREAS**, of the 67 wells to be abandoned, 34 wells are currently located on private property and 33 wells are currently located on City-owned land, and in some instances, the developer of the parcel in which the well is located has been named as the responsible party to fund the cost of well abandonment; and

**WHEREAS**, EKI is uniquely qualified to provide these services based on approximately twenty years of experience assisting the City with groundwater monitoring and reporting for the CTF and former Crossroads WDRs; and

**WHEREAS**, at the request of staff, EKI Environment & Water, Inc. (EKI) provided a proposal for professional services for assisting the City with the monitoring well abandonment; and

**WHEREAS**, EKI's scope and fee proposal includes a breakdown of costs for wells associated with the City and developer funding sources as follows:

<b>Funding Source</b>	<b>Cost Estimate</b>
City	\$355,500
Richland	\$27,700
River Islands/Califia	\$73,400
Saybrook	\$11,500
Scannel Properties #478, LLC	\$18,900
<b>TOTAL:</b>	<b>\$487,000</b>

; and

**WHEREAS**, the professional services by EKI under this agreement will assist the City meet the regulatory requirements for proper removal of the monitoring well network pursuant to the conditionally approved closure plan associated with the WDRs rescission; and

**WHEREAS**, the total estimated time and materials cost of the PSA with EKI to assist the City with the monitoring well network abandonment is \$487,000; and

**WHEREAS**, in addition, staff requests approval of additional budget in the amount of \$100,000 to provide a contingency for the monitoring well abandonment, and to cover additional costs associated with the recycled water decommissioning and such as ordering title reports, preparation of grant deeds, easements and filing fees; and

**WHEREAS**, the City has requested \$131,500 funding authorization from all responsible parties, and budgeted \$250,000 under CIP RW 24-16 Recycled Water System Decommissioning in the fiscal years 2023-2024 approved budget; and

**WHEREAS**, insufficient funds have been budgeted to cover other the City's cost share for the monitoring well removal and other anticipated project costs for the recycled water system decommissioning; and

**WHEREAS**, Staff is requesting that Council approve a budget amendment allocating \$205,500 from the CTF Fund 6110 for the City's cost share for the monitoring well removal and additional costs associated with the recycled water system decommissioning and approve a revenue adjustment increase of \$131,500 to recognize the revenue received from the responsible parties.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve a professional services agreement with EKI Environment & Water, Inc., to assist the City with monitoring well network abandonment for a time and materials cost not to exceed \$487,000, for CIP RW 24-16 Recycled Water System Decommissioning; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Lathrop does hereby approve the following budget amendment allocating \$205,500 from the CTF Fund 6110 for the City's cost share of \$355,000 for the monitoring well removal and \$100,000 for additional costs associated with the recycled water system decommissioning and approves a revenue adjustment increase of \$131,500 to recognize the revenue received from the responsible parties as follows:

Increase Revenue	
2710-80-00-372-0100	\$131,500
Increase Transfer Out	
2710-99-00-990-9010	\$131,500

6110-99-00-990-9010		\$205,500
Increase Transfer In 6091-99-00-393-00-00	CIP RW 24-16	\$337,000
Increase Appropriation 6091-80-00-420-86-00	CIP RW 24-16	\$337,000

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

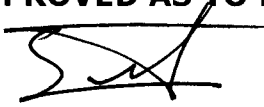
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney



**CITY OF LATHROP**

**AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES  
WITH EKI ENVIRONMENT & WATER, INC.**

**TO PROVIDE MONITORING WELL NETWORK ABANDONMENT FOR RECYCLED  
WATER SYSTEM DECOMMISSIONING CIP RW 24-16**

**THIS AGREEMENT**, dated for convenience this **10th day of July 2023**, is by and between **EKI Environment & Water, Inc.** ("CONSULTANT") and the **City of Lathrop**, a California municipal corporation ("CITY");

**RECITALS:**

**WHEREAS**, CONSULTANT is specially trained, experienced, and competent to perform Professional Engineering Consulting Services, which are required by this agreement; and

**WHEREAS**, CITY selected the CONSULTANT pursuant to said qualifications; and

**WHEREAS**, CONSULTANT is willing to render such Professional Engineering Consulting Services, as hereinafter defined, on the following terms and conditions;

**NOW, THEREFORE**, CONSULTANT and the CITY agree as follows:

**AGREEMENT**

**(1) Scope of Service**

CONSULTANT agrees to perform Professional Engineering Consulting Services in accordance with the scope of work and fee proposal provided by CONSULTANT dated May 31, 2023, attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT represents it is prepared to and can diligently perform these services in accordance with the professional skill and care ordinarily provided by engineers practicing in the same or similar locality under the same or similar circumstances and to CITY'S reasonable satisfaction. The fee proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved of in advance and in writing, by the CITY.

**(2) Compensation**

CITY hereby agrees to pay CONSULTANT a sum not to exceed **\$487,000** for the Professional Engineering Consulting Services set forth in Exhibit "A". CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work. Payment is made based on a time and materials basis.

**(3) Effective Date and Term**

The effective date of this Agreement is **July 10, 2023** and it shall terminate no later than **June 30, 2024**.

**(4) Independent Contractor Status**

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit "A" to City's reasonable satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

**(5) Billings**

CONSULTANT shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONSULTANT'S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

**(6) Advice and Status Reporting**

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

CONSULTANT shall submit to CITY such reports, diagrams, drawings and other work products developed pursuant to the Scope of Services.

**(7) Auditing**

CITY reserves the right to periodically audit all charges made by CONSULTANT to CITY for services under this Agreement. Upon request, CONSULTANT agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONSULTANT agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONSULTANT agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of 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 the requirement. CONSULTANT further agrees to maintain such records for a period of three (3) years after final payment under this agreement.

**(8) Assignment of Personnel**

CONSULTANT acknowledges that the CITY has relied on CONSULTANT's capabilities and on the qualifications of CONSULTANT's principals and staff as identified in its proposal to CITY. The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: **Christina Lucero, Hydrogeologist** CITY shall be notified by CONSULTANT of any change of its Authorized Representative, and CITY is granted the right of approval of all original, additional, and replacement personnel at CITY's sole discretion, and shall be notified by CONSULTANT of any changes of CONSULTANT's project staff prior to any change.

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

**(9) Assignment and Subcontracting**

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S authorized representative.

**(10) Insurance**

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars (\$1,000,000). In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided,

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO PROVIDE MONITORING WELL  
NETWORK ABANDONMENT FOR RECYCLED WATER DECOMMISSIONING CIP RW 24-16

shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars (\$1,000,000) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
- (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
- (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
- (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
- (vi) Notice of cancellation or non-renewal must be received by CITY at

least thirty days prior to such change.

(c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than Two Million Dollars (\$2,000,000) per claim made and per policy aggregate covering the licensed professionals' negligent errors and omissions, as follows:

- (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
- (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
- (iii) The policy must contain a cross liability or severability of interest clause.
- (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
  1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
  2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
  3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of three years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
  4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.

(d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations,

claim administration, and defense expenses that is satisfactory in all respects to each of them.

- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
  - (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
  - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

**(11) Indemnification - CONSULTANT'S Responsibility**

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed.

It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers or any third parties for whom CONSULTANT is not legally liable. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2782.8 of the California Civil Code. Notwithstanding anything to the contrary in the Agreement, the CONSULTANT shall have no duty to hire counsel to defend the CITY, but at the time of any settlement or adjudication of a matter the CONSULTANT shall pay as damaged to CITY all reasonable attorney's fees and costs incurred by CITY to extent caused by the willful misconduct of negligent acts or omissions of CONSULTANT, its employees, subcontractors,

or agents Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

**(12) Licenses**

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

**(13) Business Licenses**

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

**(14) Termination**

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. Upon termination, or completion of services and payment of all amounts owed to CONSULTANT under this Agreement, all information collected, work product and documents shall be delivered by CONSULTANT to CITY within ten (10) calendar days.

**(15) Funding**

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

**(16) Notices**

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City: City of Lathrop  
City Clerk  
390 Towne Centre  
Lathrop, CA 95330

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO PROVIDE MONITORING WELL  
NETWORK ABANDONMENT FOR RECYCLED WATER DECOMMISSIONING CIP RW 24-16

Copy to: City of Lathrop  
Department of Public Works  
390 Towne Centre  
Lathrop, CA 95330  
MAIN: (209) 941-7430  
FAX: (209) 941-7449

To Consultant: EKI Environment & Water, Inc.  
2001 Junipero Serra Blvd  
Davis, CA 94014  
Phone: (650) 292-9100

**(17) Miscellaneous**

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Contract Terms Prevail. All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and attached exhibits, the terms of this Agreement shall prevail.
- (c) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (d) Definitions. The definitions and terms are as defined in these specifications.
- (e) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (f) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
- (g) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (h) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (i) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.



CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO PROVIDE MONITORING WELL  
NETWORK ABANDONMENT FOR RECYCLED WATER DECOMMISSIONING CIP RW 24-16

- (j) Ownership of Documents. All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall upon payment to CONSULTANT of all amounts owed under this Agreement be deemed the property of the CITY. Upon CITY's request, CONSULTANT shall allow CITY to inspect all such documents during the CONSULTANT's regular business hours.
- (k) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (l) Severability. The invalidity in whole or part of any provision of this Agreement shall not void or affect the validity of any other provision of this agreement. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- (m) Status of CONSULTANT. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (n) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (o) Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (p) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (q) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.
- (r) Except as may be specifically allowed under this Agreement, nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either CITY or CONSULTANT. CONSULTANT's Services hereunder are being performed solely for the benefit of CITY.

- (s) In the event of any dispute between the parties arising under this Agreement, the parties shall first endeavor to settle such disputes through mediation. The parties shall bear their own attorney's fees and costs but shall share equally in the cost of the mediator. If the parties are unable to settle the dispute through mediation, the dispute shall be settled by recourse to litigation.

**(18) Notice to Proceed**

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.


**(19) Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – EKI ENVIRONMENT & WATER, INC.  
PROFESSIONAL ENGINEERING CONSULTING SERVICES TO PROVIDE MONITORING WELL  
NETWORK ABANDONMENT FOR RECYCLED WATER DECOMMISSIONING CIP RW 24-16

Approved as to Form:

City of Lathrop  
City Attorney

  
\_\_\_\_\_  
Salvador Navarrete 6-26-2023  
Date

Recommended for Approval:

City of Lathrop  
Assistant City Manager

\_\_\_\_\_  
Michael King Date

Approved by:

City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

\_\_\_\_\_  
Stephen J. Salvatore Date  
City Manager

Consultant:

EKI Environment & Water, Inc.  
2827 Spafford Street  
Davis, CA 95618

Fed ID # \_94-3087395  
Business License # **20137**

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name and Title

31 May 2023

Greg Gibson  
City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

Subject: Scope of Work and Budget - Monitoring Well Network Abandonment  
City of Lathrop  
(EKI C3-130)

Dear Mr. Gibson:

EKI Environment & Water, Inc. (EKI) is pleased to present this scope of work (SOW) and budget for assisting the City of Lathrop (City) with abandonment of 67 monitoring wells associated with the City's Consolidated Treatment Facility (CTF) Waste Discharge Requirements (WDR) Order No. R5-2018-023. As the City has acquired a National Pollutant Discharge Elimination System (NPDES) permit [R5-2022-0004 (CA0085359)]<sup>1</sup> from the Central Valley Regional Water Quality Control Board (RWQCB) to discharge effluent from the CTF to the San Joaquin River instead of land application areas covered under the WDR, the monitoring wells are no longer required. Conditional approval for closure of various CTF site features was granted in a March 2023 rescission letter from the RWQCB (Rescission Letter). The RWQCB plans to rescind the CTF WDR during the RWQCB's June 2023 Board Meeting.<sup>2</sup>

## BACKGROUND

As shown in **Figure 1**, there are 67 existing wells associated with compliance monitoring in the Monitoring and Reporting Program Order No. R5-2016-0028-03 (MRP) that the City intends to abandon (only wells MWM-24 and MWR-25 will remain in place and used for Sustainable Groundwater Management Act [SGMA] compliance monitoring). As the City will cease all future effluent land disposal operations and will use recycled water only for beneficial uses regulated under the Recycled Water General Order WQ 2016-0068-DDW (General Order), the monitoring well network is no longer needed.

Of the 67 wells, 34 wells are currently located on private property and 33 wells are currently located on City-owned land (see **Table 1**). In some instances, the developer of the parcel in which the well is located has been named responsible to fund the cost of well abandonment (see **Table 1**, "Funding Source"). The City is responsible for all monitoring well abandonment<sup>3</sup> in accordance with California Department of Water Resources (DWR) standards for the destruction of groundwater wells.<sup>4</sup> The City will work with the

<sup>1</sup> Adopted 17 February 2022.

<sup>2</sup> Personal communication, Greg Gibson, City of Lathrop, 7 April 2023.

<sup>3</sup> Central Valley Regional Water Quality Control Board, Conditional Approval of Closure Activities, City of Lathrop, Consolidated Treatment Facility, San Joaquin County, dated 27 March 2023.

<sup>4</sup> California Well Standards Bulletin 74-90 (June 1991) and Water Well Standards: State of California Bulletin 74-81 (December 1981).

landowners to gain access to properly abandon the wells. In the event of non-responsive private property owners, the City will notify the RWQCB and San Joaquin County (SJC) and work with SJC Environmental Health Department (EHD) and the RWQCB for follow-up and/or enforcement actions.

The abandonments of the monitoring wells must be conducted in accordance with the 2016 Monitoring Well Abandonment Workplan dated 25 January 2016 (“Workplan”), which was conditionally approved by the RWQCB on 10 May 2016. Furthermore, based on historical and current land use and groundwater monitoring data, no hazardous constituents are expected at the drilling locations. As such, equipment decontamination procedures and the general health and safety plan outlined in the 2016 Monitoring Well Abandonment Workplan will be followed.

Prior to well abandonment, the City will file applicable well abandonment permits with the SJC EHD. Following well abandonment, the City will file well destruction reports with the DWR.

## SCOPE OF WORK

The Scope of Work provided below separates the monitoring network abandonment into five tasks and assumes a total of four well abandonment mobilizations. Exact counts and timing of the well abandonment work will depend upon landowner responses. If more than four mobilizations are required, the level of effort and cost to complete the work will increase. **Table 1** provides well-specific details and assumptions and **Figure 1** shows well locations. Additionally, the following assumptions are applicable for all five tasks:

- Costs associated with the C-57 licensed driller include prevailing wage rates.
- The budget estimate assumes abandonment work will be conducted in a continuous fashion requiring a total of four mobilizations and demobilizations (two for each abandonment method). Pressure grout abandonment work is anticipated to take a total of 18 days and includes the C-57 licensed driller crew and EKI oversight on all 18 days. Overdrilling abandonment work is anticipated to take five days and includes the C-57 licensed driller crew and EKI oversight on all five days.
- Driller costs assume all locations are truck accessible.
- The City will require EKI on-site for construction oversight during well abandonments and surface completion work, as applicable. For cost estimating purposes, EKI has assumed 9-hour workdays.
- EKI will provide the City with electronic copies of the DWR well completion reports.
- If the schedule is delayed due to unforeseen circumstances out of EKI’s control, additional budget may be required.
- Additional budget may be required if site conditions differ significantly than the budget estimate assumes, based on the November 2022 well survey, or access is hindered due to inclement weather.

### Task 1 – City Funded Well Abandonment

Under Task 1, EKI will plan and oversee abandonment of the 43 wells located on City and private property (see **Table 1**).

### Subtask 1.1 – Private Property Owner Coordination

EKI will coordinate with private property owners to obtain access for well abandonment. As shown on **Table 1**, there are seven known, three unknown, and one assumed but unconfirmed property owner. Under Subtask 1.1, EKI will prepare notifications for a maximum of 12 private property owners<sup>5</sup> of the requirement to allow City access to properly abandon fourteen (14) monitoring well(s). Where current ownership has changed or is otherwise unknown, EKI will attempt to determine landowner information from Assessor Parcel Number (APN) information based on publicly available data from the County and/or other readily available methods. Notification letters will provide EKI/City contact information that includes a phone number and email address to submit questions. To ensure delivery, EKI will send the notification letters via email and/or accountable mail in which delivery requires a signature and/or read receipt.

Three wells currently do not have signed access agreements in place with the existing property owner, and two wells are assumed to have the same property owner as the access agreement on file, however access has not been coordinated since 2018. EKI will coordinate and attempt to secure access agreements for a maximum of five wells including the three wells without current access agreements.

#### *Assumptions*

- EKI will provide draft notification materials for City review. Comments from the City will be addressed by EKI and the notification materials finalized for transmittal to property owners.
- In the event that EKI cannot determine ownership, or the notification letter cannot be delivered, EKI will work with the City to identify appropriate next steps.

#### *Deliverables*

- Well abandonment notification materials for private property owners [up to 12 letters for 14 wells].
- Access agreements for up to five wells.

### Subtask 1.2 - Preparation, Permitting, and Contracts

Under Subtask 1.2, EKI will complete the necessary preparations, permitting, and contracting for the abandonment of the 43 monitoring wells. This subtask includes:

- Project management such as coordination, subcontracting, planning, and communication between the City, licensed driller, and traffic control specialists.
- Update Site Health and Safety Plan.
- Direct B.A.T.S. Traffic Solutions to obtain encroachment permits from the City of Lathrop, as needed, for up to 19 wells located within or adjacent to the street right-of-way or within public parks (see **Table 1**).

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<sup>5</sup> Property owners that are unknown or uncertain have conservatively been counted as individual private property owners.

- Develop traffic control plans for up to 16 wells located within or adjacent to the street right-of-way (see **Table 1**).
- Obtain 43 monitoring well destruction permits from the SJC EHD.
- Coordinate with a California-certified analytical laboratory regarding analytical needs, turnaround times, courier scheduling, and sample containers, as appropriate.

#### *Assumptions*

- Each encroachment permit will require five hours of B.A.T.S. Traffic Solutions time to prepare, and the City's \$120 encroachment permit fee.
- Permits and traffic control plans for all wells will be developed and obtained simultaneously.
- Monitoring wells MWM-5, MWM-15, MWM-17 will require an encroachment permit but not a traffic control plan.
- Other wells located on City property that are not within or adjacent to the street right-of-way or within public parks, (see **Table 1**) will not require an encroachment permit.

#### *Deliverables*

- Up to 19 Encroachment permits
- Up to 16 Traffic Control plans
- Updated Site Health & Safety Plan
- 43 Well destruction permits

#### Subtask 1.3 – Mobilization and Well Abandonment

EKI will coordinate with Confluence to mobilize to the site, set up, and oversee well abandonment. Specifically, under Subtask 1.3 EKI will:

- Mark 43 wells for Underground Services Alert (USA) and submit tickets at least 72 hours but no more than two weeks prior to destruction activities. Simultaneously post no parking signs for up to 19 wells located within or adjacent to the street right-of-way.
- Schedule well destruction inspections with the SJC EHD and direct driller to perform all sealing operations in the presence of the County inspector, unless directed otherwise by the County.
- Direct B.A.T.S. Traffic Solutions to coordinate and conduct traffic control for up to 16 wells located within or adjacent to the street right-of-way in accordance with the traffic control plans developed under Subtask 2.1.
- Oversee well abandonment by a C-57 licensed driller via pressure grouting (38 wells) or over-drilling (5 wells), see **Table 1** for details, using methods as described in the approved Workplan.
- For 10 wells located in the street or paved parking lot and one well located in the sidewalk, direct contractor to apply hot asphalt patch and concrete patch, respectively, in accordance with Encroachment Permit.
- Sampling and laboratory analysis of generated wastes for disposal, when appropriate.

### *Assumptions*

- The City will be responsible for towing vehicles that interfere with well abandonment.
- Traffic control is dependent upon the site-specific traffic control plans to be developed under Subtask 1.2, and therefore the budget assumes a two-person crew with two trucks for required traffic control (during both abandonment and surface completion) and three weeks of traffic control rental items.
- The City will be responsible for removal and repair of all fencing that interfere with well abandonment activities.
- To the extent possible, soil cuttings and groundwater produced during drilling and grouting operations will be spread at the site. Where spreading is not feasible (e.g., city street), the materials will be transported to a location as directed by the City for spreading. Should it be necessary, the budget accommodates the possible need to drum, test, and haul soil cuttings and groundwater for disposal at an approved landfill. The budget assumes one composite sample per mobilization will be collected (total of two samples), analyzed for the standard suite of constituents required for landfill disposal<sup>6</sup>, and the materials will clear all applicable standards for non-hazardous waste disposal. If the composite sample exceeds either California Soluble Threshold Limit Concentration (STLC) or Federal Toxicity Characteristic Leaching Procedure (TCLP) limits for hazardous waste characterization, there will be additional costs associated with disposal not included herein.
- Two separate mobilizations will be required to apply the hot asphalt and concrete patch work. Surface completion work is anticipated to take a total of five days, and includes the construction crew, traffic control, and EKI oversight on all five days. Surface completion will occur within 48-hours of well abandonment completion.
- 32 wells will have a dirt surface completion, 10 wells will have a hot asphalt patch surface completion, and one well will have a concrete patch surface completion. Asphalt patches will be no larger than 3' x 3' and up to 6" thick, with no roller or grind back needed. The concrete patch will be up to 6' x 6' and up to 6" thick with no curb or gutter work required.
- This scope of work and budget does not include replacement of landscape in City parks, medians, etc. that are removed or damaged to access the wells for abandonment.
- Monitoring well MW-5 is located adjacent to privately-owned railroad tracks and will not require coordination with Union Pacific Railroad.

### Subtask 1.4 – Documentation

Under Subtask 1.4, EKI will prepare and submit 43 DWR well destruction reports to DWR and prepare a Groundwater Monitoring Well Abandonment Report for submittal to the RWQCB. This report will document the well abandonment activities, discuss any deviations from the approved Workplan, and include copies of the DWR well destruction reports.

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<sup>6</sup> Total Petroleum Hydrocarbons (TPH) – Gasoline, TPH-Diesel, TPH-Motor Oil, Volatile Organic Compounds (VOCs), Polychlorinated biphenyl (PCBs), and CAM-17 Metals (Antimony, Arsenic, Barium, Beryllium, Cadmium, Chromium, Cobalt, Copper, Lead, Mercury, Molybdenum, Nickel, Selenium, Silver, Thallium, Vanadium, and Zinc).



*Deliverables*

- 43 DWR Well Destruction Reports
- Groundwater Monitoring Well Abandonment Report (Draft and Final)

*Assumptions*

- The Draft Groundwater Monitoring Well Abandonment Report provided to the City will require limited revisions to finalize. The City will submit the Final Groundwater Monitoring Well Abandonment Report to the RWQCB.

Subtask 1.5 – As-needed City Support

Subtask 1.5 includes as-needed support requested by the City. Work will be conducted on a time and materials basis in close coordination with the City. Based on EKI's current understanding these as-needed tasks could include:

- Coordinating with regulatory entities (i.e. the RWQCB, SJC EHD), as needed.
- Coordinating a courier to hand-deliver materials to private property owners, as needed.
- In the event of a non-responsive private property owner and pursuant to the Recission Letter, EKI will assist the City with development of follow-up and/or enforcement plans in conjunction with the RWQCB and SJC EHD.

*Assumptions*

- EKI assumes a total of 28 hours will be needed to complete the follow-up and/or enforcement plans for non-responsive landowners.

**Task 2 – Richland Funded Well Abandonment**

Under Task 2, EKI will plan and oversee abandonment of the four wells associated with the PB-1 percolation basin.

Subtask 2.1 – Preparation, Permitting, and Contracts

Under Subtask 2.1, EKI will complete the necessary preparations, permitting, and contracting for the abandonment of the monitoring wells. This subtask includes:

- Project management such as coordination, subcontracting, planning, and communication between the City, licensed driller, and traffic control specialists.
- Update Site Health and Safety Plan.
- Direct B.A.T.S. Traffic Solutions to obtain encroachment permits from the City of Lathrop, as needed, for one well located adjacent to the street right-of-way (KMW-9, see **Table 1**).
- Develop traffic control plans for one well located adjacent to the street right-of-way (KMW-9, see **Table 1**).
- Obtain four monitoring well destruction permits from the SJC EHD.

- Coordinate with a California-certified analytical laboratory regarding analytical needs, turnaround times, courier scheduling, and sample containers, as appropriate.

*Assumptions*

- Each encroachment permit will require five hours of B.A.T.S. Traffic Solutions time to prepare, and the City's \$120 encroachment permit fee.
- Permits and traffic control plans for all wells will be developed and obtained simultaneously.

*Deliverables*

- One Encroachment permit
- One Traffic Control plan
- Updated Site Health & Safety Plan
- Four Well destruction permits

Subtask 2.2 – Mobilization and Well Abandonment

EKI will coordinate with Confluence to mobilize to the site, set up, and oversee well abandonment. Specifically, under Subtask 2.2 EKI will:

- Mark four wells for Underground Services Alert (USA) and submit tickets at least 72 hours but no more than two weeks prior to destruction activities. Simultaneously post no parking signs for the one well located within or adjacent to the street right-of-way (KMW-9).
- Schedule well destruction inspections with the SJC EHD and direct driller to perform all sealing operations in the presence of the County inspector, unless directed otherwise by the County.
- Direct B.A.T.S. Traffic Solutions to coordinate and conduct traffic control for the one well located within or adjacent to the street right-of-way in accordance with the traffic control plan developed under Subtask 2.1.
- Oversee well abandonment by a C-57 licensed driller via pressure grouting (3 wells) or over-drilling (1 well), see **Table 1** for details, using methods as described in the approved Workplan.
- For the one well located in the street, direct contractor to apply hot asphalt patch in accordance with Encroachment Permit.
- Sampling and laboratory analysis of generated wastes for disposal, when appropriate.

*Assumptions*

- The City will be responsible for towing vehicles should they interfere with well abandonment.
- Traffic control is dependent upon the site-specific traffic control plans to be developed under Subtask 2.1, and therefore the budget assumes a two-person crew with two trucks for required traffic control (during both abandonment and surface completion) and one week of traffic control rental items.
- The City will be responsible for removal and repair of all fencing that interferes with well abandonment.

- To the extent possible, soil cuttings and groundwater produced during drilling and grouting operations will be spread at the site. Where spreading is not feasible (e.g., city street), the materials will be transported to a location as directed by the City for spreading. Should it be necessary, the budget accommodates the possible need to drum, test, and haul soil cuttings and groundwater for disposal at an approved landfill. The budget assumes one composite sample per mobilization will be collected (total of two samples), analyzed for the standard suite of constituents required for landfill disposal, and the materials will clear all applicable standards for non-hazardous waste disposal. If the composite sample exceeds either California Soluble Threshold Limit Concentration (STLC) or Federal Toxicity Characteristic Leaching Procedure (TCLP) limits for hazardous waste characterization, there will be additional costs associated with disposal not included herein.
- A separate mobilization will be required to apply the hot asphalt patch work. Surface completion work is anticipated to take one day, and includes the construction crew, traffic control, and EKI oversight. Surface completion will occur within 48-hours of well abandonment completion.
- Three wells will have a dirt surface completion and one well will have a hot asphalt patch surface completion. Asphalt patches will be no larger than 3' x 3' and up to 6" thick, with no roller or grind back needed.

#### Subtask 2.3 – Documentation

Under Subtask 2.3, EKI will prepare and submit four DWR well destruction reports to DWR and prepare documentation for inclusion into the Groundwater Monitoring Well Abandonment Report for submittal to the RWQCB. This report will document the well abandonment activities, discuss any deviations from the approved Workplan, and include copies of the DWR well destruction reports.

#### *Deliverables*

- Four DWR Well Destruction Reports
- Relevant sections of the Groundwater Monitoring Well Abandonment Report

#### **Task 3 – River Islands/Califia Funded Well Abandonment**

Under Task 3, EKI will plan and oversee abandonment of the 14 wells<sup>7</sup> located on River Islands.

#### Subtask 3.1 – Private Property Owner Coordination

Under Subtask 3.1, EKI will prepare a notification of the requirement to allow City access to properly abandon the monitoring wells. To ensure delivery, EKI will send the notification letter via email and/or accountable mail in which delivery requires a signature and/or read receipt. EKI will coordinate with the private property owner to obtain access for well abandonment. EKI will also obtain MWR-9 well abandonment documentation from the property owner/property owner representative.

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<sup>7</sup> Monitoring well MWR-9 is currently in the process of being abandoned and work is expected to be completed before June 2023. Therefore, MWR-9 is not included in the count of wells for abandonment.

*Deliverables*

- Well abandonment notification materials for private property owner [one letter for 14 wells].

Subtask 3.2 - Preparation, Permitting, and Contracts

Under Subtask 3.2, EKI will complete the necessary preparations, permitting, and contracting for the abandonment of the monitoring wells. This subtask includes:

- Project management such as coordination, subcontracting, planning, and communication between the City, licensed driller, and traffic control specialists.
- Update Site Health and Safety Plan.
- Obtain 14 monitoring well destruction permits from the SJC EHD.

*Deliverables*

- Updated Site Health & Safety Plan
- 14 Well destruction permits

Subtask 3.3 – Mobilization and Well Abandonment

EKI will coordinate with Confluence to mobilize to the site, set up, and begin the abandonment process for the wells. Specifically, under Subtask 3.3 EKI will:

- Mark 14 wells for Underground Services Alert (USA) and submit tickets at least 72 hours but no more than two weeks prior to destruction activities.
- Schedule well destruction inspections with the SJC EHD and direct driller to perform all sealing operations in the presence of the County inspector, unless directed otherwise by the County.
- Oversee well abandonment by a C-57 licensed driller via pressure grouting (12 wells) or over-drilling (2 wells), see **Table 1** for details, using methods as described in the approved Workplan.

*Assumptions*

- Monitoring well MWR-9 is currently in the process of being abandoned and work is expected to be completed before June 2023. Therefore, MWR-9 is not included in the count of wells for abandonment or estimated abandonment costs.
- No wells require traffic control plans nor traffic control during abandonment.
- Soil cuttings and groundwater produced during drilling and grouting operations will be spread at the site.
- All 14 wells will have a dirt surface completion.

Subtask 3.4 – Documentation

Under Subtask 3.4, EKI will prepare and submit 14 DWR well destruction reports to DWR and prepare documentation for inclusion into the Groundwater Monitoring Well Abandonment Report for submittal

to the RWQCB. This report will document the well abandonment activities, discuss any deviations from the approved Workplan, and include copies of the DWR well destruction reports.

*Deliverables*

- 14 DWR Well Destruction Reports
- Relevant sections of the Groundwater Monitoring Well Abandonment Report

*Assumptions*

- Coordination efforts associated with obtaining MWR-9 well abandonment documentation is included under Subtask 3.1.

**Task 4 – Saybrook Funded Well Abandonment**

Under Task 4, EKI will plan and oversee abandonment of the two wells associated with Pond 28 and Land Application Area 36 (CLSP-11 and CLSP-12).

Subtask 4.1 – Private Property Owner Coordination

Under Subtask 4.1, EKI will prepare notification of the requirement to allow City access to properly abandon the monitoring wells. To ensure delivery, EKI will send the notification letters via email and/or accountable mail in which delivery requires a signature and/or read receipt. EKI will coordinate with the private property owner to obtain access for well abandonment.

*Deliverables*

- Well abandonment notification materials for private property owner [one letter for two wells].

Subtask 4.2 - Preparation, Permitting, and Contracts

Under Subtask 4.2, EKI will complete the necessary preparations, permitting, and contracting for the abandonment of the monitoring wells. This subtask includes:

- Project management such as coordination, subcontracting, planning, and communication between the City, licensed driller, and traffic control specialists.
- Update Site Health and Safety Plan.
- Obtain two monitoring well destruction permits from the SJC EHD.

*Deliverables*

- Updated Site Health & Safety Plan
- Two Well destruction permits

Subtask 4.3 – Mobilization and Well Abandonment

EKI will coordinate with Confluence to mobilize to the site, set up, and begin the abandonment process for the wells. Specifically, under Subtask 4.3 EKI will:

- Mark two wells for Underground Services Alert (USA) and submit tickets at least 72 hours but no more than two weeks prior to destruction activities.
- Schedule well destruction inspections with the SJC EHD and direct driller to perform all sealing operations in the presence of the County inspector, unless directed otherwise by the County.
- Oversee well abandonment by a C-57 licensed driller via pressure grouting (2 wells), using methods as described in the approved Workplan.

#### *Assumptions*

- No wells require traffic control plans nor traffic control during abandonment.
- Soil cuttings and groundwater produced during drilling and grouting operations will be spread at the site.
- Both wells will have a dirt surface completion.

#### Subtask 4.4 – Documentation

Under Subtask 4.4, EKI will prepare and submit two DWR well destruction reports to DWR and prepare documentation for inclusion into the Groundwater Monitoring Well Abandonment Report for submittal to the RWQCB. This report will document the well abandonment activities, discuss any deviations from the approved Workplan, and include copies of the DWR well destruction reports.

#### *Deliverables*

- Two DWR Well Destruction Reports
- Relevant sections of the Groundwater Monitoring Well Abandonment Report

#### **Task 5 – Scannel Properties #478, LLC Funded Well Abandonment**

Under Task 4, EKI will plan and oversee abandonment of the three wells associated with the Reiter property (RMW-1, RMW-2, and RMW-3).

#### Subtask 5.1 – Private Property Owner Coordination

Under Subtask 5.1, EKI will prepare a notification for the private property owner of the requirement to allow City access to properly abandon the three (3) monitoring well(s). Current ownership has changed and the access agreement on file is outdated. EKI will attempt to determine landowner contract information based on publicly available data from the City, County and/or other readily available methods. The notification letter will provide EKI/City contact information that includes a phone number and email address to submit questions. To ensure delivery, EKI will send the notification letter via email and/or accountable mail in which delivery requires a signature and/or read receipt. EKI will coordinate and secure access agreements for the three wells. EKI will coordinate with the private property owner to obtain access for well abandonment.

#### *Assumptions*

- In the event that the notification letter cannot be delivered, EKI will work with the City to identify appropriate next steps.

*Deliverables*

- Well abandonment notification materials for private property owner [one letter for three wells].
- Access agreements for three wells.

Subtask 5.2 - Preparation, Permitting, and Contracts

Under Subtask 5.2, EKI will complete the necessary preparations, permitting, and contracting for the abandonment of the monitoring wells. This subtask includes:

- Project management such as coordination, subcontracting, planning, and communication between the City, licensed driller, and traffic control specialists.
- Update Site Health and Safety Plan.
- Obtain three monitoring well destruction permits from the SJC EHD.

*Deliverables*

- Updated Site Health & Safety Plan
- Three Well destruction permits

Subtask 5.3 – Mobilization and Well Abandonment

EKI will coordinate with Confluence to mobilize to the site, set up, and begin the abandonment process for the wells. Specifically, under Subtask 5.3 EKI will:

- Mark three wells for Underground Services Alert (USA) and submit tickets at least 72 hours but no more than two weeks prior to destruction activities.
- Schedule well destruction inspections with the SJC EHD and direct driller to perform all sealing operations in the presence of the County inspector, unless directed otherwise by the County.
- Oversee well abandonment by a C-57 licensed driller via pressure grouting (3 wells), using methods as described in the approved Workplan.

*Assumptions*

- No wells require traffic control plans nor traffic control during abandonment.
- Soil cuttings and groundwater produced during drilling and grouting operations will be spread at the site.
- All three wells will have a dirt surface completion.

Subtask 5.2 – Documentation

Under Subtask 5.4, EKI will prepare and submit three DWR well destruction reports to DWR and prepare documentation for inclusion into the Groundwater Monitoring Well Abandonment Report for submittal to the RWQCB. This report will document the well abandonment activities, discuss any deviations from the approved Workplan, and include copies of the DWR well destruction reports.

### *Deliverables*

- Three DWR Well Destruction Reports
- Relevant sections of the Groundwater Monitoring Well Abandonment Report

### **SCHEDULE**

Tasks identified above are anticipated to be conducted during the summer and fall of 2023.

Given the uncertainty in landowner responsiveness, private property owner coordination will be initiated immediately upon Notice to Proceed, and transmittal materials are anticipated to be ready for disbursement within 3-weeks. Ongoing coordination with responsive property owners will occur throughout the project duration.

For wells located in the City right-of-way or City parks, abandonment will not occur until encroachment permits and traffic control plans, as required, have been successfully procured.

Subject to C-57 driller and B.A.T.S. Traffic Solutions availability, well abandonment activities are anticipated to be completed within 10-weeks of procuring all necessary paperwork and permitting. Well abandonment and surface completion construction work is anticipated to take 28 days, assuming adequate site conditions and no access delays. This work assumes two mobilizations per abandonment method, for a total of four well abandonment mobilizations, and two mobilizations for surface completion construction work. Surface completion will occur within 48-hours of well abandonment completion. The estimated days for well abandonment completion may vary depending upon the order of well abandonment, and wells may be re-scheduled between assumed mobilizations depending upon landowner response and coordination.

As-needed City support will last the entire project duration.

The Draft Groundwater Monitoring Well Abandonment Report will be submitted to the City within 30 days of the abandonment completion. The Final Groundwater Monitoring Well Abandonment Report will be completed and submitted to the City 10 days after receiving comments.

### **COMPENSATION**

We propose that compensation for consulting services by EKI be on a time and expense reimbursement basis in accordance with our attached schedule of charges dated 2 January 2022. Based on the SOW described above and the budget in the attached **Table 2**, per well costs have been calculated and distributed among the funding sources, as shown in **Table 3** and **Table 1**, respectively. The following table provides the total budget by funding source:



Funding Source	Cost Estimate
City	\$355,500 <sup>(1)</sup>
Richland	\$27,700
River Islands/Califia	\$73,400
Saybrook	\$11,500
Scannel Properties #478, LLC	\$18,900
<b>TOTAL:</b>	<b>\$487,000</b>

**Notes:**

1) City cost estimate includes Subtask 1.5 As-needed City Support costs.

**TERMS AND CONDITIONS**

If this proposal meets with your approval, please provide an Agreement to review and execute.

We are pleased to have the opportunity to continue to work with the City of Lathrop. Please call us at (650) 292-9100 if you have any questions or wish to discuss this SOW in greater detail.

Very truly yours,

EKI ENVIRONMENT & WATER, INC.



John Fio  
 Principal Hydrogeologist



Christina Lucero, P.G.  
 Hydrogeologist

Attachments

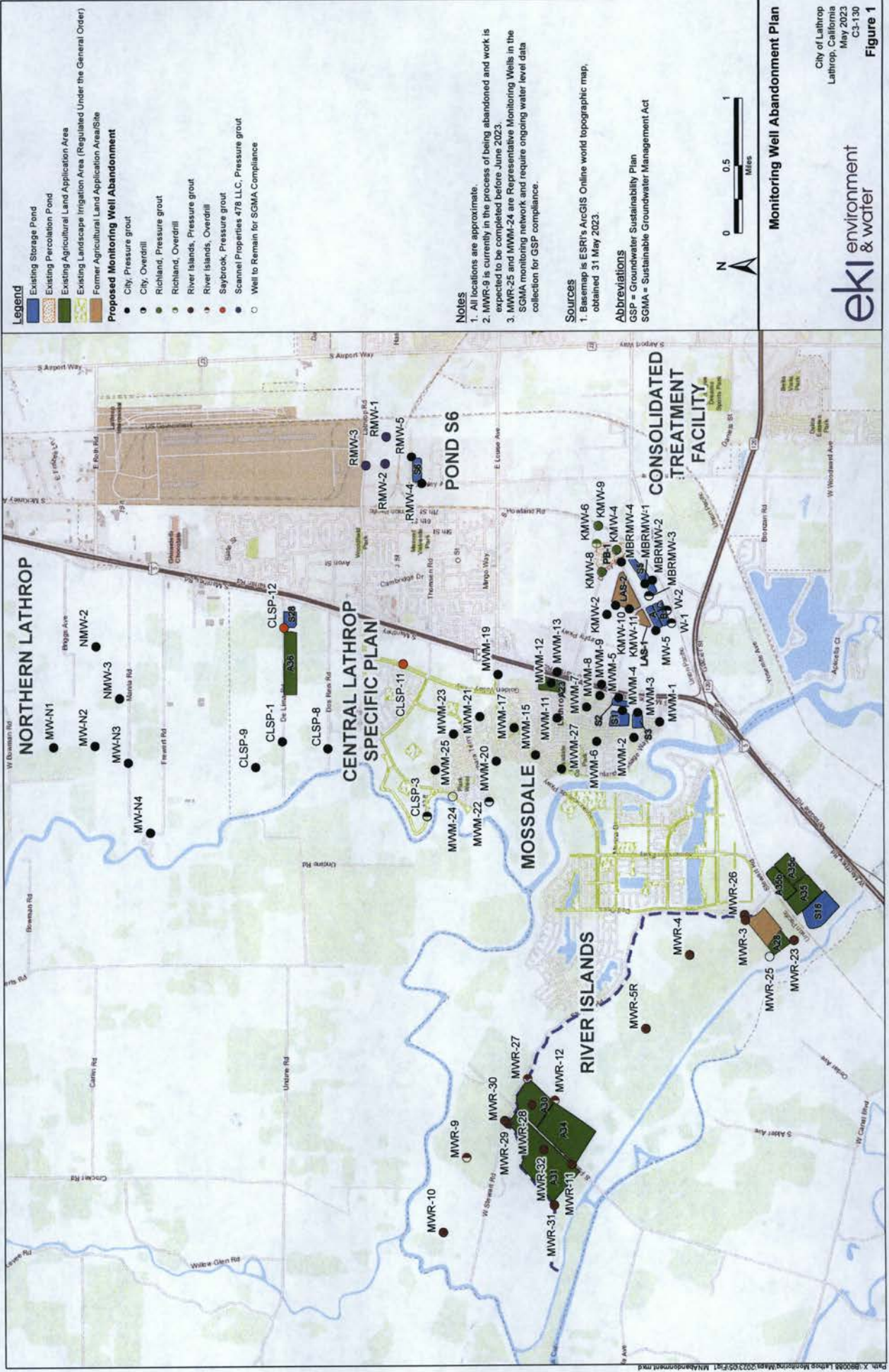
Figure 1 – Monitoring Well Abandonment Plan

Table 1 – Monitoring Wells Identified for Abandonment, Proposed Abandonment Details, and Abandonment Costs

Table 2 – Budget Estimate for Proposed Scope of Work

Table 3 – Per-Well and Per-Landowner Budget Estimate

EKI Schedule of Charges, dated 2 January 2022





**Table 2. Budget Estimate for Proposed Scope of Work**  
Monitoring Well Network Abandonment  
City of Lathrop WDRs No. R5-2018-023

TASKS	EKI Labor					Expenses		TOTAL (1)
	Scientist - Grade 3	Associate I - Scientist	Supervising I - Scientist	Principal Scientist	TOTAL EKI Labor, including 4% Comm. Charge (1) (2)	OTHER DIRECT COSTS, including 0% Markup (3) (4)	TOTAL EXPENSES (1)	(\$)
<b>Private Property Owner Coordination</b>	185	244	286	296	(\$)		(\$)	(\$)
<i>Develop Transmittal Materials for 33 wells</i>	40	10		4	\$11,465	\$208	\$208	\$11,700
<i>Landowner coordination for abandonment</i>	26	2		2	\$6,126		\$0	\$6,200
<i>Determine Unknown Property Owners</i>	24	12		3	\$8,586		\$0	\$8,600
<i>Access Agreements</i>	12	6		2	\$4,447		\$0	\$4,500
<b>Subtotal</b>	102	30	0	11	\$30,700	\$208	\$300	\$31,000
<b>Well Abandonment</b>								
<b>Preparation, Permitting, and Contracts</b>								
<i>Project management</i>	22	32		37	\$23,743		\$0	\$23,800
<i>Traffic control plans for 17 well sites</i>	4				\$770	\$4,250	\$4,250	\$5,100
<i>Encroachment permits for 20 well sites</i>	4				\$770	\$12,400	\$12,400	\$13,200
<i>Monitoring Well Destruction Permits from SJC EHD</i>	132	17			\$29,584	\$14,118	\$14,118	\$43,800
<i>Site Health &amp; Safety Plan</i>	20		6	1	\$5,940			\$6,000
<i>Coordinate with Lab</i>	4	2			\$1,277			\$1,300
<b>Oversee Well Abandonment</b>								
<i>Mark USA, noticing, and submit tickets</i>	40		12		\$11,265	\$1,320	\$1,320	\$12,600
<i>Coordinate well destruction inspections</i>	17		6		\$4,959			\$5,000
<i>Traffic control for 13 days</i>					\$0	\$34,380	\$34,380	\$34,400
<i>Well Abandonment (overdrill) for 6 well sites (mob #1)</i>	41	3	2	2	\$9,860	\$35,166	\$35,166	\$45,100
<i>Well Abandonment (pressure grout) for 27 well sites (mob #2)</i>	98	4	2	2	\$21,081	\$71,610	\$71,610	\$92,700
<i>Well Abandonment (overdrill) for 2 well sites (mob #3)</i>	14	3	2	2	\$4,665	\$11,544	\$11,544	\$16,300
<i>Well Abandonment (pressure grout) for 31 well sites (mob #4)</i>	80	4	2	2	\$17,618	\$53,212	\$53,212	\$70,900
<i>Surface completion for 12 well sites (2 mobilizations)</i>	51	2			\$10,320	\$36,250	\$36,250	\$46,600
<i>Sampling and laboratory analysis</i>	8				\$1,539	\$2,333	\$2,333	\$3,900
<b>Documentation</b>								
<i>Well Destruction Reports</i>	66	8			\$14,728			\$14,800
<i>Prepare Groundwater Monitoring Well Abandonment Report</i>	32	6		6	\$9,526			\$9,600
<b>Subtotal</b>	633	81	32	52	\$167,700	\$276,583	\$276,600	\$445,100
<b>As-needed City Support</b>								
<i>Correspondance with regulatory agencies</i>	12	6		2	\$4,447		\$0	\$4,500
<i>Follow up for non-responsive well owners</i>	16	8		4	\$6,340		\$0	\$6,400
<b>Subtotal</b>	28	14	0	6	\$10,800	\$0	\$0	\$10,900
<b>TOTAL:</b>	<b>763</b>	<b>125</b>	<b>32</b>	<b>69</b>	<b>\$209,200</b>	<b>\$276,791</b>	<b>\$276,791</b>	<b>\$487,000</b>

**Notes:**

(1) Costs have been rounded to the nearest hundred dollars.

(2) A communications charge of 4% of labor costs covers e-mail access, web conferencing, cellphone calls, messaging and data access, file sharing, local and long distance telephone calls and conferences, facsimile transmittals, standard delivery U.S. postage, and incidental in-house copying.

(3) "Other Direct Costs" includes direct expenses, as listed below, incurred in connection with the work and will be reimbursed at cost for items such as:

- Drillers and contractors.
- Monitoring well permits issued by San Joaquin County Environmental Health Department.
- Rented vehicles, travel, and subsistence.
- Field equipment daily rental rate and associated field supplies.

(4) Other Direct Costs associated with driller includes prevailing wage rates.

**Table 3. Per-Well and Per-Landowner Budget Estimate**  
 Monitoring Well Network Abandonment  
 City of Lathrop WDRs No. R5-2018-023

<b>Well Abandonment</b>	<b>Per well cost (1)</b>	<b>Well count</b>
Base fee	\$5,160	66
Special circumstances:		
Encroachment permit	\$660	20
Traffic control	\$2,320	17
Drum sampling	\$190	28
Surface completion	\$3,880	12
<b>Landowner Coordination</b>	<b>Per landowner cost (1)</b>	<b>Landowner count</b>
Base fee	\$1,190	15
Special circumstances:		
Unknown owner	\$1,080	8
Access agreement	\$1,130	4

**Notes:**

1. Costs have been rounded to the nearest ten dollars.

**Client/Address: City of Lathrop**  
 390 Towne Centre Drive  
 Lathrop, CA 95330



**Proposal/Agreement Date: 5 May 2023**

**EKI Proposal/Project # C3-130**

**SCHEDULE OF CHARGES FOR EKI ENVIRONMENT & WATER, INC.**

**2 January 2022**

<u>Personnel Classification</u>	<u>Hourly Rate</u>
Officer and Chief Engineer-Scientist	307
Principal Engineer-Scientist	296
Supervising I, Engineer-Scientist	286
Supervising II, Engineer-Scientist	276
Senior I, Engineer-Scientist	265
Senior II, Engineer-Scientist	255
Associate I, Engineer-Scientist	244
Associate II, Engineer-Scientist	230
Engineer-Scientist, Grade 1	214
Engineer-Scientist, Grade 2	202
Engineer-Scientist, Grade 3	185
Engineer-Scientist, Grade 4	165
Engineer-Scientist, Grade 5	145
Engineer-Scientist, Grade 6	128
Project Assistant	130
Technician	116
Senior GIS / Database Analyst	150
CADD Operator / GIS Analyst	133
Senior Administrative Assistant	147
Administrative Assistant	115
Secretary	96

**Direct Expenses**

Reimbursement for direct expenses, as listed below, incurred in connection with the work will be at cost for items such as:

- a. Maps, photographs, reproductions, printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, drillers, laboratories, and contractors.
- c. Rented vehicles, local public transportation and taxis, travel, and subsistence.
- d. Special fees, insurance, permits, and licenses applicable to the work.
- e. Outside computer processing, computation, and proprietary programs purchased for the work.

A Communication charge for e-mail access, web conferencing, cellphone calls, messaging and data access, file sharing, local and long distance telephone calls and conferences, facsimile transmittals, standard delivery U.S. postage, and incidental in-house copying will be charged at a rate of 4% of labor charges. Large volume copying of project documents, e.g., bound reports for distribution or project-specific reference files, will be charged as a project expense as described above.

Reimbursement for company-owned automobiles, except trucks and four-wheel drive vehicles, used in connection with the work will be at the rate of sixty cents (\$0.60) per mile. The rate for company-owned trucks and four-wheel drive vehicles will be seventy-five cents (\$0.75) per mile. There will be an additional charge of thirty dollars (\$30.00) per day for vehicles used for field work. Reimbursement for use of personal vehicles will be at the federally allowed rate plus fifteen percent (15%).

CADD Computer time will be charged at twenty dollars (\$20.00) per hour. In-house material and equipment charges will be in accordance with the current rate schedule or special quotation. Excise taxes, if any, will be added as a direct expense.

Rate for professional staff for legal proceedings or as expert witnesses will be at a rate of one and one-half times the Hourly Rates specified above.

The foregoing Schedule of Charges is incorporated into the Agreement for the Services of EKI Environment & Water, Inc. and may be updated annually.

## ITEM 4.10

### CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING

**ITEM:** **APPROVE WASTEWATER TREATMENT CAPACITY TRANSFER FROM SOUTH LATHROP LAND, LLC TO D.R. HORTON, INC. THROUGH THE CITY**

**RECOMMENDATION:** **Adopt Resolution Approving the Transfer of Wastewater Treatment Capacity in the Consolidated Treatment Facility from South Lathrop Land, LLC to D.R. Horton, Inc. through the City and an Associated Transfer Agreement**

---

#### **SUMMARY:**

On October 10, 2022, City Council approved Vesting Tentative Map 22-100 for 95 medium-density residential lots in the Mossdale Landing South Specific Plan ("Project") with associated Conditions of Approval. D.R. Horton, Inc. ("DR Horton"), the developer for the Project, is required to secure sufficient wastewater capacity prior to the approval of a final map to satisfy the Conditions of Approval. South Lathrop Land, LLC ("SLL") has unused wastewater capacity and has agreed to sell it to DR Horton with the City acting in its capacity as the intermediary for the transfer.

Staff recommends Council approve the requested transfer of wastewater treatment capacity and authorize the City Manager to execute the Wastewater Treatment Capacity Transfer Agreement ("Transfer Agreement").

#### **BACKGROUND:**

In November 2016, the City and several developers entered into a Design and Construction Funding Agreement Related to the Phase 2 Expansion of Existing Lathrop Consolidated Treatment Facility ("CTF 2 Agreement", Exhibit A of Attachment B). The CTF 2 Agreement assigned sewer allocation in two categories, Initial Capacity and Reserve Capacity, with use of the Initial Capacity being immediately available and the Reserve Capacity being subject to demonstration of need.

On November 21, 2016, Richland Developers, Inc. ("Richland") entered into the CTF 2 Agreement, whereby the City allocated 114,000 gallons per day ("gpd") in Initial Wastewater Treatment Capacity, and 41,455 gpd of Reserve Wastewater Treatment Capacity to Richland. On May 12, 2018, the capacity was transferred to SLL based on SLL's acquisition of the South Lathrop Commerce Center Property from Richland, and Richland's transfer of their rights to the CTF as documented in the transfer of the Funding Agreement between SLL and Richland ("Funding Agreement"), as adopted by the City Ordinance No. 18-390.

**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL REGULAR MEETING  
APPROVE WASTEWATER TREATMENT CAPACITY TRANSFER FROM SLL, LLC  
TO D.R. HORTON, INC. THROUGH THE CITY**

**PAGE 2**

On October 10, 2022 City Council approved a Vesting Tentative Map 22-100 for 95 medium-density residential lots in the Project and the associated Conditions of Approval which require the developer, DR Horton, to secure sufficient wastewater capacity prior to approval of a final map. DR Horton anticipates presenting a final map for City Council approval in August 2023 and is required to secure 17,100 gpd of wastewater capacity for the Project.

The purchase price has been established by the City in accordance with the Funding Agreement as \$29.98/gpd, and so the purchase price for a total of 17,100 gpd is agreed by DR Horton to equal \$512,658. DR Horton is required to allocate the wastewater capacity to a project by processing a final map within one year of the approval of the Transfer Agreement or sell the capacity back to the City at the original price of \$29.98/gpd.

The Public Works Director has confirmed that the requested transfer is consistent with the City's General Plan, Sewer Master Plan, and Zoning Ordinance. The Public Works Director and the City Engineer recommend City Council approve the application for sewer transfer and authorize the City Manager to execute the Transfer Agreement.

**REASON FOR RECOMMENDATION:**

The Public Works Director has confirmed that the requested Transfer Agreement is consistent with the City's General Plan, Sewer Master Plan and Zoning Ordinance. The Public Works Director and the City Engineer recommend City Council approve the sewer transfer and authorize the City Manager to execute the Transfer Agreement, approved as to form by the City Attorney, with the applicant. In accordance with the Transfer Agreement, DR Horton shall make payment in full within ten (10) days after the date when the City Council approves the Final Map. At the time of receipt of payment, City will transfer the treatment capacity to DR Horton and the funds to SLL.

**FISCAL IMPACT:**

No fiscal impacts are associated with this action.


**ATTACHMENTS:**

- A. Resolution Approving the Transfer of Wastewater Treatment Capacity in the Consolidated Treatment Facility from South Lathrop Land LLC, to D.R. Horton Inc., through the City and an Associated Transfer Agreement
- B. Wastewater Treatment Capacity Transfer Agreement from SLL to the City and from City to DR Horton




**CITY MANAGER'S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**APPROVE WASTEWATER TREATMENT CAPACITY TRANSFER FROM SLL, LLC**  
**TO D.R. HORTON, INC. THROUGH THE CITY**


**APPROVALS**

  
\_\_\_\_\_  
Brad Taylor  
City Engineer

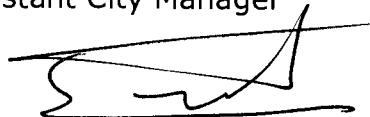
6/28/2023  
Date

  
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Cari James  
Finance Director

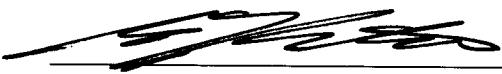
6/28/2023  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6/28/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.28.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

## RESOLUTION NO. 23-

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE TRANSFER OF WASTEWATER TREATMENT CAPACITY IN THE CONSOLIDATED TREATMENT FACILITY FROM SOUTH LATHROP LAND, LLC TO D.R. HORTON, INC. THROUGH THE CITY AND AN ASSOCIATED TRANSFER AGREEMENT**

**WHEREAS**, on November 21, 2016, the City and several developers entered into a Design and Construction Funding Agreement Related to the Phase 2 Expansion of Existing Lathrop Consolidated Treatment Facility ("CTF 2 Agreement"); and

**WHEREAS**, the CTF 2 Agreement assigned sewer allocation in two categories, Initial Capacity and Reserve Capacity, with use of the Initial Capacity being immediately available and use of the Reserve Capacity being subject to demonstration of need; and

**WHEREAS**, Richland Developers, Inc. ("Richland") was one of the developers that entered into the CTF 2 Agreement, whereby the City allocated 114,000 gallons per day ("gpd") in initial wastewater treatment capacity, and 41,455 gpd of reserve wastewater treatment capacity to Richland; and

**WHEREAS**, on May 12, 2018, the capacity was transferred to South Lathrop Land, LLC ("SLL") based on SLL's acquisition of the South Lathrop Commerce Center Property from Richland, and Richland's transfer of their rights to the CTF as documented in the transfer of the Funding Agreement between SLL and Richland ("Funding Agreement"), as adopted by the City Ordinance No. 18-390; and

**WHEREAS**, on October 10, 2022 City Council approved a Vesting Tentative Map 22-100 for 95 medium density residential lots in the Mosssdale Landing South Specific Plan ("Project") and the associated Conditions of Approval require the developer, D.R. Horton, Inc. ("DR Horton"), to secure sufficient wastewater capacity prior to approval of a final map. DR Horton anticipates presenting a final map for City Council approval in August 2023 and is required to secure 17,100 gpd of wastewater capacity for the Project; and

**WHEREAS**, the purchase price has been established by the City in accordance with the Funding Agreement as \$29.98/gpd, and so the purchase price for a total of 17,100 gpd is agreed by DR Horton to equal \$512,658; and

**WHEREAS**, DR Horton is required to allocate the wastewater capacity to a project by processing a final map within one year of the approval of the Wastewater Treatment Capacity Transfer Agreement ("Transfer Agreement") or sell the capacity back to the City at the original price of \$29.98/gpd; and

**WHEREAS**, the Public Works Director has confirmed that the requested transfer is consistent with the City's General Plan, Sewer Master Plan, and Zoning Ordinance, and the Public Works Director and the City Engineer recommend City Council approve the application for sewer transfer and authorize the City Manager to execute the Transfer Agreement; and

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve the transfer from South Lathrop Land, LLC (SLL) to the City and the City's transfer to D.R. Horton, Inc. of 17,100 gpd in Wastewater Treatment Capacity in the Consolidated Treatment Facility, pursuant to the terms of the Transfer Agreement; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Lathrop does hereby approve the Transfer Agreement and authorize the City Manager to sign documents necessary to implement the terms of the same to document the transfer from SLL to the City of 17,100 gpd in Wastewater Treatment Capacity in the Consolidated Treatment Facility the immediate transfer of the same capacity from the City to DR Horton.

**PASSED AND ADOPTED** by the City Council of the City of Lathrop this 10<sup>th</sup> day of July 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

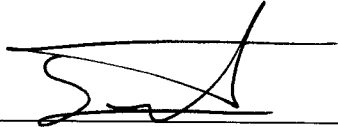
ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

RECORDING REQUESTED BY AND  
AFTER RECORDING MAIL TO:

CITY OF LATHROP  
ATTN: CITY CLERK  
390 TOWNE CENTRE DRIVE  
LATHROP, CA 95330

No Fee Document

Space above this line reserved for recorder's use

APN's:  
241-030-18, 19, 20, 21, 22, 23, 45, 46, 47, 48

**WASTEWATER TREATMENT CAPACITY  
TRANSFER AGREEMENT**

THIS WASTEWATER TREATMENT CAPACITY TRANSFER AGREEMENT (the "Agreement"), is made this \_\_\_\_ day of \_\_\_\_\_, 2023 ("**Effective Date**"), by and between South Lathrop Land, LLC a Delaware limited liability company, TriPoint Building 3, LLC, a Delaware limited liability company, TriPoint Building 5, LLC, a Delaware limited liability company, TriPoint Building 6, LLC, a Delaware limited liability company, TriPoint Building 7, LLC, a Delaware limited liability company, collectively hereinafter referred to as "**SLL**", D.R. Horton Bay, Inc., a Delaware corporation, hereinafter referred to as "**DR Horton**" and the City of Lathrop, a municipal corporation in the State of California, hereinafter referred to as "**City**". Hereinafter all parties may be referred to collectively as "Parties" or individually as a "Party".

**RECITALS**

**WHEREAS**, SLL owns the South Lathrop Commerce Center (SLCC) parcels designated with APNs 241-030-18, 19, 20, 21, 22, 23, 45, 46, 47, and 48 in the City of Lathrop, California, ("SLCC Property") where it is the developer of industrial and commercial properties pursuant to the South Lathrop Specific Plan ("SLL Project"); and

**WHEREAS**, on November 21, 2016, Richland Developers, Inc. entered into the Design and Construction Funding Agreement Related to the Phase 2 Expansion of the Existing Lathrop Consolidated Treatment Facility with the City ("CTF 2 Agreement") attached hereto as Exhibit A. The CTF 2 Agreement states that the City allocated 114,000 gallons per day ("gpd") in Initial Wastewater Treatment Capacity, and 41,455 gpd of Reserve Wastewater Treatment Capacity to Richland Developers, Inc; and

**WHEREAS**, SLL acquired the SLCC Project from Richland Developers, Inc., and Richland Developers, Inc.'s transfer of all of their rights to the Phase 2 Expansion of the Existing Lathrop Consolidated Treatment Facility as documented in the Transfer Agreement Relating to Design and Construction Funding Agreement For The Phase 2 Expansion of the Lathrop Consolidated Treatment Facility between SLL and Richland Developers Inc. as adopted by the City Ordinance No. 18-390 and as approved by the City and recorded by the San Joaquin County Recorder's Office as Doc # 2018-047863 on May 1, 2018, attached hereto as Exhibit B (Funding Agreement).

SLL became and now is the successor in interest to all of Richland Developers, Inc.'s rights contained within the CTF 2 Agreement; and

**WHEREAS**, on September 14, 2020, 41,455 gpd of Reserve Wastewater Treatment Capacity was transferred from SLL to Saybrook CLSP, LLC with the Reserve Wastewater Treatment Capacity Transfer Agreement recorded by the San Joaquin County Recorder's Office as Doc # 2020-126204; and

**WHEREAS**, on October 10, 2022 City Council approved a Vesting Tentative Map 22-100 to create 95 medium density residential lots in the Mossdale Landing South Specific Plan ("Project") and the associated Conditions of Approval required the developer, DR Horton, to secure sufficient wastewater capacity prior to approval of a final map. DR Horton anticipates presenting a final map for the Project ("Final Map") for City Council approval in August 2023 and is required to secure 17,100 gpd of wastewater capacity for the Project; and

**WHEREAS**, the purchase price has been established by the City in accordance with the Funding Agreement as \$29.98/gpd, and so the purchase price for a total of 17,100 gpd is agreed by DR Horton to equal \$512,658; and

**WHEREAS**, SLL recognizes the benefits to its own project and to the long term development goals of City for SLL to support the DR Horton Project and therefore wishes to transfer to DR Horton, and DR Horton wishes to accept, 17,100 gpd of Wastewater Treatment Capacity previously allocated to SLL under the CTF 2 Agreement; and

**WHEREAS**, the Public Works Director has confirmed that the requested transfer is consistent with the City's General Plan, Sewer Master Plan, and Zoning Ordinance, and the Public Works Director and the City Engineer recommend City Council approve the application for sewer transfer and authorize the City Manager to execute this Agreement, approved by the City Attorney, with the applicant; and

**WHEREAS**, consistent with Schedule 3 of the CTF 2 Agreement, SLL has filed an application with the City to effectuate the transfer contemplated in this Agreement, and that application took the form of this Agreement. This Agreement, which shall be approved as to form by the City Attorney, constitutes the agreement required by the City pursuant to Schedule 3 of the CTF 2 Agreement. Schedule 3 of the CTF 2 Agreement is attached hereto in Exhibit A.

**NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**

1. **Allocation of Wastewater Treatment Capacity**. SLL agrees to transfer to the City 17,100 gpd of Wastewater Treatment Capacity previously allocated to SLL in the CTF 2 Agreement and reflected on Exhibit C to the City within ten (10) business days after the City Council approval of this transfer and Agreement. This will leave SLL with 96,900 gpd of Wastewater Treatment Capacity. The Wastewater Treatment Capacity transferred as part of this Agreement shall be allocated first to City for transfer to DR Horton once the requirements of this Agreement are satisfied. If DR Horton does not fund and proceed with this transfer, the City agrees to return the Wastewater Treatment Capacity to SLL.
2. **Payment for Allocation of Wastewater Treatment Capacity**. In exchange for SLL's transfer of Wastewater Treatment Capacity pursuant to this Agreement to the City, DR Horton agrees to pay to City \$512,658, or \$29.98 for each gpd of Wastewater Treatment Capacity transferred pursuant to this Agreement. Payment shall be made in full prior to the recordation of

the first Final Map for the DR Horton Project. At the time of receipt of payment from DR Horton, City will transfer the 17,100 gpd of Wastewater Treatment Capacity to DR Horton and the funds to SLL. Upon transfer, DR Horton shall have full ownership and use of 17,100 gpd of SLL's Wastewater Treatment Capacity.

3. **Agreement Contingent on City's Approval of Transfer of Wastewater Treatment Capacity and Final Map.** The obligations in this Agreement are contingent on the City Council's approval of (a) the transfer and this Agreement pursuant to the procedure outlined in Schedule 3 of the CTF 2 Agreement and (b) the Final Map for the DR Horton Project. In the event that the Lathrop City Council denies the transfer and this Agreement or the Final Map for the DR Horton Project, SLL shall have no further obligation to transfer Wastewater Treatment Capacity to DR Horton under this Agreement, and the Agreement shall have no further binding effect on the Parties. The City also confirms that SLL and DR Horton has fulfilled all of their obligations under the CTF 2 Agreement, no amounts are owed, and no event of default exists.
4. **DR Horton's Obligation to Obtain Project Approvals Within One Year of City Approval of Wastewater Treatment Capacity Allocation.** Consistent with the requirements in Schedule 3 of the CTF 2 Agreement, DR Horton shall obtain City approval of the Final Map for the DR Horton Project within one year from the City's approval of the transfer and Agreement. Unless the City Council approves an alternative time limit, if DR Horton fails to obtain said approval of the Final Map within the timeframe in this paragraph, this Agreement shall be void and the 17,100 gpd of Wastewater Treatment Capacity will be returned to SLL by the City.
5. **Mutual Hold Harmless / Indemnification.** Each Party shall hold each other Party harmless, and defend, and indemnify each other Party, its officers, employees, consultants, and agents from and against any and all claims, suits, causes of action, or other proceedings for damages, injuries, losses, costs (including attorneys' fees and costs of suit or other dispute resolution processes), or any other liability arising out of, the performance, or failure to perform, any of the duties and obligations set forth in this Agreement. The duty to defend shall include provision for all costs and fees, including attorneys' fees, associated with such defense.
6. **No Partnership.** It is not the purpose or the intention of this Agreement to create, and this Agreement shall not create, a joint venture, partnership, or other relationship whereby either Party would be liable for the omissions, commissions, or performance of the other Party.
7. **Further Assurance.** The Parties shall execute and deliver such further instruments and do further acts and things as may be required to carry out the intent and purposes of this Agreement as may be reasonably requested by any Party.
8. **Force Majeure.** With respect to the matters contemplated by this Agreement, no Party shall be liable or responsible to the other as a result of any injury to property or as a result of inability to provide capacity, which was caused by any Force Majeure event.
9. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.
10. **Assignment.** No Party may assign its rights under this Agreement to any person, entity, or governmental or quasi-governmental body without the prior written consent of the other Parties.
11. **Entire Agreement / Amendment.** This Agreement including the recitals, which are incorporated by this reference, contains the entire Agreement between the Parties regarding the

Wastewater Transfer between the Parties. No change or modification of this Agreement shall be valid unless the same is an amendment, in writing, signed by both Parties.

12. **Recordation of Agreement.** Consistent with the requirements of Schedule 3 of the CTF 2 Agreement, City shall cause this fully executed Agreement to be recorded in the San Joaquin County Recorder's Office within thirty (30) days after the City Council approves the transfer and this Agreement.

13. **Exhibits.** The Exhibits referenced and included in the Agreement are as follows:

**Exhibit A:** Design and Construction Funding Agreement Related to the Phase 2 Expansion of the Existing Lathrop Consolidated Treatment Facility with the City ("CTF 2 Agreement"), dated November 21, 2016

**Exhibit B:** Transfer Agreement Relating to Design and Construction Funding Agreement For The Phase 2 Expansion of the Lathrop Consolidated Treatment Facility between SLL and Richland Developers Inc. as adopted by the City Ordinance No. 18-390 and as approved by the City and recorded (Doc# 2018-047863), recorded May 1, 2018

**Exhibit C:** Reallocation form to reflect the Reallocation of Wastewater Treatment Capacity from SLL to the City.

**Exhibit D:** Reallocation form to reflect the transfer of the Wastewater Treatment Capacity from the City to DR Horton.

**IN WITNESS WHEREOF**, the parties have caused their respective duly authorized representatives to execute this Agreement as of the Effective Date above.

[Signatures on Next Page]



**South Lathrop Land, L.L.C.,  
a Delaware limited liability company**

By: CHI West 109 South Lathrop Land, L.P.,  
a Delaware limited partnership,  
its managing member

By: CHI LTH GP, L.L.C.,  
a Delaware limited liability company,  
its general partner

By: \_\_\_\_\_  
Philip J. Prassas  
Vice President

**TriPoint Building 3, L.L.C.,  
a Delaware limited liability company**

By: TriPoint Phase I Venture, L.L.C.,  
a Delaware limited liability company,  
its sole member

By: CHI West 114 TriPoint Phase I, L.L.C.,  
a Delaware limited liability company,  
its managing member

By: CHI West 109 South Lathrop Land, L.P.,  
a Delaware limited partnership,  
its sole member

By: CHI LTH GP, L.L.C.,  
a Delaware limited liability company,  
its general partner

By: \_\_\_\_\_  
Philip J. Prassas  
Vice President

**TriPoint Building 5, L.L.C.,  
a Delaware limited liability company**

By: TriPoint Phase I Venture, L.L.C.,  
a Delaware limited liability company,  
its sole member

By: CHI West 114 TriPoint Phase I, L.L.C.,  
a Delaware limited liability company,  
its managing member

By: CHI West 109 South Lathrop Land, L.P.,  
a Delaware limited partnership,  
its sole member

By: CHI LTH GP, L.L.C.,  
a Delaware limited liability company,  
its general partner

By: \_\_\_\_\_  
Philip J. Prassas  
Vice President

**TriPoint Building 6, L.L.C.,  
a Delaware limited liability company**

By: TriPoint Phase I Venture, L.L.C.,  
a Delaware limited liability company,  
its sole member

By: CHI West 114 TriPoint Phase I, L.L.C.,  
a Delaware limited liability company,  
its managing member

By: CHI West 109 South Lathrop Land, L.P.,  
a Delaware limited partnership,  
its sole member

By: CHI LTH GP, L.L.C.,  
a Delaware limited liability company,  
its general partner

By: \_\_\_\_\_  
Philip J. Prassas  
Vice President

**TriPoint Building 7, L.L.C.,  
a Delaware limited liability company**

By: TriPoint Phase I Venture, L.L.C.,  
a Delaware limited liability company,  
its sole member

By: CHI West 114 TriPoint Phase I, L.L.C.,  
a Delaware limited liability company,  
its managing member

By: CHI West 109 South Lathrop Land, L.P.,  
a Delaware limited partnership,  
its sole member

By: CHI LTH GP, L.L.C.,  
a Delaware limited liability company,  
its general partner

By: \_\_\_\_\_  
Philip J. Prassas  
Vice President

**OWNER:**

D.R. Horton Bay, Inc.

a Delaware corporation

By: \_\_\_\_\_  
Chris Zaballos, Vice President

**CITY:**

**CITY OF LATHROP**, a  
Municipal Corporation of the  
State of California

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By: Stephen J. Salvatore  
Its: City Manager

**ATTEST:**  
City Clerk of and for the City

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By: Teresa Vargas  
Its: City Clerk

**APPROVED AS TO FORM BY THE  
CITY OF LATHROP CITY ATTORNEY:**



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By: Salvador Navarrete  
Its: City Attorney

**DESIGN AND CONSTRUCTION FUNDING AGREEMENT  
RELATED TO THE PHASE 2 EXPANSION OF THE EXISTING LATHROP CONSOLIDATED  
TREATMENT FACILITY ("LCTF")**

This Design and Construction Funding Agreement (the "**Agreement**") is made and entered into as of November 21, 2016 ("**Effective Date**"), by and between the CITY OF LATHROP, a municipal corporation ("**CITY**"), RIVER ISLANDS DEVELOPMENT, LLC, a California limited liability company ("**RID**"), RICHLAND DEVELOPERS, INC., a Delaware corporation ("**RDI**"), SAYBROOK CLSP, LLC, a California limited liability company ("**Saybrook**"), and LATHROP MOSSDALE INVESTORS, LP, a California limited partnership ("**LMI**") (excluding CITY, collectively, "**DEVELOPERS**"). DEVELOPERS and CITY are referred to herein, individually as "**party**" and collectively as the "**parties**."

**RECITALS**

A. The CITY currently operates the existing LCTF with a flow capacity of 1.0 million gallons per day, or "**MGD**" in accordance with Waste Discharge Requirements R5-2016-0028 approved by the Central Valley Regional Water Quality Control Board (the "**Regional Board**") on April 21, 2016 (the "**WDRs**"). Pursuant to the WDRs, the CITY may add new sprayfields and construct additional recycled water storage ponds in accordance with the requirements of the WDRs with approval of the technical reports submitted to the Executive Officer. The CITY also adopted a CEQA Addenda for the incremental increase of up to 3.0 MGD in treatment capacity, raising the total anticipated treatment capacity to approximately 9.1 MGD. Minor revisions to the WDRs regarding new state water quality standards and a new minimum increment for expansion of disposal areas required for the LCTF are expected to be considered by the Regional Board in fall, 2017. New CEQA review is not expected to be required for the revised WDRs.

B. The parties desire to expand the existing LCTF to process up to 2.5 MGD of treatment capacity by adding a total of 1.5 MGD to the existing LCTF (the "**Phase 2 Expansion**").

C. CITY and DEVELOPERS are parties to a series of sewer funding agreements relating to the Phase 2 Expansion (collectively the "**Funding Agreements**"). The Funding Agreements are listed in Schedule 1 attached hereto. To the extent of any conflicts between the Funding Agreements and this Agreement, this Agreement shall control and supersede any such conflicting terms.

D. During the pre-design and design process for the Phase 2 Expansion, additional developers (listed in Schedule 2 attached) participated in and funded the Phase 2 Expansion. Following the pre-design process, the additional developers withdrew ("**Withdrawn Developers**") from the Phase 2 Expansion. CITY reimbursed (or will reimburse) the Withdrawn Developers for costs they had expended. Accordingly, and once reimbursed, the Withdrawn Developers have no right under this Agreement to receive a "will serve" from CITY with respect to any capacity in the Phase 2 Expansion.

E. The parties desire to execute this Agreement to set forth their definitive understanding with respect to the funding of pre-design, design, permitting, programming, construction costs and standby charges, including all outside consultant costs and CITY staff costs relating to, and allocations of capacity in the Phase 2 Expansion as more particularly set forth herein.

NOW THEREFORE, in consideration of the promises and covenants contained herein, the above recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**AGREEMENT**

1. Incorporation of Recitals. The parties agree that the foregoing Recitals are true and correct, and are incorporated as a part of this Agreement as if set forth in full herein.

2. Overall Cost: Phase 2 Expansion.

a. Based upon bids received by the CITY and CITY'S calculation of other costs such as permitting and CITY staff charges, the total estimated cost of the Phase 2 Expansion is \$26,374,212 (the "**Expansion Costs**"). The parties acknowledge that the estimated Expansion Costs include a 10% contingency (the "**Contingency**"), which the parties expressly approve. Of the total estimated Expansion Costs, DEVELOPERS have funded \$2,914,647 pursuant to the Funding Agreements (the "**Funded Expansion Costs**"), which amount is net of any amounts reimbursed or to be reimbursed to Withdrawn Developers by CITY. Section 6.a. and Exhibit A illustrate each DEVELOPER'S share of Funded Expansion Costs paid to date, Unfunded Expansion Costs (defined in Section 6.a) and timing of payment.

b. Upon receipt of the Unfunded Expansion Costs, the CITY shall use commercially reasonable efforts to complete the Phase 2 Expansion in a timely manner, subject to force majeure delays, including without limitation obtaining all applicable permits and approvals necessary to proceed with the Phase 2 Expansion including an updated WDR to clarify minimum increments for additional storage capacity and address new state water quality standards, as well as the requisite administrative design and pond approvals for the Phase 2 Expansion. Newly proposed sprayfield areas and recycled water storage ponds for use in disposal of treated wastewater from the LCTF may require environmental review under CEQA.

3. Initial Capacity Allocations. Subject to the DEVELOPERS' compliance with the terms of this Agreement, CITY will provide DEVELOPERS with initial capacity allocations in the Phase 2 Expansion as set forth in Exhibit B-1 (the "**Initial Capacity Allocations**").

4. Restrictions on Reliance or Use of Sewer Allocation by DEVELOPERS; Other Restrictions. Notwithstanding anything to the contrary contained herein, the following shall apply to restrict DEVELOPERS' reliance upon or use of its Sewer Allocation (defined below):

a. No DEVELOPER shall "**rely**" (defined below) upon its Initial Capacity Allocation or Reserved Capacity Allocation (defined in Section 7.a) (collectively, the "**Sewer Allocation**") unless and until such DEVELOPER has (i) obtained fee title to land for all ponds, sprayfields and related infrastructure (or other alternative methods of disposal approved by the CITY and the Regional Board) necessary to use such capacity (collectively, the "**Disposal Infrastructure**"), (ii) provided CITY with secured funding for construction of Disposal Infrastructure in the form of designated cash on deposit with CITY, security bond, letter of credit, or specifically designated Land Based Financing (defined below) containing a disbursement mechanism in favor of, and as approved by, CITY, (iii) offered the Disposal Infrastructure to CITY for dedication (with conditional right of reversion) and (iv) secured administrative design approval from the CITY and Regional Board for the design of Disposal Infrastructure (with items (i) through (iv) referred to herein, collectively, as the "**Reliance Requirements**"). As used herein, "**rely**" shall mean the ability to rely upon the availability of such capacity for CITY approval of final maps.

b. No DEVELOPER shall be entitled to use its Sewer Allocation (e.g. for CITY approval of building permits) unless and until such DEVELOPER has (i) completed construction of the Disposal Infrastructure, (ii) issued to CITY as-built drawings documenting the completed Disposal Infrastructure and (iii) incorporated the Disposal Infrastructure into the City's Wastewater Discharge Permit by obtaining Regional Board approval of (Y) a completion report for added storage and disposal and (Z) an increase in disposal capacity for CITY'S combined treatment facility (collectively, "**Use Requirements**").

c. Notwithstanding anything to the contrary set forth in this Agreement, DEVELOPER compliance with any provisions herein regarding Disposal Infrastructure is subject to the terms of any DEVELOPER'S Development Agreement with CITY, the terms of which Development Agreement(s) shall control with respect to compliance with Disposal Infrastructure.

d. The terms of this Agreement and any transfer of Sewer Allocations to DEVELOPERS or third parties under this Agreement are exempt from the City's Wastewater Treatment Capacity Policy approved by the City Council on May 4, 2015 by Resolution No. 15-3913 (the "**Transfer Policy**"); provided, however, that no transfer to a DEVELOPER or a third party shall be effective unless and until such DEVELOPER or third party has provided to CITY the information required in Schedule 3 attached hereto ("**Transfer Information**") for CITY approval, which shall not be unreasonably withheld, conditioned or delayed.

e. Notwithstanding anything to the contrary contained herein, including without limitation the provisions of Sections 7 and 9, no DEVELOPER'S Sewer Allocation may be taken away from such DEVELOPER if such DEVELOPER has satisfied all Reliance Requirements for its Sewer Allocation.

f. DEVELOPERS acknowledge and understand that DEVELOPERS cannot use their Sewer Capacity until (i) final completion and CITY acceptance of the Phase 2 Expansion and (ii) final signoff of the completed Phase 2 Expansion by the Regional Board.

#### 5. Standby Charges.

a. CITY shall provide notice to all DEVELOPERS when CITY begins receiving invoices from Veolia Water West Operating Services, Inc. ("**Veolia**") for maintenance of the Phase 2 Expansion (the "**Standby Charge Notification**"). DEVELOPERS' obligation to pay Standby Charges commences upon receipt of the Standby Charge Notification (the "**Standby Trigger Date**"). The Standby Charge Notification shall include an invoice detailing the Standby Charges that are due from each DEVELOPER. The CITY shall calculate the annual charge per gallon of capacity in accordance with Exhibit B-2, which charge will escalate annually at the same rate set forth in the CITY'S separate written agreement with Veolia, which escalation shall not exceed the Consumer Price Index for all urban consumers for the Los Angeles Standard Metropolitan Statistical Area as published by the Bureau of Labor Statistics of the U.S. Department of Labor (the "**Escalation**"), unless otherwise agreed by the parties, in writing.

b. DEVELOPERS shall pay the applicable Standby Charges not later than thirty (30) days after receipt of the Standby Charge Notification. CITY shall provide annual Standby Charge Notifications to each DEVELOPER for future Standby Charges by July 31<sup>st</sup> of each year. Annual standby charges are due thirty (30) days after receipt of invoice. Notwithstanding the foregoing, and except with respect to charges by Veolia that have been incorporated into the construction budget for the Phase 2 Expansion, in no event shall DEVELOPERS be responsible for Standby Charges unless the Completion Requirements (defined in Section 6(c)) have been satisfied.

c. DEVELOPERS are responsible for paying Standby Charges for each DEVELOPER'S Sewer Allocation as illustrated in Exhibit B-2 (including the Escalation, the "**Standby Charges**"). The Standby Charges include overcharges due to the higher operational costs associated with a wastewater treatment plant that is larger than currently needed ("**Standby Overcharges**"), also as illustrated in Exhibit B-2.

d. The parties acknowledge that DEVELOPERS' obligation to pay Standby Charges shall terminate as sewer capacity in the Phase 2 Expansion is used. On or about May 1<sup>st</sup> of year, the CITY shall check the termination date for Standby Charges in the following manner:

i. CITY shall determine the total number of gallons of sewer capacity assigned to rate payers. Solely for purposes of determining the termination date for Standby Charges, each EDU (equivalent dwelling unit) shall be considered to be assigned 260 gallons per day ("**gpd**") of capacity (the "**Used Sewer Capacity**"). CITY shall provide a copy of the CITY'S Used Sewer Capacity determination within thirty (30) days after CITY finalizes the determination.

ii. If CITY determines through its calculation in subsection (i) above that the total gallons of Used Sewer Capacity has met or exceeded the "Threshold of Flow From New



Users at Which Standby Charge is No Longer Needed” as shown on Exhibit B-2, DEVELOPERS’ obligation to pay Standby Charges shall terminate and no additional Standby Charges shall be due for any subsequent year. CITY shall provide written notice to DEVELOPERS at the time that DEVELOPERS’ obligation to pay Standby Charges ceases.

iii. Subject to the foregoing provisions regarding termination of the obligation to pay Standby Charges, DEVELOPERS shall remain responsible for Standby Charges for any Sewer Allocation applicable to such DEVELOPERS unless and until a DEVELOPER transfers all or a portion of its Allocation with the corresponding obligation to pay Standby Charges, and such transfer has been accepted by CITY in accordance with the provisions of Section 4.d.

e. Subject to the provisions of Section 4.f., so long as DEVELOPERS have satisfied Use Requirements for their Sewer Allocation, DEVELOPERS may commence using their Sewer Allocation from and after the Standby Trigger Date.

6. Developer Funding of Phase 2 Expansion.

a. Funded and Unfunded Expansion Costs. Each DEVELOPER’S proportional share of Funded Expansion Costs paid to date and the portion of Expansion Costs that has not yet been funded (“Unfunded Expansion Costs”) are set forth in Exhibit A based upon the percentages set forth therein. Except as set forth below, each DEVELOPER shall pay its applicable share of Unfunded Expansion Costs on the Effective Date. Notwithstanding the foregoing, the parties acknowledge that LMI is owed Oversizing Reimbursements (defined in Section 8(c)) that exceed LMI’s portion of Unfunded Expansion Costs (the “LMI Share”). As a result, (i) LMI is not obligated to pay the LMI Share on the Effective Date, and (ii) CITY shall reduce the Oversizing Reimbursements that are due LMI by the amount of the LMI Share when CITY pays Oversizing Reimbursements to applicable DEVELOPERS under Section 8.

b. Use of Contingency; Cost Overruns.

i. Subject to the terms below, the parties agree that the CITY may use the Contingency for any cost overruns for the Phase 2 Expansion without obtaining the prior approval of DEVELOPERS. Notwithstanding the foregoing, during construction, CITY shall provide DEVELOPERS with written monthly construction updates (“Construction Updates”), which Construction Updates shall include an updated completion schedule, a listing of costs incurred to date based upon invoices received by the end of the previous month, copies of all changes orders executed during the applicable month and notification of any pending or anticipated change orders, and other information as reasonably requested by DEVELOPERS. CITY shall endeavor to provide the Construction Updates to DEVELOPERS not later than the 21<sup>st</sup> of each month, for work completed during the previous month.

ii. If CITY exhausts the Contingency and CITY reasonably believes that it must incur costs in excess of the Contingency to complete the Phase 2 Expansion (“Excess Costs”), CITY shall promptly notify DEVELOPERS of such Excess Costs from time to time, as needed. Subject to Section 6.b.iii, CITY must obtain DEVELOPERS’ prior written approval prior to incurring the Excess Costs, which shall be provided, if at all, not later than ten (10) business days after receipt of CITY’S notice of Excess Costs together with appropriate backup documentation.

iii. Notwithstanding the foregoing, if CITY and RID agree to the Excess Costs, (A) CITY shall notify all DEVELOPERS of such agreement (“Notice of Approval of Excess Costs”), (B) CITY may proceed with the work, and (C) all DEVELOPERS shall pay their respective share of the Excess Costs within ten (10) business days after receipt of the Notice of Approval of Excess Costs.

iv. If any DEVELOPER fails to contribute its share of Excess Costs within ten (10) business days after receipt of the Notice of Approval of Excess Costs, then (Y) the

contributing DEVELOPERS shall pay the non-contributing DEVELOPER'S portion of Excess Costs, on a pro rata basis, and (Z) such non-contributing DEVELOPER'S Sewer Allocation shall be reduced and allocated to the contributing DEVELOPERS on a pro rata basis.

c. Final Accounting.

i. CITY shall provide a draft final accounting of all construction costs incurred by CITY in connection with the Phase 2 Expansion (the "Final Accounting") to DEVELOPERS not later than 90 days after (A) final completion and CITY acceptance of the Phase 2 Expansion and (B) final signoff of the completed Phase 2 Expansion by the Regional Board (collectively, "Completion Requirements"). CITY shall request written confirmation of receipt of the Final Accounting from each DEVELOPER (whether through confirmation of overnight courier delivery, return receipt request, or other method). The parties acknowledge that the Final Accounting may include Excess Costs in addition to those addressed during construction pursuant to Section 6.b.

ii. Each DEVELOPER shall have the right to review and approve the Final Accounting, which review and approval shall be provided, if at all, within 10 business days after DEVELOPERS' receipt of the Final Accounting. If any DEVELOPER has not timely provided its written approval or comments, if any, then such DEVELOPER shall be deemed to have approved the Final Accounting. Subject to the foregoing, CITY and DEVELOPERS will work together to resolve any questions raised regarding the draft Final Accounting prior to it becoming final.

iii. If all DEVELOPERS approve the Final Accounting OR if all DEVELOPERS do not approve the Final Accounting but CITY and RID agree to the Final Accounting, (A) CITY shall notify all DEVELOPERS of such agreement ("Notice of Approval of Final Accounting") and (B) all DEVELOPERS shall pay their respective share of any Excess Costs as set forth in the Final Accounting within thirty (30) days after receipt of the Notice of Approval of Final Accounting. The Notice of Approval of Final Accounting shall attach the approved Final Accounting, the parties' final allocations of the Expansion Costs in accordance with the provisions of this Section 6, and the final Reserved Capacity Overpayment (defined in Section 7.b) applicable to each DEVELOPER.

iv. If any DEVELOPER fails to contribute its share of Excess Costs set forth in the Final Accounting within thirty (30) days after receipt of the Notice of Approval of Final Accounting, then (Y) the contributing DEVELOPERS shall pay the non-contributing DEVELOPER'S portion of Excess Costs, on a pro rata basis, and (Z) such non-contributing DEVELOPER'S Sewer Allocation shall be reduced and allocated to the contributing DEVELOPERS on a pro rata basis.

v. To the extent that the approved Final Accounting illustrates cost savings (e.g. the Phase 2 Expansion was constructed for less than the Expansion Costs contributed by DEVELOPERS, including any savings of Contingency amounts contributed by DEVELOPERS), the CITY shall reimburse to each DEVELOPER its pro rata share of such cost savings within thirty (30) days after CITY'S issuance of the Notice of Approval of Final Accounting.

7. Reserved Capacity.

a. The parties acknowledge that a portion of the Unfunded Expansion Costs includes the cost of the 0.4 MGD oversized sewer capacity that is not currently needed by each DEVELOPER and CITY (the "Reserved Capacity"). Exhibit C-1 attached hereto illustrates each DEVELOPER'S allocation of the Reserved Capacity ("Reserved Capacity Allocation"). Exhibit C-2 attached hereto illustrates the overpayment by each DEVELOPER applicable to each DEVELOPER'S Reserved Capacity Allocation (the "Reserved Capacity Overpayment").

b. Each DEVELOPER understands and agrees that its Reserved Capacity Allocation will not be deemed allocated to such DEVELOPER until such DEVELOPER can demonstrate to CITY that it needs the Reserved Capacity (a) over the next five (5) years if the Phase 2 Expansion

construction has not yet been substantially completed or (b) over the next 3.5 years if the Phase 2 Expansion construction is substantially complete ("**Demonstration of Need**"). The Demonstration of Need shall illustrate DEVELOPER'S then-current projections of its development and sewer capacity requirements and shall include appropriate backup documentation and other information as reasonably requested by CITY. Upon receipt and approval by CITY of the Demonstration of Need, such DEVELOPER'S portion of Reserved Capacity shall be deemed perfected and allocated to such DEVELOPER, subject to the provisions regarding Use Determinations and Reliance Requirements as set forth herein. Any DEVELOPER that has not yet provided a Demonstration of Need for its allocation of Reserved Capacity is defined as an "**Unperfected Developer**." The date that when all Reserved Capacity has been perfected or sold, as applicable, is defined as the "**Reserved Capacity Exhaustion Date**."

c. If the CITY or any DEVELOPER that has perfected its right to Reserved Capacity (each, a "**Perfected Developer**") determines that it needs additional sewer capacity from unperfected Reserve Capacity, CITY or the Perfected Developer(s) may send a notice (the "**Reserved Capacity Request**") to all DEVELOPERS. Perfected Developers must provide CITY with a copy of all Reserved Capacity Requests by Perfected Developers. Any Reserved Capacity Request from a Perfected Developer must include a Demonstration of Need for the additional portion of Reserved Capacity being requested. If any Unperfected Developer cannot provide an acceptable Demonstration of Need to CITY within thirty (30) days after receipt of the Reserved Capacity Request, and subject to the payment provisions below, CITY shall sell the requested portions of Reserved Capacity to (i) the Perfected Developer that made the Reserved Capacity Request or (ii) third parties or CITY, as applicable, if the CITY issued the Reserved Capacity Request. These sales of Reserved Capacity shall reduce the remaining allocations of Reserved Capacity from Unperfected Developers on a pro rata basis.

d. The purchase price for the Reserved Capacity shall be equal to (a) the Developer Reimbursement (defined below) applicable to the Reserved Capacity being purchased plus (c) simple interest at the lesser of 10% per annum or the highest rate permitted by law ("**Interest**"), accruing on the date that the applicable DEVELOPER funded its share of Expansion Costs (the "**Interest Commencement Date**").

e. As used herein, the term "**Developer Reimbursement**" means the Reserved Capacity Overpayment and Standby Overcharges applicable to the portion of Reserved Capacity being sold from that DEVELOPER'S allocation of Reserved Capacity. An example of the Developer Reimbursement is attached hereto as Exhibit D. The City is responsible for collecting the Developer Reimbursement from the purchaser, and paying the Developer Reimbursement to the selling DEVELOPERS, not later than thirty (30) days after the Reserved Capacity is purchased by CITY, a third party or Perfected Developer.

f. Subject to the provisions of Section 4.e., any DEVELOPER'S Reserved Capacity Allocation, even if perfected, is subject to the Use Determination provisions of Section 9.

#### 8. Previous Oversizing; Oversizing Overpayments.

a. Separate and distinct from the Reserved Capacity, under the terms of previous Funding Agreements for the construction of 0.75 MGD, certain DEVELOPERS have paid for oversizing of the existing LCTF (the "**0.75 MGD Oversizing Overpayments**"). These funding DEVELOPERS are due reimbursement for the 0.75 MGD Oversizing Overpayments at the time the oversized capacity is needed by other developers (the "**0.75 MGD Oversizing Reimbursement**"). Attached hereto as Exhibit E-1 is a table that sets forth (i) the identity of the DEVELOPERS that have paid 0.75 MGD Oversizing Overpayments, (ii) the amount of the 0.75 MGD Oversizing Overpayments, (iii) the applicable 0.75 MGD Oversizing Reimbursement that is due to each of the funding DEVELOPERS and (iv) the DEVELOPERS that are obligated to pay the 0.75 MGD Oversizing Reimbursement (the "**0.75 MGD Reimbursing Developers**"). The 0.75

MGD Reimbursing Developers shall pay the applicable 0.75 MGD Oversizing Reimbursement to CITY on the Effective Date, and the CITY shall pay the applicable 0.75 MGD Oversizing Reimbursement to the applicable funding DEVELOPERS not later than thirty (30) days after the receipt of such funds.

b. Separate and distinct from the Reserved Capacity and the 0.75 MGD Oversizing Overpayments, under the terms of previous Funding Agreements for the construction of 0.25 MGD, certain DEVELOPERS have paid for oversizing of the existing LCTF (the "**0.25 MGD Oversizing Overpayments**"). These funding DEVELOPERS are due reimbursement for the 0.25 MGD Oversizing Overpayments at the time the oversized capacity is needed by other developers (the "**0.25 MGD Oversizing Reimbursement**"). Exhibit E-2 identifies (i) DEVELOPERS that have paid 0.25 MGD Oversizing Overpayments, (ii) the amount of the 0.25 MGD Oversizing Overpayments, (iii) the applicable 0.25 MGD Oversizing Reimbursement that is due to each of the funding DEVELOPERS and (iv) the DEVELOPERS that are obligated to pay the 0.25 MGD Oversizing Reimbursement (the "**0.25 MGD Reimbursing Developers**"). The 0.25 MGD Reimbursing Developers shall pay the applicable 0.25 MGD Oversizing Reimbursement to CITY on the Effective Date, and the CITY shall pay the applicable 0.25 MGD Oversizing Reimbursement to the applicable funding DEVELOPERS not later than thirty (30) days after the receipt of such funds.

c. The 0.75 MGD Oversizing Reimbursement and the 0.25 MGD Oversizing Reimbursement are referred to herein, collectively, as the "**Oversizing Reimbursements**."

#### 9. Use Determinations.

a. Unused Capacity. The terms of this Section 9 shall apply if any DEVELOPER has failed to satisfy Reliance Requirements for such DEVELOPER'S Sewer Allocation by the last to occur of the Standby Trigger Date and Reserved Capacity Exhaustion Date (the "**Use Determination Trigger Date**"). The portion of a DEVELOPER'S Sewer Allocation as to which such DEVELOPER has not satisfied Reliance Requirements is defined as "**Unused Capacity**."

#### b. Unused Capacity Use Determinations.

(i) From and after the Use Determination Trigger Date, and upon thirty (30) days' prior written notice to all parties, any DEVELOPER may request (a "**Use Determination Request**") that CITY determine whether any DEVELOPER has failed to satisfy Reliance Requirements for its Sewer Allocation ("**Use Determination**"). CITY may also independently initiate a Use Determination upon written notice to all parties. The parties acknowledge that there may be multiple Use Determination Requests by individual DEVELOPERS.

(ii) Any Use Determination Request must (A) describe the Sewer Allocation desired by the requesting DEVELOPER (the "**Requested Allocation**") and (B) be accompanied by a Demonstration of Need and proof that the requesting DEVELOPER can satisfy Reliance Requirements for the Requested Allocation.

(iii) Within 30 days after receipt of a Use Determination Request (or initiation of the Use Determination by CITY, as applicable), CITY shall issue a draft summary of Unused Capacity (the "**Unused Capacity Summary**") listing the affected DEVELOPERS and applicable Unused Capacity.

(iv) Affected DEVELOPERS must respond with any clarifications or objections to the Unused Capacity Summary within 15 days after receipt. If affected DEVELOPERS fail to respond, they will be deemed to have approved the Unused Capacity Summary.

(v) The final Unused Capacity Summary shall constitute the final "**Use Determination**" and shall be issued by CITY not later than 15 days after receipt of any objections or clarifications.

(vi) Non-compliant DEVELOPERS shall have thirty (30) days after receipt of the final Use Determination (the "**Use Determination Cure Period**") in which to satisfy Reliance Requirements for their Unused Capacity.

(vii) If any non-compliant DEVELOPER fails to satisfy Reliance Requirements within the Use Determination Cure Period, then CITY shall notify the parties of such failure and the requesting DEVELOPER(S) (or CITY, if CITY initiated the Use Determination) may purchase the Requested Capacity, up to the amount set forth in the Use Determination. The requesting DEVELOPER(S) (or CITY, as applicable) must purchase the Requested Capacity not later than thirty (30) days after expiration of the Use Determination Cure Period by depositing the applicable purchase price with CITY as set forth below; otherwise, the right to purchase shall expire and be of no further force and effect. The CITY shall identify and sell Unused Capacity on a pro-rata basis from all DEVELOPERS with Unused Capacity, so that Unused Capacity is not taken from just one DEVELOPER. If multiple DEVELOPERS have made Use Determination Requests and there is insufficient Unused Capacity to satisfy all Requested Allocations, the CITY shall allocate Unused Capacity on a pro rata basis (based upon all non-compliant DEVELOPERS' Unused Capacity) to requesting DEVELOPERS or CITY, as applicable.

(viii) The purchase price for Unused Capacity shall equal the Developer Reimbursement applicable to the Unused Capacity plus Interest commencing on the Interest Commencement Date. CITY shall permit DEVELOPERS selling Unused Capacity to participate in the next expansion of the LCTF to the extent of the Unused Capacity sold by such DEVELOPER.

10. **Land Based Financing.** Any DEVELOPER may petition the CITY to use community facilities district or other land based financing ("**Land Based Financing**") to pay its share of Expansion Costs. If the use of Land Based Financing is approved by CITY, then such DEVELOPER'S share of Expansion Costs and any other amounts paid by such DEVELOPER pursuant to applicable Funding Agreements may be reimbursable from proceeds of Land Based Financing. The CITY shall adopt a reimbursement resolution to such effect concurrently with the approval of this Agreement; provided, however, that CITY'S adoption of such a reimbursement resolution does not obligate CITY to issue bonds or act as the lead agency with respect to such Land Based Financing.

#### 11. **Default.**

a. If any party materially breaches or fails to comply with any of its obligations under this Agreement, such breaching party shall have thirty (30) days after receipt of written notice of breach from a non-defaulting party (the "**Breach Notice**") to cure such breach or noncompliance (as such period may be extended as set forth below, the "**Cure Period**"). If such breaching party does not cure such breach or noncompliance within the Cure Period, it shall be deemed in default ("**Default**") under this Agreement; provided, however, that if the nature of the breach or noncompliance reasonably requires more than thirty (30) days to cure, the breaching party shall not be in Default under this Agreement so long as the breaching party commences such cure within the Cure Period and diligently prosecutes such cure, and provided further that the Breach Notice shall set forth in reasonable detail the nature of the breach, noncompliance or default, as the case may be. The party sending the Breach Notice shall provide a copy to all parties hereunder.

b. Subject to the provisions of Section 11(c) below, upon a Default pursuant to Section 11(a), the parties shall first mediate the dispute in good faith using a mutually acceptable mediator, which mediation shall be scheduled and concluded not later than 60 days after expiration of the Cure Period. The mediation shall be conducted in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Claims, controversies or disputes not resolved by mediation shall be decided by binding arbitration

unless the parties mutually agree otherwise. Arbitration shall be conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other parties to this Agreement and the American Arbitration Association. Notwithstanding the foregoing, any party may seek injunctive or other immediate equitable relief, if applicable, in a court of law, pending resolution of the dispute through mediation or arbitration.

c. Notwithstanding the foregoing, in the event of a payment default hereunder that is not cured within ten (10) business days after any DEVELOPER'S receipt of a Breach Notice from CITY, (i) CITY may immediately suspend such DEVELOPER'S ability to use its Capacity Allocation and (ii) CITY may sell such DEVELOPER'S Capacity Allocation on a pro rata basis to the other DEVELOPERS for the purchase price illustrated in Section 9.b.

12. Counterparts. This Agreement may be executed in counterparts, including electronic (pdf) and facsimile counterparts, each of which shall be considered an original and all of which together shall be considered the same document.

13. Advice of Counsel. Each of the parties has received the advice of legal counsel prior to signing this Agreement. Each party acknowledges no other party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another party to execute this Agreement. The parties agree no provision or provisions may be subject to any rules of construction based upon any party being considered the party drafting this Agreement.

14. Governing Law. The validity, interpretation and effect of this Agreement are governed by and shall be construed in accordance with the laws of the State of California.

15. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable but the remainder of the Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect. If, however, the invalidity or unenforceability of any provision of this Agreement results in a material failure of consideration, all parties shall meet and negotiate in good faith not less frequently than every ten (10) days and formulate new terms that substitute the stricken clause with other provisions that provide substantially similar terms as the stricken clause. If the parties are unable to agree, then the parties shall resolve the issues through mediation as set forth in Section 11.b.

16. Authorization. Without any personal liability therefor, each person executing this Agreement on behalf of the applicable party hereto warrants that (i) such party is duly organized and existing, (ii) such person has been duly authorized to execute and deliver this Agreement on behalf of the applicable party, (iii) the execution of this Agreement by such person shall bind the applicable party to the terms of this Agreement, and (iv) to such person's knowledge, the execution of this Agreement does not violate any agreement as to which such party is bound. CITY represents and warrants that CITY has obtained any necessary approvals to execute this Agreement and be bound by the terms hereof.

17. Other Agreements Not Affected. This Agreement constitutes the entire agreement between the parties hereto with respect to the Phase 2 Expansion and supersedes all prior understandings or agreements with respect to the subject matter hereof; provided, however, that this Agreement does not supersede, amend, nor replace any prior written agreement relating to any matter other than with respect to the matters expressly set forth in this Agreement relating to this specific Phase 2 Expansion project such as, without limitation, the parties' separate Consortium Agreement, as amended from time to time, and the Conditional Will Serve Agreement for Wastewater between CITY and Saybrook dated August 19, 2013. This Agreement may be modified only by specific reference describing a mutual intent and agreement to amend this Agreement in written documents signed by all parties hereto.

18. Greenlighting Future Expansions. Nothing herein supersedes, amends or replaces any prior written agreement with respect to the DEVELOPERS' ability to "greenlight" future expansions in accordance with the parties' other written agreements regarding "greenlighting."

19. Notices. All notices which are allowed or required to be given hereunder shall be in writing and (i) shall be deemed given and received when personally delivered or (ii) shall be deemed given when the same are deposited in the United States Mail, with sufficient postage prepaid, to be sent by registered or certified mail or overnight mail service, addressed to the designated person by one party to another in writing, and shall be deemed received on the fourth business day after such mailing. Any notice shall be given to all of the following:

<u>CITY</u>	<u>RID</u>	<u>LMI</u>
City of Lathrop 390 Towne Centre Drive Lathrop, CA 95330 Attn: City Manager	River Islands Development, LLC 73 West Stewart Road Lathrop, CA 95330 Attn: Susan Dell'Osso	Lathrop Mossdale Investors LP 675 Hartz Avenue Danville, CA 94526 Attn: Jeff Abramson and Lori Waltzer
With a copy to: City of Lathrop 390 Towne Centre Drive Lathrop, CA 95330 Attn: City Attorney	With a copy to: River Islands Development, LLC 2999 Oak Road, Suite 400 Walnut Creek, CA 94597 Attn: Lisa Freilicher, Esq.	
<u>RDI</u>	<u>SAYBROOK</u>	
Richland Developers, Inc. 3161 Michelson Drive, Suite 425 Irvine, CA 92612 Attn: General Counsel	Saybrook CLSP, LLC 303 Twin Dolphin Drive Suite 600 Redwood Shores, CA 94065 Attn: Jeff Wilson	
With a copy to: Richland Developers, Inc. 3000 Lava Ridge Court, Suite 115 Roseville, CA 95661 Attn: Clifton Taylor	With a copy to: Best and Krieger 300 South Grand Avenue, 25 <sup>th</sup> Floor Los Angeles, CA 90071 Attn: Seth Merewitz, Esq.	

20. Further Assurances. The parties agree to perform such further acts and to execute and deliver such further instruments as are reasonably necessary to accomplish the intent and purpose of this Agreement.

21. Assignment and Transfer. This Agreement shall inure to the benefit of and bind the successors and permitted assigns of the parties. Except for an assignment to an Affiliate (defined below) of a DEVELOPER, no DEVELOPER may assign this Agreement without the prior written consent of CITY, which shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, prior to any DEVELOPER assignment, (i) the assigning DEVELOPER shall notify all parties of the proposed assignment and provide reasonable information to the parties regarding the proposed assignee and (ii) any potential assignee must reasonably demonstrate to the CITY's satisfaction that the proposed assignee has the financial ability and experience to fulfill the assigning DEVELOPER'S obligations under this Agreement. Any DEVELOPER may assign this Agreement to an Affiliate, with notice to the other parties hereto. As used herein, the term "Affiliate" means any person, entity or organization as to which any DEVELOPER has a controlling

interest. As used herein, "controlling interest" means the right to control the management decisions of such person or entity, whether by contract or otherwise.

22. Time of the Essence. Time is of the essence of this Agreement.

23. Construction. All parties have been represented by counsel in the preparation of this Agreement and no presumption or rule that ambiguity shall be construed against a drafting party shall apply to interpretation or enforcement hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision(s) to which they pertain.

24. No Joint Venture or Partnership. Nothing in this Agreement or in any document executed in connection with this Agreement shall be construed as creating a joint venture, partnership, or any agency relationship between CITY and a DEVELOPER or all DEVELOPERS. CITY shall have no responsibility for Disposal Infrastructure or any other public improvements unless and until accepted by CITY.

25. Waiver. No waiver of any provision of this Agreement shall be effective unless such waiver is in writing and signed by a duly authorized representative of the party against whom enforcement is sought.

26. Table of Exhibits. The following exhibits are attached hereto and made a part hereof:

<u>Exhibit A:</u>	Funded and Unfunded Expansion Costs
<u>Exhibit B-1:</u>	Initial Capacity Allocations
<u>Exhibit B-2:</u>	Standby Charges
<u>Exhibit C-1:</u>	Developer Allocations of Reserved Capacity
<u>Exhibit C-2:</u>	Reserved Capacity Overpayment
<u>Exhibit D:</u>	Developer Reimbursement
<u>Exhibit E-1:</u>	Oversizing Overpayments (0.75 MGD)
<u>Exhibit E-2:</u>	Oversizing Overpayments (0.25 MGD)
<u>Schedule 1:</u>	Funding Agreements
<u>Schedule 2:</u>	Withdrawn Developers
<u>Schedule 3:</u>	Transfer Information

[SIGNATURES ON THE FOLLOWING PAGE]



[SIGNATURE PAGE TO CONSTRUCTION FUNDING AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**CITY**

CITY OF LATHROP  
a municipal corporation of the State of  
California

By: [Signature]  
Name: Stephen J. Salvatore  
Its: City Manager

**RID**

RIVER ISLANDS DEVELOPMENT, LLC  
a California limited liability company

By: [Signature]  
Name: Susan Dell'Osso  
Its: Vice President and Secretary

ATTEST:

By: [Signature]  
Name: Teresa Vargas  
Its: City Clerk  
Dated: 1/12/17

**LMI**

LATHROP MOSSDALE INVESTORS LP, a  
California limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM:

[Signature]  
Salvador V. Navarrete  
City Attorney

**RDI**

RICHLAND DEVELOPERS, INC.  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**SAYBROOK**

SAYBROOK CLSP, LLC  
a California limited liability company

By: Saybrook Fund Investors, LLC  
its Managing Member

By: \_\_\_\_\_  
Name: Jeffrey M. Wilson  
Its: Officer

[SIGNATURE PAGE TO CONSTRUCTION FUNDING AGREEMENT]

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CITY

CITY OF LATHROP  
a municipal corporation of the State of  
California

By: \_\_\_\_\_  
Name: Stephen J. Salvatore  
Its: City Manager

ATTEST:

By: \_\_\_\_\_  
Name: Teresa Vargas  
Its: City Clerk  
Dated: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Salvador V. Navarrete  
City Attorney

RDI

RICHLAND DEVELOPERS, INC.  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

RID

RIVER ISLANDS DEVELOPMENT, LLC  
a California limited liability company

By: \_\_\_\_\_  
Name: Susan Dell'Osso  
Its: Vice President and Secretary

LMI

LATHROP MOSSDALE INVESTORS LP, a  
California limited partnership  
By: LATHROP MOSSDALE VENTURES, INC., ITS GENERAL PARTNER

By: [Signature]  
Name: Lori R. Wiltzer  
Its: CFO

SAYBROOK

SAYBROOK CLSP, LLC  
a California limited liability company

By: Saybrook Fund Investors, LLC  
its Managing Member

By: \_\_\_\_\_  
Name: Jeffrey M. Wilson  
Its: Officer

[SIGNATURE PAGE TO CONSTRUCTION FUNDING AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**CITY**

CITY OF LATHROP  
a municipal corporation of the State of  
California

By: \_\_\_\_\_  
Name: Stephen J. Salvatore  
Its: City Manager

ATTEST:

By: \_\_\_\_\_  
Name: Teresa Vargas  
Its: City Clerk  
Dated: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Salvador V. Navarrete  
City Attorney

**RDI**

RICHLAND DEVELOPERS, INC.  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**RID**

RIVER ISLANDS DEVELOPMENT, LLC  
a California limited liability company

By: \_\_\_\_\_  
Name: Susan Dell'Osso  
Its: Vice President and Secretary

**LMI**

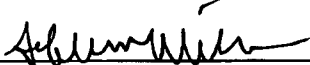
LATHROP MOSSDALE INVESTORS LP, a  
California limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**SAYBROOK**

SAYBROOK CLSP, LLC  
a California limited liability company

By: Saybrook Fund Investors, LLC  
its Managing Member

By:   
Name: Jeffrey M. Wilson  
Its: Officer

[SIGNATURE PAGE TO CONSTRUCTION FUNDING AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**CITY**

**CITY OF LATHROP**  
a municipal corporation of the State of California

By: \_\_\_\_\_  
Name: **Stephen J. Salvatore**  
Its: **City Manager**

**ATTEST:**

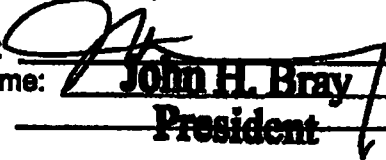
By: \_\_\_\_\_  
Name: **Teresa Vargas**  
Its: **City Clerk**  
Dated: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Salvador V. Navarette**  
**City Attorney**

**RDI**

**RICHLAND DEVELOPERS, INC.**  
a Delaware corporation

By:   
Name: **John H. Bray**  
Its: **President**

**RID**

**RIVER ISLANDS DEVELOPMENT, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: **Susan Dell'Osso**  
Its: **Vice President and Secretary**

**LMI**

**LATHROP MOSSDALE INVESTORS LP, a**  
California limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**SAYBROOK**

**SAYBROOK CLSP, LLC**  
a California limited liability company

By: \_\_\_\_\_  
Name: **Jeff Wilson**  
Its: **Co-Managing Member**

**EXHIBIT A**

**Funded and Unfunded Expansion Costs**

**(See Attached)**

**EXHIBIT A**  
**Funded and Unfunded Expansion Costs**  
 CTF Phase 2 Expansion, City of Lathrop, California

<b>Project Costs:</b>										
LCTF Phase 2 Expansion Costs (Contractor):	\$18,683,208	Based on apparent low bidder, see Note b below								
SCADA costs (Primex):	\$110,890	50% of Primex contract for SCADA (remaining 50% is for the existing facilities, and is paid for by the City)								
SCADA costs (PACE):	\$122,982	50% of PACE contract for SCADA (remaining 50% is for the existing facilities, and is paid for by the City)								
SCADA costs (City):	\$37,500	50% of City costs for SCADA (remaining 50% is for the existing facilities, and is paid for by the City)								
10% Contingency for SCADA costs:	\$27,137									
Total Construction Costs:	\$18,981,717	Sum of contractor costs plus SCADA costs								
Soft Costs:	\$5,500,000									
Value of RIPFA Parcel:	\$303,000	Appraisal								
Value of Crossroads Parcel:	\$225,000	Estimate, assuming about \$90,000 per acre, similar to RIPFA parcel, and 2.5 acres								
Total Project Costs:	\$25,009,717									
<b>Other Costs:</b>										
Costs for Reimbursement to Original Consortium for Previous Oversizing:	\$1,533,821	Refer to Exhibit E-1								
Costs for Reimbursement to Phase 1 for Previous Oversizing:	\$358,674	Refer to Exhibit E-2								
Total of Other Costs:	\$1,892,495									
<b>Unit Costs:</b>										
Full Expansion to 2.5 MGD (\$/gpd):	\$16.67	(\$25.01 million divided by 1.5 million gallons per day)								
Unit Cost at 2.1 MGD (\$/gpd):	\$22.74	(\$25.01 million divided by 1.1 million gallons per day)								
Overpayment by Phase 2 Group (\$/gpd):	\$6.07	(\$22.74 minus \$16.67)								
Developer	Flow Capacity (gpd)	Reserve Capacity (gpd)	% of Expansion	Share of Project Costs	Credit for Land	Share of Reimbursement for Previous Oversizing	Total Cost (Not Including Standby Charges or Costs for Storage and Disposal)	Amount Paid to Date (Funded Expansion Costs)	Amount Due (Unfunded Expansion Costs)	Estimated Standby Charge (1st Year, per unused gpd)
River Islands	652,840	237,396	59.35%	\$14,843,040	\$0	\$1,123,179 (a)	\$15,966,218	\$2,037,017	\$13,929,201	\$0.529
Crossroads (capacity owned by City)	216,000	78,545	19.64%	\$4,910,999	(\$225,000)	\$371,617	\$5,057,616	\$421,113	\$4,636,503	\$0.529
Richland Developers	114,000	41,455	10.36%	\$2,591,916	\$0	\$196,131	\$2,788,047	\$222,254	\$2,565,793	\$0.529
Saybrook	100,000	36,364	9.09%	\$2,273,611	\$0	\$172,045 (a)	\$2,445,656	\$0	\$2,445,656	\$0.529
Lathrop Mossdale Investors	17,160	6,240	1.56%	\$390,152	\$0	\$29,523 (a)	\$419,675	\$33,455	\$386,220	\$0.529
Richland Communities	0	0	0.00%	\$0	\$0	\$0	\$0	\$200,808	(\$200,808)	-
River Islands Public Financing Authority	-	-	-	-	(\$303,000)	-	(\$303,000)	\$0	(\$303,000)	-
Total	1,100,000	400,000	100.00%	\$25,009,717	(\$528,000)	\$1,892,495	\$26,374,212	\$2,914,647	\$23,459,565	-

**Notes:**

- (a) As part of the Original Consortium and/or Phase 1, River Islands, Lathrop Mossdale Investors, and Saybrook will receive shares of the reimbursements, as outlined in Exhibits E-1 and E-2.
- (b) Contractor cost to be paid for the Developers is calculated at 95.98% of \$19,466,370, which is the Contractor bid of \$17,696,700 plus 10% contingency. It was estimated based on the Design Engineer's estimate that 95.98% of the total construction costs was for the plant expansion, and thus would be paid for by the Phase 2 Developers. The remaining 4.02% of the project addresses either decommissioning of the Crossroads facility or repairs or maintenance to the existing CTF facility, and will be paid by the City.

Abbreviations:

gpd = gallons per day

MGD = million gallons per day

**EXHIBIT B-1**

Initial Capacity Allocations

(See Attached)

**EXHIBIT B-1**  
**Capacity Allocations**  
 CTF Phase 2 Expansion, City of Lathrop, California

<b>Developer</b>	<b>Flow Capacity (gpd)</b>	<b>% of Expansion</b>
River Islands	652,840	59.35%
Crossroads (Capacity owned by City)	216,000	19.64%
Richland Developers	114,000	10.36%
Saybrook	100,000	9.09%
Lathrop Mossdale Investors	17,160	1.56%
<b>Total</b>	<b>1,100,000</b>	<b>100.00%</b>

Abbreviations:

gpd = gallons per day



**EXHIBIT B-2**

Standby Charges

(See Attached)

**EXHIBIT B-2**  
**Calculations for Estimated Standby Charges**  
 Consolidated Treatment Facility, City of Lathrop, California

<b>Assumptions:</b>			
Plant Capacity After Expansion:	2.5	mgd	
Sold Capacity After Expansion:	2.1	mgd	
Standby Charge Goes Into Effect:	FY 2017-2018		Assumed Plant Completion in April 2018
Non-Crossroads Flow When Standby Charge In Effect:	0.754	mgd	From Table 4-3 of Draft Rate Study
Crossroads Flow When Standby Charge In Effect:	0.18	mgd	From Richland Projections for December 2017
Total CTF Flow When Standby Charge in Effect:	0.934	mgd	Sum of Non-Crossroads and Crossroads Flow
Flow Share that is Ineligible for Standby Charges:	0.146	mgd	At the time that the first standby district was "sunset", the flow in the treatment plant was approximately 0.604 mgd out of 0.75 mgd capacity. The remaining 0.146 mgd out of the 0.75 mgd is ineligible for standby charges (because of the sunseting) even though some portion of it may remain unused.
Wastewater Rate When Standby Charge In Effect:	\$79.00	per account per month	From Table 4-6 of Draft Rate Study
<b>Calculations for 2.5 MGD Plant:</b>			
Current Annual Fee for Veolia:	\$950,000		
Estimated Annual Fee for Veolia After Expansion:	\$1,440,612		Veolia Proposal as of mid-May 2016
Additional Expenses for Incremental Increase in Veolia Fee:	\$490,612		(Annual Fee After Expansion) - (Current Annual Fee)
Contingency for Additional Expenses Other Than Veolia Fee	\$49,061		10% contingency to cover expected additional maintenance including SCADA, IAS-3, additional monitoring wells, other off-site infrastructure
Required Revenue from Standby Charge:	\$539,673		(Additional Expenses for Incremental Increase in Veolia Fee) + (Contingency)
Standby Flow:	1,020,000	gpd	(Sold Capacity) - (Total CTF Flow) - (Flow Share Ineligible for Standby Charges). This is equivalent to the unused sold capacity minus the amount of flow calculated above that cannot be assessed standby charges because the first standby district has "sunset".
Standby Charge per gpd:	\$0.529		(Required Standby Revenue) / (Standby Flow)

**EXHIBIT B-2**  
**Calculations for Estimated Standby Charges**  
 Consolidated Treatment Facility, City of Lathrop, California

<b>Calculations for Standby Overcharge:</b>	
(For this calculation, we first calculate the standby charges for a 2.1 MGD plant, and then compare to the standby charges for a 2.5 MGD plant)	
Current Annual Fee for Veolia:	\$950,000
Estimated Annual Fee for Veolia After Expansion:	\$1,337,454
Additional Expenses for Incremental Increase in Veolia Fee:	\$387,454
Contingency for Additional Expenses Other Than Veolia Fee	\$38,745
Required Revenue from Standby Charge:	\$426,199
Standby Flow:	1,020,000 gpd
Standby Charge per gpd:	\$0.418
Standby "Overcharge" Due to 2.5 MGD Plant Instead of 2.1 MGD Plant (per gpd of sold capacity)	\$0.111
Standby "Overcharge" Due to 2.5 MGD Plant Instead of 2.1 MGD Plant (per gpd of reserve capacity)	\$0.306
<b>Breakeven Point Calculation:</b>	
Other Variable Wastewater Fund Expenditures in 2017-2018:	\$856,000
Incremental Increase in Other Variable Expenditures Per User:	\$238
Monthly Incremental Increase in Other Variable Expenditures per New User	\$19.86
Number of New Users to Break Even:	760
Threshold of Flow From New Users at Which Standby Charge No Longer Needed:	197,707 gpd
Number of New Users to Fill Capacity:	5,769
Percentage of New Users Needed to Break Even:	13%

**EXHIBIT B-2**  
***Calculations for Estimated Standby Charges***  
Consolidated Treatment Facility, City of Lathrop, California

**Notes:**

- (a) The standby calculation assumes that the wastewater rates do not change from those stated in the October 2015 Draft Water and Wastewater Rate Studies, prepared by Municipal Financial Services. These rates apply through the Fiscal Year 2019-2020.
- (b) CTF flows shown in the calculation are based on flows shown in the October 2015 Draft Water and Wastewater Rates, while Crossroads flows are based on values provided from Richland in an email dated 24 April 2016.
- (c) The calculation assumes that Crossroads users holding capacity but not yet flowing will continue to pay standby charges.
- (d) It is assumed that none of the excess fees from the Crossroads funds will be used to offset standby charges.

**EXHIBIT C-1**

Developer Allocations of Reserved Capacity

(See Attached)

**EXHIBIT C-1**  
**Reserve Capacity Allocations**  
 CTF Phase 2 Expansion, City of Lathrop, California

<b>Developer</b>	<b>Reserve Capacity (gpd)</b>	<b>% of Expansion</b>
River Islands	237,396	59.35%
Crossroads (capacity owned by City)	78,545	19.64%
Richland Developers	41,455	10.36%
Saybrook	36,364	9.09%
Lathrop Mossdale Investors	6,240	1.56%
<b>Total</b>	<b>400,000</b>	<b>100.00%</b>

Abbreviations:

gpd = gallons per day

**EXHIBIT C-2**

Reserved Capacity Overpayment

(See Attached)

**EXHIBIT C-2**  
**Reserve Capacity Overpayment**  
 CTF Phase 2 Expansion, City of Lathrop, California

<b>Project Costs:</b>	
<b>Total Project Costs:</b>	<b>\$25,009,717</b> From Exhibit A
<b>Other Costs:</b>	
Costs for Reimbursement to Original Consortium for Previous Oversizing:	\$1,533,821 Refer to Exhibit E-1
Costs for Reimbursement to Phase 1 for Previous Oversizing:	\$358,674 Refer to Exhibit E-2
<b>Total of Other Costs:</b>	<b>\$1,892,495</b>

<b>Unit Costs:</b>	
Full Expansion to 2.5 MGD (\$/gallon):	\$16.67 (\$25.01 million divided by 1.5 million gallons per day)
Unit Cost at 2.1 MGD (\$/gallon):	\$22.74 (\$25.01 million divided by 1.1 million gallons per day)
Overpayment by Phase 2 Group (\$/gal):	\$6.07 (\$22.74 minus \$16.67)

Developer	Flow Capacity (gpd)	Reserve Capacity (gpd)	% of Expansion	Overpayment of Project Costs (a)	Overpayment for Previous Oversizing	Total Overpayment (Not Including Standby Charge Overpayment)	Estimated Overpayment for Standby Charge (1st Year, per unused gpd)
River Islands	652,840	237,396	59.35%	\$3,960,197	\$1,123,179	\$5,083,376	\$0.111
Crossroads (capacity owned by City)	216,000	78,545	19.64%	\$1,310,279	\$371,617	\$1,681,896	\$0.111
Richland Developers	114,000	41,455	10.36%	\$691,536	\$196,131	\$887,667	\$0.111
Saybrook	100,000	36,364	9.09%	\$606,611	\$172,045	\$778,656	\$0.111
Lathrop Mossdale Investors	17,160	6,240	1.56%	\$104,094	\$29,523	\$133,617	\$0.111
Richland Communities	0	0	0.00%	\$0	\$0	\$0	-
<b>Total</b>	<b>1,100,000</b>	<b>400,000</b>	<b>100.00%</b>	<b>\$6,672,717</b>	<b>\$1,892,495</b>	<b>\$8,565,212</b>	<b>-</b>

<b>Total Payments from Future Developer(s):</b>	
Reimbursement for Phase 2 Group Overpayment:	\$8,565,212 (not including overpayment for standby charge)
<b>Total Unit Cost (\$/gallon)</b>	<b>\$21.41</b> (not including overpayment for standby charge)
<b>Cost for Overpayment for Standby Charge (\$/gallon of reserve capacity)</b>	<b>\$0.306</b> (calculated in Exhibit B-2)

**Notes:**

(a) Overpayment is equal to unit cost of overpayment (\$6.07 per gallon) multiplied by the flow capacity.

(b) All costs are estimated costs based on current costs, which will have to be tried up when final costs are known.

**Abbreviations:**

gpd = gallons per day                      MGD = million gallons per day



**EXHIBIT D**

Developer Reimbursement

(See Attached)

**EXHIBIT D**  
**Example Developer Reimbursement**  
 CTF Phase 2 Expansion, City of Lathrop, California

<b>Calculation of Payments from Future Developer(s) to Cover Expansion Costs:</b>	
Total Unit Cost (\$/gallon)	\$21.41 (from Exhibit C-2)
Simple Interest Rate	10% (Example)
Number of Years Since Expansion Costs Paid:	1 (Example)
Unit Cost Including Interest (\$/gallon):	\$23.55

<b>Calculation of Payments from Future Developer(s) to Cover Overpayment of Standby Charges</b>	
Cost for Overpayment for Standby Charge (\$/gallon of reserve capacity)	\$0.306 (from Exhibit B-2)
Simple Interest Rate	10% (Example)
Number of Years Since Standby Charges Paid:	1 (Example)
Unit Cost Including Interest (\$/gallon):	\$0.337

<b>Example Calculations for Standby Charge Reimbursement (see Note a below)</b>						
Developer	Flow Capacity (gpd)	Reserve Capacity (gpd)	Standby Charge Overpayment Rate from Exhibit B-2 (\$/gpd of flow capacity)	Standby Charge Overpayment, assuming no flow used (\$, rounded)	Standby Charge Overpayment Rate from above with interest (\$/gpd of reserve capacity)	Example Reimbursement Due for Overpayment of Standby Charges (\$, rounded)
River Islands	652,840	237,396	\$0.111	\$72,500	\$0.337	\$80,000
Crossroads	216,000	78,545	\$0.111	\$24,000	\$0.337	\$26,500
Richland Developers	114,000	41,455	\$0.111	\$12,700	\$0.337	\$14,000
Saybrook	100,000	36,364	\$0.111	\$11,100	\$0.337	\$12,300
Lathrop Mossdale Investors	17,160	6,240	\$0.111	\$1,900	\$0.337	\$2,100

**Notes:**

(a) The calculation is provided for example purposes only, and does not necessarily represent the correct reimbursement amounts, which will depend on the number of homes built and the flow used by each individual developer. The calculation is based on an assumption that the standby flow for each developer is equal to its flow capacity (e.g., the standby flow for River Islands is assumed to be its entire flow capacity of 652,840 gpd). The calculation is for a single year of standby charges, so a similar calculation would be needed for each subsequent year (if any) where standby charges are charged.

**EXHIBIT E-1**

Oversizing Overpayments (0.75 MGD)

(See Attached)

EXHIBIT E-1  
 City of Lathrop  
 Sewer Consortium Reimbursement  
 As of 11/3/2016

	Initial Cost	Capacity Served (mgd)	Initial 0.75 MGD Plant (0.75)		Initial 0.75 MGD Plant (75/.75)		Remaining Balance					
			.75 mgd % share	.75 mgd Init share	0.75 Ulf cost	0.75 oversizing		Payback from .25 exp.	Remaining balance	Payback from 1.5 exp.	Remaining Balance	Payback from .5 Exp
Headworks Structure	\$ 220,000	3	25.00%	\$ 220,000	\$ 55,000	\$ 165,000	\$ 55,000	\$ 110,000	\$ 99,000	\$ 11,000	\$ 11,000	\$ -
Headworks Equipment	\$ 279,200	1.5	50.00%	\$ 279,200	\$ 139,600	\$ 139,600	\$ 69,800	\$ 69,800	\$ 69,800	\$ -	\$ -	\$ -
Storage Pond 3	\$ 1,122,000	3	25.00%	\$ 1,122,000	\$ 280,500	\$ 841,500	\$ 280,500	\$ 561,000	\$ 504,900	\$ 56,100	\$ 56,100	\$ -
Storage Pond 3 R/W	\$ 473,976	3	25.00%	\$ 473,976	\$ 118,494	\$ 355,482	\$ 118,494	\$ 236,988	\$ 213,289	\$ 23,699	\$ 23,699	\$ -
Waste Sludge Tank	\$ 204,000	1.5	50.00%	\$ 204,000	\$ 102,000	\$ 102,000	\$ 51,000	\$ 51,000	\$ 51,000	\$ -	\$ -	\$ -
Sodium Hypochlorite	\$ 112,500	3	25.00%	\$ 112,500	\$ 28,125	\$ 84,375	\$ 28,125	\$ 56,250	\$ 50,625	\$ 5,625	\$ 5,625	\$ -
<b>TOTAL</b>	<b>\$ 2,411,676</b>			<b>\$ 2,411,676</b>	<b>\$ 723,719</b>	<b>\$ 1,687,957</b>	<b>\$ 602,919</b>	<b>\$ 1,085,038</b>	<b>\$ 988,614</b>	<b>\$ 96,424</b>	<b>\$ 96,424</b>	<b>\$ -</b>

Inflation 6/2003 thru 7/2013  
 Inflation 7/2013 thru 8/2016

\$ 2,406,107.81	\$ 859,705	\$ 1,546,403	\$ 1,533,821.49	\$ 149,305
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Allocations per second Amendment to Consortium Agreement	gal per day	% of 750kgal	Payback	Remaining balance	Payback	Remaining Balance	Payback	Remaining Balance
McKee	25,651	3.42%	\$29,403		\$52,459		\$5,106	
Western Pacific	100,001	13.33%	\$114,629		\$204,512		\$19,908	
TCN	199,745	26.63%	\$228,962		\$408,498		\$39,764	
Lathrop Mossdale	324,628	43.28%	\$372,113		\$663,895		\$64,625	
River Islands	99,975	13.33%	\$114,599		\$204,458		\$19,902	
	750,000	100.00%	\$ 859,705		\$1,533,821		\$149,305	

**EXHIBIT E-2**

Oversizing Overpayments (0.25 MGD)

(See Attached)

EXHIBIT E-2  
City of Lathrop  
Sewer Consortium Reimbursement  
As of 11/3/2016

.25 mgd Expansion (.25/1.0)									
0.25 mgd	0.25 mgd	0.25 mgd	0.25 mgd	Oversizing		Payback	Remaining	Payback	Remaining
Init Share	Ult Share	Ult Cost				from 1.5 exp	Balance	from .5 exp	Balance
\$ 55,000	8.33%	\$ 18,333	\$	36,667	\$	33,000	\$ 3,667	\$ 3,667	\$ 0
\$ 69,800	16.67%	\$ 46,533	\$	23,267	\$	23,267	\$ -	\$ -	\$ -
\$ 280,500	8.33%	\$ 93,500	\$	187,000	\$	168,300	\$ 18,700	\$ 18,700	\$ -
\$ 118,494	8.33%	\$ 39,498	\$	78,996	\$	71,096	\$ 7,900	\$ 7,900	\$ -
\$ 51,000	16.67%	\$ 34,000	\$	17,000	\$	17,000	\$ -	\$ -	\$ -
\$ 28,125	8.33%	\$ 9,375	\$	18,750	\$	16,875	\$ 1,875	\$ 1,875	\$ -
<b>TOTAL</b>		<b>\$ 602,919</b>	<b>\$ 241,240</b>	<b>\$ 361,679</b>		<b>\$ 329,538</b>	<b>\$ 32,141</b>	<b>\$ 32,141</b>	<b>\$ 0</b>

\$ 393,656.99      \$ 358,673.97      \$ 34,983.02

Allocations per Greenlight Agreement	gal per day	% of 250 kgal
McKee	0	0.00%
Western Pacific	0	0.00%
TCN	0	0.00%
Lathrop Mossdale	0	0.00%
River Islands	200,000	80.00%
Saybrook	50,000	20.00%
	250,000	100.00%

McKee	0	\$286,939	\$0
Western Pacific	0	\$71,735	\$0
TCN	0		
Lathrop Mossdale	0		
River Islands	200,000		
Saybrook	50,000		
	250,000	\$358,674	\$0

## **SCHEDULE 1**

### Funding Agreements

- 1) Funding Agreement between City of Lathrop and Jass Sangha dated March 17, 2015
- 2) Funding Agreement between City of Lathrop and David Lazares and Cynthia Lazares Trust dated March 17, 2015
- 3) Funding Agreement between City of Lathrop and Richland Developers, Inc. dated March 19, 2015, as amended by Amendment to the Funding Agreement dated March 10, 2016, as revised by that certain Partial Assignment between Richland Developers, Inc. to Richland Communities, Inc. dated March 10, 2016
- 4) Funding Agreement between City of Lathrop and River Islands Development, LLC dated March 20, 2015, as amended by Amendment to the Funding Agreement dated March 10, 2016
- 5) Funding Agreement between City of Lathrop and Lathrop Mossdale Investors LP dated March 20, 2015, as amended by Amendment to the Funding Agreement dated March 10, 2016
- 6) Funding Agreement between City of Lathrop and Ramona Chace, LLC dated March 20, 2015

**SCHEDULE 2**

Withdrawn Developers

Lathrop Gateway Business Park  
Ramona/Chase/Pegasus  
Jass Sangha  
Richland Communities, Inc., a Florida corporation



### **SCHEDULE 3**

#### **Transfer Information**

##### **WASTEWATER CAPACITY TRANSFER CRITERIA**

Any Developer or third party who has acquired wastewater capacity under this Agreement and who wishes to transfer some or all of its wastewater capacity shall apply for the transfer through the City's Public Works Director. The application shall include the following information and be submitted with the requisite fee(s):

1. Name of transferor and proposed transferee.
2. Address and/or APN of the parcel(s) to benefit from the transfer.
3. The number of Equivalent Capacity Units (ECU's) or Interceptor System Units (ISU's) needed.
4. A description of the proposed development in sufficient detail to identify the potential impacts and benefits of the proposed development.
5. A letter from the purchaser committing to obtain a building permit, parcel map or final map with one year from City approval of the transfer, or to sell the units back to the City at the end of one year unless Council approves an alternative time limit. The repurchase price shall be the same as the cost paid by the transferee at the time the transfer took place, less the City's administrative fee.
6. An application fee to cover the cost of staff efforts, including the preparation of staff reports for Council action and a ten percent (10%) deposit toward the cost of the units.
7. An acknowledgement that it is the purchaser's responsibility to provide any sewer line extensions and related facilities necessary to utilize the ECU's or ISU's.

The City's Public Works Director shall consider the following factors in approving or denying a transfer request:

1. Is the request consistent with the City's General Plan?
2. Is the request consistent with the City's Sewer Master Plan?
3. Is the request consistent with the City's Zoning Ordinance?
4. Is the request consistent with any other applicable local, state or federal laws, regulations or ordinances?

Upon receipt of a written request and payment of the appropriate fee(s), the City Engineer will prepare a report for City Council consideration and action. The City Council may approve the request and authorize the City Manager to execute an agreement approved by the City Attorney with the applicant, or deny the request based on the foregoing factors. If the City Council approves a transfer of ECU's or ISU's from one parcel(s) to a different parcel(s), the applicant shall pay all costs to prepare and record an agreement(s) for the transfer. The agreement(s) will be recorded and advise future property owners of the transfer and limitations on future development.

**RECORDING REQUESTED BY, AND**  
WHEN RECORDED MAIL TO:

CITY OF LATHROP  
ATTN: CITY CLERK  
390 TOWNE CENTRE DRIVE  
LATHROP, CA 95330

Doc #: 2018-047863  
05/01/2018 08:45:03 AM  
Page: 1 of 22 Fee: \$0  
Steve J. Bestolarides  
San Joaquin County Recorders  
Paid By: SHOWN ON DOCUMENT



SPACE ABOVE THIS LINE FOR RECORDER'S USE

**TRANSFER AGREEMENT RELATING TO DEVELOPMENT  
AGREEMENT**

**BETWEEN SOUTH LATHROP LAND, LLC., AND  
RICHLAND DEVELOPERS INC., FOR  
THE SOUTH LATHROP SPECIFIC PLAN DEVELOPER  
AGREEMENT, DATED AUGUST 3, 2015, RECORDED ON  
SEPTEMBER 5, 2015, (INSTRUMENT NO. 2015-106926)**

**ADOPTED BY CITY OF LATHROP ORDINANCE NO. 18-390**

**RECORDING REQUESTED BY:**

CITY OF LATHROP  
ATTN: CITY CLERK  
390 TOWNE CENTRE DRIVE  
LATHROP, CA 95330

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(Space Above Line For Recorder's Use Only)

**TRANSFER AGREEMENT RELATING TO DEVELOPMENT AGREEMENT**

This Transfer Agreement Relating To Development Agreement (“**Transfer Agreement**”) is made this 2nd day of March, 2018, by SOUTH LATHROP LAND, L.L.C., a Delaware limited liability company (“**Assignee**”), and RICHLAND DEVELOPER’S INC., a Delaware corporation (“**Assignor**”) with reference to the following recitals.

**RECITALS**

A. Substantially concurrently with the recordation of this Transfer Agreement, Assignor has conveyed to Assignee that certain real property described in **Exhibit “A”** attached hereto and incorporated herein (the “**Property**”).

B. Assignor, as “Seller” and Assignee, as “Buyer” entered into that certain Agreement of Purchase and Sale of Option and Escrow Instructions dated as of February 28, 2018 pursuant to which Assignor has agreed to transfer and assign an option to purchase the Property to Assignee, and Assignee will substantially concurrently obtain fee title (the “**Purchase Agreement**”). Escrow is expected to close on March 2, 2018.

C. Assignor is a party to that certain Annexation Agreement and Separate Development Agreement by and between The City of Lathrop (“**City**”) and Richland Developers, Inc. relating to The South Lathrop Specific Plan dated August 3, 2015, which was recorded on September 2, 2015 as Instrument No. 2015-106926 (the “**Development Agreement**”).

D. Assignor and Assignee acknowledge that the Ancillary Properties referenced in the Development Agreement were never annexed into the City, were personal to Assignor, and have been sold by Assignor.

E. Pursuant to the Purchase Agreement, Assignor desires to assign and Assignee desires to assume all of Assignor’s rights, duties and obligations under the Development Agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants of the parties herein, and for good and valuable consideration, the receipt of sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Incorporation of Recitals. The Recitals of fact set forth above are true and correct and are incorporated into this Agreement in their entirety by this reference.

2. Assignment to and Assumption by Assignee. Effective as of the date that Assignee acquires fee title to the Property, Assignor hereby sells, transfers and assigns to Assignee, and Assignee hereby expressly and unconditionally assumes all the rights, duties and obligations of Assignor under the Development Agreement, including, without limitation, all of the general rights, duties and obligations of Assignor under the Development Agreement for the development of the Property. Assignee agrees to observe and fully perform all of Assignor's obligations under the Development Agreement, and to be subject to all the terms and conditions thereof, it being the express intention of both Assignor and Assignee that, upon execution of this Transfer Agreement, Assignee shall become substituted for Assignor as "Richland" under the Development Agreement. Notwithstanding the foregoing, this Transfer Agreement shall not apply to, and Assignor shall retain, any and all rights in and to, any refunds, reimbursements or credits of any kind or character applicable to work performed or sums paid prior to the effective date of this Transfer Agreement.

3. Release of Assignor. Pursuant to Section 13.02.2 of the Development Agreement, Assignor shall be free from any and all liabilities accruing on or after the date hereof with respect to the Development Agreement. No breach or default under this Transfer Agreement or the Development Agreement by Assignee shall be attributed to Assignor. For purposes of this Transfer Agreement, the "Release Provisions" shall be all Rights and Obligations of Assignor under the Development Agreement that arise from and after the date that Assignee acquires fee title to the Property.

4. Assignee's Acknowledgment. Assignee hereby agrees and acknowledges that Assignee has had full opportunity to read and review the Development Agreement and is familiar with the rights and obligations under the Development Agreement.

5. Notices. Pursuant to Section 15.09 of the Development Agreement, from and after the date hereof, notices for Richland shall be addressed as follows:

If to RDI:

South Lathrop, LLC  
527 W 7th Street, Suite 308  
Los Angeles, CA 90014  
Attn: Philip J. Prassas  
Email: [pprassas@chindustrial.com](mailto:pprassas@chindustrial.com)

With a copy to:

Barack Ferrazzano Kirschbaum & Nagelberg LLP  
200 West Madison Street, Suite 3900  
Chicago, Illinois 60606  
Attn: Mark J. Beaubien  
Facsimile: (312) 984-3150  
Email: [mark.beaubien@bfkn.com](mailto:mark.beaubien@bfkn.com)

6. Termination. This Transfer Agreement shall be of no force and effect unless Assignee acquires fee title to the Property on or before June 1, 2018.

7. Governing Law. This Transfer Agreement is made and entered into in the State of California and shall be interpreted, construed and enforced in accordance with the laws of the State of California. Venue shall be in San Joaquin County.

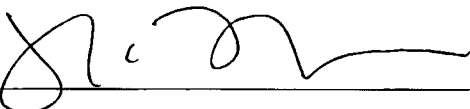
8. Binding Effect. This Transfer Agreement shall apply to, bind, and inure to benefit of Assignor and Assignee, and their respective heirs, legal representatives, successors and assigns.

9. Counterparts. This Transfer Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which shall together constitute one instrument.

IN WITNESS WHEREOF, this Transfer Agreement has been executed as of the date first above written.

**ASSIGNOR**

RICHLAND DEVELOPERS, INC.,  
a Delaware corporation

By:   
Name: **John C. Troutman**  
**Vice President**  
Title: \_\_\_\_\_

**ASSIGNEE**

SOUTH LATHROP LAND, L.L.C., a Delaware limited liability company

By: CHI West 109 South Lathrop Land, L.P.,  
a Delaware limited partnership,  
its managing member

By: CHI LTH GP, L.L.C., a Delaware limited liability company, its ~~general~~ partner

By:   
Name: **Philip J. Rastus**  
Title: **VP**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

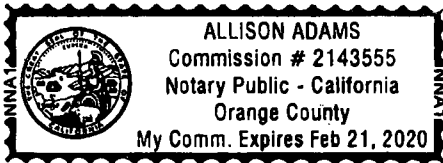
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Orange )  
On March 1, 2018 before me, Allison Adams, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared John C. Troutman  
Name(s) of Signer(s)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

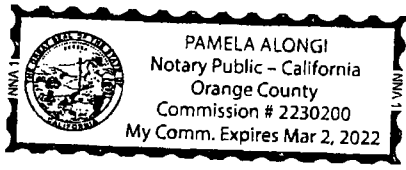
State of California

County of Orange

On March 1, 2018 before me, Pamela Alongi, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Philip J. Prussas  
Name(s) of Signer(s)

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



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Pamela Alongi  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Transfer Agreement

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_


**Capacity(ies) Claimed by Signer(s)**

Signer's Name: _____	Signer's Name: _____
<input type="checkbox"/> Corporate Officer – Title(s): _____	<input type="checkbox"/> Corporate Officer – Title(s): _____
<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian of Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian of Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
Signer is Representing: _____	Signer is Representing: _____


**CITY'S CONSENT TO ASSIGN**

Pursuant to Section 13.02.2 of the Development Agreement, the City of Lathrop hereby consents to the Transfer Agreement and acknowledges that Assignor/Richland, having satisfied the conditions to the release set forth in Section 13.02.2 of the Development Agreement, shall be released from its obligations under the Development Agreement.


**CITY OF LATHROP,**  
a California municipal law corporation

By:   
Name: Sonny Dhaliwal  
Title: Mayor of City of Lathrop  
Dated: 4/9/18

**ATTEST:**

By:   
Teresa Vargas, City Clerk  
Dated: 4/9/18

**APPROVED AS TO LEGAL FORM:**

By:   
Salvador Navarrete, City Attorney  
Dated: 3-27-18



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

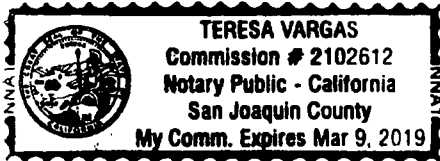
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Joaquin )  
On April 9, 2018 before me, Teresa Vargas, Notary Public  
Date Here, Insert Name and Title of the Officer  
personally appeared Sonny Dhalwal  
Name(s) of Signer(s)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Teresa Vargas  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Transfer Agreement for SLSP DA No. 2015-106926 Document Date: 3/2/18  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: Mayor of City of Latrop

Signer Is Representing: \_\_\_\_\_

APN 191-270-24 and 191-270-26

**LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

A PORTION OF SECTIONS 14, 15 AND 16, TOWNSHIP 1 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD FEBRUARY 19, 2004 IN BOOK 23 OF PARCEL MAPS, PAGE 9, SAN JOAQUIN COUNTY RECORDS.

APN 191-270-24 and 191-270-26

APN 191-270-11, 191-270-32 and 191-270-33

**LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

PARCEL 1 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD DECEMBER 30, 2004 IN BOOK 23 OF PARCEL MAPS AT PAGE 91, SAN JOAQUIN COUNTY RECORDS,

TOGETHER WITH ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 2 AS SHOWN ON THAT CERTAIN PARCEL MAP RECORDED IN BOOK 23 OF PARCEL MAPS AT PAGE 91, SAN JOAQUIN RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF PARCEL 2 AS SHOWN ON THE ABOVE MENTIONED PARCEL MAP, THENCE FROM SAID POINT OF BEGINNING, ALONG THE EASTERLY LINE OF SAID PARCEL 2, SOUTH 00°00'43" WEST 1261.03 FEET TO THE SOUTHEASTERLY CORNER OF SAID PARCEL 2;

THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 2, NORTH 89°59'17" WEST 284.91 FEET;

THENCE LEAVING SAID SOUTHERLY LINE AND ENTERING SAID PARCEL 2, THE FOLLOWING FIVE (5) COURSES:

1. NORTH 00°00'43" EAST 721.00 FEET;
2. SOUTH 89°59'17" EAST 18.00 FEET;
3. NORTH 00°00'43" EAST 116.25 FEET;
4. NORTH 89°59'17" WEST 18.00 FEET;
5. NORTH 00°00'43" EAST 424.00 FEET TO A POINT ON THE NORTHERLY LINE OF SAID PARCEL 2;

THENCE ALONG SAID NORTHERLY LINE, SOUTH 89°56'35" EAST 284.91 FEET, TO THE TRUE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE APPROVING A LOT LINE/BOUNDARY LINE ADJUSTMENT, CERTIFICATE NO. PA-0800041, RECORDED MARCH 28, 2008, AS INSTRUMENT NO. 2008-050423 OF OFFICIAL RECORDS.

APN 191-270-11, 191-270-32 and 191-270-33

APN 191-280-09 AND 191-280-10

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

PARCEL ONE (APN 191-280-09):

A TRACT OF LAND SITUATED IN SECTION NINE (9) AND TEN (10), TOWNSHIP ONE (1) SOUTH, RANGE SIX (6) EAST, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT AN IRON PIPE AT FENCE CORNER AT THE NORTHEAST CORNER OF THE BRANDT RANCH, SAID PIPE BEING IN THE WEST LINE OF LOT LINE NINE (9) OF SHIPPEE FRENCH CAMP TRACT, AND 12.25 CHAINS NORTH OF THE CENTER OF SAID SECTION 10; THENCE DUE WEST ALONG FENCE ON THE NORTH LINE OF THE BRANDT PROPERTY, 456.5 FEET TO AN IRON PIPE IN THE SOUTHERLY LINE OF COUNTY ROAD, KNOWN AS ROBERTS ISLAND ROAD; THENCE ALONG THE SOUTHERLY LINE OF SAID ROAD AS FOLLOWS:

SOUTH 53°10' WEST, 50.04 FEET TO AN IRON PIPE; DUE WEST 1460.55 FEET TO AN IRON PIPE AT THE TRUE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT; THENCE CONTINUE ALONG THE SOUTH LINE OF COUNTY ROAD, DUE WEST 1310.0 FEET TO AN IRON PIPE; THENCE SOUTH 01°45' EAST, 3417.0 FEET TO AN IRON PIPE IN THE SOUTH LINE OF THE BRANDT PROPERTY; THENCE SOUTH 89°45'30" EAST ALONG THE SOUTH LINE OF BRANDT PROPERTY, 1310.2 FEET TO AN IRON PIPE; THENCE NORTH 1°45' WEST, 3422.5 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THAT PORTION OF SAID LAND DESCRIBED IN DEED RECORDED MARCH 17, 1967 IN VOL. 3111 OF OFFICIAL RECORDS, PAGE 215 SAN JOAQUIN COUNTY RECORDS.

PARCEL TWO (APN 191-280-09):

A TRACT OF LAND SITUATED IN SECTION NINE (9), TOWNSHIP ONE (1) SOUTH, RANGE SIX (6) EAST, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT AN IRON PIPE AT FENCE CORNER AT THE NORTHEAST CORNER OF THE BRANDT RANCH, SAID IRON PIPE BEING IN THE WEST LINE OF LOT NINE (9) OF SHIPPEE FRENCH CAMP TRACT AND 12.25 CHAINS NORTH OF THE CENTER OF SECTION TEN (10), SAID TOWNSHIP AND RANGE; THENCE DUE WEST ALONG FENCE ON THE NORTH LINE OF THE BRANDT RANCH, 456.5 FEET TO AN IRON PIPE IN THE SOUTHERLY LINE OF COUNTY ROAD, KNOWN AS THE ROBERTS ISLAND ROAD; THENCE ALONG THE SOUTHERLY LINE OF SAID ROAD AS FOLLOWS:

SOUTH 53°10' WEST, 50.04 FEET TO AN IRON PIPE, DUE WEST 2770.55 FEET TO AN IRON PIPE; THENCE LEAVING ROAD, SOUTH 01°45' EAST, 1153.0 FEET TO AN IRON PIPE AT PROPERTY CORNER; THENCE CONTINUE SOUTH 1°45' EAST, 1168.2 FEET TO AN IRON PIPE AT THE TRUE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT OF LAND; THENCE

CONTINUE SOUTH 01°45' EAST 1095.8 FEET TO AN IRON PIPE IN THE SOUTH LINE OF THE BRANDT PROPERTY; THENCE ALONG THE SOUTH LINE OF THE BRANDT PROPERTY, NORTH 89°45'30" WEST, 2269 FEET TO THE RIGHT BANK OF THE SAN JOAQUIN RIVER; THENCE DOWNSTREAM ALONG THE RIGHT BANK OF THE SAN JOAQUIN RIVER AS FOLLOWS:

NORTH 01°45' EAST, 382 FEET; NORTH 53°10' EAST, 340 FEET; NORTH 40°30' EAST, 495 FEET; NORTH 20°10' EAST, 136.7 FEET; THENCE LEAVING THE RIVER DUE EAST 1572.3 FEET TO THE TRUE POINT OF BEGINNING.

APN 191-280-09 AND 191-280-10

APN 191-280-11

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

A PORTION IN SECTION 9, TOWNSHIP 1 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT AN IRON PIPE AT FENCE CORNER AT THE NORTHEAST CORNER OF THE BRANDT RANCH, SAID IRON PIPE BEING IN THE WEST LINE OF LOT 9 OF SHIPPEE FRENCH CAMP TRACT, AND 12.25 CHAINS NORTH OF THE CENTER OF SECTION 10, SAID TOWNSHIP AND RANGE; THENCE DUE WEST ALONG FENCE ON THE NORTH LINE OF BRANDT RANCH,  
456.5 FEET TO AN IRON PIPE IN THE SOUTHERLY LINE OF COUNTY ROAD KNOWN AS THE ROBERTS ISLAND ROAD; THENCE ALONG THE SOUTHERLY LINE OF SAID ROAD AS FOLLOWS: SOUTH 53° 10' WEST, 50.04 FEET TO AN IRON PIPE; DUE WEST 2770.55 FEET TO AN IRON PIPE; THENCE LEAVING ROAD, SOUTH 1° 45' EAST, 1153 FEET TO AN IRON PIPE AT THE TRUE POINT OF BEGINNING OF THE FOLLOWING AND WITHIN DESCRIBED 40.585 ACRE TRACT OF LAND; THENCE CONTINUE SOUTH 1° 45' EAST, 1168.2 FEET TO AN IRON PIPE; THENCE DUE WEST 1572.3 FEET TO THE RIGHT BANK OF THE SAN JOAQUIN RIVER; THENCE DOWNSTREAM ALONG THE RIGHT BANK OF THE SAN JOAQUIN RIVER, AS FOLLOWS: NORTH 25° 10' EAST, 306.8 FEET; NORTH 2° 15' EAST, 210 FEET; NORTH 33° 05' EAST, 210 FEET; NORTH 33° 05' WEST, 207 FEET; NORTH 56° 25' WEST, 236 FEET TO PROPERTY CORNER; THENCE ALONG PROPERTY LINE, AS FOLLOWS: NORTH 40° 23' EAST, 494 FEET TO AN IRON PIPE; DUE EAST 1387.65 FEET TO THE TRUE POINT OF BEGINNING.

APN 191-280-11

APN 193-340-03

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

THAT CERTAIN REAL PROPERTY SITUATED IN SECTIONS (3) AND G OF C. M. WEBER GRANT, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A STEEL AXLE AT THE SOUTHWEST CORNER OF SAID C. M. WEBER GRANT; THENCE NORTH 89°23' EAST ALONG THE SOUTH LINE OF SAID C. M. WEBER GRANT, BEING THE SOUTH LINE OF BRIGGS PROPERTY, 4004.07 FEET TO A STEEL AXLE AT THE SOUTHWEST CORNER OF PETERS, 41.56 ACRE TRACT DESCRIBED IN DEED RECORDED IN VOL. 592 OF OFFICIAL RECORDS, PAGE 341; THENCE ALONG THE WEST LINE OF SAID PETERS PROPERTY, NORTH 0°37' WEST, 1191.8 FEET TO A STEEL AXLE AT THE NORTHWEST CORNER OF SAID 41.56 ACRE TRACT; THENCE SOUTH 89°52'15" WEST, 691.05 FEET TO A POINT DESIGNATED A; THENCE NORTH 0°07'45" WEST, 50 FEET TO A POINT IN THE SOUTH LINE OF THE STUART 60 ACRE TRACT DESCRIBED IN DEED RECORDED IN VOL. 506 OF OFFICIAL RECORDS, PAGE 489; THENCE ALONG THE SOUTH LINE OF STUART PROPERTY, SOUTH 89°52'15" WEST, 1607.48 FEET TO THE SOUTHWEST CORNER OF THE STUART 5 ACRE TRACT DESCRIBED IN DEED RECORDED IN VOL. 531 OF OFFICIAL RECORDS, PAGE 332; THENCE ALONG THE WEST LINE OF SAID 5 ACRE TRACT, NORTH 0°07'45" WEST, 557.77 FEET TO THE NORTHWEST CORNER OF SAID 5 ACRE TRACT; THENCE ALONG BOUNDARY LINE OF ABOVE MENTIONED STUART 60 ACRE TRACT, SOUTH 89°52'15" WEST, 1753.02 FEET TO A CORNER OF SAID 60 ACRE TRACT IN THE WEST LINE OF SAID C. M. WEBER GRANT; THENCE ALONG THE WEST LINE OF SAID C. M. WEBER GRANT, SOUTH 1°56' EAST, 1834.5 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION DESCRIBED IN DEED TO ROSAURO A. DACLAN AND PAULA D. DACLAN, HIS WIFE, RECORDED JANUARY 22, 1952 IN VOL. 1389 OF OFFICIAL RECORDS, PAGE 359, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF SECTION G OF C. M. WEBER'S GRANT, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION G OF SAID WEBER GRANT; THENCE NORTH 1°56' WEST ALONG THE WEST LINE OF SAID SECTION, A DISTANCE OF 1834.5 FEET TO THE SOUTHWEST CORNER OF THE STUART 60 ACRE TRACT, RECORDED NOVEMBER 6, 1935 IN VOL. 506 OF OFFICIAL RECORDS, PAGE 489; THENCE SOUTH 89°30' EAST ALONG THE SOUTH LINE OF SAID 60 ACRE TRACT, A DISTANCE OF 1753.02 FEET TO THE NORTHWEST CORNER OF THE STUART 5 ACRES TRACT, DESCRIBED IN DEED RECORDED JUNE 5, 1936 IN VOL. 531 OF OFFICIAL RECORDS, PAGE 332; THENCE SOUTH 0°07'45" WEST ALONG THE WEST LINE OF SAID 5 ACRE TRACT AND SAID WEST LINE PROJECTED SOUTHERLY TO A POINT IN THE SOUTH LINE OF SAID WEBER GRANT; THENCE WEST ALONG THE SOUTH LINE OF SAID WEBER GRANT TO THE POINT OF BEGINNING.

APN 193-340-03

APN 241-020-70

## LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

A PORTION OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY WITH THE QUARTER SECTION LINE NORTH AND SOUTH THROUGH SAID SECTION 3; THENCE RUNNING SOUTHWESTERLY ALONG SAID SOUTH RIGHT OF WAY LINE TO THE INTERSECTION OF THE EAST LINE OF THE MOSSDALE ROAD PRODUCED TO MEET THE SAME; BEING THE POINT OF BEGINNING OF THE TRACT OF LAND HEREIN DESCRIBED; THENCE RUNNING SOUTH TO THE SOUTH LINE OF SECTION 3; THENCE WEST TO THE RIGHT BANK OF THE SAN JOAQUIN RIVER; THENCE FOLLOWING THE MEANDERS OF SAID RIVER DOWNSTREAM TO ITS INTERSECTION WITH THE EAST LINE OF THE MOSSDALE ROAD; THENCE FOLLOWING SAID LINE OF ROAD NORTHEASTERLY TO ITS INTERSECTION WITH THE SOUTH LINE OF THE RIGHT OF WAY OF CENTRAL PACIFIC RAILWAY COMPANY; THENCE NORTHEASTERLY ALONG SAID RIGHT OF WAY TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM A 100 FOOT STRIP OF LAND CONVEYED TO STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED APRIL 17, 1925 IN BOOK OF OFFICIAL RECORDS, BOOK 67, PAGE 375, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF THE FOLLOWING DESCRIBED REAL PROPERTY LYING EAST OF THE EAST LINE OF THE OLD MOSSDALE ROAD AND NORTH OF THE NORTH LINE OF THE NEW STATE HIGHWAY:

COMMENCING AT A POINT 50 FEET SOUTH OF INTERSECTION OF CENTER LINE OF CENTRAL PACIFIC RAILWAY RIGHT OF WAY WITH THE ONE-HALF SECTION LINE RUNNING NORTH AND SOUTH THROUGH SECTION 3, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN; THENCE RUNNING SOUTH ALONG SAID ONE-HALF SECTION LINE TO THE SOUTH LINE OF SAID SECTION 3; THENCE WEST ALONG THE SOUTH LINE OF SECTION 3 TO THE RIGHT BANK OF SAN JOAQUIN RIVER; THENCE FOLLOWING THE MEANDERINGS OF SAID RIVER DOWNSTREAM TO ITS INTERSECTION WITH THE EAST LINE OF OLD MOSSDALE ROAD; THENCE ALONG THE EAST LINE OF SAID OLD MOSSDALE ROAD NORTHEASTERLY TO ITS INTERSECTION WITH A LINE PARALLEL WITH AND 50 FEET SOUTH OF THE CENTER LINE OF CENTRAL PACIFIC RAILWAY RIGHT OF WAY; THENCE NORTHEASTERLY ALONG SAID LINE PARALLEL WITH AND 50 FEET SOUTH OF THE CENTER LINE OF THE CENTRAL PACIFIC RAILWAY RIGHT OF WAY TO THE POINT OF COMMENCEMENT AND BEING A PORTION OF THE WEST 1/2 OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN.

ALSO EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THE 400 FOOT CONGRESSIONAL GRANT OF CENTRAL PACIFIC RAILWAY COMPANY.



ALSO EXCEPTING THEREFROM A TRACT OF LAND CONVEYED TO STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED AUGUST 16, 1928 IN BOOK OF OFFICIAL RECORDS, BOOK 247, PAGE 165, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED OCTOBER 11, 1955 IN BOOK OF OFFICIAL

RECORDS, BOOK 1797, PAGE 536, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO STATE OF CALIFORNIA FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 8, 1945 IN BOOK OF OFFICIAL RECORDS, BOOK 907, PAGE 334, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO STATE OF CALIFORNIA BY DEED RECORDED APRIL 17, 1969 IN BOOK OF OFFICIAL RECORDS, BOOK 3297, PAGE 147, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO RECLAMATION DISTRICT NO. 17, A PUBLIC AGENCY BY DEED RECORDED APRIL 22, 2010 AS INSTRUMENT NO. 2010055050 OF OFFICIAL RECORDS, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING ANY PORTION OF THE LAND WITHIN THE NATURAL BED OF THE SAN JOAQUIN RIVER AND ITS TRIBUTARIES BELOW THE ORDINARY HIGH WATER MARK WHERE IT WAS LOCATED PRIOR TO ANY ARTIFICIAL OR AVULSIVE CHANGES IN THE LOCATION OF THE RIVERBED.

APN 241-020-70

APN 241-030-13

## LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Joaquin, State of California,  
described as follows:

### PARCEL ONE:

A PORTION OF SECTIONS 3 AND 10, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT  
DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE ONE-HALF SECTION LINE, 6.44 CHAINS WEST OF THE  
QUARTER SECTION CORNER OF THE EAST SIDE OF SECTION 10, TOWNSHIP 2 SOUTH,  
RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN; THENCE NORTH ALONG A FENCE  
AND 6.44 CHAINS WEST OF THE SECTION LINE TO THE SOUTHERLY LINE OF THE RIGHT OF  
WAY OF THE CENTRAL PACIFIC RAILWAY COMPANY; THENCE SOUTHWESTERLY ALONG  
SAID RIGHT OF WAY TO THE ONE-HALF SECTION LINE RUNNING NORTH AND SOUTH  
THROUGH THE CENTER OF SECTION 3, SAID TOWNSHIP AND RANGE; THENCE SOUTH TO  
THE QUARTER SECTION CORNER BETWEEN SECTIONS 3 AND 10, SAID TOWNSHIP AND  
RANGE; THENCE WEST ALONG THE QUARTER SECTION LINE TO THE EASTERLY BANK OF  
THE SAN JOAQUIN RIVER; THENCE MEANDERING THE EASTERLY BANK OF SAID RIVER  
UPSTREAM TO WALTHALL SLOUGH; THENCE UP SAID SLOUGH TO A POINT 15.37 CHAINS  
WEST OF THE EAST LINE OF SECTION 10, SAID TOWNSHIP AND RANGE; THENCE NORTH  
PARALLEL TO SAID SECTION LINE, TO THE QUARTER SECTION LINE, EAST AND WEST  
THROUGH THE CENTER OF SAID SECTION 10; THENCE EAST TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM THAT CERTAIN STRIP OF LAND CONTAINING  
7.57 ACRES, CONVEYED BY ANGEL LITCHFIELD TO ALAMEDA AND SAN JOAQUIN  
RAILROAD COMPANY BY DEED DATED AUGUST 31, 1885, FILED FOR RECORD IN BOOK  
"A" OF DEEDS, VOL. 87, PAGE 474, SAN JOAQUIN COUNTY RECORDS.

ALSO SAVING AND EXCEPTING THEREFROM THAT CERTAIN PIECE OF LAND 100 BY 150  
FEET, CONVEYED BY ANGEL LITCHFIELD TO RECLAMATION DISTRICT NO. 17, BY DEED  
DATED FEBRUARY 9, 1909, FILED FOR RECORD IN BOOK "A" OF DEEDS, VOL. 173, PAGE  
470, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION CONVEYED TO THE STATE OF  
CALIFORNIA BY DEED RECORDED OCTOBER 5, 1955 IN BOOK 1796 OF OFFICIAL  
RECORDS, PAGE 30, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION CONVEYED TO ROBERT H. BROWN, ET  
UX, RECORDED JUNE 4, 1964 IN BOOK 2829 OF OFFICIAL RECORDS, PAGE 434, SAN  
JOAQUIN COUNTY RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION CONVEYED TO THE STATE OF  
CALIFORNIA, BY DEED RECORDED AUGUST 19, 1974 IN BOOK 3903 OF OFFICIAL  
RECORDS, PAGE 106, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE LAND DESCRIBED IN THE GRANT

DEED TO RECLAMATION DISTRICT NO. 17, A PUBLIC AGENCY RECORDED APRIL 22, 2010 AS INSTRUMENT NO. 2010-055046 OF OFFICIAL RECORDS.

PARCEL TWO:

AN EASEMENT 20 FEET IN WIDTH FOR DRAINAGE PURPOSES OVER A PORTION OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, THE CENTER LINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE CENTER LINE OF THE WESTERN PACIFIC RAILROAD RIGHT OF WAY, AT THE EASTERLY END OF A STEEL BRIDGE ACROSS THE SAN JOAQUIN RIVER; RUNNING THENCE ALONG THE CENTERLINE OF SAID RIGHT OF WAY, NORTH 68°49' EAST 350 FEET; THENCE SOUTH 23°11' EAST 50 FEET TO A POINT IN THE SOUTHERLY LINE OF THE WESTERN PACIFIC RAILROAD COMPANY RIGHT OF WAY, SAID POINT BEING IN THE CENTERLINE OF A DRAINAGE CANAL AND ALSO BEING THE TRUE POINT OF BEGINNING; THENCE RUNNING ALONG THE CENTERLINE OF SAID DRAINAGE CANAL SOUTH 23°11' EAST, 238 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID CENTERLINE WITH THE CENTERLINE OF A DRAINAGE CANAL RUNNING IN A GENERALLY NORTHWESTERLY DIRECTION; THENCE ALONG THE CENTERLINE OF SAID DRAINAGE CANAL RUNNING IN A NORTHWESTERLY DIRECTION ON THE FOLLOWING TWO COURSES:

1. NORTH 62°09'41" WEST 190 FEET;
2. NORTH 78°26'34" WEST 29.00 FEET TO THE WESTERLY END OF A CONCRETE INTAKE STRUCTURE; THENCE SOUTH 66°49' WEST 235 FEET, MORE OR LESS, TO THE EASTERLY BANK OF THE SAN JOAQUIN RIVER, AS RESERVED IN DEED TO ROBERT B. BROWN, ET UX, RECORDED JUNE 4, 1964 IN BOOK 2829 OF OFFICIAL RECORDS, PAGE 434, SAN JOAQUIN COUNTY RECORDS.

APN: 241-030-13

APN 241-410-02

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

A PORTION OF THE WEST 1/2 OF SECTION 2 AND A PORTION OF THE EAST 1/2 OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY RT. 120, SAID POINT BEING A CONCRETE MONUMENT MARKING THE WEST LINE OF MCALPIN PROPERTY AS DESCRIBED IN DEED RECORDED JULY 7, 1954 IN BOOK 1648, PAGE 424; THENCE SOUTH 0 DEGREES 18 MINUTES WEST, ALONG SAID WEST LINE, A DISTANCE OF 1438 FEET; THENCE DUE EAST A DISTANCE OF 25 FEET TO THE NORTHWEST CORNER OF PROPERTY AS DESCRIBED IN DEED TO TRACEY E. DALE, ET UX, RECORDED IN BOOK 2788 PAGE 514; THENCE NORTH 84 DEGREES 30 MINUTES 52 SECONDS EAST, ALONG THE SOUTH LINE OF PROPERTY AS DESCRIBED IN DEED TO RUTH REHAK, RECORDED NOVEMBER 18, 1966 IN BOOK 3088, PAGE 198, OFFICIAL RECORDS, A DISTANCE OF 636 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREINAFTER DESCRIBED PARCEL:

THENCE CONTINUE NORTH 84 DEGREES 30 MINUTES 52 SECONDS EAST, A DISTANCE OF 430.52 FEET TO THE EAST LINE OF PROPERTY DESCRIBED AS THE —NORTH PARCEL“ IN THE INTERLOCUTORY JUDGMENT OF DIVORCE, RECORDED JUNE 16, 1966 IN BOOK 3057, PAGE 206; THENCE NORTH 4 DEGREES 08 MINUTES 50 SECONDS EAST, ALONG THE EAST LINE OF SAID —NORTH PARCEL“, A DISTANCE OF 1655.57 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF STATE HIGHWAY RT. 120; THENCE SOUTHWESTERLY ALONG THE SOUTHERLY LINE OF SAID HIGHWAY A DISTANCE OF 411 FEET; THENCE SOUTHERLY, PARALLEL WITH THE EASTERLY LINE OF SAID REHEK PROPERTY; A DISTANCE OF 500 FEET; THENCE SOUTHWESTERLY, PARALLEL WITH THE SOUTHERLY LINE OF SAID HIGHWAY 120, TO THE EASTERLY LINE OF REHEK PROPERTY; THENCE SOUTHERLY, ALONG THE EAST LINE OF SAID REHAK PARCEL TO THE TRUE POINT OF BEGINNING EXCEPT THEREFROM THAT PORTION DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 21, 1977, IN BOOK 4274, PAGE 697, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM PARCELS A AND B AS SHOWN ON PARCEL MAP FILED JANUARY 10, 1978 IN BOOK 5 OF PARCEL MAPS, AT PAGE 120, SAN JOAQUIN COUNTY RECORDS.

APN 241-410-02

APN 241-410-03

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

PARCEL ONE:

PARCEL A, AS SHOWN ON PARCEL MAP FILED OCTOBER 31, 1980 IN VOL. 9 OF PARCEL MAPS, PAGE 173, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWO:

AN EASEMENT FOR INGRESS AND EGRESS OVER AND UPON THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

A STRIP OF LAND 25 FEET WIDE, THE WEST LINE THEREOF BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY ROUTE 120, SAID POINT BEING A CONCRETE MONUMENT MARKING THE WEST LINE OF THE MCALPIN PROPERTY; THENCE SOUTH 0°18' WEST ALONG THE WEST LINE OF SAID MCALPIN PROPERTY A DISTANCE OF 1961 FEET TO A POINT ON THE NORTH LINE OF THE DESCRIBED IN DEED TO JAMES ROBERT POWELL, ET UX, RECORDED SEPTEMBER 19, 1967 IN BOOK 3153 OF OFFICIAL RECORDS, PAGE 465, AND BEING THE TERMINATION POINT OF SAID LINE.

EXCEPT THEREFROM THAT PORTION OF PROPERTY AS DESCRIBED IN THE FINAL ORDER OF CONDEMNATION RECORDED AUGUST 16, 1977 IN BOOK 4295 OF OFFICIAL RECORDS, PAGE 676.

APN: 241-410-030-000

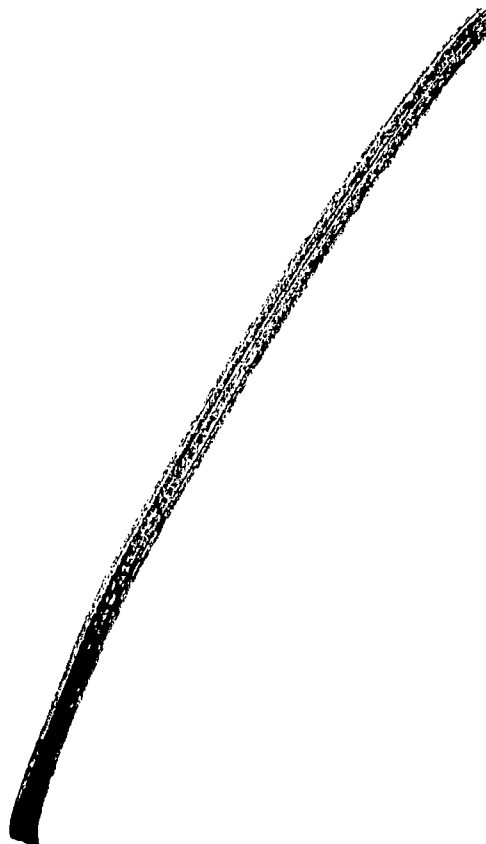
APN 241-410-06

**LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of San Joaquin, State of California, described as follows:

PARCEL C, AS SHOWN ON PARCEL MAP FILED DECEMBER 28, 1977 IN BOOK 5 OF PARCEL MAPS, PAGE 105, SAN JOAQUIN COUNTY RECORDS.

APN 241-410-06



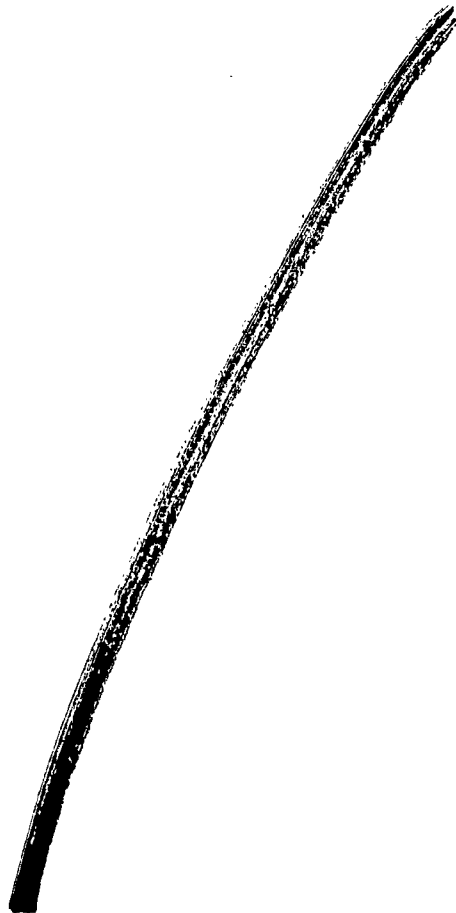
APN 241-410-07

**LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of San Joaquin, State of California,  
described as follows:

PARCEL B, AS SHOWN ON PARCEL MAP FILED OCTOBER 31, 1980 IN VOL. 9 OF  
PARCEL MAPS, PAGE 173, SAN JOAQUIN COUNTY RECORDS.

APN 241-410-07



**Reallocation of Wastewater (Sewer) Capacity from South Lathrop Land, LLC to City of Lathrop**  
6/19/2023

Total Initial Balance <sup>1</sup>		114,000	gpd
<b>New Development</b>	<b>Allocation</b>	79,950	gpd
SISP Parcels (225.21 Acres)		34,050	gpd
Remaining Capacity Not Allocated		114,000	gpd
<b>Total Capacity (Not Including Reserve Capacity)</b>			

Reserve Sewer Treatment Capacity Transferred to the City of Lathrop	Allocation No.	2018-01	gpd	355
Remaining Reserve Capacity	Allocation No.	2018-01	gpd	355
	Allocation No.	2020-01	gpd	41,455
	Allocation No.	2023-01	gpd	17,100

Assessor Parcel Number (APN)	Property Owner	Parcel Map 17-01 Parcel Number	Acres	Sewer Treatment & Disposal Allocated to parcel (gpd) <sup>2</sup>	Remaining Capacity
241-030-46,47&48	South Lathrop Land, LLC	Parcel 1	26.08	9,258	9,258
241-030-16	BentallGreen Oak	Parcel 2	49.62	17,615	17,615
241-030-45	South Lathrop Land, LLC	Parcel 3	51.46	18,268	18,268
241-030-18	TriPoint Building 3, LLC	Parcel 4	44.72	15,876	15,876
241-030-19	South Lathrop Land, LLC	Parcel 5	15.20	5,396	5,396
241-030-20	TriPoint Building 5, LLC	Parcel 6	12.50	4,438	4,438
241-030-21	TriPoint Building 6, LLC	Parcel 7	9.44	3,351	3,351
241-030-22	TriPoint Building 7, LLC	Parcel 8	6.90	2,450	2,450
241-030-23	South Lathrop Land, LLC	Parcel 9	9.29	3,298	3,298
<b>Totals</b>			<b>225.21</b>	<b>79,950</b>	<b>79,950</b>

Remaining Capacity	South Lathrop Land, LLC	Allocation No.	2023-01	gpd	17,100
<b>Total South Lathrop Land Capacity</b>					<b>96,900</b>
<b>Total Unallocated Remaining Capacity</b>					<b>16,950</b>

**Notes:**  
 1. Capacity per Exhibit B-1 of CTF Phase 2 Expansion Design and Construction Agreement dated 11-21-16, transferred to South Lathrop Land  
 2. Disposal Capacity in Land Application Area #3 assumed to match treatment capacity allocated  
 3. Per Draft Master Plan dated January 2018  
 4. Sale to DR Horton  
**Authorized by:**  
City of Lathrop

<b>South Lathrop Land, LLC</b>	Philip J. Prassas, Vice President	Date
<b>TriPoint Building 3, LLC</b>	Philip J. Prassas, Vice President	Date
<b>TriPoint Building 5, LLC</b>	Philip J. Prassas, Vice President	Date
<b>TriPoint Building 6, LLC</b>	Philip J. Prassas, Vice President	Date
<b>TriPoint Building 7, LLC</b>	Philip J. Prassas, Vice President	Date



**Reallocation of Wastewater (Sewer) Capacity from City of Lathrop to DR Horton**

	<u>Allocation</u>		<u>City Council</u>		<u>Sewer</u>	
	<u>GPD</u>	<u>gpd</u>	<u>Allocation Date</u>	<u>Allocation No.</u>	<u>GPD/Unit<sup>2</sup></u>	<u>APNs/Lots</u>
<b>Beginning Balance</b>	17,100	gpd				
DR Horton Eagle's Landing	17,100	gpd	July 10, 2023	EL 2023-01	180	95
<b>Remaining Capacity</b>	0	gpd				

- Notes:**
- 1) Initial capacity of 17,100 from purchase of South Lathrop Land Capacity on July 10, 2023
  - 2) Obligation to secure capacity associated with VTM 22-100
  - 3) Capacity to be assigned by a final map within one year of purchase, if capacity remains unassigned within one year of purchase the capacity shall be sold back to the City per the Transfer Agreement

**Authorized by:**

**City of Lathrop**

**Grantee: D.R. Horton Bay, Inc.**

Brad Taylor, City Engineer \_\_\_\_\_ Date \_\_\_\_\_

Cari James, Director of Finance \_\_\_\_\_ Date \_\_\_\_\_

By: \_\_\_\_\_ Date \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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## ITEM 4.11

### CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL MEETING

**ITEM:**                               **RATIFY THE CITY MANAGER'S APPROVAL OF AN AGREEMENT WITH SOLID NETWORKS, INC. FOR EQUIPMENT REQUIRED FOR THE CAD-RIMS TRANSFER PROJECT**

**RECOMMENDATION:**   **Adopt Resolution Ratifying the City Manager's Approval of an Agreement with Solid Networks, Inc. for Equipment Required for CAD-RIMS Transfer Project**

---

#### **SUMMARY:**

The City entered into a contract with the City of Ripon for dispatching services, which commenced in July 2022 and allowed the City of Lathrop to host its CAD system on Ripon's existing infrastructure. Due to supply chain, the equipment was not available at the time of start up for the Lathrop Police Department.

Now that the equipment has become available, the Information Systems Department (ISD) staff recommends the transfer of the City's CAD-RIMs software system to the Lathrop Police Department (LPD) to ease security and software updates, and allow ISD to further customize the software to better serve the residents of Lathrop. Hosting the servers on-site will result in faster and easier access to data for all LPD staff. This move will also enable the City to integrate state-of-the-art technologies that are currently not feasible when sharing systems with the Ripon Police Department, thereby reducing the time required for crime investigations. Additionally, having the equipment hosted at LPD will allow the Information Systems Department (ISD) to maintain the equipment, perform security and CAD software updates at more regular intervals.

Dispatching services will continue to be handled by the Ripon Police Department, while hardware and data will be hosted at the Lathrop Police Building.

Staff requested quotes from ten (10) vendors, but only one vendor responded to the request due to high demand and supply chain issues. Solid Networks, Inc. is the sole vendor capable of providing the required equipment for the project, with a hardware cost of \$120,585.19. The City Manager signed an agreement on June, 12, 2023 to avoid further delays. Staff is requesting the City Council ratify the City Manager's approval of this purchase.

#### **BACKGROUND:**

The Ripon Police Department has been supporting the City of Lathrop's CAD systems and allowed us to host the CAD system within their current infrastructure. Due to supply chain issues, the equipment was not available at the time of establishing the

**RATIFY THE CITY MANAGER'S APPROVAL OF AN AGREEMENT WITH SOLID NETWORKS, INC. FOR EQUIPMENT REQUIRED FOR THE CAD-RIMS TRANSFER PROJECT**

department. Since this is a high demand product, the City Manager approved the purchase from the sole vendor able to produce the equipment required, while it was available. Staff now requests City Council ratify the City Manager's approval.

To improve responsiveness, security upgrades, and maintenance services, the Information Systems Department (ISD) is collaborating on the transfer of LPD information from the servers at Ripon Police Department to servers located at the Lathrop Police Department. These servers store data from various software utilized by LPD, including the Records Information Management System (RIMS), Computer Aided Dispatch (CAD) from Sun Ridge, DOJ compliance information, as well as data and information from the dispatching services. Having the equipment hosted at LPD will allow the Information Systems Department (ISD) to maintain the equipment and perform security and CAD software updates at more regular intervals, a responsibility that currently falls under the purview of the Ripon Police Department Information Technologies staff.

Dispatching services will continue to be handled by the Ripon Police Department, while hardware and data will be hosted at the Lathrop Police Building.

**REASON FOR RECOMMENDATION:**

At the time of establishment of the LPD, the equipment was not available due to restricted supply and excessive demand. Hosting the servers on-site will significantly improve data accessibility for police staff, enabling faster integration of state-of-the-art technology to expedite investigations, reduce staff time, and enhance software, equipment, and security responsiveness. It also empowers the police staff to make necessary changes to better serve the citizens of Lathrop. By hosting the equipment closer to the ISD, the staff can efficiently maintain the equipment and perform updates at more regular intervals and as needed. Moreover, data communications to the patrol vehicles would improve, because the City benefits from multiple robust connections for accessing the network systems.

**FISCAL IMPACT:**

The funds for the equipment are available in the FY 23/24 budget and available in the Lathrop Police Department budget.

**ATTACHMENTS:**

- A. Resolution of the City Council of the City of Lathrop to Ratify the City Manager's Approval of an Agreement with Solid Networks, Inc. for the Equipment Required for the Ripon CAD-RIMS Project Move
- B. PO #2023-617 with Solid Networks, Inc. for the Purchase of Equipment Required for the Ripon CAD-RIMS Project Move

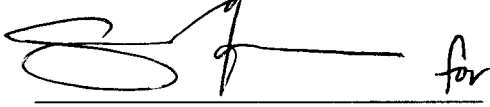
**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL MEETING**

**RATIFY THE CITY MANAGER'S APPROVAL OF THE PURCHASE WITH SOLID NETWORKS, INC. FOR THE EQUIPMENT REQUIRED FOR THE RIPON CAD-RIMS PROJECT MOVE**

**APPROVALS:**

  
\_\_\_\_\_  
Tony Fernandes  
Information Systems Director


7-3-2023  
Date

 for  
\_\_\_\_\_  
Cari James  
Finance Director

7/3/2023  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

7-3-2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

7.3.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RATIFYING THE CITY MANAGER'S APPROVAL OF THE PURCHASE WITH SOLID NETWORKS, INC. FOR THE EQUIPMENT REQUIRED FOR THE CAD-RIMS TRANSFER PROJECT**

**WHEREAS**, on June 30th, 2022, the City of Lathrop established its own Police Department (LPD); and

**WHEREAS**, the City entered into a contract with the City of Ripon for dispatching services, which commenced in July 2022 and allowed us to host the City's CAD-RIMS software system on Ripon's existing hardware; and

**WHEREAS**, due to supply chain constraints and the high demand for this equipment, the equipment was not available at the time of start up of the Lathrop Police Department; and

**WHEREAS**, since the equipment has become available, staff recommends the transfer of the City's CAD-RIMS software system location to the Lathrop Police Department (LPD) to ease security and software updates, and to allow ISD to continue to customize the software to better serve the residents of Lathrop; and

**WHEREAS**, Staff requested quotes from ten (10) vendors, but only one vendor responded to the request due to high demand and supply chain issues. Solid Networks, Inc. is the sole vendor capable of providing the required equipment for the project, with a hardware cost of \$120,585.19; and

**WHEREAS**, City Manager authorized the agreement on June 6, 2023; and

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Lathrop does hereby ratify the City Manager's approval of an Agreement with Solid Networks, Inc. for the equipment required for the CAD-RIMS transfer project.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

# Exhibit "B"



**Bill To**  
 390 Towne Centre Dr  
 Lathrop, CA 95330

**Purchase Order**  
 No. 2023-00000617  
 Date 6/1/2023

**Resolution**

The parties to this agreement are:

Vendor No. 1295

**PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, SHIPPERS, BILL OF LADING AND CORRESPONDENCE**

**DELIVER BY**

**Vendor** Solid Networks, Inc  
 P.O. Box 613  
 OAKDALE, CA 95361

**Ship To** 390 Towne Centre Dr  
 Lathrop, CA 95330

**SHIP VIA**  
**FREIGHT TERMS**  
**PAGE** 1 of 3  
**ORIGINATOR** Emily Malay

QUANTITY	UNIT	DESCRIPTION	UNIT COST	TOTAL COST
1.00	EACH	DL 380 BTO Virtual Server Bundle	\$13,886.0000	\$13,886.00
1.00	EACH	HPE iLO 1-Server License	\$168.0000	\$168.00
1.00	EACH	HPE 3 YR Tech Basic DMR DL380 Gen 10	\$1,329.0000	\$1,329.00
2.00	EACH	Cisco 10GBASE-CU Cable 3 Meter	\$78.0000	\$156.00
2.00	EACH	Intel Xeon-Gold 6242 Processor Kit	\$3,242.0000	\$6,484.00
24.00	EACH	HPE 32 GB Memory Kit	\$368.0000	\$8,832.00
1.00	EACH	HPE Alletra 6030 23 TB	\$48,446.0000	\$48,446.00
1.00	EACH	HPE 5YR Alletra 6000 Saas	\$23,184.0000	\$23,184.00
1.00	EACH	HPE Startup SVC	\$5,933.0000	\$5,933.00
1.00	EACH	HPE 5YR Tech Care Essentials	\$5,020.0000	\$5,020.00
4.00	EACH	Cisco 10GBASE-CU Cable 3 Meter	\$78.0000	\$312.00
1.00	EACH	Tax	\$6,835.1900	\$6,835.19

**\$120,585.19**

The contractor agrees to furnish all labor, equipment and materials necessary to perform the services describe herein and agrees to comply with the terms and conditions identified below which are made a part hereof by this reference (Outline exact detail what is to be done, where is to be done and include work specifications, if applicable.)

DocuSigned by:  
  
 6/6/2023  
 CITY OF LATHROP  
 RECOMMENDED FOR APPROVAL DATE

DocuSigned by:  
  
 6/6/2023  
 VENDOR (Signature)  
 APPROVED BY DATE

6.12.23  
 CITY OF LATHROP  
 APPROVED BY DATE

Christina Robinson 6/6/2023  
 VENDOR (Print Name)  
 APPROVED BY DATE

Special Instructions

Ripon CAD-RIMS Project Move



Page 2 of 3  
STANDARD PURCHASE ORDER  
TERMS AND CONDITIONS

1. **ACCEPTANCE.** Acceptance of this Purchase Order, whether by written acknowledgement or by performance by Seller, shall be upon the terms and conditions hereof; no other terms or conditions shall be binding on Buyer unless written approval thereof specifically referring to such other terms and conditions shall have been given to Seller.
2. **INVOICES.** Separate invoice shall be supplied for each Purchase Order shipment. Each invoice shall be itemized and shall show Contract Number, terms, discounts, date of shipment or service dates, and Purchase Order Number. Failure to show said items may result in delay of payment with all rights reserved, including cash discounts. The Vendor name on this Purchase Order resulted from a quotation signed in the same name. Payment will not be made to a firm name other than that shown on the face hereof without written assignment.
3. **PAYMENT TERMS.** Seller shall receive payment either by One-Time payment (Lump Sum), Monthly or Quarterly ITEMIZED INVOICE. All payments are in arrears.
4. **ORDER CHANGES.** The Buyer shall have the right from time to time by written notices to make changes in quantities and/or delivery dates of any article, material, or services covered by this Purchase Order prior to the time the item or items are actually placed into final production by the Seller. If such changes are made after the article, material, or services are placed into final production by the Seller and such changes cause a substantial increase or decrease in Seller's performance will be made and this order will be modified in writing accordingly, provided that any claim for adjustment must be asserted by the Seller within a reasonable time (in no case to exceed twenty days) after the change is ordered.
5. **SHIPPING.** Seller will indicate plainly the Purchase Order Number on all bills of lading, all goods shipped pursuant to said order, and on all invoices, freight bills, and packages. Each package must contain a memorandum showing Seller's name, contents of package, and Purchase Order Number.

Shipments of goods specified on this Purchase Order number should result in lowest possible freight rate unless otherwise specified by Buyer. Penalties or increased charges due to failure to observe this provision will be charged to Seller.

Shipping costs for goods on back order shall be paid only at the rate which would have been applicable had the complete order been shipped at one time. All excess costs shall be borne by Seller. Partial shipments must be identified as such on shipping memoranda and invoices.

When shipping, Seller will make no declaration of value to carried, except where shipment is subject to released value ratings.

Any materials supplied to City which are covered by the OSHA Hazard Communication Standard must be accompanied by the applicable Material Safety Data Sheet (MSDS) at the time of delivery.
6. **DELIVERY.** Unless otherwise expressly provided, Seller shall deliver all articles to Buyer's premises, free of all freight, handling, transportation, drayage, boxing and similar charges. All times in this contract are of the essence.
7. **TERMINATION.** Buyer may terminate all or part of this contract, with or without cause. If buyer terminates without cause, then Buyer shall pay all reasonable termination charges incurred by Seller.
8. **DECLINE IN PRICES.** Buyer shall be protected in the event of declining prices on the undelivered portion of this Purchase Order if prices decline got items ordered. Seller may elect to meet priced reductions or other vendors, or its own lower prices to other purchasers, but if Seller should refuse to do so, Buyer shall have the right to cancel any or all of the balance due on this Purchase Order without cost to Buyer.
9. **FORCE MAJEURE.** Neither Seller nor Buyer shall be liable for nonperformance due to causes beyond reasonable control. Where only a part of Seller's capacity to perform is excused under this paragraph, Seller must allocated production and deliveries among the various customers then under contract for similar goods during the period. The allocation must be made in a fair and equitable manner. Where either Seller or Buyer claims an excuse for nonperformance under this paragraph, it must give notice in writing to the other party. Seller shall not be obligated to sell, nor Buyer obligated to purchase, at a later date, that portion of the goods that Seller is unable to deliver or Buyer is unable to receive or use due to any excused cause. No goods are to be tendered by Seller after the expiration of the terms specified in this Purchase Order without consent of Buyer.
10. **WARRANTY.** Seller warrants that all articles and services covered by this Purchase Order will conform to drawings, specifications, or samples and will be merchantable and of good material, design and workmanship, free from all defects, and suitable for the use intended. All articles will be subject to Buyer's inspection and rejection at the place of delivery. Defective articles may be returned to the Seller for full credit or replacement at the Seller's risk and expense, including transportation charges both ways, but no defective articles shall be replaced without formal replacement order signed by the Buyer.
11. **ASSIGNMENT.** Neither party shall assign or transfer this Purchase Order without the written consent of the other.
12. **INDEMNITY. SELLER WARRANTS THAT GOODS FURNISHED UNDER THIS PURCHASE ORDER DO NOT INFRINGE ANY PATENT, TRADEMARK, OR TRADE NAME, OR COPYRIGHT AND AGREES TO INDEMNIFY AND SAVE HARMLESS BUYER OR ITS VENDEES FROM ANY AND ALL CLAIMS, SUITS, LIABILITIES, DAMAGES, LOSSES, OR EXPENSES INCURRED BY BUYER OR ITS VENDEES BY REASON OF ANY ALLEGED INFRINGEMENT OF ANY SUCH RIGHTS.**

## PAGE 3 OF 3

**SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER AND ITS AGENTS AND EMPLOYEES FROM AN AGAINST ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF THE WORK CAUSED BY ANY NEGLIGENT ACT OR OMISSION OF SELLER, ANY SUBCONTRACTOR, OR ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE. IN CASE OF CONCURRING FAULT, EACH PARTY SHALL BEAR ITS SHARE OF THE LOSS.**

- 13 **BUYER'S PROPERTY** Any property of Buyer in Seller's active or constructive possession or custody hereunder will be at Seller's risk, and Seller agrees to reimburse Buyer for any loss or damage to such property however caused.
- 14 **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS** By acceptance hereof, Seller warrants:
- (a) that all goods, merchandise, and materials delivered and services rendered hereunder will have been produced and provided in compliance with all requirements of the Fair Labor Standards Act of 1938, as amended, and
  - (b) that all goods, materials, and equipment delivered hereunder shall comply with the applicable federal standards prescribed by the Occupational Safety and Health Act of 1970, or as amended.
  - (c) that Seller will comply with all applicable laws, rules and regulations of federal, state and local governments and agencies, thereof, including but not limited to Executive Orders 11246, 11701, and section 503 of Public Law 93-112, The Rehabilitation Act of 1973, the provisions of The Americans and Disabilities Act, Transient Employer Law (285.230 R. S. Mo. et seq.) and Excessive Unemployment Law (Section 290.550 et seq. R.S. Mo.) which are hereby incorporated by reference, unless this Purchase Order is exempt pursuant to said Executive Orders, or Acts and the regulations issued thereunder
- 15 **WORKER'S COMPENSATION, EMPLOYER'S LIABILITY, AND GENERAL LIABILITY** When work is performed on Buyer's premises, Seller agrees to carry at Seller's own expense.
- (a) Worker's Compensation and Employer's Liability Insurance.
  - (b) General liability (including Contractual Liability and Products Liability/Completed Operations) Insurance and Auto Liability Insurance each in amounts no less than \$1,000,000 per occurrence. Insurance certificates of such coverage shall be submitted to City Utilities' Risk Management upon request of Buyer
- 16 **INSOLVENCY.** If Seller shall become insolvent, file a petition in bankruptcy, or shall make an assignment for the benefit of creditors, or if a receiver or trustee shall be appointed of or for any of Seller's property or business, the Purchase Order may be cancelled at Buyer's option without liability.
- 17 **TAXES.** Seller agrees to cooperate with Buyer in opposing the imposition of any tax on any article covered by this Purchase Order, the legality of which is questioned by Buyer, and in securing any abatement or any refund thereof sought by Buyer.
- 18 **FOREIGN SHIPMENTS.** Foreign shipments must be preceded by execution of formal Consular Invoice. At time of shipment, Ocean Bills of Lading, Consular Invoice, and Commercial Invoices, in triplicate, shall be forwarded directly to the Purchasing Agent issuing this Purchase Order
- 19 **VENUE.** This Purchase Order shall be governed by the law of the State of California
- 20 **BRANDING.** Seller warrants that all materials covered by this Purchase Order are not altered or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act; not an article with may not, under provisions of Section 404 or 505 of said act, be introduced into interstate commerce, and not adulterated or misbranded within the meaning of the pure food and drug laws or the ordinances of any state or city which are applicable to such shipment or delivery, and Seller hereby agrees to indemnify and save the Buyer harmless from and against all claims, charges, action and proceedings brought against Buyer by any lawful government authority or by any person on account of any alleged adulteration or misbranding by Seller of any such material referred to above. Seller does no guarantee against any such material becoming adulterated or misbranded after delivery to Buyer by reason of causes beyond Seller's control.
- 21 **CONFLICTING TERMS.** In case of a conflict between these terms and conditions and those of a separate written contract signed by both Buyer and Seller, the written contract shall prevail.
- 22 **REVIEW OF RECORDS.** During the term of the purchase order/agreement and for three years thereafter, City of Lathrop (City) shall have the right to review Seller's records, only for the purposes of verifying claims for payment and compliance with the terms and conditions of the purchase order/agreement for at least three years after final payment.
- 23 **OFFSETTING BILLS** City reserves the right to apply offsetting payments for goods and/or services that are due against delinquent utility bills which are due City
- 24 **NON-EXCLUSIVE AGREEMENT.** The purchase order is a non-exclusive contract and City reserves the right to purchase same or like materials and/or services from other sources as City deems necessary and appropriate.



**Solid Networks**  
Mark Ricci  
1.209.338.1424  
Mark.Ricci@SolidNetworks.com

**Technology  
Simplified**



**We have prepared a quote for you**

**Lathrop PD ESXi Cluster Upgrades (Materials)**

Quote #008130  
Version v1

**Prepared for:**

**City of Lathrop**

Tony Fernandes  
tfernandes@ci.lathrop.ca.us

ESX Server Cluster upgrades		Price	Qty	Ext. Price
DL380 SB Bundle	DL380 Smart Buy BTO Virtual Server Per Host Internal Resources: (2) Intel 6242 2.8GHz 16-cores (32-total), 512GB Memory (16x32), Internal Dual M.2 kit, 2pt 10/25GB SFP28, Redundant Power	\$13,886.00	1	\$13,886.00
P20245-B21	HPE ProLiant DL380 G10 Smart Buy - 2U Rack Server - 1 x Intel Xeon Gold 6242 18C 2.80 GHz - 32 GB RAM - Serial ATA/600, 12Gb/s SAS Controller - 2 Processor Support - Up to 16 MB Graphic Card - 10 Gigabit Ethernet, 25 Gigabit Ethernet - 8 x SFF Bay(s) - Ho		1	
P02510-B21	Intel Xeon-Gold 6242 (2.8GHz/16-core/150W) Processor Kit for HPE ProLiant DL380 Gen10		1	
P00924-B21	HPE 32GB (1x32GB) Dual Rank x4 DDR4-2933 CAS-21-21-21 Registered Smart Memory Kit		15	
678783-B21	HPE Universal SATA HHHL 3yr Wty M.2 Kit		1	
665414-B21	HP 800W Flex Slot Platinum Hot Plug Low Halogen Power Supply Kit - 230 V AC		1	
BD505A	HPE iLO Advanced 1-server License with 3yr Support on iLO Licensed Features	\$168.00	1	\$168.00
HS8A7E	HPE 3 Year Tech Care Basic W/ DMR DL380 Gen10 Service	\$1,329.00	1	\$1,329.00
SFP-H10GB-CU3M=	Cisco 10GBASE-CU SFP+ Cable 3 Meter, Passive	\$78.00	2	\$156.00
Upgrades for (2) existing server hosts. Add second processor and upgrade from 128GB to 512GB of memory.				
P02510-B21	Intel Xeon-Gold 6242 (2.8GHz/16-core/150W) Processor Kit for HPE ProLiant DL380 Gen10	\$3,242.00	2	\$6,484.00
P00924-B21	HPE 32GB (1x32GB) Dual Rank x4 DDR4-2933 CAS-21-21-21 Registered Smart Memory Kit	\$368.00	24	\$8,832.00
			<b>Subtotal</b>	<b>\$30,855.00</b>

HPE Alletra 6030 24TB NVMe Flash SAN		Price	Qty	Ext. Price
A6030CTO	HPE Configure-to-Order Alletra 6030, 23TB NVMe Flash, Dual Controller Array	\$48,446.00	1	\$48,446.00
R4U29A	HPE Alletra 6030 CTO Base Array		1	
Q8C17C	HPE Alletra 6000 2x10GbE 4p FIO Adpr Kit		1	
Q8F92A	HPE NEMA 5-15P-C13 1.8m US FIO Pwr Cord		4	
R7S81A	HPE Alletra 6000 23TB 12x1.92TB FIO Bdl		1	
R9X15A	HPE Alletra Tier 1 Storage Array Std Trk		1	
R0R12A	HPE Alletra 6000 2x10/25GbE 2p FIO Adpr		1	
Q8G27B	HPE Tier 1 Storage OS Default FIO SW		1	
S1E76AAE	HPE 5Y Alletra 6000 SW/Sup SaaS	\$23,184.00	1	\$23,184.00
S1E76AAE CTH	Data Ops Manager SaaS Subscription		1	
HA124A1	HPE Technical Installation Startup SVC	\$5,933.00	1	\$5,933.00
HA124A1 5MR	HPE Tier 1 Storage Array Startup SVC		1	

HPE Alletra 6030 23TB NVMe Flash SAN		Price	Qty	Ext. Price
HU4A6A3	HPE 5Y Tech Care Essential SVC	\$5,020.00	1	\$5,020.00
HU4A6A5 ZUN	HPE Alletra 6000 2x10/25GbE 2p Kit Supp		1	
HU4A6A5 ZUF	HPE Alletra 6030 Base Array Supp		1	
HU4A6A5 ZV4	HPE Alletra 6000 AF 23TB NVMe Bdl Supp		1	
SFP-H10GB-CU3M=	Cisco 10GBASE-CU SFP+ Cable 3 Meter, Passive	\$78.00	4	\$312.00
			<b>Subtotal</b>	<b>\$82,895.00</b>



# Lathrop PD ESXi Cluster Upgrades (Materials)

Quote #: 008130

Version: 1 Updated: 05/30/2023 Expiration Date: 06/30/2023

### Prepared by:

**Solid Networks**  
Mark Ricci  
1.209.338.1424  
Mark.Ricci@SolidNetworks.com

### Prepared for:

**City of Lathrop**  
390 Towne Centre Drive  
Lathrop, CA 95330  
Tony Fernandes  
(209) 941-7200  
tfernandes@ci.lathrop.ca.us

### Ship To:

**City of Lathrop**  
390 Towne Centre Drive  
Lathrop, CA 95330  
Tony Fernandes  
(209) 941-7200  
tfernandes@ci.lathrop.ca.us

## Quote Summary

Description	Amount
ESXi Server Cluster Upgrades	\$30,855.00
HPE Alletra 6030 23TB NVMe Flash SAN	\$82,895.00
<b>Subtotal:</b>	<b>\$113,750.00</b>
<b>Estimated Tax:</b>	<b>\$6,835.19</b>
<b>Total:</b>	<b>\$120,585.19</b>

Due to the global pandemic, the supply chain for IT products has been severely constrained. Please note that vendors are not allowing for cancellations on orders, even when the delivery time is severely impacted. We appreciate your patience as we navigate these circumstances.

All work performed is bound by the terms and conditions set forth in our current Master Services Agreement. Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

**Solid Networks**

**City of Lathrop**

Signature: Mark Ricci

Name: Mark Ricci

Title: Account Manager

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: Tony Fernandes

Title: Information Technologies Manager

Date: \_\_\_\_\_

**OFFSITE STAGING & CONFIGURATION AGREEMENT FOR OFFSITE CLIENT**

The Offsite Staging & Configuration Agreement ("Agreement") is entered into upon approval of the Solid Networks Quote between (Quote listed customer "Client") and Solid Networks [SNI].

Client wishes to purchase equipment from SNI which will be held, staged, or configured at a location other than the client premises.

The parties therefore enter into this agreement, on the following terms and conditions:

**A. Provisions Related to Equipment Purchases.**

**1. Transfer of Title**

All equipment purchased by client hereunder shall be deemed to have been delivered and title shall transfer to Client when received at the offsite location. The offsite location may be an office location of Client or a staging facility as indicated in the SHIP-TO location of the agreement.

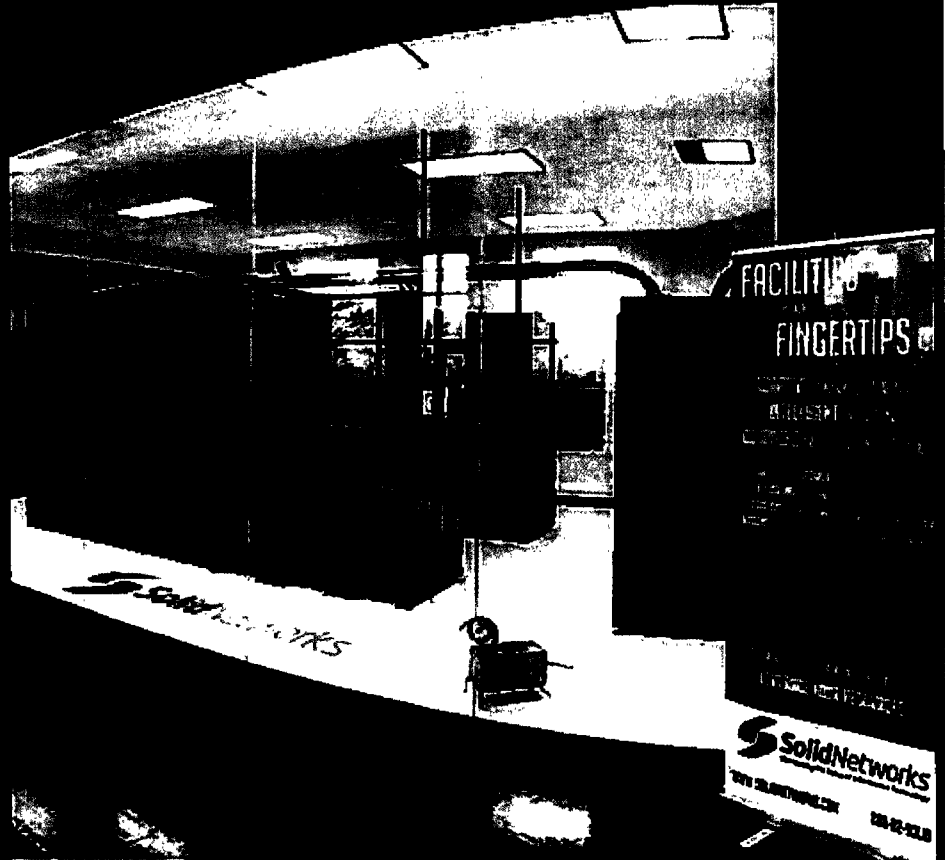
**2. Invoicing**

Client may be invoiced for the equipment upon delivery to the offsite location.



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**We have prepared a quote for you**

**Lathrop PD ESXi Cluster Upgrades (Materials)**

Quote #008130  
Version v1

**Prepared for:**

**City of Lathrop**

Tony Fernandes  
tfernandes@ci.lathrop.ca.us



70X Server Cluster Upgrade		Price	Qty	Ext. Price
<b>DL380 SB Bundle</b>	<b>DL380 Smart Buy BTO Virtual Server</b> Per Host Internal Resources: (2) Intel 6242 2.8GHz 16-cores (32-total), 512GB Memory (16x32), Internal Dual M.2 kit, 2pt 10/25GB SFP28, Redundant Power	<b>\$13,886.00</b>	<b>1</b>	<b>\$13,886.00</b>
P20245-B21	HPE ProLiant DL380 G10 Smart Buy - 2U Rack Server - 1 x Intel Xeon Gold 6242 16C 2.80 GHz - 32 GB RAM - Serial ATA/600, 12Gb/s SAS Controller - 2 Processor Support - Up to 16 MB Graphic Card - 10 Gigabit Ethernet, 25 Gigabit Ethernet - 8 x SFF Bay(s) - Ho		1	
P02510-B21	Intel Xeon-Gold 6242 (2.8GHz/16-core/150W) Processor Kit for HPE ProLiant DL380 Gen10		1	
P00924-B21	HPE 32GB (1x32GB) Dual Rank x4 DDR4-2933 CAS-21-21-21 Registered Smart Memory Kit		15	
678783-B21	HPE Universal SATA HHHL 3yr Wty M.2 Kit		1	
865414-B21	HP 800W Flex Slot Platinum Hot Plug Low Halogen Power Supply Kit - 230 V AC		1	
BD505A	HPE iLO Advanced 1-server License with 3yr Support on iLO Licensed Features	\$168.00	1	\$168.00
HS8A7E	HPE 3 Year Tech Care Basic W/ DMR DL380 Gen10 Service	\$1,329.00	1	\$1,329.00
SFP-H10GB-CU3M*	Cisco 10GBASE-CU SFP+ Cable 3 Meter, Passive	\$78.00	2	\$156.00
<b>Upgrades for (2) existing server hosts. Add second processor and upgrade from 128GB to 512GB of memory.</b>				
P02510-B21	Intel Xeon-Gold 6242 (2.8GHz/16-core/150W) Processor Kit for HPE ProLiant DL380 Gen10	\$3,242.00	2	\$6,484.00
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			<b>Subtotal</b>	<b>\$30,855.00</b>

HPE Alletra 6030 23TB NVMe Flash SAN		Price	Qty	Ext. Price
<b>A6030CTO</b>	<b>HPE Configure-to-Order Alletra 6030, 23TB NVMe Flash, Dual Controller Array</b>	<b>\$48,446.00</b>	<b>1</b>	<b>\$48,446.00</b>
R4U29A	HPE Alletra 6030 CTO Base Array		1	
Q8C17C	HPE Alletra 6000 2x10GbE 4p FIO Adpr Kit		1	
Q8F82A	HPE NEMA 5-15P-C13 1.8m US FIO Pwr Cord		4	
R7S81A	HPE Alletra 6000 23TB 12x1.92TB FIO Bdl		1	
R9X15A	HPE Alletra Tier 1 Storage Array Std Trk		1	
R0R12A	HPE Alletra 6000 2x10/25GbE 2p FIO Adpr		1	
Q8G27B	HPE Tier 1 Storage OS Default FIO SW		1	
S1E76AAE	HPE 5Y Alletra 6000 SW/Sup SaaS	\$23,184.00	1	\$23,184.00
S1E76AAE CTH	Data Ops Manager SaaS Subscription		1	
HA124A1	HPE Technical Installation Startup SVC	\$5,933.00	1	\$5,933.00
HA124A1 5MR	HPE Tier 1 Storage Array Startup SVC		1	

HPE Alletra 6030 23TB NVMe Flash SAN			Price	Qty	Ext. Price
HU4A6A3		HPE 5Y Tech Care Essential SVC	\$5,020.00	1	\$5,020.00
HU4A6A5	ZUN	HPE Alletra 6000 2x10/25GbE 2p Kit Supp		1	
HU4A6A5	ZUF	HPE Alletra 6030 Base Array Supp		1	
HU4A6A5	ZV4	HPE Alletra 6000 AF 23TB NVMe Bdl Supp		1	
SFP-H10GB-CU3M=		Cisco 10GBASE-CU SFP+ Cable 3 Meter, Passive	\$78.00	4	\$312.00
				<b>Subtotal</b>	<b>\$82,895.00</b>



# Lathrop PD ESXi Cluster Upgrades (Materials)

Quote #: 008130

Version: 1 Updated: 05/30/2023 Expiration Date: 06/30/2023

Prepared by:

**Solid Networks**

Mark Ricci  
1.209.338.1424  
Mark.Ricci@SolidNetworks.com

Prepared for:

**City of Lathrop**

390 Towne Centre Drive  
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## Quote Summary

Description	Amount
ESXi Server Cluster Upgrades	\$30,855.00
HPE Alletra 6030 23TB NVMe Flash SAN	\$82,895.00
<b>Subtotal:</b>	<b>\$113,750.00</b>
<b>Estimated Tax:</b>	<b>\$6,835.19</b>
<b>Total:</b>	<b>\$120,585.19</b>

Due to the global pandemic, the supply chain for IT products has been severely constrained. Please note that vendors are not allowing for cancellations on orders, even when the delivery time is severely impacted. We appreciate your patience as we navigate these circumstances.

All work performed is bound by the terms and conditions set forth in our current Master Services Agreement. Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

**Solid Networks**

**City of Lathrop**

Signature: Mark Ricci

Name: Mark Ricci

Title: Account Manager

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: Tony Fernandes

Title: Information Technologies Manager

Date: \_\_\_\_\_

**OFFSITE STAGING & CONFIGURATION AGREEMENT FOR CREDITED QUOTA**

The Offsite Staging & Configuration Agreement ("Agreement") is entered into upon approval of the Solid Networks Quota between (Quote listed customer "Client") and Solid Networks [SNI].

Client wishes to purchase equipment from SNI which will be held, staged, or configured at a location other than the client premises.

The parties therefore enter into this agreement, on the following terms and conditions:

**A. Provisions Related to Equipment Purchases.**

**1. Transfer of Title**

All equipment purchased by client hereunder shall be deemed to have been delivered and title shall transfer to Client when received at the offsite location. The offsite location may be an office location of Client or a staging facility as indicated in the SHIP-TO location of the agreement.

**2. Invoicing**

Client may be invoiced for the equipment upon delivery to the offsite location.

## ITEM 4.12

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: ACCEPT INTERSECTION IMPROVEMENTS ASSOCIATED WITH THE SIA FOR PM 19-03 FROM LATHROP GATEWAY 1, LLC, LOCATED AT THE INTERSECTION OF MCKINLEY AVENUE AND YOSEMITE AVENUE**

**RECOMMENDATION: Adopt Resolution Accepting Intersection Improvements Associated with the Subdivision Improvement Agreement for Parcel Map 19-03 from Lathrop Gateway 1, LLC, Located at the Intersection of McKinley Avenue and Yosemite Avenue**

---

#### **SUMMARY:**

Lathrop Gateway 1, LLC, (Phelan) the developer for Lathrop Gateway Business Park, has completed the construction of the intersection of Yosemite Avenue and McKinley Avenue, in accordance with their Subdivision Improvement Agreement (SIA) for Parcel Map 19-03 (PM 19-03).

These improvements have been inspected by staff and deemed complete to City specifications by the City Engineer. Phelan provided a one-year warranty bond based on 10% of the completed improvement cost and lien releases for the improvements. A vicinity map for the intersection is included as Attachment "B".

Staff recommends City Council accept the intersection improvements from Phelan.

#### **BACKGROUND:**

On February 11, 2015, the City of Lathrop Planning Commission adopted Resolution No. 15-03 to approve the Vesting Tentative Parcel Map for the Lathrop Gateway Business Park (VTM-13-69) with Conditions of Approval for development consistent with the Lathrop Gateway Specific Plan.

On December 20, 2018, the City of Lathrop Planning Commission approved a Minor Specific Plan Amendment No. SPA-18-71 and Site Plan Review No. SPR-18-40 to construct ten (10) tilt-up buildings totaling approximately 3,035,000 square feet of speculative industrial warehouse space within three phases of development.

On January 24, 2018, the City of Lathrop Planning Commission approved Time Extension No. TE-18-01 for the Lathrop Gateway Business Park Vesting Tentative Parcel Map (VTM-13-69) by Resolution No. 18-1, which extended the life of the map to February 11, 2020. Pursuant to California Government Code Section 66452.6, the expiration is extended by 36 months because the subdivider is required to expend \$236,790 or more to construct, improve, or finance the construction or public improvements outside the property boundaries of the tentative map.

**CITY MANAGER’S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT INTERSECTION IMPROVEMENTS ASSOCIATED WITH SIA FOR PM 19-03 FROM LATHROP GATEWAY 1, LLC, LOCATED AT THE INTERSECTION OF MCKINLEY AVENUE AND YOSEMITE AVENUE**

In March 2021, City Council approved Parcel Map 19-03, establishing Phase 1 of Lathrop Gateway Business Park. As required by the City’s subdivision Ordinance, the approved parcel map included an SIA to guarantee the construction of the intersection improvements associated with the final map. Phelan has completed the intersection improvements associated with the SIA for Parcel Map 19-03. Completion of the intersection improvements listed in the GASB 34 Report fulfills the associated obligations of the SIA. The bond values and numbers are detailed in Table 1 below. Staff requests Council accept the intersection improvements and approve the release of the Performance and Labor & Materials Bonds and their replacement with the one-year warranty bond.

**Table 1 – Bond Details**

<b>Performance Bond Number/Value</b>	<b>Labor &amp; Materials Bond Number/Value</b>	<b>Warranty Bond Number/Value</b>
0136871 / \$533,291	0136871 / \$266,646	0136871-M / \$41,892.40

**REASON FOR RECOMMENDATION:**

Staff has inspected the improvements listed in the GASB 34 Report and confirmed that the improvements have been completed in accordance with City specifications and deemed complete by the City Engineer. Phelan has submitted lien releases for the improvements being accepted. Staff has received the one-year warranty bond and as-built drawings for said improvements. Staff recommends Council accept the improvements.

**FISCAL IMPACT:**

The approximate value of the improvements proposed to accept is \$418,924 as shown in the project GASB 34 Report and the costs to maintain these facilities will be covered through the Gateway Business Park City Services Capital Facilities District 2021-1.

The one-year warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with the effective date of this acceptance, due to defective materials or workmanship in connection with the completed improvements.

**ACCEPT INTERSECTION IMPROVEMENTS ASSOCIATED WITH SIA FOR PM 19-03 FROM LATHROP GATEWAY 1, LLC, LOCATED AT THE INTERSECTION OF MCKINLEY AVENUE AND YOSEMITE AVENUE**

**ATTACHMENTS:**

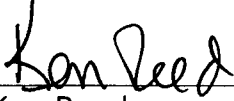
- A. Resolution Accepting Intersection Improvements Associated with the Subdivision Improvement Agreement for Parcel Map 19-03 from Lathrop Gateway 1, LLC, Located at the Intersection of McKinley Avenue and Yosemite Avenue
- B. Vicinity Map
- C. GASB 34 Report – Intersection of McKinley Avenue and Yosemite Avenue

**CITY MANAGER'S REPORT** **PAGE 4**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT INTERSECTION IMPROVEMENTS ASSOCIATED WITH SIA FOR PM 19-03 FROM LATHROP GATEWAY 1, LLC, LOCATED AT THE INTERSECTION OF MCKINLEY AVENUE AND YOSEMITE AVENUE**

**APPROVALS:**

  
\_\_\_\_\_  
Bellal Nabizadah  
Assistant Engineer


6-28-23  
Date

  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager

6-29-2023  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer

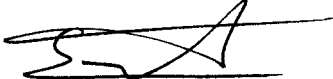
6/28/2023  
Date

 for  
\_\_\_\_\_  
Cari James  
Finance Director

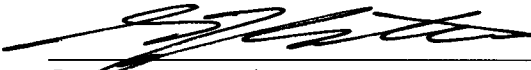
6/30/2023  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6-29-2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6-28-2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.6.23  
Date



## **RESOLUTION NO. 23-**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING INTERSECTION IMPROVEMENTS ASSOCIATED WITH THE SUBDIVISION IMPROVEMENT AGREEMENT FOR PARCEL MAP 19-03 FROM LATHROP GATEWAY 1, LLC, LOCATED AT THE INTERSECTION OF MCKINLEY AVENUE AND YOSEMITE AVENUE**

**WHEREAS**, on February 11, 2015, the City of Lathrop Planning Commission adopted Resolution No. 15-03 to approve the Vesting Tentative Parcel Map for the Lathrop Gateway Business Park (VTM-13-69) with Conditions of Approval for development consistent with the Lathrop Gateway Specific Plan; and

**WHEREAS**, on December 20, 2018, the City of Lathrop Planning Commission approved a Minor Specific Plan Amendment No. SPA-18-71 and Site Plan Review No. SPR-18-40 to construct ten (10) tilt-up buildings totaling approximately 3,035,000 square feet of speculative industrial warehouse space within three phases of development; and

**WHEREAS**, on January 24, 2018, the City of Lathrop Planning Commission approved Time Extension No. TE-18-01 for the Lathrop Gateway Business Park Vesting Tentative Parcel Map (VTM-13-69) by Resolution No. 18-1, which extended the life of the map to February 11, 2020. Pursuant to Government Code 66452.6, the expiration is extended by 36 months because the subdivider is required to expend \$236,790 or more to construct, improve, or finance the construction or public improvements outside the property boundaries of the tentative map; and

**WHEREAS**, on March 2021, City Council approved Parcel Map 19-03, establishing Phase 1 of Lathrop Gateway Business Park. As required by the City's subdivision Ordinance, the approved parcel map included a Subdivision Improvement Agreement (SIA) to guarantee the construction of the intersection improvements associated with the final map; and

**WHEREAS**, Lathrop Gateway 1, LLC (Phelan), has completed the improvements associated with the SIA for Parcel Map 19-03. Completion of the intersection improvements listed in the GASB 34 Report (Attachment C of the City Manger's Report) fulfills the associated obligations of the SIA; and

**WHEREAS**, the bond values and numbers are detailed in Table 1 below. Staff requests Council accept the intersection improvements and approve the release of the Performance and Labor & Materials Bonds and their replacement with the one-year warranty bond; and

**Table 1 – Bond Details**

<b>Performance Bond Number/Value</b>	<b>Labor &amp; Materials Bond Number/Value</b>	<b>Warranty Bond Number/Value</b>
0136871 / \$533,291	0136871 / \$266,646	0136871-M / \$41,892.40

**WHEREAS**, these improvements have been inspected by staff and deemed complete by the City Engineer and confirmed that the improvements have been completed in accordance with City specifications; and

**WHEREAS**, Phelan has submitted lien releases for the improvements proposed to be accepted. Staff has received the one-year warranty bonds and as-built drawings for said improvements; and

**WHEREAS**, staff recommends Council accept the intersection improvements from Phelan; and

**WHEREAS**, the City’s maintenance costs will increase because of the additional improvements that have to be maintained. The City’s Service Maintenance CFD 2021-1 has been established to help fund City maintenance and operating costs.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby accept the intersection improvements for Phase 1 of the Gateway Development and authorizes the release of the Performance Bond and the Labor & Materials Bond associated with the SIA for Parcel Map 19-03.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

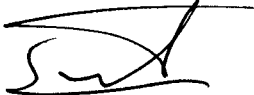
ABSENT:

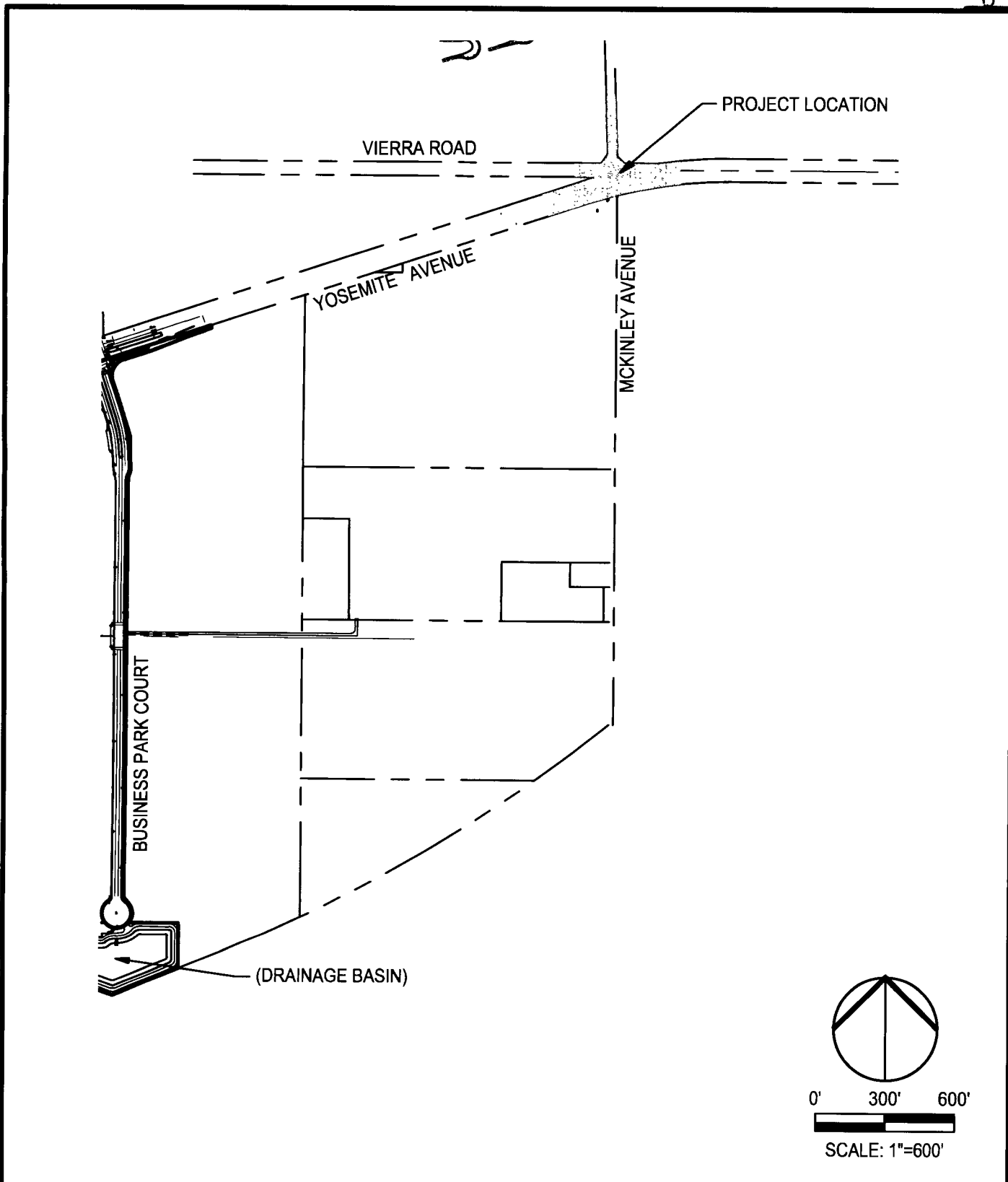
\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

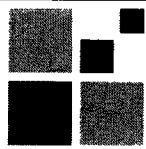


F:\17projects\17208 Lathrop Gateway\Improvement plans\PHASE 1\EXHIBITS\17208-VICINITY MAP-GASB 34-McKinley.dwg

06/27/23

LATHROP GATEWAY PHASE 1 OFFSITE IMPROVEMENTS MCKINLEY - VICINITY MAP

DATE	06/27/23
DESIGN	
DRAWN	
JOB NO.	17208



**SIEGFRIED**

3428 Brookside Road, Stockton, California 95219  
 209-943-2021 www.siegfriedeng.com Fax: 209-942-0214

- CIVIL
- STRUCTURAL
- LANDSCAPE ARCHITECTURE
- SURVEYING
- PLANNING
- ATHLETIC FACILITY DESIGN

SCALE: AS SHOWN

SHEET  
1

OF: 1



CITY OF LATHROP  
PROJECT ACCEPTANCE  
(GASB 34 REPORT)

Date: 07/03/2023

Submitted by: Phelan Haugen Development Company  
Lathrop Gateway Phase 1 - Offsite Improvements McKinley and Yosemite Signal  
Based on Improvement and Grading Plans prepared by Siegfried Engineering

ITEM	UNIT	QUANTITY	UNIT COST	AMOUNT
<b>SITE PAVING</b>				
1 ASPHALT PAVEMENT - YOSEMITE AVENUE (7.5" AC/18" AB) (TI=11)	SF	5,301	15.50	82,166
2 ASPHALT PAVEMENT- YOSEMITE AVENUE (17.5" DEEPLIFT)	SF	2,031	13.50	27,418
3 6" AC DIKE	LF	520	2.00	1,040
4 SIGN	EA	1	1,000.00	1,000
5 STRIPING (EXCLUDING RED PAINTED CURB)	LS	LUMP SUM	10,000.00	10,000
			<b>SITE PAVING SUBTOTAL</b>	<b>\$121,624</b>
<b>STORM DRAIN SYSTEM</b>				
6 15" STORM DRAIN - MCKINLEY (RCP)	LF	180	85.00	15,300
7 DRAIN INLETS	EA	2	3,500.00	7,000
			<b>STORM DRAIN SYSTEM SUBTOTAL</b>	<b>\$22,300</b>
<b>TRAFFIC SIGNAL</b>				
8 TRAFFIC SIGNAL MODIFICATIONS	LS	LUMP SUM	275,000.00	275,000
			<b>TRAFFIC SIGNAL SUBTOTAL</b>	<b>\$275,000</b>
			<b>GRAND TOTAL</b>	<b>\$418,924</b>

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## ITEM 4.13

### CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING

**ITEM:** **ACCEPT STREET LANDSCAPE IMPROVEMENTS  
LOCATED ON BARBARA TERRY BLVD AND STANFORD  
CROSSING FROM LATHROP LAND ACQUISITION LLC**

**RECOMMENDATION:** **Adopt Resolution Accepting Street Landscape  
Improvements on Barbara Terry Boulevard and  
Stanford Crossing Related to Encroachment Permit  
Number 2022-16 from Lathrop Land Acquisition LLC**

---

#### **SUMMARY:**

Lathrop Land Acquisition, LLC (Saybrook), the developer for the Central Lathrop Specific Plan (CLSP), has completed the construction of the street landscape improvements associated with the backbone improvements on Barbara Terry Boulevard and Stanford Crossing pursuant to Section 91 of the Conditions of Approval (COA's) for Tract 3533 and Encroachment Permit No. 2022-16 (EP 22-16). The approximate value of the improvements proposed to be accepted is \$159,512.30, as shown in the GASB 34 Report, included in Attachment "C". These improvements were inspected by staff and deemed complete by the City Engineer. The developer provided a one-year warranty bond based on 10% of the construction costs, as well as lien releases for the improvements being accepted. A Vicinity Map is included in Attachment "B".

Staff recommends City Council accept the street landscape improvements in accordance with City specifications.

#### **BACKGROUND:**

On October 5, 2006, the City approved a Vesting Tentative Map (VTM) for Tract 3533 to create 62 parcels on 960 acres of land. The location of the improvements are the frontage of Lot 4 of Tract 3533.

The construction of landscape improvements is a requirement of the COA's for Tract 3533, and the work was completed under EP 22-16.

Saybrook provided a performance bond for EP 22-16 (PB01987300008) in the amount of \$2,645,786.76 and the Labor and Materials Bond (PB01987300008) in the amount of \$1,322,893.38 to guarantee the construction of the street landscaping at Barbara Terry Boulevard and Stanford Crossing. Upon acceptance of improvements by Council, these bonds will be released.

Saybrook has provided a one-year warranty bond based on 10% of the construction cost, as well as a developer lien release and a lien release from the contractor, which is detailed in Table 1 below. Staff recommends City Council accept the public improvements listed in the GASB 34 Report.

**JULY 10, 2023 CITY COUNCIL REGULAR MEETING****ACCEPT STREET LANDSCAPE IMPROVEMENTS LOCATED ON BARBARA TERRY BLVD AND STANFORD CROSSING FROM LATHROP LAND ACQUISITION LLC****REASON FOR RECOMMENDATION:**

Staff has inspected the improvements listed in the GASB 34 Report and the City Engineer confirmed that the improvements were completed in accordance with City specifications. Saybrook has submitted lien releases for the improvements being accepted. Staff has received the one-year warranty bond and as-built drawings for said improvements. Staff recommends Council accept the improvements.

**FISCAL IMPACT:**

The one-year warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements. The City's Service Maintenance CFD 2019-02 has been established to help fund City maintenance and operating costs. The improvements listed in the GASB 34 Report detail the \$159,512.30 expended, and the City's maintenance costs will increase for the maintenance of the additional improvements.


**ATTACHMENTS:**

- A. Resolution Accepting Street Landscape Improvements on Barbara Terry Boulevard and Stanford Crossing Related to Encroachment Permit Number 2022-16 from Lathrop Land Acquisition LLC
- B. Vicinity Map
- C. GASB 34 Report – CLSP Barbara Terry and Stanford Crossing Landscaping




**CITY MANAGER'S REPORT** **PAGE 3**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT STREET LANDSCAPE IMPROVEMENTS LOCATED ON BARBARA TERRY**  
**BLVD AND STANFORD CROSSING FROM LATHROP LAND ACQUISITION LLC**

**APPROVALS:**

  
\_\_\_\_\_  
Bellal Nabizadah  
Assistant Engineer


6-28-23  
Date

  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager

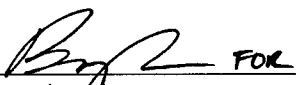
6-28-23  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer


6/28/2023  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

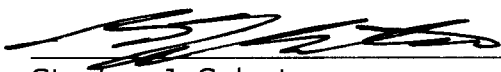
6/28/2023  
Date

 FOR  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6/28/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6-28-2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING STREET LANDSCAPE IMPROVEMENTS ON BARBARA TERRY BOULEVARD AND STANFORD CROSSING RELATED TO ENCROACHMENT PERMIT NUMBER 2022-16 FROM LATHROP LAND ACQUISITION LLC**

**WHEREAS**, on October 5, 2006, the City approved a Vesting Tentative Map (VTM) for Tract 3533 to create 62 parcels on 960 acres of land. The location of the improvements are the frontage of Lot 4 of Tract 3533; and

**WHEREAS**, the construction of landscape improvements is a requirement of the Conditions of Approval (COA's) for Tract 3533, and the work was completed under EP 22-16; and

**WHEREAS**, Lathrop Land Acquisition, LLC (Saybrook), provided a performance bond for EP 22-16 (PB01987300008) in the amount of \$2,645,786.76 and the Labor and Materials Bond (PB01987300008) in the amount of \$1,322,893.38 to guarantee the construction of the street landscaping at Barbara Terry Boulevard and Stanford Crossing. Upon acceptance of improvements by Council, these bonds will be released; and

**WHEREAS**, Saybrook has provided a one-year warranty bond based on 10% of the completed improvements construction cost. Bond values and descriptions are detailed in Table 1 below; and

**Table 1**

<b>Contractor</b>	<b>Scope of Work</b>	<b>Bond Number</b>	<b>Bond Value</b>
Odyssey Environmental Services, Inc.	Landscaping	CAC722703	\$15,951.23

**WHEREAS**, staff has inspected the improvements listed in the GASB 34 Report and the City Engineer confirmed that the improvements were completed in accordance with City specifications; and

**WHEREAS**, Saybrook has submitted lien releases for the improvements being accepted. Staff request Council accept the improvements; and

**WHEREAS**, the City's maintenance costs will increase because of the additional improvements that have to be maintained. The City's Service Maintenance CFD 2019-02 has been established to help fund City maintenance and operating costs; and

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby accept the street landscape improvements on Barbara Terry Boulevard and Stanford Crossing related to Encroachment Permit Number 2022-16 from Lathrop Land Acquisition LLC.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

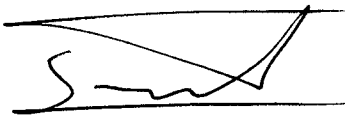
ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

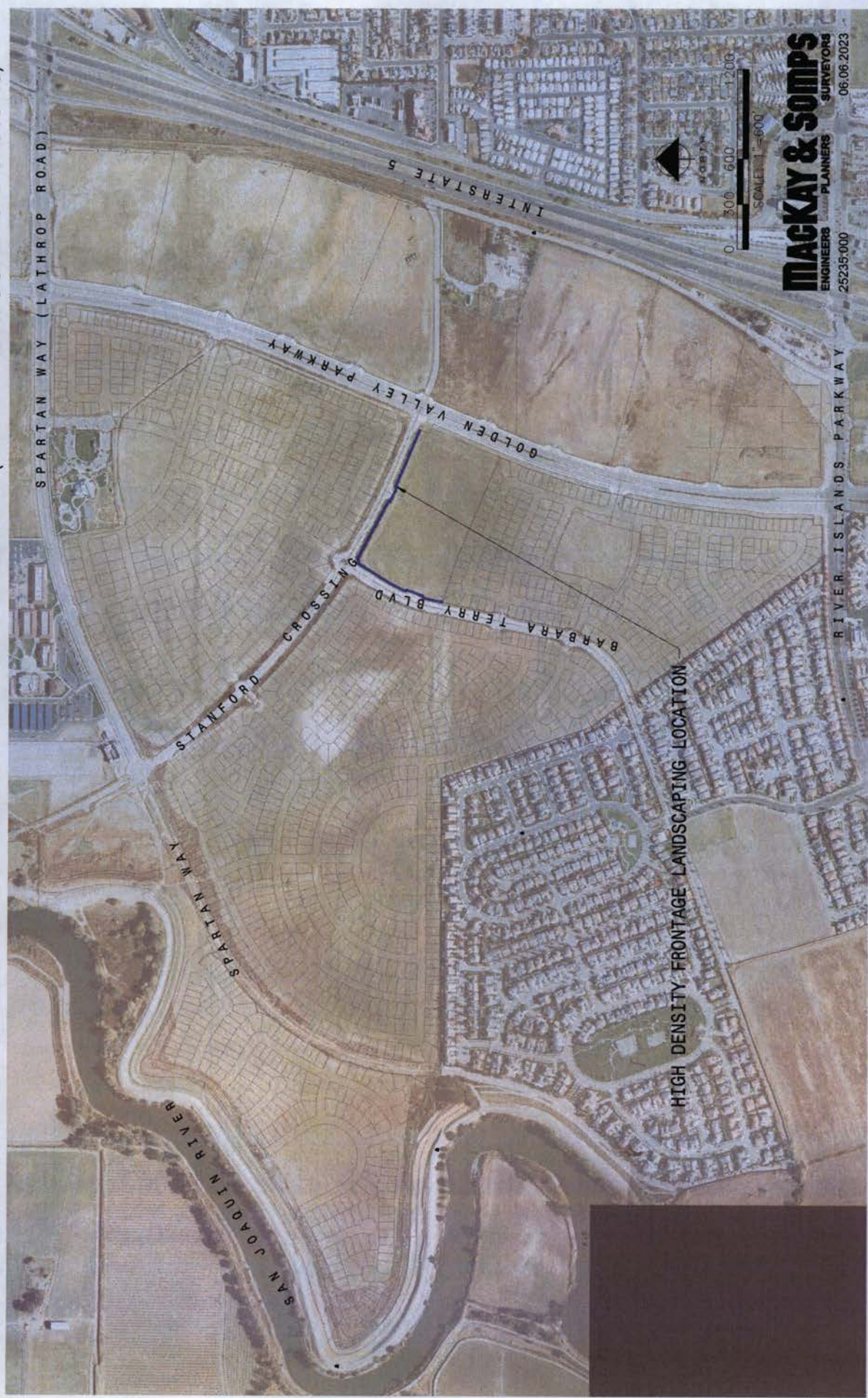
**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

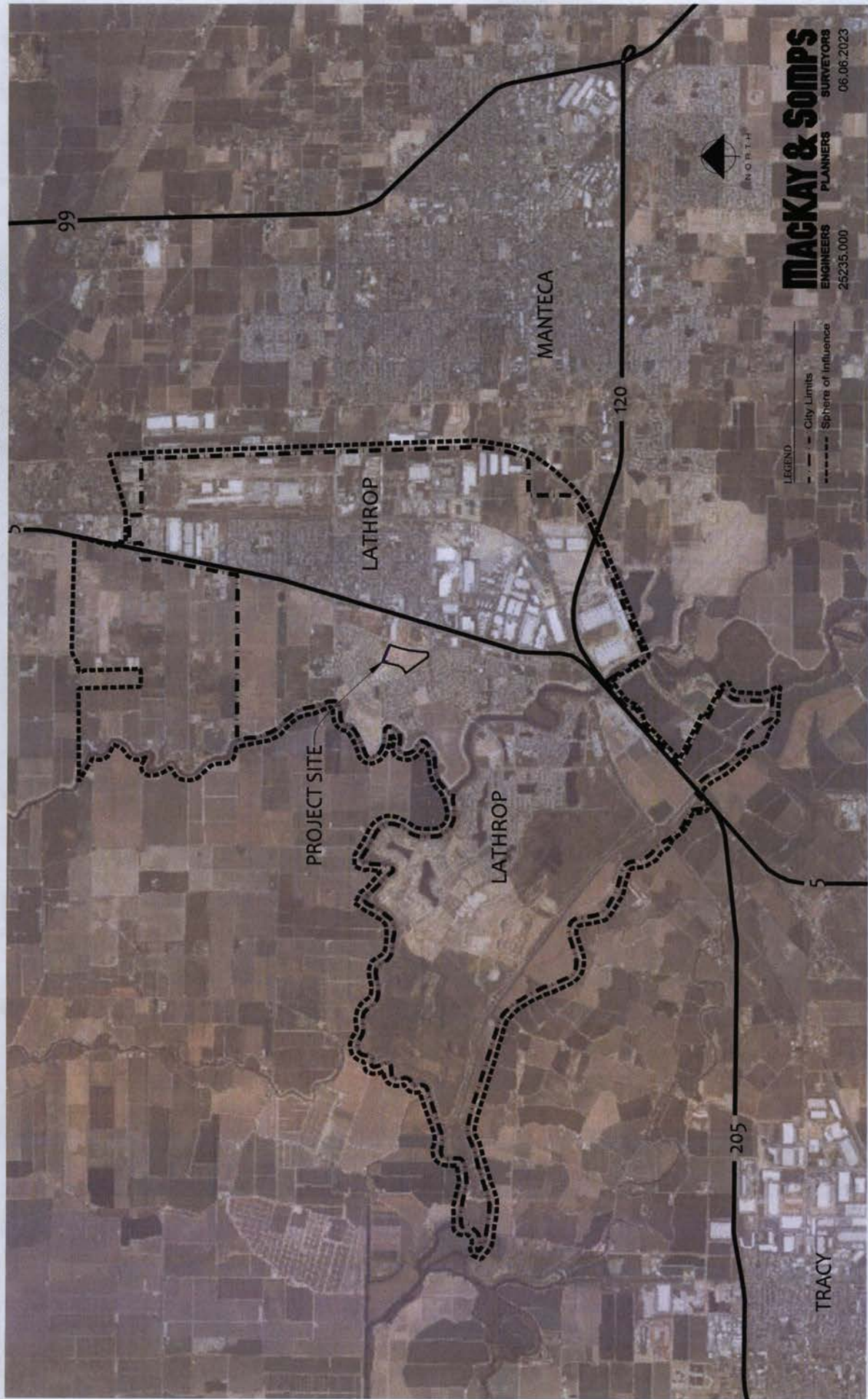
  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

CENTRAL LATHROP SPECIFIC PLAN - HIGH DENSITY FRONTAGE LANDSCAPING VICINITY MAP (BARBARA TERRY & STANFORD CROSSING)



P:\25235\DES\EXH-D\TRACT 4105 - TRACT 4105 IP - VICINITY MAP.DWG Jeff Matson 06-06-2023 5:35pm

CENTRAL LATHROP SPECIFIC PLAN - TRACT 4105 - NEIGHBORHOOD 1D REGIONAL VICINITY MAP



**City of Lathrop  
Project Acceptance  
(GASB 34 Report)**

**Submitted By:** Mackay & Soms - Jeff Matson **Date:** 06/27/2023

**Project:** Tract 4105 - Offsite Landscape

**Address:** Tract 4105 frontage (Stanford Crossing, and Barbara Terry Blvd.

	<b>SOFT COSTS</b>	<b>Unit Price</b>	<b>Amount</b>
1	Landscape Design (Gates & Associates) included in previous acceptance	\$0.00	\$0.00
<b>Subtotal:</b>			<b>\$0.00</b>

<b>Item</b>	<b>Description</b>	<b>Unit</b>	<b>Qty</b>	<b>Unit Price</b>	<b>Amount</b>
<b>A</b>	<b>Wall construction</b>				
1	Irrigation	LS	1	\$60,991.00	\$60,991.00
3	Landscape (15,640 SF)	LS	1	\$46,434.00	\$46,434.00
4	Root Barriers	LF	588	\$12.20	\$7,173.60
5	Steel Edging	LF	609	\$11.30	\$6,881.70
7	Stabilized Decomposed Granite	SF	3,552	\$9.75	\$34,632.00
12	90 day Maintenance	Months	3	\$500.00	\$1,500.00
12	Weed Abatement	1	LS	\$1,900.00	\$1,900.00
<b>Subtotal:</b>					<b>\$159,512.30</b>

<b>Hard Cost Subtotal</b>	<b>\$159,512.30</b>
<b>Softcost Total</b>	<b>\$0.00</b>
<b>Total</b>	<b>\$159,512.30</b>

## ITEM 4.14

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY MARINA LANDSCAPE, INC. FOR APOLINAR SANGALANG PARK IMPROVEMENTS, CIP PK 20-18**

**RECOMMENDATION: Adopt Resolution Accepting Public Improvements Constructed by Marina Landscape, Inc. for Apolinar Sangalang Park Improvements, CIP PK 20-18, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds**

---

#### **SUMMARY:**

Marina Landscape, Inc. (Marina) has completed the construction of the Apolinar Sangalang Park Improvements, Capital Improvement Project (CIP) PK 20-18 (Project). Staff inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

Marina has submitted lien releases confirming all sub-contractors and suppliers have been paid in full and provided a one-year warranty bond (based on 10% of the construction contract) for the improvements to be accepted.

Staff requests City Council accept the completed improvements constructed by Marina for the Project. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Marina of \$112,964.43 within forty-five (45) days after recording the Notice of Completion, and the release of performance and payment bonds.

#### **BACKGROUND:**

On June 14, 2021, City Council awarded a construction contract to Marina for the construction of the Project. The Project scope included installation of a modular restroom, two (2) tennis courts, water play splash pad, playground equipment with rubberized surfacing, exterior furniture, and signage.

During construction, contract change orders were issued for a final contract amount of \$2,259,229.75. The Project's costs referenced below capture all construction expenditures.

**CITY MANAGER’S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY MARINA LANDSCAPE,**  
**INC. FOR APOLINAR SANGALANG PARK IMPROVEMENTS, CIP PK 20-18**

Construction costs are as follows:

A. Construction Contract	\$2,147,443.00
B. Contract Change Orders	<u>\$ 111,786.75</u>
 Total Construction Contract Costs	 \$2,259,229.75

Upon acceptance of the improvements, the performance bond (Bond No. 0239070, \$2,147,443) and payment bond (Bond No. 0239070, \$2,147,443) will be released and replaced with a one-year warranty bond (Bond No. 0239070-M, \$225,928.86). The one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance due to any defective materials or workmanship in connection with the completed improvements. Marina has also provided the necessary lien releases for the materials supplied and completed work.

Staff requests City Council accept the improvements constructed by Marina for the Apolinar Sangalang Park Improvements, CIP PK 20-18. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Marina for \$112,964.43 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

**REASON FOR RECOMMENDATION:**

Marina has completed the project pursuant to the contract documents dated June 12, 2021. Staff inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

Marina has submitted a one-year warranty bond for the improvements to be accepted (based on 10% of the construction contract) and lien releases confirming all sub-contractors and suppliers have been paid in full. The warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements.

The performance bond and payment bond will be released and replaced with the one-year warranty bond (based on 10% of the contract price) upon City Council’s acceptance of the improvements.

**FISCAL IMPACT:**

The final construction contract amount with Marina for the Project is for \$2,259,229.75.



**CITY MANAGER'S REPORT** **PAGE 3**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY MARINA LANDSCAPE,**  
**INC. FOR APOLINAR SANGALANG PARK IMPROVEMENTS, CIP PK 20-18**


Adequate funds have been allocated in the FY 2022/23 budget to close out the project. With the completion of the Project, staff requests that unused funds be transferred back into the Measure C Fund (1060).

**ATTACHMENTS:**

- A. Resolution Accepting Public Improvements Constructed by Marina Landscape, Inc. for the Apolinar Sangalang Park Improvements, Capital Improvement Project PK 20-18, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds
- B. Notice of Completion – Apolinar Sangalang Park Improvements, Capital Improvement Project PK 20-18

**CITY MANAGER'S REPORT** **PAGE 4**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY MARINA LANDSCAPE,**  
**INC. FOR APOLINAR SANGALANG PARK IMPROVEMENTS, CIP PK 20-18**

**APPROVALS:**

  
\_\_\_\_\_  
Steven Hollenbeak  
Assistant Engineer

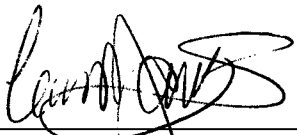
6.14.23  
Date

  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager

6-14-2023  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer

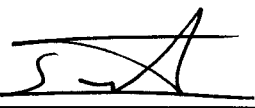
6/14/2023  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

6/20/23  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6/15/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.15.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

6.27.23  
Date

## RESOLUTION NO. 23-

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY MARINA LANDSCAPE, INC. FOR THE APOLINAR SANGALANG PARK IMPROVEMENTS, CIP PK 20-18, AUTHORIZING THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, AND RELEASE OF PERFORMANCE AND PAYMENT BONDS**

**WHEREAS**, on June 14, 2021, City Council awarded a construction contract to Marina Landscape, Inc. (Marina) for the construction of the Apolinar Sangalang Park Improvements, CIP PK 20-18 (Project) in the amount of \$2,147,443, and a 10% construction contingency of \$214,744 was authorized for staff to use as necessary to achieve the goals of the Project; and

**WHEREAS**, the scope of work consisted of installing a modular restroom, two tennis courts, water play splash pad, playground equipment with rubberized surfacing and associated landscape improvements; and

**WHEREAS**, Marina has successfully completed the Project at a total cost of \$2,259,229.75; and

**WHEREAS**, staff inspected the improvements and the City Engineer deemed the improvements complete and in accordance with the approved plans and specifications; and

**WHEREAS**, Marina has provided the necessary lien releases for the materials supplied and completed work and a one-year warranty bond (based on 10% of total project cost) for the improvements being accepted; and

**WHEREAS**, the performance bond (Bond No. 0239070, \$2,147,443) and payment bond (Bond No. 0239070, \$2,147,443) will be released and replaced with a one-year warranty bond (Bond No. 0239070-M, \$225,928.86) upon City Council's acceptance of the improvements; and

**WHEREAS**, the one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements; and

**WHEREAS**, staff requests City Council accept the public improvements constructed by Marina for the Apolinar Sangalang Park Improvements, CIP PK 20-18; and

**WHEREAS**, staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Marina, in the amount of \$112,964.43, within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby accept the completed public improvements constructed by Marina Landscape, Inc. for the Apolinar Sangalang Park Improvements, CIP PK 20-18, pursuant to the contract documents dated June 14, 2021; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Lathrop authorizes the filing of the Notice of Completion with the San Joaquin County Clerk and the release of the contract retention to Marina, in the amount of \$112,964.43, within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Lathrop approves the unused funds be transferred back into the Measure C Fund (1060).

The foregoing resolution was passed and adopted this 10th day of July, 2023 by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

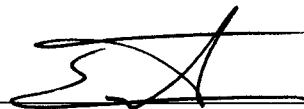
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney



**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **July 10, 2023** by **Marina Landscape, Inc.** to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **July 10, 2023**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated \_\_\_\_\_

By \_\_\_\_\_  
Stephen J. Salvatore, City Manager

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## ITEM 4.15

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR FISCAL YEAR 2022/23 CITYWIDE ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45 AND APPROVE RELATED BUDGET AMENDMENT**

**RECOMMENDATION: Adopt Resolution Accepting Public Improvements Constructed by George Reed, Inc. for Fiscal Year 2022/23 Citywide Road Maintenance and Rehabilitation, CIP PS 22-45, Authorize the Filing of a Notice of Completion, Release of Contract Retention, Release of Performance and Payment Bonds, and Approve Related Budget Amendment**

---

#### **SUMMARY:**

On August 8, 2022, City Council awarded a construction contract to George Reed, Inc. for the construction of Fiscal Year 2022/23 Road Maintenance and Rehabilitation, Capital Improvement Project (CIP) PS 22-45 (Project). The initial scope of work consisted of grinding and overlaying 3" of asphalt and installing new striping on Stonebridge Lane, Thomsen Road, J Street, and Prairie Dunes Drive. During construction, staff identified segments on Reverend Maurice Cotton Drive, Shilling Avenue, Avon Avenue, Suzie Q Lane, and Mingo Way were in need of repair. On October 10, 2022, City Council approved a contract change order to include those roadway segments for the same pavement rehabilitation at an additional cost of \$760,530.

After completing the asphalt overlay on Reverend Maurice Cotton Drive, Shilling Avenue, and Avon Avenue, the absence of sidewalk, curb and gutter increased the gap between the travelled roadways and the residential driveways. To prevent storm water ponding and damages to vehicles, George Reed constructed transitions at the driveways to smooth the entrance and exit of residents. This additional work resulted in a contract change order of \$224,625. The total construction contract with George Reed, including change orders and additional work, amounted to \$2,929,014.

George Reed has completed construction of the Project. Staff has inspected the improvements which have been deemed complete and in accordance with the approved plans and specifications by the City Engineer. George Reed submitted lien releases, confirming all sub-contractors and suppliers have been paid in full, and a one-year maintenance bond (based on 10% of the construction contract) for the improvements to be accepted.

**CITY MANAGER’S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR**  
**FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS**  
**22-45 AND APPROVE RELATED BUDGET AMENDMENT**

Staff requests City Council accept the improvements constructed by George Reed and approve related budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) to fund the overall construction of the Project.

Staff is also requesting City Council to authorize the filing of a Notice of Completion with the San Joaquin County Clerk, release of contract retention to George Reed in the amount of \$145,822 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

**BACKGROUND:**

On August 8, 2022, City Council awarded a construction contract to George Reed, Inc. (George Reed) for construction of Capital Improvement Project (CIP) PS 22-45 for Fiscal Year 2022/23 Road Maintenance and Rehabilitation (Project). The initial scope of work consisted of removing and replacing 3” asphalt overlay and installing new striping on Stonebridge Lane, Thomsen Road, J Street and Prairie Dunes Drive.

During construction, deteriorated pavement conditions were observed in the vicinity of the Project along Reverend Maurice Cotton Drive, Shilling Avenue, Avon Avenue, Suzie Q Lane, and Mingo Way. Staff identified the need to repair and the benefit to implement the Project’s pavement rehabilitation to the additional locations inspected. On October 10, 2022, City Council approved a contract change order in the amount of \$910,530 and a budget amendment for \$760,530 to perform the pavement rehabilitation on the identified road segments.

After completing the asphalt overlay on Reverend Maurice Cotton Drive, Shilling Avenue, and Avon Avenue, the absence of sidewalk, curb and gutter increased the gap between the travelled roadways and the residential driveways. To prevent storm water ponding and damages to vehicles, George Reed constructed transitions at the driveways to smooth the entrance and exit of residents. This additional work resulted in a contract change order of \$224,625.

The awarded contract was in the amount of \$1,793,860 and a 15% construction contingency of \$269,079 was authorized for staff to use as necessary to achieve the goals of the project. The total construction budget for the Project was \$2,062,939.

The construction costs referenced below capture all expenditures:

A.	Construction Contract Amount	\$ 1,793,860
B.	Approved Change Orders	\$ 1,135,154
Total Construction Costs		\$ 2,929,014

**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL REGULAR MEETING  
ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR  
FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS  
22-45 AND APPROVE RELATED BUDGET AMENDMENT**

**PAGE 3**

Upon acceptance of the improvements, the performance and payment bonds (Performance Bond No. 30167861, Payment Bond No. 30167861) will be released and replaced with a warranty bond (Bond No. 30167861, \$291,643.82). The warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements. George Reed has also provided the necessary lien releases for the materials supplied and completed work.

George Reed has completed construction of the Project. Staff has inspected and the improvements have been deemed complete and in accordance with the approved plans and specifications by the City Engineer. George Reed submitted lien releases, confirming all sub-contractors and suppliers have been paid in full, and a one-year maintenance bond (based on 10% of the construction contract) for the improvements to be accepted.

Staff requests City Council accept the improvements constructed by George Reed for the Project. Staff is also requesting City Council to authorize the filing of a Notice of Completion with the San Joaquin County Clerk, release of contract retention to George Reed in the amount of \$145,822 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

Staff is also requesting a related budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) to fund the construction cost of the additional work completed.

**REASON FOR RECOMMENDATION:**

The Project was completed by George Reed pursuant to the contract documents dated August 8, 2022. Staff has inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

The performance and payment bonds (Performance Bond No. 30167861, Payment Bond No. 30167861) will be released and replaced with a one-year warranty bond (Bond No. 30167861, \$291,643.82) upon City Council's acceptance of the improvements.

**FISCAL IMPACT:**

The final construction contract amount with George Reed for the Project is \$2,929,014. Contract change orders increased the project's construction cost by \$1,135,154. Staff is requesting a related budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) as follows:

**CITY MANAGER’S REPORT** **PAGE 4**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR**  
**FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS**  
**22-45 AND APPROVE RELATED BUDGET AMENDMENT**

<u>Decrease Street Repair Reserves</u>		
1010-251-03-00		\$125,092
<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$125,092
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 22-45	\$125,092
<u>Increase Appropriation</u>		
3310-8000-420-1200	PS 22-45	\$125,092

**ATTACHMENTS:**

- A. Resolution Accepting Public Improvements Constructed by George Reed, Inc. for Fiscal Year 2022/23 Citywide Road Maintenance and Rehabilitation, CIP PS 22-45, Authorize the Filing of a Notice of Completion, Release of Contract Retention, Release of Performance and Payment Bonds and Approve Budget Amendment
  
- B. Notice of Completion – Fiscal Year 2022/23 Road Maintenance and Rehabilitation, CIP PS 22-45

**CITY MANAGER'S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR**  
**FISCAL YEAR 2022/23 ROAD MAINTENANCE AND REHABILITATION, CIP PS**  
**22-45 AND APPROVE RELATED BUDGET AMENDMENT**

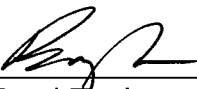
**APPROVALS:**

  
\_\_\_\_\_  
Angel Abarca  
Assistant Engineer

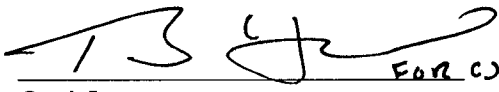
06/26/2023  
Date

  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager


6.27.2023  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer


6/28/2023  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

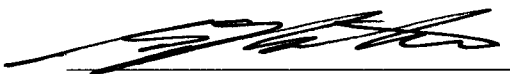
6/28/2023  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6/28/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.27.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY GEORGE REED, INC. FOR THE CITYWIDE ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45, AUTHORIZE THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, RELEASE OF PERFORMANCE AND PAYMENT BONDS AND APPROVE RELATED BUDGET AMENDMENT**

**WHEREAS,** On August 8, 2022, City Council awarded a construction contract to George Reed, Inc. for the construction of Fiscal Year 2022/23 Road Maintenance and Rehabilitation, Capital Improvement Project (CIP) PS 22-45 (Project); and

**WHEREAS,** the initial scope of work consisted of grinding and overlaying 3" of asphalt and installing new striping on Stonebridge Lane, Thomsen Road, J Street, and Prairie Dunes Drive; and

**WHEREAS,** during construction, staff identified segments on Reverend Maurice Cotton Drive, Shilling Avenue, Avon Avenue, Suzie Q Lane, and Mingo Way in need of repair; and

**WHEREAS,** on October 10, 2022, City Council approved a contract change order to include those roadway segments for the same pavement rehabilitation at an additional cost of \$760,530; and

**WHEREAS,** after completing the asphalt overlay on Reverend Maurice Cotton Drive, Shilling Avenue, and Avon Avenue, the absence of sidewalk, curb and gutter increased the gap between the travelled roadways and the residential driveways; and

**WHEREAS,** to prevent storm water ponding and damages to vehicles, George Reed constructed transitions at the driveways to smooth the entrance and exit of residents. This additional work resulted on a contract change order of \$224,625; and

**WHEREAS,** the total construction contract with George Reed, including change orders and additional work, amounted for \$2,929,014; and

**WHEREAS,** George Reed has completed the construction of the project; staff has inspected the improvements which have been deemed complete and in accordance with the approved plans and specifications by the City Engineer; and

**WHEREAS,** George Reed has provided the necessary lien releases for the materials supplied and completed work; and

**WHEREAS,** George Reed has submitted a one-year warranty bond (based on 10% of total project cost) for the improvements being accepted; and

**WHEREAS,** the performance and payment bonds (Performance Bond No. 30167861, Payment Bond No. 30167861) will be released and replaced with a one-year warranty bond (Bond No. 30167861, \$291,643.82) upon City Council's acceptance of the improvements; and

**WHEREAS,** staff is requesting City Council accept the public improvements constructed by George Reed for the Project; and

**WHEREAS,** staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk upon acceptance of the improvements and the release of the contract retention to George Reed, in the amount of \$145,822, within forty-five (45) days after the recording of the Notice of Completion and the release of the performance and payment bonds (Bond No. 30167861); and

**WHEREAS,** staff is also requesting a budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) to fund the construction cost of the additional work completed.

**NOW THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop does hereby accept the public improvements constructed by George Reed for Fiscal Year 2022/23 Road Maintenance and Rehabilitation, CIP PS 22-45; and

**BE IT FURTHER RESOLVED,** that the City Council of the City of Lathrop authorizes the filing of the Notice of Completion with the San Joaquin County Clerk and the release of the contract retention to George Reed, in the amount of \$145,822 within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds; and

**BE IT FURTHER RESOLVED,** that City Council also authorizes a budget amendment transferring \$125,092 from the General Street Reserve Fund (1010) to the Streets CIP Fund (3310) as follows:

<u>Decrease Street Repair Reserves</u>		
1010-251-03-00		\$125,092
<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$125,092
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 22-45	\$125,092
<u>Increase Appropriation</u>		
3310-8000-420-1200	PS 22-45	\$125,092

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

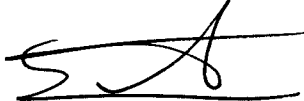
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney





**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **July 10, 2023** by **George Reed, Inc.** to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **July 10, 2023**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated \_\_\_\_\_

By

\_\_\_\_\_  
Stephen J. Salvatore, City Manager

## ITEM 4.16

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN CONSTRUCTION CORPORATION FOR THE CTF DECHLORINATION FACILITY, ASSOCIATED WITH CIP WW 20-17 RECYCLED WATER RIVER DISCHARGE PROJECT**

**RECOMMENDATION: Adopt Resolution Accepting Public Improvements Constructed by Cushman Construction Corporation for the CTF Dechlorination Facility, Associated with CIP WW 20-17 Recycled Water River Discharge Project, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds**

---

#### **SUMMARY:**

Cushman Contracting Corporation (Cushman) has completed the construction of the Consolidated Treatment Facility (CTF) Dechlorination Facility (Project), associated with the Recycled Water River Discharge, Capital Improvement Project (CIP) WW 20-17. Staff inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

Cushman has submitted lien releases confirming all sub-contractors and suppliers have been paid in full and provided a one-year warranty bond (based on 10% of the construction contract) for the improvements to be accepted.

Staff requests City Council accept the completed improvements by Cushman for the construction of the CTF Dechlorination Facility, related to the related to the Recycled Water River Discharge, CIP WW 20-17. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Cushman of \$219,266 within forty-five (45) days after recording the Notice of Completion, and the release of performance and payment bonds.

#### **BACKGROUND:**

On September 13, 2021, City Council awarded a construction contract in the amount of \$3,620,000 to Cushman for the construction of the CTF Dechlorination Facility. These improvements will remove trace chlorine from the Consolidated Treatment Facility effluent prior to discharging to the San Joaquin River in accordance with the discharge permit requirements.

During construction, contract change orders were issued for a final contract amount of \$4,385,327. The Project's costs referenced below capture all construction expenditures.

**CITY MANAGER’S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN**  
**CONSTRUCTION FOR THE CTF DECHLORINATION FACILITY, CIP WW 20-17**

Construction costs are as follows:

A. Construction Contract	\$3,620,000
B. Contract Change Orders	\$ 765,327
	\$4,385,327
<b>Total Construction Contract Costs</b>	<b>\$4,385,327</b>

Upon acceptance of the improvements, the performance bond (Bond No. 107-407-647, \$3,620,000 and payment bond (Bond No. 107-407-647, \$1,810,000) will be released and replaced with a one-year warranty bond (Bond No. 107-407-647, \$438,532.70). The one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance due to any defective materials or workmanship in connection with the completed improvements. Cushman has also provided the necessary lien releases for the materials supplied and completed work.

Staff requests City Council accept the completed improvements by Cushman for the construction of the CTF Dechlorination Facility, associated with the Recycled Water River Discharge, CIP WW 20-17. Staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Cushman for \$219,266 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

**REASON FOR RECOMMENDATION:**

Cushman has completed the project pursuant to the construction contract documents. Staff inspected the improvements and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer.

Cushman has submitted a one-year warranty bond for the improvements to be accepted (based on 10% of the construction contract) and lien releases confirming all sub-contractors and suppliers have been paid in full. The warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements.

The performance bond and payment bond will be released and replaced with the one-year warranty bond (based on 10% of the contract price) upon City Council’s acceptance of the improvements.

**FISCAL IMPACT:**

The final construction contract amount with Cushman for the Project is for \$4,385,327.

**CITY MANAGER'S REPORT** **PAGE 3**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN**  
**CONSTRUCTION FOR THE CTF DECHLORINATION FACILITY, CIP WW 20-17**

Adequate funds have been allocated in the FY 2023/24 budget to close out the project. With the completion of the Project, staff requests that unused funds be transferred back into the project funding sources.

**ATTACHMENTS:**

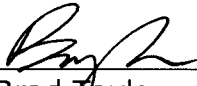
- A. Resolution Accepting Public Improvements Constructed by Cushman Construction Corporation for the CTF Dechlorination Facility, Associated with CIP WW 20-17 Recycled Water River Discharge Project, Authorizing the Filing of a Notice of Completion, Release of Contract Retention, and Release of Performance and Payment Bonds
- B. Notice of Completion – CTF Dechlorination Facility, Capital Improvement Project WW 20-17

**CITY MANAGER'S REPORT** **PAGE 4**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ACCEPT PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN**  
**CONSTRUCTION FOR THE CTF DECHLORINATION FACILITY, CIP WW 20-17**

**APPROVALS:**

  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager

6-28-23  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer

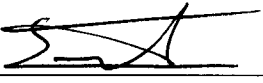
6/28/2023  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

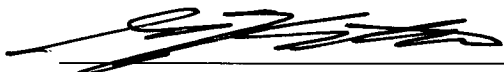
6/29/2023  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6/28/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6-28-2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS CONSTRUCTED BY CUSHMAN CONSTRUCTION CORPORATION FOR THE CTF DECHLORINATION FACILITY, ASSOCIATED WITH CIP WW 20-17 RECYCLED WATER RIVER DISCHARGE PROJECT, AUTHORIZING THE FILING OF A NOTICE OF COMPLETION, RELEASE OF CONTRACT RETENTION, AND RELEASE OF PERFORMANCE AND PAYMENT BONDS**

**WHEREAS**, on September 13, 2021, City Council awarded a construction contract to Cushman Contracting Corporation (Cushman) for the construction of the Consolidated Treatment Facility (CTF) Dechlorination Facility (Project), associated with the Recycled Water River Discharge, Capital Improvement Project (CIP) WW 20-17, in the amount of \$3,620,000, and a 10% construction contingency of \$362,000 was authorized for staff to use as necessary to achieve the goals of the Project; and

**WHEREAS**, the scope of work included construction of improvements that will remove trace chlorine from the CTF effluent prior to discharging to the San Joaquin River (River) in accordance with the discharge permit requirements; and

**WHEREAS**, Cushman has successfully completed the Project at a total cost of \$4,385,327; and

**WHEREAS**, staff inspected the improvements and the City Engineer deemed the improvements complete and in accordance with the approved plans and specifications; and

**WHEREAS**, Cushman has provided the necessary lien releases for the materials supplied and completed work and a one-year warranty bond (based on 10% of total project cost) for the improvements being accepted; and

**WHEREAS**, the performance bond (Bond No. 107-407-647, \$3,620,000 and payment bond (Bond No. 107-407-647, \$1,810,000) will be released and replaced with a one-year warranty bond (Bond No. 107-407-647, \$438,532.70); and

**WHEREAS**, the one-year warranty bond covers any repairs or replacements that may become necessary during the one-year period beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements; and

**WHEREAS**, adequate funds have been allocated in the FY 2023/24 budget to close out the Project. With the completion of the Project, staff requests that unused funds be transferred back into the project funding sources; and

**WHEREAS**, staff requests City Council accept the completed improvements by Cushman for the construction of the CTF Dechlorination Facility, associated with the Recycled Water River Discharge, CIP WW 20-17; and

**WHEREAS,** staff also requests City Council authorize the filing of a Notice of Completion with the San Joaquin County Clerk, the release of contract retention to Cushman, in the amount of \$219,266 within forty-five (45) days after the recording of the Notice of Completion, and the release of performance and payment bonds.

**NOW THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop does hereby accept the completed public improvements constructed by Cushman Contracting Corporation for the construction of the CTF Dechlorination Facility, associated with the Recycled Water River Discharge, CIP WW 20-17, pursuant to the construction contract documents; and

**BE IT FURTHER RESOLVED,** that the City Council of the City of Lathrop authorizes the filing of the Notice of Completion with the San Joaquin County Clerk and the release of the contract retention to Cushman, in the amount of \$219,266, within forty-five (45) days after the recording of the Notice of Completion, and authorizes the release of the performance and payment bonds; and

**BE IT FURTHER RESOLVED,** that the City Council of the City of Lathrop approves the unused funds be transferred back into the project funding sources.



The foregoing resolution was passed and adopted this 10th day of July 2023 by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

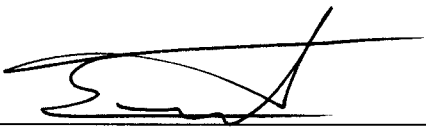
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**RECORDING REQUESTED BY, AND  
WHEN RECORDED MAIL TO:**

CITY OF LATHROP  
ATTN: CITY CLERK  
390 TOWNE CENTRE DRIVE  
LATHROP, CA 95330  
*Exempt from payment of recording fees (GC 11922)*

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN:

- 1. That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:  

NAME	STREET AND NO.	CITY	STATE AND ZIP CODE
------	----------------	------	--------------------

City of Lathrop      390 Towne Centre Drive      Lathrop      CA      95330  
(If more than one owner of the interest stated, the name and address of each must be stated)

- 2. That the full name and address of the owner of said interest or estate, if there is only one owner, and that the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.

- 3. That the nature of title or the stated owner, or if more than one owner, then of the stated owner and co-owners is: Cushman Contracting Corporation.

- 4. That on the 10th day of July 2023 a work of improvement on the real property herein described was completed.

- 5. That the name of the original contractor, if any, for said work of improvement was: Cushman Contracting Corporation

- 6. That the name and address of the transferor is:  

NAME	STREET AND NO.	CITY	STATE AND ZIP CODE
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Cushman Contracting Corporation      P.O. Box 147      Goleta,      CA      93116

- 7. That the real property herein referred to is situated in the City of Lathrop County of San Joaquin, State of California, and is described as follows:

CIP WW 20-17 CTF DECHLORINATION FACILITY  
18800 Christopher Way, Lathrop, CA 95330

**CITY OF LATHROP**

By: \_\_\_\_\_  
Stephen J. Salvatore, City Manager      Date

That the undersigned has knowledge of the contents herein and states under penalty of perjury that the foregoing is true and correct.

By: \_\_\_\_\_  
Teresa Vargas, City Clerk      Date

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **July 10, 2023** by **Cushman Contracting Corporation** to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **July 10, 2023**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated \_\_\_\_\_

By \_\_\_\_\_  
Stephen J. Salvatore, City Manager

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## ITEM 4.17

### **CITY MANAGER'S REPORT JULY 10, 2023, CITY COUNCIL REGULAR MEETING**

**ITEM: REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVENUE AND MCKINLEY AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND RE-ADVERTISE FOR BIDS**

**RECOMMENDATION: Adopt Resolution to Reject All Bids for Construction of Louise Avenue and McKinley Avenue Intersection Improvements, CIP PS 15-02 and Authorize Staff to Re-advertise for Bids**

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#### **SUMMARY:**

In 2015, City Council approved Capital Improvement Project (CIP) PS 15-02 for Louise Avenue and McKinley Avenue Intersection Improvements (Project). The Project will widen Louise Avenue, modify lane configurations along McKinley Avenue and upgrade the existing traffic signal at the intersection.

Contract plans and specifications for this project were completed and advertised for bid on June 15, 2023 according to the Bidding Procedures in California Public Contract Code (PCC) 22160 and Lathrop Municipal Code (LMC) 2.36.060.

A total of one (1) bid was received and opened by the City Clerk on June 29, 2023. After review and evaluation, staff considers the single bid submitted and high unit prices to indicate poor bidding competition and considers the proposed unit prices too large for the project budgeted.

Therefore, staff requests City Council reject all bids, pursuant to Lathrop Municipal Code 2.36.060(E) and Public Contract Code (PCC) 20166 and 22038. Following bid rejection, staff plans to review the project scope and re-solicit bids at a later time when working environment is more suitable.

#### **BACKGROUND:**

The City's Traffic Monitoring Plan (TMP) calls for upgrades to the Louise Avenue and McKinley Avenue intersection. The Project will provide protected left-turns for both eastbound and westbound Louise Avenue. The intersection will be widened to accommodate exclusive left-turn lanes on all directions and to satisfy the Federal Highway Administration (FHA) Surface Transportation Assistance Act (STAA) truck route requirements for truck accessibility.

Staff prepared an Engineer's Estimate for construction of the Project at an amount of \$1,505,199. A single bid was received and opened by the City Clerk on June 29, 2023 for \$3,789,699.

**CITY MANAGER'S REPORT** **PAGE 2**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**TO REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVENUE AND MCKINLEY AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND RE-ADVERTISE FOR BIDS**

After reviewing and evaluating the bid proposal, staff determined that construction of the improvements could not be accomplished under the existing budget.

The submittal of only one bid for the Project indicates poor bidding competition. Thus, pursuant to PCC 20166 and 22038, a public agency may reject all bids for a project no less than two (2) days after notifying the low bidder of such intent.

City staff notified the bidder via email and mail on June 30, 2023 of its intent to recommend City Council reject all bids for the project at the City Council Regular Meeting of July 10, 2023.

Therefore, staff requests City Council reject all bids for construction of CIP PS 15-02 pursuant to Lathrop Municipal Code 2.36.060(E) and PCC 20166 and 22038. Following bid rejection, staff plans to review the project scope and re-solicit bids at a later time when working environment is more suitable.

**REASON FOR RECOMMENDATION:**

The submittal of only one bid for the Project indicates poor bidding competition. Re-advertising the project would allow more potential bidders to submit a proposal and the City to compare unit prices and overall project cost.

**FISCAL IMPACT:**


There is no fiscal impact associated with the requested action.

**ATTACHMENTS:**

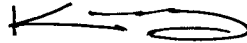
- A. Resolution to Reject All Bids for Construction of Louise Ave and McKinley Ave Intersection Improvement, CIP PS 15-02 and Authorize Staff to Re-advertise for Bids

**CITY MANAGER'S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**TO REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVENUE AND MCKINLEY**  
**AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND RE-ADVERTISE**  
**FOR BIDS**

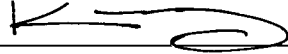
**APPROVALS:**

  
\_\_\_\_\_  
Angel Abarca  
Assistant Engineer


06/30/2023  
Date

 FOR  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager

6.30.2023  
Date

 FOR  
\_\_\_\_\_  
Brad Taylor  
City Engineer

6.30.2023  
Date

 for  
\_\_\_\_\_  
Cari James  
Director of Finance


7/3/23  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6.30.2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.30.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO REJECT ALL BIDS FOR CONSTRUCTION OF LOUISE AVE AND MCKINLEY AVENUE INTERSECTION IMPROVEMENTS, CIP PS 15-02 AND AUTHORIZE STAFF TO RE-ADVERTISE FOR BIDS**

**WHEREAS**, in 2015, City Council approved Capital Improvement Project (CIP) PS 15-02 for Louise Avenue and McKinley Avenue Intersection Improvements (Project); and

**WHEREAS**, the Project will widen Louise Avenue, modify lane configurations along McKinley Avenue and upgrade the existing traffic signal at the intersection; and

**WHEREAS**, contract plans and specifications for this project were completed and advertised for bid on June 15, 2023 according to the Bidding Procedures in California Public Contract Code (PCC) 22160 and Lathrop Municipal Code (LMC) 2.36.060; and

**WHEREAS**, a total of one (1) bid was received and opened by the City Clerk on June 29, 2023; and

**WHEREAS**, after review and evaluation, staff considers the single bid submitted and high unit prices to indicate poor bidding competition and considers the proposed unit prices too large for the project budgeted; and

**WHEREAS**, pursuant to Lathrop Municipal Code 2.36.060(E) and Public Contract Code Sections 20166 and 22038, a public agency may reject all bids for a project no less than two (2) days after notifying the apparent low bidder of such intent; and

**WHEREAS**, City staff notified the bidder via email and mail on June 30, 2023 of its intent to recommend City Council reject the bid for the subject project; and

**WHEREAS**, staff requests City Council reject the single bid received for the subject project.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby reject the single bid received for construction of Louise Avenue and McKinley Avenue Intersection Improvements, CIP PS 15-02 and authorize staff to re-advertise for bids.



The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

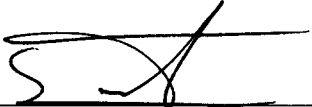
ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

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## ITEM 4.18

### CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING

**ITEM: ADOPT 2023 ADEQUATE PROGRESS FINDING TOWARD PROVISION OF 200-YEAR URBAN LEVEL OF FLOOD PROTECTION FOR ISLAND RECLAMATION DISTRICT 2062 (RIVER ISLANDS PHASES 1 AND 2)**

**RECOMMENDATION: Adopt Resolution Adopting 2023 Adequate Progress Findings toward providing a 200-Year Urban Level of Flood Protection in Phases 1 and 2 Levees of Island Reclamation District 2062 by the Year 2025, Acting as the Land Use Agency**

---

#### **SUMMARY:**

Senate Bill 5 (SB5) and related companion bills created a new requirement for certain land use decisions made by cities and counties in the California Central Valley. Starting on July 2, 2016, prior to approving discretionary land use decisions for nonresidential projects and prior to approving ministerial land use decisions (building permits) for new residential buildings, land use agencies are required to make a Finding of Adequate Progress toward provision of Urban Level Flood Protection (ULOP) 200-year flood protection.

City Council has adopted a series of Adequate Progress Finding Reports (APR) toward the 200-year ULOP within Reclamation District 2062 (June 20, 2016, June 5, 2017, July 9, 2018, July 8, 2019, October 12, 2020, July 12, 2021, and July 11, 2022).

The 2023 APR (Exhibit A of Attachment C) for Phase 1 and 2 of River Islands will allow the City of Lathrop to continue to issue discretionary permits to commercial uses and ministerial permits (building permits) for new residential homes through December 2024 subject to ongoing validation of that finding.

#### **BACKGROUND:**

The California Department of Water Resources (DWR) developed technical and procedural criteria in response to requirements outlined in the Central Valley Flood Protection Act of 2008, enacted by SB5 in 2007 and amended by subsequent legislation (2007 California Flood Legislation). DWR developed the Urban Levee Design Criteria (ULDC) and ULOP criteria to assist affected cities and counties within the Sacramento-San Joaquin Valley, in making the findings related to an ULOP before approving certain land use entitlements in accordance with the 2007 California Flood Legislation.

**JULY 10, 2023 CITY COUNCIL REGULAR MEETING****ADOPT 2022 ADEQUATE PROGRESS FINDING TOWARD PROVISION OF 200-YEAR URBAN LEVEL OF FLOOD PROTECTION FOR ISLAND RECLAMATION DISTRICT 2062 (RIVER ISLANDS PHASES 1 AND 2)**

The levees constructed for Phase 1 and Phase 2 of River Islands by RD 2062 meet the updated ULDC standards adopted by DWR in May 2012. With the Letter of Map Revision ("LOMR") for Phase 2 levees, along with additional internal drainage improvements by RD 2062, it is expected that all of River Islands will have achieved the ULOP by 2024.

In June 2023, MBK Engineers, the District Engineer for RD 2062, prepared the "River Islands at Lathrop Phase 1 + 2 Areas Report of Adequate Progress Towards Urban Level of Flood Protection Annual Report" or simply "Adequate Progress Report" ("2023 APR"). The 2023 APR serves as a strategic plan describing and outlining the steps that the RD 2062 and the City as the land use authority will use to ultimately implement 200-year levee improvements for Phase 1 and 2. RD 2062 Board of Trustees, acting as the Local Flood Management Agency, approved the 2023 Annual Report (Exhibit A of Attachment C).

One of the ongoing requirements is to annually report to the Central Valley Flood Protection Board on the efforts in working toward completion of the flood protection system. RD 2062 has provided this report (Attachment D) to CVFPB on behalf of the District and the City.

The River Islands Phase 2 Levee Project construction is complete. The Phase 2 levee supersedes the need for the interior portions of the Phase 1 levee, and so portions of that levee have been removed. The June 2023 APR describes the final steps needed to achieve ULOP, including:

- Preparation of deeds and the transfer of real estate rights (easements) to RD 2062 for the Phase 2 levees.
- Progress on Scour Prevention Projects, including evaluation of the potential for erosion and scour failure of the Old River and Paradise Cut Levees, caused by failure of the Old River or Paradise Cut Levee, as well as a separate analysis for the erosion and scour failure of the Cross Levee, due to its proximity to the UPRR embankment. These evaluations initially indicated that six "check dams" are required to address the scour potential. Completion of this analysis and required permitting from the Central Valley Flood Protection Board (CVFPB) for an encroachment permit to construct the check dams is expected by 2023. It is expected the check dam construction would be completed in 2024.
- Seepage analyses associated with the Paradise Cut Setback Levee indicated that underseepage mitigation will be necessary to achieve 200-year level of flood protection. A line of relief wells is proposed between the Paradise Cut Setback Levee and the Main Drain between approximate levee stations 46+00 to 71+00 to intercept flow during high water events and reduce the exit gradient within the Main Drain. Final design of the relief wells is expected in 2022, with construction expected in 2023.

**JULY 10, 2023 CITY COUNCIL REGULAR MEETING****ADOPT 2022 ADEQUATE PROGRESS FINDING TOWARD PROVISION OF 200-YEAR URBAN LEVEL OF FLOOD PROTECTION FOR ISLAND RECLAMATION DISTRICT 2062 (RIVER ISLANDS PHASES 1 AND 2)**

- Completion of the RD 2062 Operation and Maintenance (O&M) Manual Modernization Project is expected after the construction of the scour prevention projects are complete, scheduled in 2024.

**REASON FOR RECOMMENDATION:**

Approval of the 2023 Annual Adequate Progress Report Update for a 200-Year ULOP for the RD 2062 (River Islands Phase 1 and 2) Area, and submission by RD 2062 of this report to the CVFPB (Attachment D), allows the City of Lathrop, as a Land Use Agency, to rely on the prior findings of Adequate Progress. This will then allow the City of Lathrop to continue to issue within the RD 2062 area, discretionary permits to commercial and ministerial permits (building permits) for new residential homes while RD 2062 continues to make progress toward establishing ULOP 200-year flood protection through December 2025.

**FISCAL IMPACT:**


There is no budget impact to the City as to date, all technical reports and studies have been funded by RD 2062 and River Islands at costs in excess of \$2 million. This includes City staff time to review these documents.

**ATTACHMENTS:**

- A. Resolution Adopting 2023 Adequate Progress Findings toward providing a 200-Year Urban Level of Flood Protection in Phases 1 and 2 Levees of Island Reclamation District 2062 by the Year 2025, Acting as the Land Use Agency
- B. Vicinity Map of River Islands Levee System
- C. Letter from RD 2062 to the City of Lathrop, as the Local Flood Management Agency dated, June 10, 2023, including;
  - o River Islands at Lathrop Phase 1+2 Areas Report of Adequate Progress Towards Urban Level of Flood Protection dated June 2023
- D. Draft Letter from RD 2062 to the CVFPB providing required notification of the Adequate Progress Finding

**CITY MANAGER'S REPORT** **PAGE 4**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**ADOPT 2022 ADEQUATE PROGRESS FINDING TOWARD PROVISION OF 200-**  
**YEAR URBAN LEVEL OF FLOOD PROTECTION FOR ISLAND RECLAMATION**  
**DISTRICT 2062 (RIVER ISLANDS PHASES 1 AND 2)**

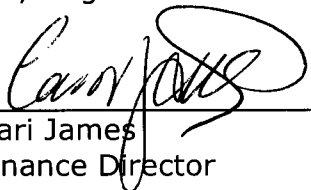
**APPROVALS**

  
\_\_\_\_\_  
Bellal Nabizadah  
Assistant Engineer


6-27-23  
Date

  
\_\_\_\_\_  
Brad Taylor  
City Engineer

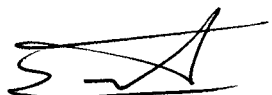
6/28/2023  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

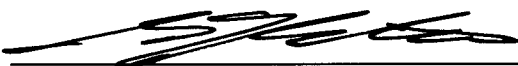
6/29/23  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

6/28/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

6.28.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY OF LATHROP ADOPTING 2023 ADEQUATE PROGRESS FINDINGS TOWARD PROVIDING A 200-YEAR URBAN LEVEL OF FLOOD PROTECTION IN PHASES 1 AND 2 LEVEES OF ISLAND RECLAMATION DISTRICT 2062 BY THE YEAR 2025, ACTING AS THE LAND USE AGENCY**

**WHEREAS**, California Senate Bill 5 (SB5), passed in 2007 and later amended by various bills, requires the State to develop and adopt a comprehensive Central Valley Flood Protection Plan (CVFPP), which was approved by the Central Valley Flood Protection Board (CVFPB) in June 2012; and

**WHEREAS**, SB5 also required all cities and counties in the Central Valley to incorporate the CVFPP into their general plans by July 2, 2015 and into their zoning ordinances by July 2, 2016, and both actions were completed by Lathrop within the deadlines; and

**WHEREAS**, SB5 restricted development beyond July 2, 2016 unless the land use agency makes a finding related to an Urban Level of Flood Protection (ULOP), a 200-year level of flood protection; and

**WHEREAS**, on June 20, 2016, June 5, 2017, July 9, 2018, July 8, 2019, July 13, 2020, July 12, 2021, July 11, 2022 the City Council approved an Adequate Progressing Finding Report (APF) toward provision of 200-year ULOP in Island Reclamation District 2062 ("RD 2062"); and

**WHEREAS**, RD 2062, as the local maintenance agency for the levee system associated with the River Islands at Lathrop project, has provided the City documentation for the 2023 APR conformation with SB5 which allows development to continue within the River Islands at Lathrop Phase 1 and 2 Areas; and

**WHEREAS**, RD 2062 will transmit a letter to CVFPB for the 2023 APF report update for ULOP should the Council adopt this resolution and approve the 2023F APR; and

**WHEREAS**, pursuant to Government Code Section 65962, approval of the 2023 APF with the passage of this resolution by the City as the local land use agency, will allow the City to approve discretionary and ministerial permits within the River Islands at Lathrop Phase 1 and 2 Areas; and

**WHEREAS**, this 2023 APF is based on substantial evidence in the record, including the 2023 Annual Report of Progress provided by RD 2062 as drafted by its District Engineer, included as Attachment C to the July 10, 2023 City Manager's Report that accompanied this resolution and incorporated herein.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop, acting as the Land Use Agency as defined by State law, hereby adopts this Adequate Progress Finding pursuant to California Government Code Section 65962 based on substantial evidence in the record, including Attachment C to the July 10, 2023 City Manager's Report that accompanied this resolution, that adequate progress towards providing a 200-year Urban Level of Flood Protection by the year 2025 for the River Islands at Lathrop Phase 1 and 2 is being made.



**PASSED AND ADOPTED** by the City Council of the City of Lathrop this 10<sup>th</sup> day of July 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

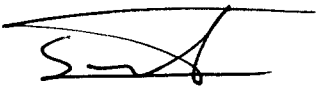
ABSENT:

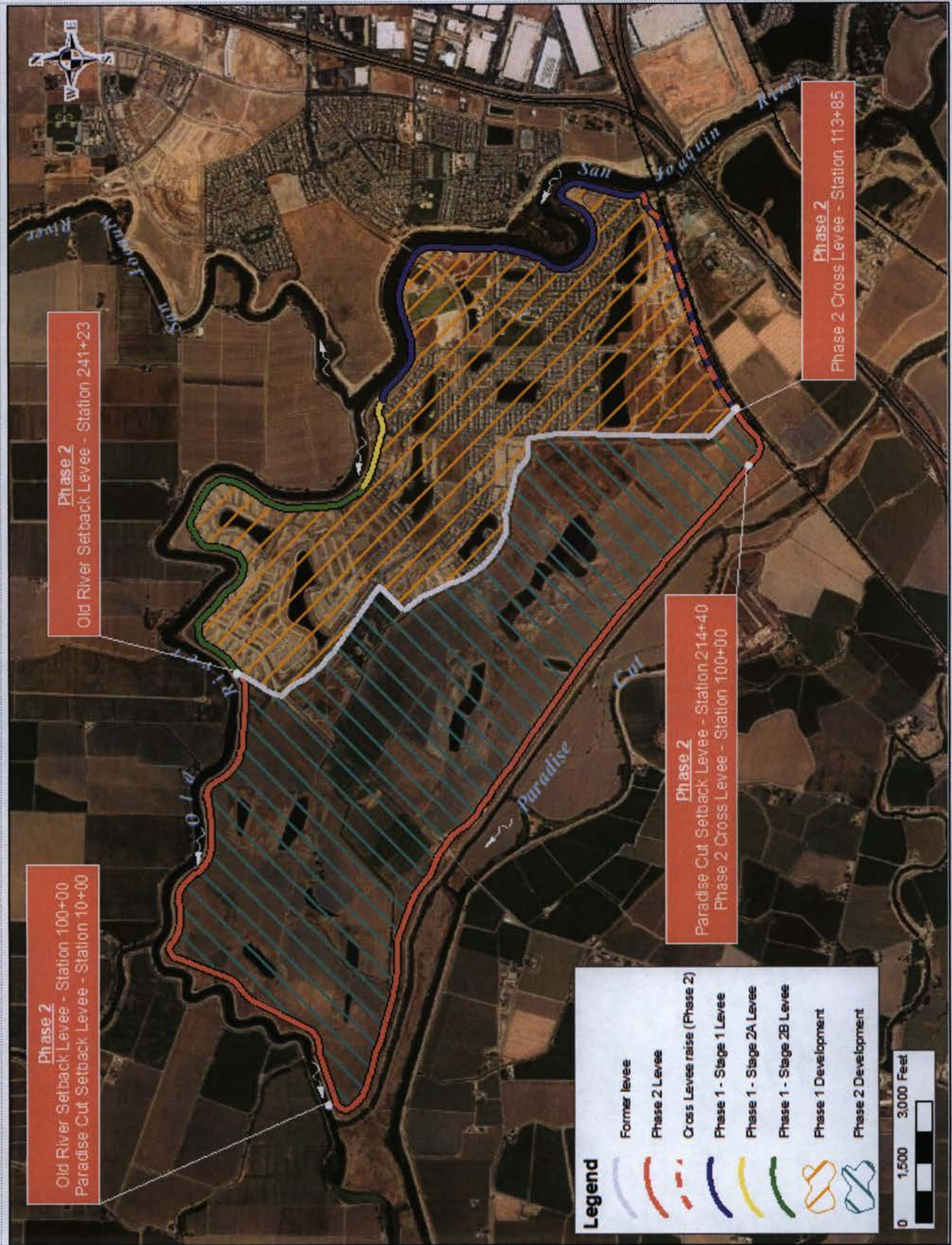
\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney



## ISLAND RECLAMATION DISTRICT No. 2062

STEWART TRACT – SAN JOAQUIN COUNTY

73 W. Stewart Road

LATHROP, CALIFORNIA 95330

TEL: (209) 879-7900

June 23, 2023

Mr. Brad Taylor, City Engineer  
City of Lathrop  
390 Towne Center Drive  
Lathrop, CA 95330

Re: Adequate Progress Finding for Phases 1 and 2 – River Islands at Lathrop


Dear Brad:

At its June 23, 2023 special meeting, the Island Reclamation District 2062 Board of Trustees (RD 2062) unanimously adopted Resolution 23-1, approving the "*River Islands at Lathrop Phase 1 + 2 Areas Report Of Adequate Progress Towards Urban Level Of Flood Protection Annual Report*" ("2023 Annual Report") and directed the President to provide the Annual Report to the City for adoption of an Adequate Progress Finding ("APF").

Substantial evidence is provided in the Annual Report that meets California Government Code Section 65007(a). This includes the required Engineer's Report, prepared by a Professional Civil Engineer registered in California to document the data and analyses for demonstrating that the development project and proposed subdivision will have an urban level of flood protection at the time when the flood protection system is completed. The Engineer's Report, drafted by MBK Engineers as the District Engineer, fulfills this requirement and is included in the Annual Report. The District and River Islands continues to improve the urban levee system within RD 2062, with only ancillary improvements and actions required to meet the ULOP Criteria.

The Annual Report is enclosed with this letter for your review and the City Council's adoption at their next available meeting.

Sincerely,

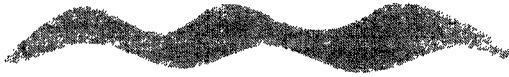


SUSAN DELL'OSSO  
President, RD 2062

Encl.: 2023 Annual Report – Phases 1 and 2 Levees

cc: Becky Money, MBK Engineers

# RD 2062



## RIVER ISLANDS AT LATHROP PHASE 1 + 2 AREAS

### REPORT OF ADEQUATE PROGRESS TOWARDS URBAN LEVEL OF FLOOD PROTECTION

### ANNUAL REPORT

---

**JUNE 2023**

Prepared by:

**MBK**   
**ENGINEERS**

455 University Avenue, Suite 100  
Sacramento, California 95825

## PURPOSE

Beginning in 2016 and continuing through 2020, the City of Lathrop adopted a finding of adequate progress (APF) toward an Urban Level of Flood Protection (ULOP) for the River Islands at Lathrop, Phase 1 urban area, and in 2020 adopted an APF for the Phase 2 urban area, both protected by the RD 2062 levees. When a local land use agency makes an APF, as described in the *Urban Level of Flood Protection Criteria* (ULOP Criteria), issued by the Department of Water Resources in 2013, Government Code Section 65007 (a) (5) requires the Local Flood Management Agency annually report to the Central Valley Flood Protection Board (CVFPB) on the progress toward the completion of the flood protection system. This report serves as that Annual Report for 2023. As required by the ULOP Criteria, this report will be made publicly available at [www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us).

RD 2062 is the local flood management agency. This report has been prepared by RD 2062's District Engineer, MBK Engineers.

## ADEQUATE PROGRESS FINDING

The City of Lathrop's APFs were based on several supporting documents including:

- RD 2062's March 2016 *River Islands at Lathrop Stage 1 Levee System, Urban Level of Flood Protection Engineer's Report*;
- RD 2062's January 2017 *River Islands at Lathrop Stage 2A and 2B Levees, Adequate Progress Towards an Urban Level of Flood Protection Engineer's Report*;
- RD 2062's February 2017 *River Islands at Lathrop, Phase 1 Area, Report of Adequate Progress towards an Urban Level of Flood Protection (APF Report)*;
- RD 2062's August 2020 *River Islands at Lathrop Phase 2 Levee, Adequate Progress Towards an Urban Level of Flood Protection Engineer's Report*;
- RD 2062's August 2021 *River Islands at Lathrop Phase 2, Report of Adequate Progress Towards an Urban Level of Flood Protection*; and
- RD 2062's May 2022 *River Islands at Lathrop Phase 2, Report of Adequate Progress Towards an Urban Level of Flood Protection*.

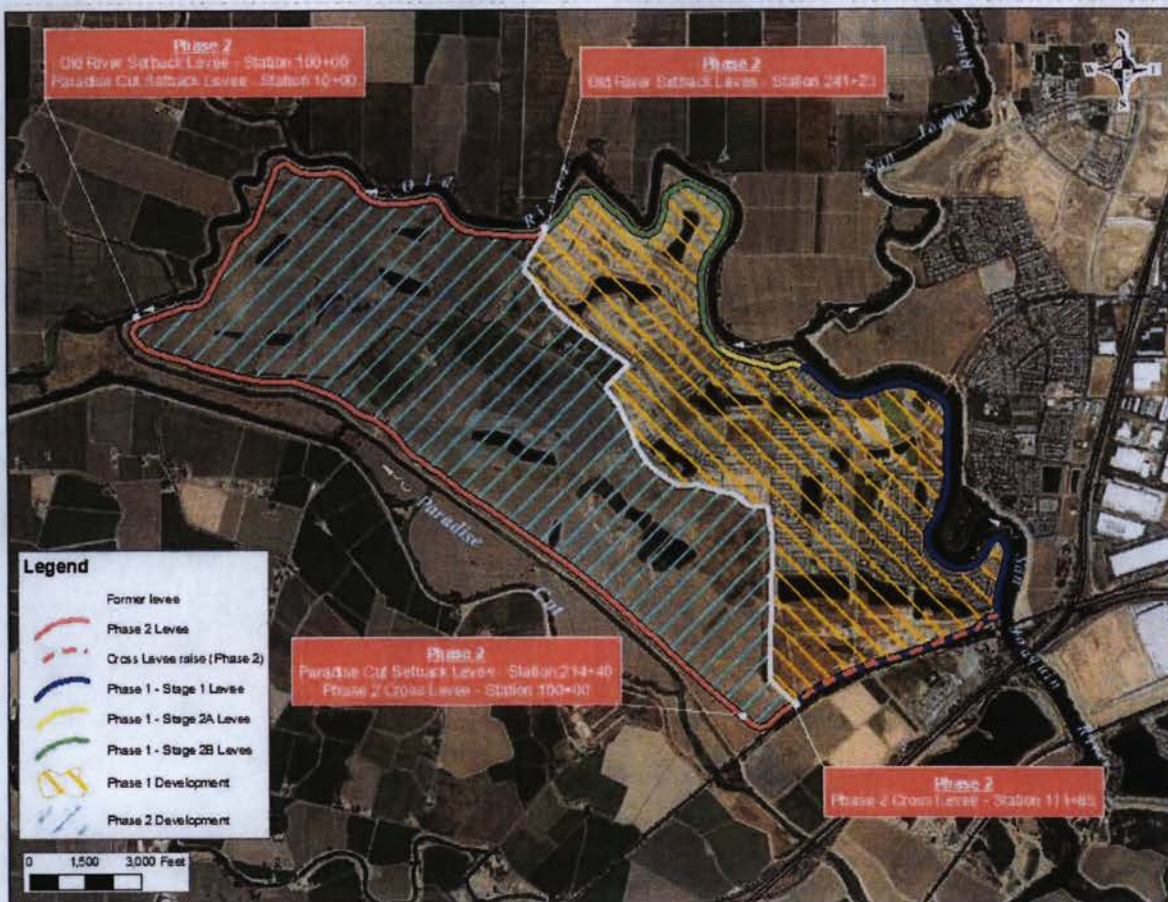
These documents collectively describe an attainable, reasonable approach toward providing an urban level of flood protection for the River Islands at Lathrop, Phase 1 and Phase 2 Areas by 2025. Specifically, these documents describe the levee system and the urban area it protects; provide substantial evidence, including data and references, demonstrating the levee system will provide an urban level of flood protection; and the scope, schedule, cost and identified sources of funding and their expected timing to provide an urban level of flood protection. The Engineer's Reports and APF Reports are hereby incorporated by reference.

Pursuant to DWR's ULOP Criteria, a finding based on adequate progress has an effective period of 10 years or until the finding is superseded, whichever is sooner, provided that the adequate progress requirements per California Government Code Section 65007(a) are met. Based upon this criterion, the

finding made by the City of Lathrop based upon the APF is valid until December 31, 2025,<sup>1</sup> so long as the requirements of Government Code §65007(a) are met by RD 2062, the local flood management agency.

### CURRENT URBAN LEVEE SYSTEM

As described in the reports listed above, River Islands at Lathrop has built the urban levee system in phases. For each new phase of work, a new ring levee was designed and constructed to join with the previous phase. Thus, with each new ring levee, the resulting interior levees were removed, and a larger ring levee was formed. The current levee configuration for the River Islands at Lathrop Phase 1 and 2 Areas is shown below. This figure reflects the construction and connection of the Phase 2 levee with the Phase 1 levees (at one end with the Phase 1, Stage 2B levee, and at the other end with the Phase 1, Cross levee). The Phase 2 levee supersedes the need for the interior portions of the Phase 1 levee, and these portions are identified as "Former levee" in the figure.



<sup>1</sup> Pursuant to Government Code Sections 65865.5, 65962, and 66474.5, for area protected by SPFC levees, an urban level of flood protection shall be achieved by 2025, therefore, after 2025, a local agency can no longer rely on findings of adequate progress after 2025 for an area protected by SPFC levees.

## PROGRESS

The Phase 1 APF Report identified two construction projects as being necessary to provide an urban level of flood protection to the Phase 1 Area: the River Islands Stage 2B Levee Project (Stage 2B Levee Project) and the scour prevention projects. The Stage 2B Levee Project was completed as reported in the 2018 annual report.

Two construction projects were also identified as being necessary to provide an urban level of flood protection to the Phase 2 Area in the Phase 2 APR Report: a scour prevention project, similar to that required for Phase 1, and installation of relief wells.

Finally, both the Phase 1 and Phase 2APF Reports identified non-structural actions required for certification of the levee system.

For simplicity and clarity, and because the Phase 1 levees and Phase 2 levee now protect a single and common urban area, this report and future reports will consolidate the required actions to provide a 200-year level of flood protection to the River Islands at Lathrop urban area. The status of these actions is described below.

## SCOUR PREVENTION PROJECTS

As part of the IPE review of the Phase 1 substantial evidence record, the IPE requested that River Islands evaluate the potential for erosion and scour failure of the new urban levees caused by failure of other embankments (i.e., the federal perimeter project levees and the UPRR embankment).

Initial evaluation and design of the scour prevention projects was completed in 2020 and includes a series of landside fill embankments, i.e. "check dams", located between the Phase 1 and 2 levees and the Federal Project levees. The check dams will reduce the exposure time to erosive hydraulic shear stress on the interior levees in the event of breach of the Federal Project levee and/or the UPRR embankment. Additional and advanced engineering and design, using higher resolution hydraulic inputs and more robust scour evaluation tools, began in 2021 and was completed in early 2022. Independent review of the final design, and follow-up environmental clearances are complete. River Islands submitted a revised permit application to reflect the design changes and environmental evaluations on September 6, 2022. The design team has had communication with USACE and CVFPB and has provided additional requested documentation as recent as March 29, 2023.

### Schedule

The schedule for this action has not changed since last year. Construction is still expected to occur in 2023 to 2024.

<b>ACTION</b>	<b>ESTIMATED START</b>	<b>ESTIMATED COMPLETION</b>
Scour Prevention Project – Old River & Paradise Cut – Design and Permitting	<i>Ongoing</i>	2023
Scour Prevention Project - Old River & Paradise Cut - Construction	2023	2024
Scour Prevention Project - UPRR – Design and Permitting	<i>Ongoing</i>	2023
Scour Prevention Project – UPRR - Construction	2023	2024

Note: **Bold** indicates a change in schedule.

### Costs and Expenditures

The estimated cost to construct the six check dams is \$758,000. The scour prevention projects will be funded by RID.

### Delays and Changes

As described above, the design is complete and permit application review by CVFPB and USACE is in progress and is anticipated to be received early Fall 2023, construction is still anticipated to occur in 2023 and 2024. The levee system is still on target for being certified for 200-year level of flood protection by 2025. There have been no significant changes to the project's approach.

## PHASE 2 RELIEF WELLS

As part of the design of the Phase 2 levee, seepage analyses associated with the Paradise Cut Setback Levee indicated that underseepage mitigation will be necessary to achieve 200-year level of flood protection. A line of relief wells is proposed between the Paradise Cut Setback Levee and the Main Drain between approximate levee stations 46+00 to 71+00 to intercept flow during high water events and reduce the exit gradient within the Main Drain. The relief locations are shown on Figure 1. Final design of the relief wells is complete and construction began in the fall of 2022. Due to weather conditions the installation has been put on hold until the site is accessible with truck mounted equipment. Installation and development of the relief wells is anticipated to be complete by August 2023.

### Schedule

The schedule identified in the 2022 APF Report identified schedule delays for design. Relief well design is complete and construction/installation of the relief wells began in the fall of 2022 and is expected to be completed in summer 2023.

<b>ACTION</b>	<b>ESTIMATED START</b>	<b>ESTIMATED COMPLETION</b>
Phase 2 Relief Wells - Design	<i>Ongoing</i>	<b>Completed in 2022</b>
Phase 2 Relief Wells - Construction	<i>Ongoing</i>	2023

Note: **Bold** indicates a change in schedule.

### Costs and Expenditures

The relief wells are estimated to cost \$114,000. This work is being funded by RID.

### Delays and Changes

Based on the schedule outlined in the 2022 APF, no additional delays to the schedule have been identified and the levee system is still on target for being certified for 200-year level of flood protection by 2025. There have been no significant changes to the project's approach.





## RD 2062 O&M MODERNIZATION AND RIGHT-OF-WAY

The ULDC provides requirements to support a modern levee program. This includes ensuring robust operations and maintenance (O&M) practices and procedures and appropriate right-of-way are in place for urban levees. The scope identified in the APF Report remains the same and progress continues to be made. River Islands has granted easements to RD 2062 for the entire embankment, 20 feet landward of the landside toes, and 15 feet waterward of the waterside toes for the Stage 1 levees in 2016 and the Stage 2A and Stage 2B levees in 2018. River Islands is currently in the process of granting easements to RD 2062 for Phase 2 levee.

### Schedule

The schedule for this action has not changed since the last report. A new O&M Manual for the levee system continues to be developed while the Phase 1 and 2 levees are modified (i.e., levees are built and removed, features are added). Completion of the effort is expected after the construction of the scour prevention projects, scheduled in 2024. Easements to RD 2062 for Phase 2 will be recorded later this calendar year.

<b>ACTION</b>	<b>ESTIMATED START</b>	<b>ESTIMATED COMPLETION</b>
RD 2062 O&M Modernization	<i>Ongoing</i>	2024
RD 2062 Transfer of Real Estate Rights for Phase 2 Levee	<i>Ongoing</i>	2023

### Costs and Expenditures

Progress on the RD 2062 O&M Modernization effort is in progress and is not being tracked by costs and expenditures, but instead through production of deliverables such as technical memoranda, updated O&M Manual chapters, plans, etc. A high-level cost estimate for performing the work is \$50,000. RD 2062 will accomplish these tasks using funds obtained through its annual assessment and/or through funds provided by RID.

### Delays and Changes

There have been no significant delays in developing a new O&M Manual and program for the levee system, nor were there any significant changes to the project's approach. However, as described above, the O&M modernization will continue to progress until after construction of the scour prevention projects, representing the last construction efforts for urban area.

## CONCLUSION

RD 2062 continues to make progress towards providing an urban level of flood protection to the River Islands combined Phase 1 and Phase 2 Areas by 2025. RD 2062 will continue to make progress and report on this progress annually. The next annual report will be submitted in June 2024 unless the entirety of levee improvements for River Islands (Phases 1 and 2) are complete and an Engineer's Report and other support documentation will be provided in support of the ULOP.



**ISLAND RECLAMATION DISTRICT No. 2062**

*STEWART TRACT – SAN JOAQUIN COUNTY*

**73 W. Stewart Road**

**LATHROP, CALIFORNIA 95330**

**TEL: (209) 879-7900**

July 11, 2023

Ms. Leslie Gallagher, Executive Officer  
Central Valley Flood Protection Board  
3310 El Camino Avenue, Suite 170  
Sacramento, CA 95821

Re: Annual Report of Progress - River Islands at Lathrop Phase 1 and Phase 2 Areas,  
Lathrop, CA

On July 10, 2023, the City of Lathrop City Council adopted a resolution making an Adequate Progress Finding for the River Islands at Lathrop Phase 1 Area and Phase 2 Area, respectively. In accordance with the requirements of Government Code §65007(a) and the Urban Level of Flood Protection Criteria issued by the Department of Water Resources in 2013. Island Reclamation District No. 2062, as the local flood management agency, respectfully submits the enclosed annual report of progress towards providing an urban level of flood protection for the River Islands at Lathrop Phase 1 and 2 urban areas. This report is available to the public at the following website: [www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us).

Questions on the matter may be referred to Ms. Becky Money at [money@mbkengineers.com](mailto:money@mbkengineers.com) or 916-456-4400.

Sincerely,

Susan Dell'Osso  
President, RD 2062

Encl.: 2023 Annual Report

cc: Brad Taylor, City Engineer  
Becky Money, MBK Engineers

## ITEM 5.1

### CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING

**ITEM:** PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTING AN ORDINANCE TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM AND ADOPTING RESOLUTION TO APPROVE A JOINT POWERS AGREEMENT WITH EAST BAY COMMUNITY (EBCE) AUTHORITY TO PROVIDE ELECTRIC SERVICES IN THE CITY OF LATHROP

**RECOMMENDATION:** City Council to Consider the Following:

1. Hold a Public Hearing; and
2. First Reading and Introduction of an Ordinance to Implement a Community Choice Aggregation Program to Provide Electric Services in the City of Lathrop
3. Adopt Resolution to Approve a Joint Powers Agreement with East Bay Community (EBCE) Authority to Provide Electric Services in the City of Lathrop

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#### **SUMMARY:**

On March 13, 2023 Council received a presentation from East Bay Community Energy (EBCE) regarding the benefits of implementing a Community Choice Aggregation (CCA) program. The potential benefits include lower electrical rates, local control and investment, and environmental sustainability.

Should Council want to proceed with the implementation of a CCA, the next step is to adopt an ordinance authorizing the City's implementation of a CCA program through EBCE along with a resolution approving a Joint Powers Agreement (JPA) to join the EBCE Joint Powers Authority.

#### **BACKGROUND:**

Community Choice Aggregation (CCA) was created in California by AB 117 (2002) and are governed by the California Public Utilities Commission (CPUC). CCAs are governmental entities formed by cities and counties to procure electricity for their residents, businesses, and municipal facilities. CCAs cannot be formed in the jurisdiction of a publicly owned electric utility (POU) that provides electrical service, this includes the Lathrop Irrigation District (LID) that provides electrical power within the River Islands Development.

CCA programs have several unique characteristics. When a CCA launches, investor-owned utility (IOU) electricity customers in the designated service area are automatically opted-in to CCA service, and have to opt out to continue to be served by the IOU.

**JULY 10, 2023 CITY COUNCIL REGULAR MEETING  
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTING AN  
ORDINANCE TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION  
PROGRAM AND ADOPTING RESOLUTION TO APPROVE A JOINT POWERS  
AGREEMENT WITH EAST BAY COMMUNITY (EBCE) AUTHORITY TO PROVIDE  
ELECTRIC SERVICES IN THE CITY OF LATHROP**

For the City of Lathrop the IOU is Pacific Gas & Electric Co. (PG&E). Once established, a CCA purchases power for its customers. While the CCA is responsible for procurement, the IOU still provides other services such as transmission, distribution, metering, billing, collection, and customer service. Currently there are 25 CCA programs serving more than 11 million customers in California.

EBCE made a presentation to City Council at its March 13, 2023 meeting regarding participation and implementation of the CCA program to provide alternate electric services to City consumers under a JPA. In 2018, the County of Alameda and 11 of its cities launched EBCE as a not-for-profit public agency that governs this Community Choice Energy service. The Joint Power Agency expanded in 2021. The cities currently served are: Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Piedmont, Pleasanton, San Leandro, Tracy, and Union City. The unincorporated areas of Alameda County (including Ashland, Castro Valley, Cherryland, Fairview, San Lorenzo, and Sunol) are also served by EBCE. The City of Stockton will begin EBCE service in 2025.

Section 366.2 of the California Public Utilities Code requires that any agency seeking to implement a CCA in their jurisdiction must do so by ordinance. This item requests that the City Council adopt an ordinance authorizing the City of Lathrop's implementation of a CCA program. The City Council must also adopt a resolution approving a joint powers agreement (JPA) thereby authorizing the EBCE to act as the CCA on the City's behalf.

The JPA contains provisions regarding as EBCE's powers, governance structure, including voting allocations, its obligation to indemnify the members, and the process for withdrawing from the authority, along with other standard JPA terms. As a member of EBCE, the City will have a representative on the EBCE's board of directors. If approved by Council, the JPA would be updated to reference the City of Lathrop.

**REASON FOR RECOMMENDATION:**

Adopting the proposed ordinance and approving the JPA with EBCE has the potential to provide lower electrical rates, local control and investment, and environmental sustainability.

**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTING AN ORDINANCE TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM AND ADOPTING RESOLUTION TO APPROVE A JOINT POWERS AGREEMENT WITH EAST BAY COMMUNITY (EBCE) AUTHORITY TO PROVIDE ELECTRIC SERVICES IN THE CITY OF LATHROP**

**FISCAL IMPACT:**

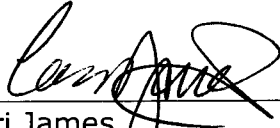
There is no direct fiscal impact associated with adopting an ordinance implementing a Community Choice Aggregation Program or approving a Joint Powers Agreement with the EBCE Authority to provide electric services to the City of Lathrop.

**ATTACHMENTS:**

- A. Ordinance to Implement a Community Choice Aggregation Program to Provide Electric Services in the City of Lathrop
- B. Resolution to Approve a Joint Powers Agreement with East Bay Community (EBCE) Authority to Provide Electric Services in the City of Lathrop
- C. ECBE Joint Powers of Agreement

**CITY MANAGER'S REPORT** **PAGE 4**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTING AN**  
**ORDINANCE TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION**  
**PROGRAM AND ADOPTING RESOLUTION TO APPROVE A JOINT POWERS**  
**AGREEMENT WITH EAST BAY COMMUNITY (EBCE) AUTHORITY TO PROVIDE**  
**ELECTRIC SERVICES IN THE CITY OF LATHROP**

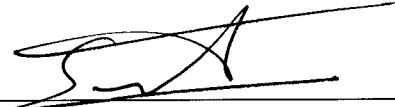
**APPROVALS:**

  
\_\_\_\_\_  
Cari James  
Finance Director


7-5-23  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

7-5-2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

7.3.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM TO PROVIDE ELECTRIC SERVICES IN THE CITY OF LATHROP**

**WHEREAS**, The City of Lathrop has an interest in achieving greater local involvement over the provision of electricity supply services, competitive electric rates, local control and investment, and environmental sustainability; and

**WHEREAS**, Assembly Bill 117 codified as Public Utilities Code Section 366.2 (the "Act"), authorizes any California city or county whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

**WHEREAS**, The Act allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have capacity to implement a CCA program individually. The joint powers agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants; and

**WHEREAS**, implementing a CCA program will likely provide multiple benefits to the residents, including lower electrical rates, local control and investment, and environmental sustainability; and

**WHEREAS**, concurrent with the introduction of this ordinance, the City Council considered a resolution approving the East Bay Community Energy Authority Joint Powers Agreement; and

**WHEREAS**, proper notice of this public hearing was given to all respects as required by law; and

**WHEREAS**, the City Council has reviewed all written evidence and oral testimony presented to date.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LATHROP DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1 Findings.**

Based upon the findings set forth hereinabove, the City Council elects to participate in, and approves the implementation of a Community Choice Aggregation program within the City of Lathrop's jurisdiction by and through the East Bay Community Energy Authority.

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

## **Section 2 Environmental.**

The passage of this ordinance is not a project under the California Environmental Quality Act (CEQA) because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060.

## **Section 3. Severability**

If any provisions of this Ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not effect other provisions or applications of the 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 irrespective of the validity of any particular portions thereof.

## **Section 4. Effective Date**

This Ordinance shall take legal effect and be in force thirty (30) days from and after the date of its passage.

## **Section 5. Publication**

Within fifteen (15) days after its final passage, the City Clerk shall cause a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.



**THIS ORDINANCE** was introduced at a regular meeting of the City Council of the City of Lathrop on the 10<sup>th</sup> day of July 2023, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 2023 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO APPROVE A JOINT POWERS AGREEMENT WITH EAST BAY COMMUNITY (EBCE) AUTHORITY TO PROVIDE ELECTRIC SERVICES IN THE CITY OF LATHROP**

**WHEREAS**, the City of Lathrop has an interest in achieving greater local involvement over the provision of electricity supply services, competitive electric rates, local control and investment, and environmental sustainability; and

**WHEREAS**, Assembly Bill 117 codified as Public Utilities Code Section 366.2 (the "Act"), authorizes any California city or county whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

**WHEREAS**, The Act allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have capacity to implement a CCA program individually. The joint powers agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants; and

**WHEREAS**, on March 13, 2023 Council received a presentation from East Bay Community Energy (EBCE) regarding the benefits of implementing a CCA program; and

**WHEREAS**, implementing a CCA program will likely provide multiple benefits to the residents, including lower electrical rates, local control and investment, and environmental sustainability; and

**WHEREAS**, Alameda County and cities in Alameda County have developed the EBCE Authority Joint Powers Agreement (JPA) which creates the East Bay Community Energy Authority (Authority) which will govern and operate the CCA program; and

**WHEREAS**, the Authority provides alternate electric services to consumers under a JPA with Alameda County and the vast majority of all cities in that county; and

**WHEREAS**, The Authority is interested in providing potential services to the City of Lathrop; and

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve a Joint Powers Agreement with East Bay Community (EBCE) Authority to provide electric services in the City of Lathrop.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

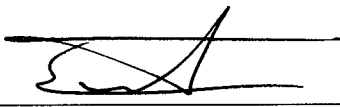
ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**East Bay Community Energy Authority**

**- Joint Powers Agreement -**

Effective December 1, 2016  
As amended by Resolution No. 2018-23 dated June 20, 2018 and  
Resolution No. 2022-28 dated September 21, 2022

County of Alameda

City of Albany

City of Berkeley

City of Dublin

City of Emeryville

City of Fremont

City of Hayward

City of Livermore

City of Newark

City of Oakland

City of Piedmont

City of Pleasanton

City of San Leandro

City of Stockton

City of Tracy

City of Union City

## **EAST BAY COMMUNITY ENERGY AUTHORITY**

### **JOINT POWERS AGREEMENT**

This Joint Powers Agreement (“Agreement”), effective as of December 1, 2016, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit A (“Parties”). The term “Parties” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

#### **RECITALS**

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
2. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local government to develop programs to reduce greenhouse gas emissions.
3. The purposes for the Initial Participants (as such term is defined in Section 1.1.16 below) entering into this Agreement include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by reducing energy related greenhouse gas emissions, promoting electrical rate price stability, and fostering local economic benefits such as jobs creation, community energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional and local solar and wind energy production.
4. The Parties desire to establish a separate public agency, known as the East Bay Community Energy Authority (“Authority”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
5. The Initial Participants have each adopted an ordinance electing to implement through the Authority a Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 (“CCA Program”). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.
6. By establishing the Authority, the Parties seek to:
  - (a) Provide electricity rates that are lower or competitive with those offered by PG&E for similar products;

- (b) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate;
- (c) Develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of the parties’ greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;
- (d) Establish an energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits;
- (e) Promote an energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals;
- (f) Demonstrate quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments);
- (g) Recognize the value of workers in existing jobs that support the energy infrastructure of Alameda County and Northern California. The Authority, as a leader in the shift to a clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a “just transition” to the new clean energy economy;
- (h) Deliver clean energy programs and projects using a stable, skilled workforce through such mechanisms as project labor agreements, or other workforce programs that are cost effective, designed to avoid work stoppages, and ensure quality;
- (i) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
- (j) Provide and manage lower cost energy supplies in a manner that provides cost savings to low-income households and promotes public health in areas impacted by energy production; and
- (k) Create an administering agency that is financially sustainable, responsive to regional priorities, well managed, and a leader in fair and equitable treatment of employees through adopting appropriate best practices employment policies, including, but not limited to, promoting efficient consideration of petitions to unionize, and providing appropriate wages and benefits.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

### ARTICLE 1 CONTRACT DOCUMENTS

**1.1 Definitions.** Capitalized terms used in the Agreement shall have the meanings specified below, unless the context requires otherwise.

- 1.1.1 “AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.
- 1.1.2 “Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*)
- 1.1.3 “Agreement” means this Joint Powers Agreement.
- 1.1.4 “Annual Energy Use” has the meaning given in Section 1.1.23.
- 1.1.5 “Authority” means the East Bay Community Energy Authority established pursuant to this Joint Powers Agreement.
- 1.1.6 “Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.
- 1.1.7 “Board” means the Board of Directors of the Authority.
- 1.1.8 “Community Choice Aggregation” or “CCA” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.
- 1.1.9 “CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.4 and 5.1.
- 1.1.10 “Days” shall mean calendar days unless otherwise specified by this Agreement.
- 1.1.11 “Director” means a member of the Board of Directors representing a Party, including an alternate Director.
- 1.1.12 “Effective Date” means the date on which this Agreement shall become effective and the East Bay Community Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

- 1.1.13** “Ex Officio Board Member” means a non-voting member of the Board of Directors as described in Section 4.2.2. The Ex Officio Board Member may not serve on the Executive Committee of the Board or participate in closed session meetings of the Board.
- 1.1.14** “Implementation Plan” means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.
- 1.1.15** “Initial Costs” means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority’s initial formation activities or in support of the negotiation, preparation and approval of power purchase agreements. The Board shall determine the termination date for Initial Costs.
- 1.1.16** “Initial Participants” means, for the purpose of this Agreement the County of Alameda, the Cities of Albany, Berkeley, Emeryville, Oakland, Piedmont, San Leandro, Hayward, Union City, Fremont, Dublin, and Livermore.
- 1.1.17** “Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.
- 1.1.18** “Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.
- 1.1.19** “Party” means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.
- 1.1.20** “Percentage Vote” means a vote taken by the Board pursuant to Section 4.12.1 that is based on each Party having one equal vote.
- 1.1.21** “Total Annual Energy” has the meaning given in Section 1.1.23.
- 1.1.22** “Voting Shares Vote” means a vote taken by the Board pursuant to Section 4.12.2 that is based on the voting shares of each Party described in Section 1.1.23 and set forth in Exhibit C to this Agreement. A Voting Shares vote cannot take place on a matter unless the matter first receives an affirmative or tie Percentage Vote in the manner required by Section 4.12.1 and three or more Directors immediately thereafter request such vote.



**1.1.23** “Voting Shares Formula” means the weight applied to a Voting Shares Vote and is determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) “Annual Energy Use” means (i) with respect to the first two years following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s respective jurisdiction and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by the Authority and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit B and the initial voting shares are designated in Exhibit C. Both Exhibits B and C shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year subject to the approval of the Board.

**1.2 Documents Included.** This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: List of the Parties

Exhibit B: Annual Energy Use

Exhibit C: Voting Shares

**1.3 Revision of Exhibits.** The Parties agree that Exhibits A, B and C to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

## **ARTICLE 2**

### **FORMATION OF EAST BAY COMMUNITY ENERGY AUTHORITY**

**2.1 Effective Date and Term.** This Agreement shall become effective and East Bay Community Energy Authority shall exist as a separate public agency on December 1, 2016, provided that this Agreement is executed on or prior to such date by at least three Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.3, subject to the rights of the Parties to withdraw from the Authority.

**2.2 Initial Participants.** Until December 31, 2016, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(12) to the Authority. Additional conditions, described in Section 3.1, may apply (i) to either an

incorporated municipality or county desiring to become a Party that is not an Initial Participant and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

**2.3 Formation.** There is formed as of the Effective Date a public agency named the East Bay Community Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing boards of all Parties.

**2.4 Purpose.** The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party and any other powers granted to the Authority under state law to participate as a group in the CCA Program pursuant to Public Utilities Code Section 366.2(c)(12); to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs; and, to exercise all other powers necessary and incidental to accomplishing this purpose.

**2.5 Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:

- 2.5.1** to make and enter into contracts, including those relating to the purchase or sale of electrical energy or attributes thereof;
- 2.5.2** to employ agents and employees, including but not limited to a Chief Executive Officer and General Counsel;
- 2.5.3** to acquire, contract, manage, maintain, and operate any buildings, works or improvements, including electric generating facilities;
- 2.5.4** to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
- 2.5.5** to lease any property;
- 2.5.6** to sue and be sued in its own name;
- 2.5.7** to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Section 53850 *et seq.* and authority under the Act;

- 2.5.8 to form subsidiary or independent corporations or entities, if appropriate, to carry out energy supply and energy conservation programs at the lowest possible cost consistent with the Authority's CCA Program implementation plan, risk management policies, or to take advantage of legislative or regulatory changes;
- 2.5.9 to issue revenue bonds and other forms of indebtedness;
- 2.5.10 to apply for, accept, and receive all licenses, permits, grants, loans or other assistance from any federal, state or local public agency;
- 2.5.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- 2.5.12 to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Rules and Regulations");
- 2.5.13 to make and enter into service, energy and any other agreements necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and
- 2.5.14 to negotiate project labor agreements, community benefits agreements and collective bargaining agreements with the local building trades council and other interested parties.

**2.6 Limitation on Powers.** As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Emeryville and any other restrictions on exercising the powers of the Authority that may be adopted by the Board.

**2.7 Compliance with Local Zoning and Building Laws.** Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

**2.8 Compliance with the Brown Act.** The Authority and its officers and employees shall comply with the provisions of the Ralph M. Brown Act, Government Code Section 54950 *et seq.*

**2.9 Compliance with the Political Reform Act and Government Code Section 1090.** The Authority and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 *et seq.*) and Government Code Section 1090 *et seq.*, and shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board of

Directors may adopt additional conflict of interest regulations in the Operating Rules and Regulations.

### **ARTICLE 3** **AUTHORITY PARTICIPATION**

**3.1 Addition of Parties.** Subject to Section 2.2, relating to certain rights of Initial Participants, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption by an affirmative vote of a majority of all Directors of the entire Board satisfying the requirements described in Section 4.12, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership fee, if any, and (e) satisfaction of any conditions established by the Board.

**3.2 Continuing Participation.** The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

### **ARTICLE 4** **GOVERNANCE AND INTERNAL ORGANIZATION**

**4.1 Board of Directors.** The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.

**4.2 Appointment of Directors.** The Directors shall be appointed as follows:

**4.2.1** The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the regular Director shall be a member of the governing body of the Party at the time of appointment but may continue to serve as a Director following his/her term as a member of the Party's governing body until a new Director is appointed pursuant to the timing in Section 4.3. The person appointed and designated as the alternate Director shall also be a member of the governing body of a Party and the alternate may continue to serve

as an alternate following his/her term as a member of a Party's governing body until a new alternate is appointed pursuant to the timing in Section 4.3.

**4.2.2** The Board shall also include one non-voting ex officio member as defined in Section 1.1.13 ("Ex Officio Board Member"). The Chair of the Community Advisory Committee, as described in Section 4.9 below, shall serve as the Ex Officio Board Member. The Vice Chair of the Community Advisory Committee shall serve as an alternate Ex Officio Board Member when the regular Ex Officio Board Member is absent from a Board meeting.

**4.2.3** The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.12 may include rules regarding Directors, such as meeting attendance requirements. No Party shall be deprived of its right to seat a Director on the Board.

**4.3 Term of Office.** Each regular and alternate Director shall serve at the pleasure of the governing body of the Party that the Director represents and may be removed as Director by such governing body at the time. If at any time a vacancy occurs on the Board because a Director is no longer a member of a Party's governing body, the Party shall appoint a replacement to fill the position of the previous Director in accordance with the provisions of Section 4.2.1 within ninety (90) days of the date that such Director is no longer a member of a Party's governing body or for any other reason that such position becomes vacant.

**4.4 Quorum.** A majority of the Directors of the entire Board shall constitute a quorum, except that less than a quorum may adjourn a meeting from time to time in accordance with law.

**4.5 Powers and Function of the Board.** The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law. Board approval shall be required for any of the following actions, which are defined as "Essential Functions":

**4.5.1** The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.

**4.5.2** The hiring of a Chief Executive Officer and General Counsel.

**4.5.3** The appointment or removal of an officer.

**4.5.4** The adoption of the Annual Budget.

**4.5.5** The adoption of an ordinance.

**4.5.6** The initiation of resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief

Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board. The Board shall adopt Operating Rules and Regulations governing the Chief Executive Officer and General Counsel's exercise of authority under this Section 4.5.6.

**4.5.7** The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.

**4.5.8** Termination of the CCA Program.

**4.6** **Executive Committee.** The Board shall establish an Executive Committee consisting of a smaller number of Directors. The Board may delegate to the Executive Committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain Essential Functions, as described in Section 4.5 and the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.12 to adopt and amend the Operating Rules and Regulations or its Essential Functions listed in Section 4.5. After the Executive Committee meets or otherwise takes action, it shall, as soon as practicable, make a report of its activities at a meeting of the Board.

**4.7** **Director Compensation.** Directors shall receive a stipend of \$100 per meeting, as adjusted to account for inflation, as provided for in the Authority's Operating Rules and Regulations.

**4.8** **Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

**4.9** **Community Advisory Committee.** The Board shall establish a Community Advisory Committee consisting of nine members and three alternates, none of whom may be voting members of the Board. One alternate from the pool of three alternates may take the place of a Community Advisory Member when a Community Advisory Committee member cannot attend a meeting. The Community Advisory Committee member that is unable to attend a meeting must notify the alternates of their inability to attend and obtain confirmation that one of the Alternates can attend the Community Advisory Committee meeting in that member's place. The function of the Community Advisory Committee shall be to advise the Board of Directors on all subjects related to the operation of the CCA Program as set forth in a work plan adopted by the Board of Directors from time to time, with the exception of personnel and litigation decisions. The Community Advisory Committee is advisory only, and shall not have decision making authority, or receive any delegation of authority from the Board of Directors. The Board shall publicize the opportunity to serve on the Community Advisory Committee and shall

appoint members of the Community Advisory Committee and Alternates from those individuals expressing interest in serving, and who represent a diverse cross-section of interests, skill sets and geographic regions. Members of the Community Advisory Committee shall serve staggered four-years terms (the first term of three of the members shall be two years, and four years thereafter), which may be renewed. A member or Alternate of the Community Advisory Committee may be removed by the Board of Directors by majority vote. The Board of Directors shall determine whether the Community Advisory Committee members will receive a stipend or be entitled to reimbursement of expenses.

**4.10 Chief Executive Officer.** The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement, if the expenditure is authorized in the Authority's approved budget, except the powers specifically set forth in Section 4.5 or those powers which by law must be exercised by the Board of Directors. The Board of Directors shall provide procedures and guidelines for the Chief Executive Officer exercising the powers of the Authority in the Operating Rules and Regulations.

**4.11 General Counsel.** The Board of Directors shall appoint a General Counsel for the Authority, who shall be responsible for providing legal advice to the Board of Directors and overseeing all legal work for the Authority.

**4.12 Board Voting.**

**4.12.1 Percentage Vote.** Except when a supermajority vote is expressly required by this Agreement or the Operating Rules and Regulations, action of the Board on all matters shall require an affirmative vote of a majority of all Directors on the entire Board (a "Percentage Vote" as defined in Section 1.1.20). A supermajority vote is required by this Agreement for the matters addressed by Section 8.4. When a supermajority vote is required by this Agreement or the Operating Rules and Regulations, action of the Board shall require an affirmative Percentage Vote of the specified supermajority of all Directors on the entire Board. No action can be taken by the Board without an affirmative Percentage Vote. Notwithstanding the foregoing, in the event of a tie in the Percentage Vote, an action may be approved by an affirmative "Voting Shares Vote," as defined in Section 1.1.22, if three or more Directors immediately request such vote.

**4.12.2 Voting Shares Vote.** In addition to and immediately after an affirmative percentage vote, three or more Directors may request that, a vote of the voting shares shall be held (a "Voting Shares Vote" as defined in Section 1.1.22). To approve an action by a Voting Shares Vote, the corresponding voting shares (as defined in Section 1.1.23 and Exhibit C) of all Directors voting in the affirmative shall exceed 50% of the voting share of all Directors on the entire Board, or such other higher voting shares percentage expressly required by this Agreement or the Operating Rules

and Regulations. In the event that any one Director has a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter. When a voting shares vote is held, action by the Board requires both an affirmative Percentage Vote and an affirmative Voting Shares Vote. Notwithstanding the foregoing, in the event of a tie in the Percentage Vote, an action may be approved on an affirmative Voting Shares Vote. When a supermajority vote is required by this Agreement or the Operating Rules and Regulations, the supermajority vote is subject to the Voting Share Vote provisions of this Section 4.12.2, and the specified supermajority of all Voting Shares is required for approval of the action, if the provision of this Section 4.12.2 are triggered.

**4.13 Meetings and Special Meetings of the Board.** The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.

**4.14 Officers.**

**4.14.1 Chair and Vice Chair.** Prior to the end of the fiscal year, the Directors shall elect, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The newly elected Chair and Vice Chair shall commence serving in those capacities on July 1, except that no separate election shall be required for Fiscal Year 2018-2019 and the Chair and Vice Chair elected in 2018 shall continue to serve until the end of the 2018-2019 Fiscal Year. The Chair and Vice Chair shall hold office for one year and serve no more than two consecutive terms, however, the total number of terms a Director may serve as Chair or Vice Chair is not limited. The office of either the Chair or Vice Chair shall be declared vacant and the Board shall make a new selection if: (a) the person serving dies, resigns, or ceases to be a member of the governing body of a Party that person represents, except if the person is continuing to serve on the Board after that person no longer serves on the governing body in conformance with section 4.2.1; (b) the Party that the person represents removes the person as its representative on the Board, or (c) the Party that the person represents withdraws from the Authority pursuant to the provisions of this Agreement.

**4.14.2 Secretary.** The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.



**4.14.3 Treasurer and Auditor.** The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. The same person may not simultaneously hold both the office of Treasurer and the office of the Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made annually by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested, the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time.

**4.15 Administrative Services Provider.** The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. The Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

**4.16 Operational Audit.** The Authority shall commission an independent agent to conduct and deliver at a public meeting of the Board an evaluation of the performance of the CCA Program relative to goals for renewable energy and carbon reductions. The Authority shall approve a budget for such evaluation and shall hire a firm or individual that has no other direct or indirect business relationship with the Authority. The evaluation shall be conducted at least once every two years.

## **ARTICLE 5**

### **IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS**

#### **5.1 Implementation of the CCA Program.**

**5.1.1 Enabling Ordinance.** Prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code

Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

**5.1.2 Implementation Plan.** The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.12.

**5.1.3 Termination of CCA Program.** Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

**5.2 Other Authority Documents.** The Parties acknowledge and agree that the operations of the Authority will be implemented through various documents duly adopted by the Board through Board resolution or minute action, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

**5.3 Integrated Resource Plan.** The Authority shall cause to be prepared an Integrated Resource Plan in accordance with CPUC regulations that will ensure the long-term development and administration of a variety of energy programs that promote local renewable resources, conservation, demand response, and energy efficiency, while maintaining compliance with the State Renewable Portfolio standard and customer rate competitiveness. The Authority shall prioritize the development of energy projects in Alameda and adjacent counties. Principal aspects of its planned operations shall be in a Business Plan as outlined in Section 5.4 of this Agreement.

**5.4 Business Plan.** The Authority shall cause to be prepared a Business Plan, which will include a roadmap for the development, procurement, and integration of local renewable energy resources as outlined in Section 5.3 of this Agreement. The Business Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs. The Business Plan shall identify opportunities for local power development and how the CCA Program can achieve the goals outlined in Recitals 3 and 6 of this Agreement. The Business Plan shall include specific language detailing employment and labor standards that relate to the execution of the CCA Program as referenced in this Agreement. The Business Plan shall identify clear and transparent marketing practices to be followed by the CCA Program, including the identification of the sources of its electricity and explanation of the various types of electricity procured by the Authority. The Business Plan shall cover the first five (5) years of the operation of the CCA Program. Progress on the implementation of the Business Plan shall be subject to annual public review.

**5.5 Labor Organization Neutrality.** The Authority shall remain neutral in the event its employees, and the employees of its subcontractors, if any, wish to unionize.

**5.6 Renewable Portfolio Standards.** The Authority shall provide its customers renewable energy primarily from Category 1 eligible renewable resources, as defined under the California RPS and consistent with the goals of the CCA Program. The Authority shall not procure energy from Category 3 eligible renewable resources (unbundled Renewable Energy Credits or RECs) exceeding 50% of the State law requirements, to achieve its renewable portfolio goals. However, for Category 3 RECs associated with generation facilities located within its service jurisdiction, the limitation set forth in the preceding sentence shall not apply.

## **ARTICLE 6**

### **FINANCIAL PROVISIONS**

**6.1 Fiscal Year.** The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

**6.2 Depository.**

**6.2.1** All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

**6.2.2** All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times.

**6.2.3** All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

**6.3 Budget and Recovery Costs.**

**6.3.1 Budget.** The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.

**6.3.2 Funding of Initial Costs.** The County shall fund the Initial Costs of establishing and implementing the CCA Program. In the event that the CCA Program becomes operational, these Initial Costs paid by the County and any specified interest shall be included in the customer charges for

electric services to the extent permitted by law, and the County shall be reimbursed from the payment of such charges by customers of the Authority. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County shall not be entitled to any reimbursement of the Initial Costs.

- 6.3.4 Additional Contributions and Advances.** Pursuant to Government Code Section 6504, the Parties may in their sole discretion make financial contributions, loans or advances to the Authority for the purposes of the Authority set forth in this Agreement. The repayment of such contributions, loans or advances will be on the written terms agreed to by the Party making the contribution, loan or advance and the Authority.

## **ARTICLE 7**

### **WITHDRAWAL AND TERMINATION**

#### **7.1 Withdrawal.**

- 7.1.1 General Right to Withdraw.** A Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.
- 7.1.2 Withdrawal Following Amendment.** Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement provided that the requirements of this Section 7.1.2 are strictly followed. A Party shall be deemed to have withdrawn its membership in the Authority effective 180 days after the Board approves an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board.
- 7.1.3 The Right to Withdraw Prior to Program Launch.** After receiving bids from power suppliers for the CCA Program, the Authority must provide to the Parties a report from the electrical utility consultant retained by the Authority comparing the Authority's total estimated electrical rates, the estimated greenhouse gas emissions rate and the amount of estimated renewable energy to be used with that of the incumbent utility. Within 30 days after receiving this report, through its City Manager or a person expressly authorized by the Party, any Party may immediately withdraw its membership in the Authority by providing written notice of withdrawal to the Authority if the report determines that any one of the following

conditions exists: (1) the Authority is unable to provide total electrical rates, as part of its baseline offering to customers, that are equal to or lower than the incumbent utility, (2) the Authority is unable to provide electricity in a manner that has a lower greenhouse gas emissions rate than the incumbent utility, or (3) the Authority will use less qualified renewable energy than the incumbent utility. Any Party who withdraws from the Authority pursuant to this Section 7.1.3 shall not be entitled to any refund of the Initial Costs it has paid to the Authority prior to the date of withdrawal unless the Authority is later terminated pursuant to Section 7.3. In such event, any Initial Costs not expended by the Authority shall be returned to all Parties, including any Party that has withdrawn pursuant to this section, in proportion to the contribution that each made. Notwithstanding anything to the contrary in this Agreement, any Party who withdraws pursuant to this section shall not be responsible for any liabilities or obligations of the Authority after the date of withdrawal, including without limitation any liability arising from power purchase agreements entered into by the Authority.

**7.2 Continuing Liability After Withdrawal; Further Assurances; Refund.** A Party that withdraws its membership in the Authority under either Section 7.1.1 or 7.1.2 shall be responsible for paying its fair share of costs incurred by the Authority resulting from the Party's withdrawal, including costs from the resale of power contracts by the Authority to serve the Party's load and any similar costs directly attributable to the Party's withdrawal, such costs being limited to those contracts executed while the withdrawing Party was a member, and administrative costs associated thereto. The Parties agree that such costs shall not constitute a debt of the withdrawing Party, accruing interest, or having a maturity date. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's costs described above. Any amount of the Party's funds held by the Authority for the benefit of the Party that are not required to pay the Party's costs described above shall be returned to the Party. The withdrawing party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. A withdrawing party has the right to continue to participate in Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party until the withdrawal's effective date.

**7.3 Mutual Termination.** This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.

**7.4 Disposition of Property upon Termination of Authority.** Upon termination of this Agreement as to all Parties, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any Authority Documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

**ARTICLE 8**  
**MISCELLANEOUS PROVISIONS**

**8.1 Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority shall engage in nonbinding mediation in the manner agreed upon by the Party or Parties and the Authority. The Parties agree that each Party may specifically enforce this section 8.1. In the event that nonbinding mediation is not initiated or does not result in the settlement of a dispute within 120 days after the demand for mediation is made, any Party and the Authority may pursue any remedies provided by law.

**8.2 Liability of Directors, Officers, and Employees.** The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 *et seq.* Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

**8.3 Indemnification of Parties.** The Authority shall acquire such insurance coverage as the Board deems necessary to protect the interests of the Authority, the Parties and the public. Such insurance coverage shall name the Parties and their respective Board or Council members, officers, agents and employees as additional insureds. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

**8.4 Amendment of this Agreement.** This Agreement may be amended in writing by a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.12. Except that, any amendment to the voting provisions in Section 4.12 may only be made by a three-quarters affirmative vote of the entire Board. The Authority shall provide written notice to the Parties at least 30 days in advance of any proposed amendment being considered by the Board. If the proposed amendment is adopted by the Board, the Authority shall provide prompt written notice to all Parties of the effective date of such amendment along with a copy of the amendment.

**8.5 Assignment.** Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 8.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of

proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

**8.6 Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

**8.7 Further Assurances.** Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

**8.8 Execution by Counterparts.** This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

**8.9 Parties to be Served Notice.** Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 72 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. In addition, a duplicate copy of all notices provided pursuant to this section shall be provided to the Director and alternate Director for each Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties. All notices required hereunder shall be delivered to:

The County of Alameda

Director, Community Development Agency  
224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

if to: City of Lathrop

Office of the City Clerk  
390 Towne Centre Drive  
Lathrop, CA 95330

Office of the City Manager  
390 Towne Centre Drive  
Lathrop, CA 95330

Office of the City Attorney  
390 Towne Centre Drive  
Lathrop, CA 95330

With a copy to:

Department of Public Works  
390 Towne Centre Drive  
Lathrop, CA 95330



**ARTICLE 9  
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

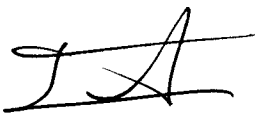
**CITY OF LATHROP,**  
A California municipal corporation of the  
State of California

By: \_\_\_\_\_  
Stephen J. Salvatore                      Date  
City Manager

**ATTEST:**  
City Clerk of and for the City  
of Lathrop, State of California

By: \_\_\_\_\_  
Teresa Vargas                              Date  
City Clerk

**APPROVED AS TO FORM BY THE CITY OF LATHROP CITY ATTORNEY**

By:  \_\_\_\_\_ 7-5-2023  
Salvador Navarrete                      Date  
City Attorney

224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

if to [PARTY No. \_\_\_\_]

Office of the City Clerk

Eileen Harrington, Deputy  
Eileen Harrington 12/2/16

Office of the City Manager/Administrator

Envelope Crumpley

Office of the City Attorney

Craig Labadie  
Craig Labadie

if to [PARTY No. \_\_\_\_]

Office of the City Clerk

\_\_\_\_\_  
\_\_\_\_\_

Office of the City Manager/Administrator

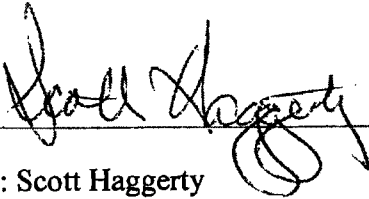
\_\_\_\_\_  
\_\_\_\_\_

Office of the City Attorney

\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: 

Name: Scott Haggerty

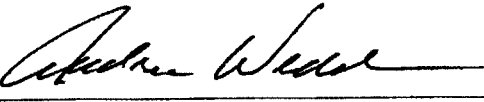
Title: Board President

Date: January 4, 2017

Party: County of Alameda

APPROVED AS TO FORM:

DONNA R. ZIEGLER, COUNTY COUNSEL

By: 

Andrea L. Weddle

Chief Assistant County Counsel

**ARTICLE 9  
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: D. Williams-Bridley

Name: Dee Williams Ridley

Title: City Manager

Date: December 1, 2016

Party: City of Berkeley

APPROVED AS TO FORM

By Michael Wood  
CITY ATTORNEY FOR THE  
CITY OF BERKELEY

Registered by:

Ann-Monica Hogan  
City Treasurer

ATTEST for the City of Berkeley

Maui Spinnell  
City Clerk

**With a copy to:**

**Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612**

**if to [PARTY No. \_\_\_\_]**

**City of Dublin  
City Manager  
100 Civic Plaza  
Dublin, CA 94568**

**Meyers Nave  
City Attorney  
555 12<sup>th</sup> Street, Suite 1500  
Oakland, CA 94607**

**if to [PARTY No. \_\_\_\_]**

**Office of the City Clerk**

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**Office of the City Manager/Administrator**

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**Office of the City Attorney**

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**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: \_\_\_\_\_

Christopher L. Foss, City Manager  
City of Dublin

Date: \_\_\_\_\_

12/1/10

Party: \_\_\_\_\_

224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

if to: City of Emeryville

Office of the City Clerk  
1333 Park Avenue  
Emeryville, CA 94608

Office of the City Manager  
1333 Park Avenue  
Emeryville, CA 94608

Office of the City Attorney  
1333 Park Avenue  
Emeryville, CA 94608

if to [PARTY No. \_\_\_\_\_ ]

Office of the City Clerk

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Office of the City Manager/Administrator

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Office of the City Attorney

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**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: Carolyn Lehr

Name: Carolyn Lehr

Title: City Manager

Date: 12-1-16

Party: City of Emeryville

APPROVED AS TO FORM:

Michael A. Guina

Michael A. Guina, City Attorney



224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

if to [PARTY No. \_\_\_\_]

City of Fremont

Office of the City Clerk  
3300 Capitol Ave., Building A  
Fremont, CA 94538

Office of the City Manager/Administrator  
3300 Capitol Ave., Building A  
Fremont, CA 94538

Office of the City Attorney  
3300 Capitol Ave., Building A  
Fremont, CA 94538

if to [PARTY No. \_\_\_\_]

Office of the City Clerk

\_\_\_\_\_  
\_\_\_\_\_

Office of the City Manager/Administrator

\_\_\_\_\_  
\_\_\_\_\_

Office of the City Attorney

\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: 

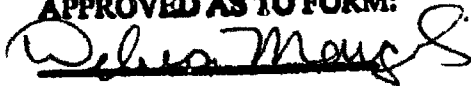
Name:     **Jessica von Borck**    

Title:     **Assistant City Manager**    

Date:     12-1-16    

Party: \_\_\_\_\_

**APPROVED AS TO FORM:**



**Debra S. Margolis**

**Assistant City Attorney**

The County of Alameda

Director, Community Development Agency  
224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

City of Hayward

Office of the City Manager  
City of Hayward  
777 B Street  
Hayward, CA 94541

With a copy to:

Office of the City Attorney  
City of Hayward  
777 B Street  
Hayward, CA 94541

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

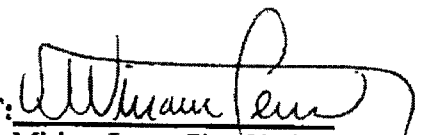
**CITY OF HAYWARD, A Municipal Corporation**

Date of Approval: 12/16/2016



\_\_\_\_\_  
Kelly McAdoo, City Manager

ATTEST:



\_\_\_\_\_  
Miriam Lens, City Clerk

**APPROVED AS TO FORM**



\_\_\_\_\_  
Michael Lawson, City Attorney

224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

if to City of Livermore

City Clerk's Office  
1052 South Livermore Avenue  
Livermore, CA 94550

With a copy to:

Public Works Department  
Attn: Public Works Manager  
3500 Robertson Park Road  
Livermore, CA 94550

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: Marc Roberts

Name: Marc Roberts

Title: City Manager

Date: 1/4/2017

Party: City of Livermore

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to be a stylized name, positioned below the 'APPROVED AS TO FORM:' text.

224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

if to [PARTY No. \_\_\_\_]

Office of the City Clerk  
1 FRANK H. DEAN PLAZA  
OAKLAND, CA 94612

Office of the City Manager/Administrator  
1 FRANK H. DEAN PLAZA  
OAKLAND, CA 94612

Office of the City Attorney  
\_\_\_\_\_  
\_\_\_\_\_

if to [PARTY No. \_\_\_\_]

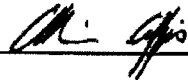
Office of the City Clerk  
\_\_\_\_\_  
\_\_\_\_\_

Office of the City Manager/Administrator  
\_\_\_\_\_  
\_\_\_\_\_

Office of the City Attorney  
\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By:  for SBL

Name: CLAUDIA CAPPIO

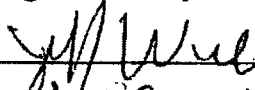
Title: ASST CITY ADMINISTRATOR

Date: 12/07/10

Party: CITY OF OAKLAND

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By:   
Name: Jeffrey Wiele  
Title: Mayor  
Date: 12/19/16  
Party: City of Piedmont



force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

**8.9 Parties to be Served Notice.** Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 72 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. In addition, a duplicate copy of all notices provided pursuant to this section shall be provided to the Director and alternate Director for each Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties. All notices required hereunder shall be delivered to:

The County of Alameda

Director, Community Development Agency  
224 West Winton Ave.  
Hayward, CA 94612

With a copy to:

Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612

if to the City of San Leandro


Office of the City Clerk  
835 East 14<sup>th</sup> Street  
San Leandro, CA 94577


Office of the City Manager/Administrator  
835 East 14<sup>th</sup> Street  
San Leandro, CA 94577  
Office of the City Attorney  
835 East 14<sup>th</sup> Street  
San Leandro, CA 94577

**ARTICLE 9**  
**SIGNATURE**

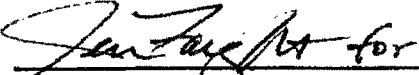
IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

CITY OF SAN LEANDRO

  
\_\_\_\_\_  
Chris Zapata, City Manager

Attest:   
\_\_\_\_\_  
Tamika Greenwood, City Clerk

Approved as to Form:

  
\_\_\_\_\_  
Richard D. Pio Róda, City Attorney

**224 West Winton Ave.  
Hayward, CA 94612**

**With a copy to:**

**Office of the County Counsel  
1221 Oak Street, Suite 450  
Oakland, CA 94612**

**if to The City of Union City [PARTY No. 12]**

**Office of the City Clerk**

**Anna M. Brown, City Clerk  
34009 Alvarado Niles Road  
Union City, CA 94587**

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By:  \_\_\_\_\_

Name: Mark Evanoff

Title: Deputy City Manager

Date: December 5, 2016

Party: The City of Union City

East Bay Community Energy (EBCE)  
1999 Harrison Street, Suite 800  
Oakland CA 94612

if to Newark

Office of the City Clerk  
37101 Newark Boulevard  
Newark, CA 94560

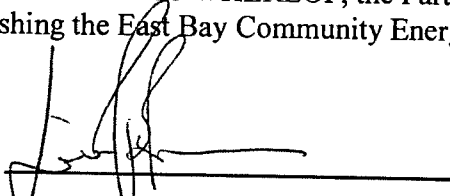
Office of the City Manager/Administrator  
37101 Newark Boulevard  
Newark, CA 94560

Office of the City Attorney  
37101 Newark Boulevard  
Newark, CA 94560

**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By:

A handwritten signature in black ink, appearing to read 'David J. Benoun', is written over a solid horizontal line.

Name: David J. Benoun

Title: City Manager

Date: November 18, 2019

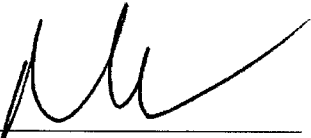
Party: CITY OF NEWARK

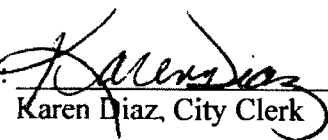
**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

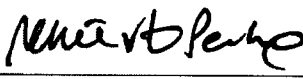
**CITY OF PLEASANTON, a municipal corporation**

Date: November 21, 2019

  
\_\_\_\_\_  
Nelson Fialho, City Manager

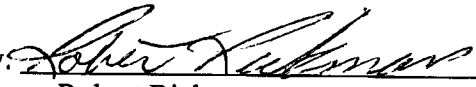
ATTEST:   
\_\_\_\_\_  
Karen Diaz, City Clerk

APPROVED AS TO FORM:


  
\_\_\_\_\_  
for Daniel G. Sodergren, City Attorney

**ARTICLE 9**  
**SIGNATURE**

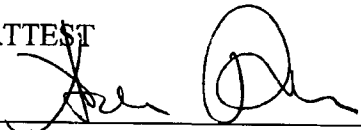
IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By:   
Name: Robert Rickman  
Title: Mayor  
Date: 11-7-19  
Party: City of Tracy

APPROVED AS TO FORM

  
Leticia Ramirez, City Attorney

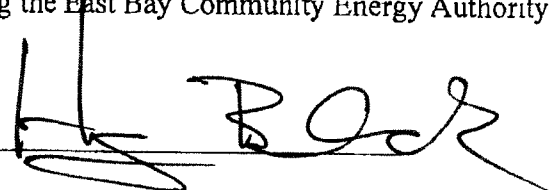
ATTEST

  
Adrienne Richardson, City Clerk



**ARTICLE 9**  
**SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

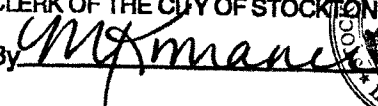
By: 

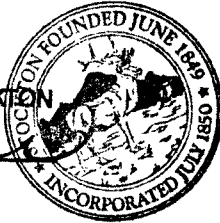
Name: Harry Black

Title: City Manager

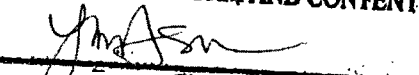
Date: 9/16/22

Party: City of Stockton

ATTEST:  
for CLERK OF THE CITY OF STOCKTON  
By 



APPROVED AS TO FORM AND CONTENT

By   
City Attorney

**EXHIBIT A**

**LIST OF THE PARTIES**

This Exhibit A is effective as of September 21, 2022.

County of Alameda

City of Albany

City of Berkeley

City of Dublin

City of Emeryville

City of Fremont

City of Hayward

City of Livermore

City of Newark

City of Oakland

City of Piedmont

City of Pleasanton

City of San Leandro

City of Stockton

City of Tracy

City of Union City

**EXHIBIT B**

**ANNUAL ENERGY USE**

This Exhibit B is effective as of September 21, 2022.

<b>Party</b>	<b>kWh (2021)</b>
Albany	51,776,870
Berkeley	370,191,096
Dublin	254,391,482
Emeryville	170,415,886
Fremont	1,152,160,067
Hayward	685,960,209
Livermore	441,369,886
Newark	263,309,620
Oakland	1,749,739,631
Piedmont	29,230,795
Pleasanton	405,288,495
San Leandro	448,938,229
Stockton	1,388,481,371
Tracy	434,861,665
Unincorporated	471,391,155
Union City	269,516,289
<hr/>	
Total	8,587,022,746

All data provided by PG&E

**EXHIBIT C**  
**VOTING SHARES**

This Exhibit C is effective as of September 21, 2022.

<b>Party</b>	<b>kWh (2021)</b>	<b>Voting Shares Section 4.12.2</b>
Albany	51,776,870	0.6%
Berkeley	370,191,096	4.3%
Dublin	254,391,482	3.0%
Emeryville	170,415,886	2.0%
Fremont	1,152,160,067	13.4%
Hayward	685,960,209	8.0%
Livermore	441,369,886	5.1%
Newark	263,309,620	3.1%
Oakland	1,749,739,631	20.4%
Piedmont	29,230,795	0.3%
Pleasanton	405,288,495	4.7%
San Leandro	448,938,229	5.2%
Stockton	1,388,481,371	16.2%
Tracy	434,861,665	5.1%
Unincorporated	471,391,155	5.5%
Union City	269,516,289	3.1%
<b>Total</b>	<b>8,587,022,746</b>	<b>100%</b>

All data provided by PG&E

**ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER FISCAL YEAR 2023/24 ASSESSMENTS FOR THE LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 93-1 WOODFIELD PARK MAINTENANCE ZONE**

**RECOMMENDATION: Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. Adopt a Resolution Amending and / or Approving the Final Engineer's Report and Ordering the Levy and Collection of Assessments for the Landscape and Lighting Maintenance District No. 93-1 Woodfield Park Maintenance Zone for Fiscal Year 2023/24; Proposed Annual Assessment for FY 2023/24 not to exceed \$123.90**

---

**SUMMARY:**

At the June 12, 2023 City Council Meeting, Staff presented the preliminary Engineer's Report and Intent to Levy for the Landscape and Lighting Maintenance District No. 93-1 Woodfield Park Maintenance Zone ("Woodfield Park") or ("District") to Council for approval, and requested to set a public hearing date to initiate the final approval process.

The City Council approved the preliminary Engineer's Report and Intent to Levy for the District and set the public hearing date for July 10, 2023. The public hearing was published in the Manteca Bulletin on June 23<sup>rd</sup> and 28<sup>th</sup> of 2023.

The revenues for the District do not meet expenditures, and while City Staff has cut costs in an effort to minimize the shortfall, a General Fund subsidy of \$20,800, coupled with the use of District's reserves will be required to maintain current service levels (the estimated beginning Fiscal Year 2023/24 District reserves total \$32,350). In order to prevent the annual need of General Fund subsidies and the use of District's reserves, a Proposition 218 balloting of the district's property owners would have to be successfully completed, which would amend the assessment rate and provide for an annual escalation factor. This is not being proposed at this time.

Woodfield Park is proposed to be levied at a rate of \$123.90 per Equivalent Dwelling Unit (EDU). The assessment rate of \$123.90 per EDU has been in effect since Fiscal Year 1998/99 and is not proposed to increase.

Table 1 below displays the current and proposed assessment rates.

**CITY MANAGER’S REPORT  
 JULY 10, 2023 CITY COUNCIL REGULAR MEETING  
 FISCAL YEAR 2023/24 WOODFIELD PARK BUDGET**

**Table 1**

District	FY 22/23	FY 23/24		Notes
	Actual Rates	Proposed Rates	% Change	
Woodfield Park	\$123.90	\$123.90	0.00%	Rate unchanged since FY 1998/99

Please note that the assessment and budget amounts shown in the final Engineer’s Report have not been modified from the approved preliminary Engineer’s Report on June 12<sup>th</sup>.

Tonight, the City Council is being asked to approve the final Engineer’s Report for the Landscape and Lightning Maintenance District No. 93-1 Woodfield Park Maintenance Zone and order the levy and collection of annual assessments for Fiscal Year 2023/24.

City Council may order amendments to the Engineer’s Report or confirm it as submitted. If approved, the assessment information will be submitted to the County Auditor-Controller and included on the property tax roll for each benefiting parcel for Fiscal Year 2023/24. The collected monies will fund Woodfield Park operation and maintenance costs.

**BACKGROUND:**

Maintenance Districts are formed to fund services and improvements that provide special benefit to the properties within the District’s boundaries. Improvements may include landscaping, park sites, street lightning and storm drainage. The Districts levies are made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the “Act”), applicable to the provisions of Proposition 218 (California Constitutional Articles XIII C and XIII D).

Each parcel within a District is assessed in accordance to assessment methodology adopted and approved by the City Council at the time of District formation. The assessments are paid by the property owner as a part of each parcel’s secured property tax bill.

NBS Government Finance Group performs an annual assessment of the Districts, evaluating costs of the maintenance, operations, and servicing of the improvements to be maintained. The assessment process is generally initiated in April. Upon the completion of the assessment, NBS submits a preliminary Engineer’s Report (the “Report”) to City staff which includes a district overview, estimate of costs, method of apportionment, district diagrams, and parcel listing. City staff utilizes the Report findings to produce the District’s annual budget.

The City of Lathrop has eight (8) Maintenance Assessment Districts (MAD): five (5) Landscaping and Lighting Districts (LLMD), including Woodfield Park; three (3) Benefit Assessment Districts (BAD). Woodfield Park was created to fund the cost of the operation and maintenance of specific park improvements within Tract 2051.

**CITY MANAGER’S REPORT  
 JULY 10, 2023 CITY COUNCIL REGULAR MEETING  
 FISCAL YEAR 2023/24 WOODFIELD PARK BUDGET**

This includes costs for personnel to maintain buildings and equipment and the cost for contracted park maintenance.

Woodfield Park reporting is submitted on a stand-alone basis due to the size of the district. (Legal guidelines generally prohibit legislative body members from voting on matters involving districts where they reside if the district(s) in question comprise less than 10% of the agency’s total residential parcels as defined by the County Assessor.)

In Fiscal Year 2023/24 Woodfield Park will receive \$54,764 in revenue from assessments. The total expenditures for this District are \$107,910, which creates a shortfall of \$53,146. The District is anticipated to begin Fiscal Year 2023/24 with a reserve fund balance of \$32,346, which will be used to offset the shortfall. However, in order to keep the same service levels in the District, a General Fund subsidy in the amount of \$20,800 would be needed to fund the remaining shortfall.

Table 2 below displays the current and proposed assessment rates.

**Table 2**

District	FY 22/23	FY 23/24	% Change	Notes
	Actual Rates	Proposed Rates		
Woodfield Park	\$123.90	\$123.90	0.00%	Rate unchanged since FY 1998/99

Woodfield Park is proposed to be levied at a rate of \$123.90 per Equivalent Dwelling Unit (EDU). The assessment rate of \$123.90 per EDU has been in effect since Fiscal Year 1998/99 and is not proposed to increase.

The Woodfield Park District was created several years ago, without a revenue inflation factor. This means, Woodfield Park has a maximum assessment rate that does not escalate to mirror increases in district expenses. The imbalance of Woodfield Park’s expenditures will continue due to the lack of the revenue inflation factor. In order to remedy this imbalance, a Proposition 218 balloting of Woodfield Park’s property owners would have to be initiated and successfully completed.

By law, assessments may only increase to the maximum approved amount set by property owners at the time of district formation or annexation. Any proposed increase which exceeds the approved amount requires the approval of the then current property owners via a Proposition 218 ballot process. Each of the City’s Districts has a maximum assessment amount. The City Council may authorize any level of assessment up to the maximum amount. If it is determined that the maximum amount is not needed, City Council may lower the actual annual assessment without jeopardizing the ongoing maximum assessment.

The final Engineer Report for Woodfield Park is available for review at the City Clerk’s office and the Public Works Department. Copies will be available at the City Council meeting per request.

**REASON FOR RECOMMENDATION:**

Maintain quality maintenance and service of Woodfield Park.

**FISCAL IMPACT:**

The Woodfield Park Landscaping and Lighting District has expenditures which exceed revenues. In order to maintain the current service levels in the District, the utilization of \$32,346 of the District's fund balance reserves; a General Fund subsidy in the amount of \$20,800 would be required to cover the remaining shortfall.

**ATTACHMENTS:**

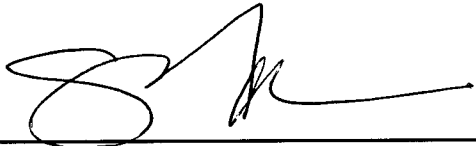
- A. A Resolution Amending and/or Approving the Final Engineer's Report and Ordering the Levy and Collection of Assessments for the Landscape and Lighting Maintenance District No 93-1 (Woodfield Park) Maintenance Zone For Fiscal Year 2023/24
- B. Landscape and Lighting Maintenance District No. 93-1 (Woodfield Park) Boundary Map

**\* Note – The Final Engineer Report is available for review upon request in the City Clerk's Office.**



**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL REGULAR MEETING  
FISCAL YEAR 2023/24 WOODFIELD PARK BUDGET**

**APPROVALS:**



---

Sandra Frias  
Sr. Management Analyst

4/29/23  
Date



---

Thomas Hedegard  
Deputy Finance Director

6/29/2023  
Date



---

Cari James  
Director of Finance

6/29/2023  
Date



---

Salvador Navarrete  
City Attorney

6-29-2023  
Date



---

Stephen J. Salvatore  
City Manager

7.5.23  
Date

**RESOLUTION NO. 23-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
AMENDING AND/OR APPROVING THE FINAL ENGINEER’S REPORT  
AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR  
THE LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO 93-1  
WOODFIELD PARK MAINTENANCE ZONE FOR FISCAL YEAR 2023/24**

**WHEREAS**, on June 12, 2023, the City Council initiated proceedings for Fiscal Year 2023/24 and declared its intention to levy and collect annual assessments in a special maintenance district created pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Division 15, Part 2 of the Streets and Highways Code of the State of California* (the “Act”) said special maintenance district known and designated as the City of Lathrop, Landscape and Lighting Maintenance District No. 93-1 Woodfield Park Maintenance Zone (hereinafter referred to as the “District”); and

**WHEREAS**, on July 10, 2023, the City Council held a public hearing for the approval of the final Engineer’s Report and ordering of the levy and collection of assessments; and

**WHEREAS**, a notice of the public hearing was published in the Manteca Bulletin on June 23<sup>rd</sup> and June 28<sup>th</sup> of 2023; and

**WHEREAS**, at this time all notice and public hearing requirements as required by the Act have been met relating to the levy of the annual assessments; and

**WHEREAS**, the City Council has received a final Engineer’s Report (the “Report”) from the Assessment Engineer (NBS) for consideration and final approval which details the method of assessment including the proposed annual assessment of \$123.90. The Report is available for public review; and

**WHEREAS**, the assessments are in compliance with all laws pertaining to the levy of the landscape maintenance district assessments, and the assessments are levied without regard to property valuation, and the assessments are in compliance with the provisions of Proposition 218; and

**WHEREAS**, the City Council is satisfied with the assessment, diagram and all other matters as contained in the Report; and

**WHEREAS**, the City Council approves the Report and ordering of the levy and collection of assessment in the amount of \$123.90;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LATHROP AS FOLLOWS:**

**RECITALS**

Section 1. The above recitals are all true and correct.

Section 2. This City Council hereby finds and determines that the procedures for the consideration of the levy of the annual assessments have been undertaken in accordance with the Act in as much as, the proposed assessments for Fiscal Year 2023/24 are not proposed to be increased over the assessments previously authorized to be levied.

### **DETERMINATION AND CONFIRMATION**

Section 3. The final assessments and diagram for the proceedings, as contained in the Report, is hereby approved and confirmed.

Based upon the Report and the testimony and other evidence presented at the Public Hearing, the City Council hereby makes the following determinations regarding the assessments proposed to be imposed:

- a. The proportionate special benefit derived by each individual parcel assessed has been determined in relationship to the entity of the cost of the operations and maintenance expenses.
- b. The assessments do not exceed the reasonable cost of the proportional special benefit conferred on each parcel.
- c. Only the special benefits have been assessed.

The assessments for the District contained in the Report for Fiscal Year 2023/24 are hereby confirmed and levied upon the respective lots or parcels within the District in the amounts set forth in the Report.

### **ORDERING OF MAINTENANCE**

Section 4. The public interest and convenience requires, and this legislative body does hereby order the maintenance work to be made and performed as said maintenance work is set forth in the Report and as previously declared and set forth in the Resolution of Intention.

### **FILING WITH CITY CLERK**

Section 5. The above-referenced Report shall be filed in the Office of the City Clerk and shall remain open for public inspection.

### **ENTRY UPON THE ASSESSMENT ROLL**

Section 6. The County Auditor shall enter onto the County Assessment roll opposite each lot or parcel of land the amount assessed thereupon, as shown in the Report.

**COLLECTION AND PAYMENT**

Section 7. The assessments shall be collected at the same time and in the same manner as County taxes are collected, and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments.

**FISCAL YEAR**

Section 8. The assessments as above authorized and levied for these proceedings will provide revenue and relate to the Fiscal Year commencing July 1, 2023 and ending June 30, 2024.

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July, 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

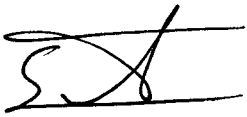
ABSTAIN:

\_\_\_\_\_  
Paul Akinjo, Vice Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa Vargas, City Clerk

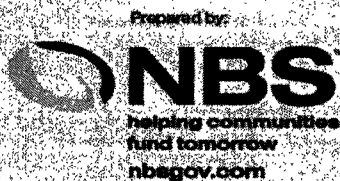
  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

# CITY OF LATHROP

## Landscape and Lighting Maintenance District No. 93-1 Woodfield Park Maintenance Zone

### Annual Engineer's Report

Fiscal Year 2023/24



**Corporate Headquarters**  
32805 Temecula Parkway Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516

**CITY OF LATHROP  
LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 93-1  
WOODFIELD PARK MAINTENANCE ZONE**

**390 Towne Centre Drive  
Lathrop, California 95330  
Phone - (209) 941-7320  
Fax - (209) 941-7339**

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**CITY COUNCIL**

Sonny Dhaliwal, Mayor

Paul Akinjo, Vice Mayor

Minnie Diallo, Councilmember

Diane Lazard, Councilmember

Jennifer Torres-O'Callaghan, Councilmember

**CITY STAFF**

Stephen Salvatore, City Manager

Salvador Navarrete, City Attorney

Cari James, Finance Director

**NBS**

Tim Seufert, Client Services Director

Kristin Harvey, Senior Consultant

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# 1. EXECUTIVE SUMMARY

The City Council of the City of Lathrop (the “City”), State of California, directed NBS to prepare and file a report presenting plans and specifications describing the general nature, location, and extent of the improvements to be maintained, and an estimate of the costs of the maintenance, operations, and servicing of the improvements for the City of Lathrop Landscape and Lighting Maintenance District No. 93-1 (the “District”) for Fiscal Year 2023/24 including only the Woodfield Park Maintenance Zone. The report includes a diagram for the District showing the area and properties proposed to be assessed, an assessment of the estimated costs of the maintenance, operations and servicing the improvements, and the net amount to be assessed upon all assessable parcels within the District in proportion to the special benefit received;

The proposed assessment rate of \$123.90 per Equivalent Dwelling Unit (“EDU”) has not increased from the previous year. The District is in compliance with the assessment balloting procedures set forth in Section 4 of Article XIII D of the California Constitution and the District was formed by consent of 100% of the landowners;

Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received. The following assessment is made to fund the portion of the estimated costs of maintenance, operation, and servicing of the improvements to be paid by the assessable real property within the District in proportion to the special benefit received:

## SUMMARY OF ASSESSMENT

Description	Amount
Balance to Levy	\$54,763.80
Total Equivalent Dwelling Units	442.00
<b>Total Assessment Per EDU</b>	<b>\$123.90</b>
<b>Total Parcels to be Assessed</b>	<b>442</b>



## **2. OVERVIEW**

### **2.1 Introduction**

The City previously formed several maintenance assessment districts for the purpose of providing maintenance services to benefit certain parcels in the City. Over several years, these districts have levied and collected special assessments. In 1993, the districts were consolidated, and now represent distinct zones in the District. The District was formed and the levies made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the “Act”). Since Fiscal Year 1998/99, only the Woodfield Park Maintenance Zone has been included in the annual assessment of the District.

This Annual Engineer’s Report (the “Report”) describes the District and the proposed charge per EDU for Fiscal Year 2023/24 based on the historical and estimated cost to maintain the improvements and provide the services that benefit parcels within the District. Maintenance and operation of the facilities provides a healthy alternative for youth and adult activities while protecting the capital investments that have been made within the District.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number by the San Joaquin County (the “County”) Assessor’s Office. The County Auditor-Controller uses Assessor’s Parcel Numbers and specific fund numbers to identify, on the tax roll, properties assessed for special district benefit assessments.

Following consideration of public comments at a noticed public hearing and following review of the Report, the City Council may confirm the submittal of the Report and may order the levy and collection of assessments for Fiscal Year 2023/24. If approved, the assessment information will be submitted to the County Auditor-Controller and included on the property tax roll for each benefiting parcel for Fiscal Year 2023/24.

### **2.2 Effect of Proposition 218**

On November 5, 1996, California voters approved Proposition 218 by a vote of 56.5% to 43.5%. The provisions of the Proposition, now California Constitutional Articles XIII C and XIII D, added substantive and procedural requirements for assessments which affect the City’s landscaping and lighting maintenance assessments.

The assessment rate of \$123.90 per EDU has been in effect since Fiscal Year 1996/97 and is not proposed to increase. The District is in compliance with the assessment balloting procedures set forth in Section 4 of Article XIII D and the District was formed by consent of 100% of the landowners.

## **2.3 Plans and Specifications for the Improvements**

The City operates, services, and maintains Woodfield Park (5.49 acres).

The District includes parcels within Tract 2051 and consists of a residential area generally located east of I-5, west of the Union Pacific Railroad, and north of Lathrop Road. Parcels within this zone receive special benefit from the Woodfield Park improvements. Specific improvements within this zone include planting materials, irrigation systems, drainage systems, natural drainage areas, fencing, restroom facilities, playground equipment, picnic facilities, and hardscape.

## 3. ESTIMATE OF COSTS

### 3.1 Description of Budget Items

**Personnel Services** – Includes employee salaries, salary related costs, and employee benefits including retirement, medical benefits, and workers compensation costs, etc.

**Maintenance & Operations** – Includes the following:

**Advertising/Legal Notices** – Includes the cost of publishing the required legal notices necessary to complete the required procedures for levying the assessments.

**Auto & Heavy Equipment Maintenance Parts** – Includes replacement parts for City vehicles used for storm drain maintenance.

**Auto & Heavy Equipment Maintenance & Repair** – Includes maintenance of City vehicles used for storm drain maintenance.

**Building Maintenance Materials & Supplies** – Includes materials and supplies necessary for maintenance of restrooms, first aid kits, flashlights, fire extinguishers, employee uniforms (e.g. safety boots, jackets, and gloves), and pest control application training.

**Contracts – Park Maintenance** – Includes professional services necessary for District maintenance, including park maintenance, computer technical support, and alarm service.

**Contract Services** – Includes professional services necessary for District maintenance, including the Report and administration.

**Gas, Diesel, Oil & Lubricants** – Includes fuel, oil and lubricants for vehicles, and miscellaneous small equipment used for park maintenance.

**Materials & Supplies** – Includes materials and supplies necessary for park maintenance (e.g. sprinkler parts, pipe, sand for playgrounds, replacement plants, and trees).

**Miscellaneous Equipment** – Includes small equipment (e.g. blowers, roto-tiller, and hedge trimmer) and miscellaneous small tools (e.g. shovels, rakes, and hand tools) necessary for park maintenance.

**Miscellaneous Supplies** – Includes reference materials and additional administrative costs.

**Other Maintenance & Repair** – Includes contracted maintenance and repair services such as annual fire extinguisher service and emergency repairs.

**Shop Tools** – Includes miscellaneous small tools necessary for park maintenance such as shovels, weed eaters, and shop vacuums.

**Uniforms/Protective Clothing** – Includes employee uniforms including safety boots, jackets, gloves, etc.

**Utility – Gas & Electric** – Includes electrical power for sprinkler controllers, pumps, and park lights.

**Water** – Includes water for irrigation, water fountains, and restrooms.

**Training, Membership, Travel & Dues** – Includes continuing training for maintenance staff.

**Fixed Charges & Special Fees** – Includes the charges per parcel to collect the assessments on the County Secured Property Tax Roll.

**Capital** – Includes principal payment for lease purchase of park vehicles plus miscellaneous equipment purchased over a five year lease.

**Indirect Costs** – Includes overhead costs of the City related to maintenance, operation, and administration of the District.

### 3.2 District Budget

The budget for Fiscal Year 2023/24 is as follows.

Description	2023/24 Budget
Personnel Services	\$9,903.00
Maintenance & Operations	79,750.00
Capital Costs / Fixed Charges	1,997.00
<b>Subtotal</b>	<b>\$91,650.00</b>
Indirect Costs	16,260.00
<b>Total District Costs</b>	<b>\$107,910.00</b>

### 3.3 Balance to Levy

**Total District Costs** – Includes personnel services, maintenance and operations, capital, and indirect costs determined above.

**Contribution to (from) Operational Reserves** – The Operational Reserves item provides funds to operate the District from the time period of July 1 (beginning of the Fiscal Year) through December when the County provides the City with the first installment of assessments collected from the property tax bills. This eliminates the need for the City to transfer funds from non-District accounts to pay for District charges during the first half of the fiscal year. Negative amounts shown here are transfers that are used to reduce the Balance to Levy. Using reserve amounts in this way allows the Levy per EDU to remain at prior period rates, despite increases in District costs.

**Contribution to (from) Capital Reserves** – The Capital Reserve Account item provides funds to maintain reserves for extraordinary maintenance items and unexpected capital expenditures that may occur as a result of natural occurrences or other unforeseen circumstances.

**Balance to Levy** – This is the total amount to be levied and collected through assessments for the current fiscal year. The Balance to Levy represents the sum of the total direct and administration costs, reserves, contributions, and other revenue sources.

The following table shows the total costs, additional revenues, and the Balance to Levy for Fiscal Year 2023/24.

Description	Amount
Total District Costs	\$107,910.00
Other Revenue Sources <sup>(1)</sup>	(20,800.00)
Contribution to (from) Operational Reserves	(32,346.20)
<b>Balance to Levy</b>	<b>\$54,763.80</b>

(1) Includes General Fund contribution.

### 3.4 Operational & Maintenance Reserve Information

The following table shows the estimated balance of the Operational and Maintenance Reserves.

Description	Amount
Estimated Beginning Balance – July 1, 2023	\$32,349.91
Contribution to (from) Operational and Maintenance Reserves	(32,346.20)
<b>Estimated Ending Balance - June 30, 2024</b>	<b>\$3.71</b>

## 4. METHOD OF APPORTIONMENT

### 4.1 Method of Apportionment

Pursuant to the Act, the costs of the District are apportioned by a formula or method which fairly distributes the net amount to be assessed among all assessable parcels in proportion to the estimated special benefit to be received by each such parcel from the maintenance, servicing, and operation of the improvements. The formula used for the Woodfield Park Maintenance Zone reflects the homogenous composition of the parcels, as well as the improvements and services provided to fairly proportion the costs based on the estimated benefits to each parcel. The assessment has been levied in accordance with the assessment methodology adopted and approved by the City Council at the time of District formation.

The basis of benefit for the District was determined to be equal for all EDUs within the Woodfield Park Maintenance Zone.

The method used to calculate the assessments within the Woodfield Park Maintenance Zone is as follows:

$$\text{Total Balance to Levy} / \text{Total EDU} = \text{Levy per EDU}$$

To determine the EDU for single-family residential parcels, the Benefit Unit Factor (BUF) is multiplied by the number of developed residential units on the parcel.

To determine the EDU for vacant (no buildings) residential parcels, the BUF is multiplied by the number of residential units that can be built on the parcel.

To determine the EDU for unimproved residential parcels, the number of potential parcels is calculated per the approved tentative map and the BUF is multiplied by that number of parcels.

All parcels in the District have been developed as single-family residential and there are currently no vacant or unimproved residential parcels.

### 4.2 Benefit Unit Factors

The following table shows the Benefit Unit Factors.

Property Type / Land Use	BUF per Unit
Single-Family Residential	1.0
Vacant Residential Parcels	1.0
Unimproved Residential Parcels	1.0

### 4.3 Assessment Per EDU

The following table shows the total assessment per EDU for the Fiscal Year 2023/24 levy.

Description	Amount
Balance to Levy	\$54,763.80
Total District EDU	442.00
<b>Total Assessment Per EDU</b>	<b>\$123.90</b>

### 4.4 Historical Assessment Information

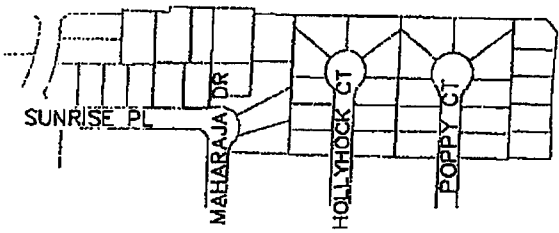
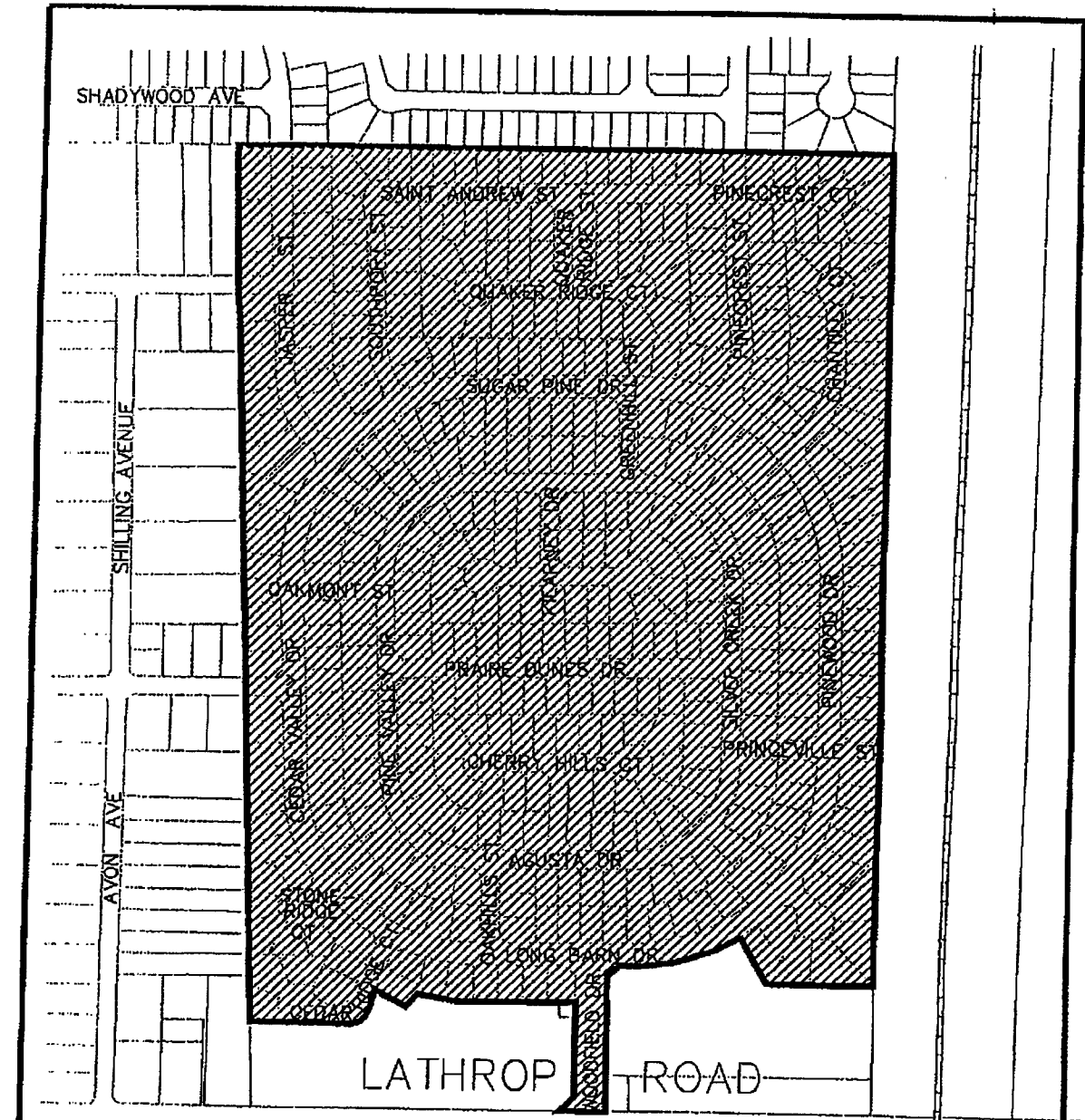
The following table shows the historical assessment rates for the District for the past ten years.

Description	Amount
Fiscal Year 2022/23 Assessment Rate Per Unit	\$123.90
Fiscal Year 2021/22 Assessment Rate Per Unit	123.90
Fiscal Year 2020/21 Assessment Rate Per Unit	123.90
Fiscal Year 2019/20 Assessment Rate Per Unit	123.90
Fiscal Year 2018/19 Assessment Rate Per Unit	123.90
Fiscal Year 2017/18 Assessment Rate Per Unit	123.90
Fiscal Year 2016/17 Assessment Rate Per Unit	123.90
Fiscal Year 2015/16 Assessment Rate Per Unit	123.90
Fiscal Year 2014/15 Assessment Rate Per Unit	123.90
Fiscal Year 2013/14 Assessment Rate Per Unit	123.90

## 5. DISTRICT DIAGRAM

Reference is made to the District Diagram on file with the City Clerk. The following page provides the boundaries of the Woodfield Park Maintenance Zone of the District. The lines and dimensions shown on maps of the County Assessor for the current year are incorporated by reference and made part of this Report.





# City of Lathrop

Woodfield Park Maintenance District



Date: February 2001

## 6. PARCEL LISTING

Assessor's parcel identification, for each lot or parcel within the District, shall be based on the County Assessor's secured roll data for the applicable year in which this Report is prepared and is incorporated herein by reference.

A listing of assessor's parcels assessed within the District for Fiscal Year 2023/24, along with the assessment amounts, is on file in the office of the City Clerk and incorporated herein by reference. Based on County Assessor's secured roll data, current assessor's parcels, including corrected and/or new assessor's parcels, will be submitted and/or resubmitted to the County Auditor/Controller. The annual assessment amount to be levied and collected for the resubmitted parcel(s) shall be determined in accordance with the method of apportionment and assessment rate approved in this Report. Therefore, if a single assessor's parcel has a status change in development, other land use change, or subdivides into multiple assessor's parcels, the assessment amounts applied to each of the new assessor's parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment amount.

The parcel listing of assessments is provided on the following pages.

**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

APN	Address	Units	Levy (1)
196-090-010-000	14539 CEDAR VALLEY DR	1	\$123.90
196-090-020-000	14527 CEDAR VALLEY DR	1	123.90
196-090-030-000	14515 CEDAR VALLEY DR	1	123.90
196-090-040-000	14475 CEDAR VALLEY DR	1	123.90
196-090-050-000	14463 CEDAR VALLEY DR	1	123.90
196-090-060-000	14451 CEDAR VALLEY DR	1	123.90
196-090-070-000	14439 CEDAR VALLEY DR	1	123.90
196-090-080-000	14427 CEDAR VALLEY DR	1	123.90
196-090-090-000	14415 CEDAR VALLEY DR	1	123.90
196-090-100-000	14430 CEDAR VALLEY DR	1	123.90
196-090-110-000	14456 CEDAR VALLEY DR	1	123.90
196-090-120-000	14468 CEDAR VALLEY DR	1	123.90
196-090-130-000	14480 CEDAR VALLEY DR	1	123.90
196-090-140-000	14500 CEDAR VALLEY DR	1	123.90
196-090-150-000	14510 CEDAR VALLEY DR	1	123.90
196-090-160-000	14522 CEDAR VALLEY DR	1	123.90
196-090-170-000	14534 CEDAR VALLEY DR	1	123.90
196-090-180-000	14539 PINE VALLEY DR	1	123.90
196-090-190-000	14527 PINE VALLEY DR	1	123.90
196-090-200-000	14515 PINE VALLEY DR	1	123.90
196-090-210-000	14501 PINE VALLEY DR	1	123.90
196-090-220-000	14483 PINE VALLEY DR	1	123.90
196-090-230-000	14465 PINE VALLEY DR	1	123.90
196-090-240-000	14453 PINE VALLEY DR	1	123.90
196-090-250-000	14443 PINE VALLEY DR	1	123.90
196-090-260-000	14444 PINE VALLEY DR	1	123.90
196-090-270-000	14450 PINE VALLEY DR	1	123.90
196-090-280-000	14462 PINE VALLEY DR	1	123.90
196-090-290-000	14474 PINE VALLEY DR	1	123.90
196-090-300-000	14508 PINE VALLEY DR	1	123.90
196-090-310-000	14522 PINE VALLEY DR	1	123.90
196-090-320-000	14536 PINE VALLEY DR	1	123.90
196-090-330-000	14548 PINE VALLEY DR	1	123.90
196-090-340-000	770 CHERRY HILLS CT	1	123.90
196-090-350-000	758 CHERRY HILLS CT	1	123.90
196-090-360-000	752 CHERRY HILLS CT	1	123.90
196-090-370-000	748 CHERRY HILLS CT	1	123.90
196-090-380-000	742 CHERRY HILLS CT	1	123.90
196-090-390-000	739 CHERRY HILLS CT	1	123.90
196-090-400-000	745 CHERRY HILLS CT	1	123.90
196-090-410-000	753 CHERRY HILLS CT	1	123.90

Slight variances may occur due to rounding

(1) Where applicable, the levy has been rounded down to an even cent for County tax roll purposes.

**City of Lathrop**  
**L&MD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

APN	Address	Units	Levy (1)
196-090-420-000	767 CHERRY HILLS CT	1	123.90
196-090-430-000	775 CHERRY HILLS CT	1	123.90
196-090-440-000	785 CHERRY HILLS CT	1	123.90
196-090-450-000	791 CHERRY HILLS CT	1	123.90
196-090-460-000	801 CHERRY HILLS CT	1	123.90
196-090-470-000	807 CHERRY HILLS CT	1	123.90
196-090-480-000	811 CHERRY HILLS CT	1	123.90
196-090-490-000	819 CHERRY HILLS CT	1	123.90
196-090-500-000	810 CHERRY HILLS CT	1	123.90
196-090-510-000	804 CHERRY HILLS CT	1	123.90
196-090-520-000	796 CHERRY HILLS CT	1	123.90
196-090-530-000	788 CHERRY HILLS CT	1	123.90
196-090-540-000	14663 SILVER CREEK DR	1	123.90
196-090-550-000	14661 SILVER CREEK DR	1	123.90
196-090-560-000	14659 SILVER CREEK DR	1	123.90
196-090-570-000	14529 SILVER CREEK DR	1	123.90
196-090-580-000	14511 SILVER CREEK DR	1	123.90
196-090-590-000	816 PRAIRIE DUNES DR	1	123.90
196-090-600-000	808 PRAIRIE DUNES DR	1	123.90
196-090-610-000	802 PRAIRIE DUNES DR	1	123.90
196-090-620-000	794 PRAIRIE DUNES DR	1	123.90
196-090-630-000	788 PRAIRIE DUNES DR	1	123.90
196-090-640-000	780 PRAIRIE DUNES DR	1	123.90
196-090-650-000	770 PRAIRIE DUNES DR	1	123.90
196-090-660-000	764 PRAIRIE DUNES DR	1	123.90
196-090-670-000	756 PRAIRIE DUNES DR	1	123.90
196-090-680-000	744 PRAIRIE DUNES DR	1	123.90
196-090-690-000	736 PRAIRIE DUNES DR	1	123.90
196-090-700-000	741 PRAIRIE DUNES DR	1	123.90
196-090-710-000	749 PRAIRIE DUNES DR	1	123.90
196-090-720-000	755 PRAIRIE DUNES DR	1	123.90
196-090-730-000	763 PRAIRIE DUNES DR	1	123.90
196-090-740-000	769 PRAIRIE DUNES DR	1	123.90
196-090-750-000	781 PRAIRIE DUNES DR	1	123.90
196-090-760-000	789 PRAIRIE DUNES DR	1	123.90
196-090-770-000	795 PRAIRIE DUNES DR	1	123.90
196-090-780-000	803 PRAIRIE DUNES DR	1	123.90
196-090-790-000	809 PRAIRIE DUNES DR	1	123.90
196-090-800-000	817 PRAIRIE DUNES DR	1	123.90
196-090-810-000	823 PRAIRIE DUNES DR	1	123.90
196-090-820-000	827 PRAIRIE DUNES DR	1	123.90

Slight variances may occur due to rounding

(1) Where applicable, the levy has been rounded down to an even cent for County tax roll purposes.

**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

APN	Address	Units	Levy (1)
196-090-830-000	14496 SILVER CREEK DR	1	123.90
196-090-840-000	14500 SILVER CREEK DR	1	123.90
196-090-850-000	14512 SILVER CREEK DR	1	123.90
196-090-860-000	14524 SILVER CREEK DR	1	123.90
196-090-870-000	14536 SILVER CREEK DR	1	123.90
196-090-880-000	14552 SILVER CREEK DR	1	123.90
196-090-890-000	14640 SILVER CREEK DR	1	123.90
196-100-010-000	800 LONG BARN DR	1	123.90
196-100-020-000	794 LONG BARN DR	1	123.90
196-100-030-000	784 LONG BARN DR	1	123.90
196-100-040-000	774 LONG BARN DR	1	123.90
196-100-050-000	762 LONG BARN DR	1	123.90
196-100-060-000	750 LONG BARN DR	1	123.90
196-100-070-000	14854 CEDAR RIDGE CT	1	123.90
196-100-080-000	14850 CEDAR RIDGE CT	1	123.90
196-100-090-000	14917 CEDAR RIDGE CT	1	123.90
196-100-100-000	14905 CEDAR RIDGE CT	1	123.90
196-100-110-000	14893 CEDAR RIDGE CT	1	123.90
196-100-120-000	14881 CEDAR RIDGE CT	1	123.90
196-100-130-000	14839 CEDAR RIDGE CT	1	123.90
196-100-140-000	14835 CEDAR RIDGE CT	1	123.90
196-100-150-000	688 STONE RIDGE CT	1	123.90
196-100-160-000	672 STONE RIDGE CT	1	123.90
196-100-170-000	664 STONE RIDGE CT	1	123.90
196-100-180-000	658 STONE RIDGE CT	1	123.90
196-100-190-000	651 STONE RIDGE CT	1	123.90
196-100-200-000	663 STONE RIDGE CT	1	123.90
196-100-210-000	675 STONE RIDGE CT	1	123.90
196-100-220-000	145B7 CEDAR VALLEY DR	1	123.90
196-100-230-000	14575 CEDAR VALLEY DR	1	123.90
196-100-240-000	14563 CEDAR VALLEY DR	1	123.90
196-100-250-000	14551 CEDAR VALLEY DR	1	123.90
196-100-260-000	14546 CEDAR VALLEY DR	1	123.90
196-100-270-000	14558 CEDAR VALLEY DR	1	123.90
196-100-280-000	14570 CEDAR VALLEY DR	1	123.90
196-100-290-000	14592 CEDAR VALLEY DR	1	123.90
196-100-300-000	14604 CEDAR VALLEY DR	1	123.90
196-100-310-000	699 LONG BARN DR	1	123.90
196-100-320-000	711 LONG BARN DR	1	123.90
196-100-330-000	723 LONG BARN DR	1	123.90
196-100-340-000	735 LONG BARN DR	1	123.90

Slight variances may occur due to rounding

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**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

<b>APN</b>	<b>Address</b>	<b>Units</b>	<b>Levy (1)</b>
196-100-350-000	747 LONG BARN DR	1	123.90
196-100-360-000	759 LONG BARN DR	1	123.90
196-100-370-000	756 AGUSTA DR	1	123.90
196-100-380-000	744 AGUSTA DR	1	123.90
196-100-390-000	732 AGUSTA DR	1	123.90
196-100-400-000	720 AGUSTA DR	1	123.90
196-100-410-000	14587 PINE VALLEY DR	1	123.90
196-100-420-000	14575 PINE VALLEY DR	1	123.90
196-100-430-000	14563 PINE VALLEY DR	1	123.90
196-100-440-000	14551 PINE VALLEY DR	1	123.90
196-100-450-000	14568 PINE VALLEY DR	1	123.90
196-100-460-000	14590 PINE VALLEY DR	1	123.90
196-100-470-000	739 AGUSTA DR	1	123.90
196-100-480-000	751 AGUSTA DR	1	123.90
196-100-490-000	763 AGUSTA DR	1	123.90
196-100-500-000	775 AGUSTA DR	1	123.90
196-100-510-000	787 AGUSTA DR	1	123.90
196-100-520-000	811 AGUSTA DR	1	123.90
196-100-530-000	825 AGUSTA DR	1	123.90
196-100-540-000	835 AGUSTA DR	1	123.90
196-100-550-000	851 AGUSTA DR	1	123.90
196-100-560-000	887 AGUSTA DR	1	123.90
196-100-570-000	14675 SILVER CREEK DR	1	123.90
196-100-580-000	14668 SILVER CREEK DR	1	123.90
196-100-590-000	14680 SILVER CREEK DR	1	123.90
196-100-600-000	892 AGUSTA DR	1	123.90
196-100-610-000	880 AGUSTA DR	1	123.90
196-100-620-000	856 AGUSTA DR	1	123.90
196-100-630-000	842 AGUSTA DR	1	123.90
196-100-640-000	830 AGUSTA DR	1	123.90
196-100-650-000	818 AGUSTA DR	1	123.90
196-100-660-000	806 AGUSTA DR	1	123.90
196-100-670-000	794 AGUSTA DR	1	123.90
196-100-680-000	14746 OAKHILLS ST	1	123.90
196-100-690-000	14750 OAKHILLS ST	1	123.90
196-100-700-000	783 LONG BARN DR	1	123.90
196-100-710-000	795 LONG BARN DR	1	123.90
196-100-720-000	807 LONG BARN DR	1	123.90
196-100-730-000	819 LONG BARN DR	1	123.90
196-100-740-000	831 LONG BARN DR	1	123.90
196-100-750-000	843 LONG BARN DR	1	123.90

Slight variances may occur due to rounding

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**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

<b>APN</b>	<b>Address</b>	<b>Units</b>	<b>Levy (1)</b>
196-100-760-000	855 LONG BARN DR	1	123.90
196-100-770-000	867 LONG BARN DR	1	123.90
196-100-780-000	879 LONG BARN DR	1	123.90
196-520-010-000	14101 JASPER ST	1	123.90
196-520-020-000	14091 JASPER ST	1	123.90
196-520-030-000	14081 JASPER ST	1	123.90
196-520-040-000	14071 JASPER ST	1	123.90
196-520-050-000	14061 JASPER ST	1	123.90
196-520-060-000	14051 JASPER ST	1	123.90
196-520-070-000	14050 JASPER ST	1	123.90
196-520-080-000	14060 JASPER ST	1	123.90
196-520-090-000	14070 JASPER ST	1	123.90
196-520-100-000	14080 JASPER ST	1	123.90
196-520-110-000	14090 JASPER ST	1	123.90
196-520-120-000	14094 JASPER ST	1	123.90
196-520-130-000	14100 JASPER ST	1	123.90
196-520-140-000	14110 JASPER ST	1	123.90
196-520-150-000	14121 SOUTHPORT ST	1	123.90
196-520-160-000	14111 SOUTHPORT ST	1	123.90
196-520-170-000	14101 SOUTHPORT ST	1	123.90
196-520-180-000	14099 SOUTHPORT ST	1	123.90
196-520-190-000	14095 SOUTHPORT ST	1	123.90
196-520-200-000	14091 SOUTHPORT ST	1	123.90
196-520-210-000	14081 SOUTHPORT ST	1	123.90
196-520-220-000	14071 SOUTHPORT ST	1	123.90
196-520-230-000	14061 SOUTHPORT ST	1	123.90
196-520-240-000	741 SAINT ANDREW ST	1	123.90
196-520-250-000	749 SAINT ANDREW ST	1	123.90
196-520-260-000	755 SAINT ANDREW ST	1	123.90
196-520-270-000	763 SAINT ANDREW ST	1	123.90
196-520-280-000	769 SAINT ANDREW ST	1	123.90
196-520-290-000	781 SAINT ANDREW ST	1	123.90
196-520-300-000	789 SAINT ANDREW ST	1	123.90
196-520-310-000	795 SAINT ANDREW ST	1	123.90
196-520-320-000	803 SAINT ANDREW ST	1	123.90
196-520-330-000	800 SAINT ANDREW ST	1	123.90
196-520-340-000	790 SAINT ANDREW ST	1	123.90
196-520-350-000	780 SAINT ANDREW ST	1	123.90
196-520-360-000	770 SAINT ANDREW ST	1	123.90
196-520-370-000	764 SAINT ANDREW ST	1	123.90
196-520-380-000	756 SAINT ANDREW ST	1	123.90

Slight variances may occur due to rounding

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**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

<b>APN</b>	<b>Address</b>	<b>Units</b>	<b>Levy (1)</b>
196-520-390-000	14070 SOUTHPORT ST	1	123.90
196-520-400-000	14080 SOUTHPORT ST	1	123.90
196-520-410-000	14090 SOUTHPORT ST	1	123.90
196-520-420-000	14094 SOUTHPORT ST	1	123.90
196-520-430-000	14098 SOUTHPORT ST	1	123.90
196-520-440-000	14100 SOUTHPORT ST	1	123.90
196-520-450-000	14120 SOUTHPORT ST	1	123.90
196-520-460-000	770 QUAKER RIDGE CT	1	123.90
196-520-470-000	760 QUAKER RIDGE CT	1	123.90
196-520-480-000	750 QUAKER RIDGE CT	1	123.90
196-520-490-000	740 QUAKER RIDGE CT	1	123.90
196-520-510-000	725 QUAKER RIDGE CT	1	123.90
196-520-520-000	735 QUAKER RIDGE CT	1	123.90
196-520-530-000	745 QUAKER RIDGE CT	1	123.90
196-520-540-000	755 QUAKER RIDGE CT	1	123.90
196-520-550-000	765 QUAKER RIDGE CT	1	123.90
196-520-560-000	775 QUAKER RIDGE CT	1	123.90
196-520-570-000	730 QUAKER RIDGE CT	1	123.90
196-530-010-000	809 SAINT ANDREW ST	1	123.90
196-530-020-000	817 SAINT ANDREW ST	1	123.90
196-530-030-000	823 SAINT ANDREW ST	1	123.90
196-530-040-000	827 SAINT ANDREW ST	1	123.90
196-530-050-000	831 SAINT ANDREW ST	1	123.90
196-530-060-000	835 SAINT ANDREW ST	1	123.90
196-530-070-000	839 SAINT ANDREW ST	1	123.90
196-530-080-000	909 PINECREST CT	1	123.90
196-530-090-000	917 PINECREST CT	1	123.90
196-530-100-000	927 PINECREST CT	1	123.90
196-530-110-000	931 PINECREST CT	1	123.90
196-530-120-000	935 PINECREST CT	1	123.90
196-530-130-000	934 PINECREST CT	1	123.90
196-530-140-000	930 PINECREST CT	1	123.90
196-530-150-000	926 PINECREST CT	1	123.90
196-530-160-000	922 PINECREST CT	1	123.90
196-530-170-000	916 PINECREST CT	1	123.90
196-530-180-000	908 PINECREST CT	1	123.90
196-530-190-000	14076 PINECREST ST	1	123.90
196-530-200-000	14080 PINECREST ST	1	123.90
196-530-210-000	14090 PINECREST ST	1	123.90
196-530-220-000	14094 PINECREST ST	1	123.90
196-530-230-000	14100 PINECREST ST	1	123.90

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**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

APN	Address	Units	Levy (1)
196-530-240-000	14121 CHANTILLY CT	1	123.90
196-530-250-000	14111 CHANTILLY CT	1	123.90
196-530-260-000	14101 CHANTILLY CT	1	123.90
196-530-270-000	14095 CHANTILLY CT	1	123.90
196-530-280-000	14091 CHANTILLY CT	1	123.90
196-530-290-000	14081 CHANTILLY CT	1	123.90
196-530-300-000	14071 CHANTILLY CT	1	123.90
196-530-310-000	14072 CHANTILLY CT	1	123.90
196-530-320-000	14080 CHANTILLY CT	1	123.90
196-530-330-000	14090 CHANTILLY CT	1	123.90
196-530-340-000	14100 CHANTILLY CT	1	123.90
196-530-350-000	14106 CHANTILLY CT	1	123.90
196-530-360-000	14110 CHANTILLY CT	1	123.90
196-530-370-000	14114 CHANTILLY CT	1	123.90
196-530-380-000	14120 CHANTILLY CT	1	123.90
196-530-390-000	14124 CHANTILLY CT	1	123.90
196-530-400-000	14101 PINECREST ST	1	123.90
196-530-410-000	14095 PINECREST ST	1	123.90
196-530-420-000	14091 PINECREST ST	1	123.90
196-530-430-000	14081 PINECREST ST	1	123.90
196-530-440-000	14071 PINECREST ST	1	123.90
196-530-450-000	14061 PINECREST ST	1	123.90
196-530-460-000	830 SAINT ANDREW ST	1	123.90
196-530-470-000	826 SAINT ANDREW ST	1	123.90
196-530-480-000	822 SAINT ANDREW ST	1	123.90
196-530-490-000	816 SAINT ANDREW ST	1	123.90
196-530-500-000	808 SAINT ANDREW ST	1	123.90
196-530-510-000	785 QUAKER RIDGE CT	1	123.90
196-530-520-000	791 QUAKER RIDGE CT	1	123.90
196-530-530-000	801 QUAKER RIDGE CT	1	123.90
196-530-540-000	807 QUAKER RIDGE CT	1	123.90
196-530-550-000	811 QUAKER RIDGE CT	1	123.90
196-530-560-000	810 QUAKER RIDGE CT	1	123.90
196-530-570-000	800 QUAKER RIDGE CT	1	123.90
196-530-580-000	790 QUAKER RIDGE CT	1	123.90
196-530-590-000	786 QUAKER RIDGE CT	1	123.90
196-530-600-000	780 QUAKER RIDGE CT	1	123.90
196-540-010-000	14401 CEDAR VALLEY DR	1	123.90
196-540-020-000	14325 CEDAR VALLEY DR	1	123.90
196-540-030-000	14315 JASPER ST	1	123.90
196-540-040-000	14235 JASPER ST	1	123.90

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**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

<b>APN</b>	<b>Address</b>	<b>Units</b>	<b>Levy (1)</b>
196-540-050-000	14225 JASPER ST	1	123.90
196-540-060-000	14215 JASPER ST	1	123.90
196-540-070-000	14201 JASPER ST	1	123.90
196-540-080-000	14125 JASPER ST	1	123.90
196-540-090-000	14115 JASPER ST	1	123.90
196-540-100-000	14120 JASPER ST	1	123.90
196-540-110-000	14200 JASPER ST	1	123.90
196-540-120-000	14220 JASPER ST	1	123.90
196-540-130-000	14230 JASPER ST	1	123.90
196-540-140-000	14300 JASPER ST	1	123.90
196-540-150-000	14135 SOUTHPORT ST	1	123.90
196-540-160-000	14130 SOUTHPORT ST	1	123.90
196-540-180-000	759 SUGAR PINE DR	1	123.90
196-540-190-000	775 SUGAR PINE DR	1	123.90
196-540-200-000	787 SUGAR PINE DR	1	123.90
196-540-210-000	793 SUGAR PINE DR	1	123.90
196-540-220-000	795 SUGAR PINE DR	1	123.90
196-540-230-000	801 SUGAR PINE DR	1	123.90
196-540-240-000	807 SUGAR PINE DR	1	123.90
196-540-250-000	813 SUGAR PINE DR	1	123.90
196-540-260-000	817 SUGAR PINE DR	1	123.90
196-540-270-000	819 SUGAR PINE DR	1	123.90
196-540-280-000	825 SUGAR PINE DR	1	123.90
196-540-290-000	831 SUGAR PINE DR	1	123.90
196-540-300-000	14120 PINECREST ST	1	123.90
196-540-310-000	14130 PINECREST ST	1	123.90
196-540-320-000	14131 CHANTILLY CT	1	123.90
196-540-330-000	812 SUGAR PINE DR	1	123.90
196-540-340-000	806 SUGAR PINE DR	1	123.90
196-540-350-000	800 SUGAR PINE DR	1	123.90
196-540-360-000	794 SUGAR PINE DR	1	123.90
196-540-370-000	786 SUGAR PINE DR	1	123.90
196-540-380-000	774 SUGAR PINE DR	1	123.90
196-540-390-000	762 SUGAR PINE DR	1	123.90
196-540-400-000	750 SUGAR PINE DR	1	123.90
196-540-410-000	742 SUGAR PINE DR	1	123.90
196-540-420-000	14230 CEDAR VALLEY DR	1	123.90
196-540-430-000	14240 CEDAR VALLEY DR	1	123.90
196-540-440-000	14300 CEDAR VALLEY DR	1	123.90
196-540-450-000	14310 CEDAR VALLEY DR	1	123.90
196-540-460-000	14320 CEDAR VALLEY DR	1	123.90

Slight variances may occur due to rounding

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**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

APN	Address	Units	Levy (1)
196-540-470-000	14330 CEDAR VALLEY DR	1	123.90
196-540-480-000	14400 CEDAR VALLEY DR	1	123.90
196-540-490-000	14420 CEDAR VALLEY DR	1	123.90
196-540-500-000	747 SUGAR PINE DR	1	123.90
196-550-010-000	14134 CHANTILLY CT	1	123.90
196-550-020-000	14211 PINEWOOD DR	1	123.90
196-550-030-000	14221 PINEWOOD DR	1	123.90
196-550-040-000	14301 PINEWOOD DR	1	123.90
196-550-050-000	14311 PINEWOOD DR	1	123.90
196-550-060-000	14321 PINEWOOD DR	1	123.90
196-550-070-000	14401 PINEWOOD DR	1	123.90
196-550-080-000	14411 PINEWOOD DR	1	123.90
196-550-090-000	14421 PINEWOOD DR	1	123.90
196-550-100-000	14501 PINEWOOD DR	1	123.90
196-550-110-000	14513 PINEWOOD DR	1	123.90
196-550-120-000	14525 PINEWOOD DR	1	123.90
196-550-130-000	14537 PINEWOOD DR	1	123.90
196-550-140-000	14536 PINEWOOD DR	1	123.90
196-550-150-000	14524 PINEWOOD DR	1	123.90
196-550-160-000	14512 PINEWOOD DR	1	123.90
196-550-170-000	14500 PINEWOOD DR	1	123.90
196-550-180-000	14420 PINEWOOD DR	1	123.90
196-550-190-000	14410 PINEWOOD DR	1	123.90
196-550-200-000	14400 PINEWOOD DR	1	123.90
196-550-210-000	14320 PINEWOOD DR	1	123.90
196-550-220-000	14300 PINEWOOD DR	1	123.90
196-550-230-000	14220 PINEWOOD DR	1	123.90
196-550-240-000	14210 PINEWOOD DR	1	123.90
196-550-250-000	14200 PINEWOOD DR	1	123.90
196-550-260-000	14130 PINEWOOD DR	1	123.90
196-550-270-000	14120 PINEWOOD DR	1	123.90
196-550-280-000	14110 PINEWOOD DR	1	123.90
196-550-290-000	830 SUGAR PINE DR	1	123.90
196-550-300-000	824 SUGAR PINE DR	1	123.90
196-550-310-000	818 SUGAR PINE DR	1	123.90
196-560-010-000	963 LONG BARN DR	1	123.90
196-560-020-000	951 LONG BARN DR	1	123.90
196-560-030-000	939 LONG BARN DR	1	123.90
196-560-040-000	927 LONG BARN DR	1	123.90
196-560-050-000	915 LONG BARN DR	1	123.90
196-560-060-000	903 LONG BARN DR	1	123.90

Slight variances may occur due to rounding

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**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

<b>APN</b>	<b>Address</b>	<b>Units</b>	<b>Levy (1)</b>
196-560-070-000	891 LONG BARN DR	1	123.90
196-560-080-000	900 LONG BARN DR	1	123.90
196-560-090-000	912 LONG BARN DR	1	123.90
196-560-100-000	14823 HARBOR CT	1	123.90
196-560-110-000	14825 HARBOR CT	1	123.90
196-560-120-000	14836 HARBOR CT	1	123.90
196-560-130-000	14824 HARBOR CT	1	123.90
196-560-140-000	924 LONG BARN DR	1	123.90
196-560-150-000	936 LONG BARN DR	1	123.90
196-560-160-000	948 LONG BARN DR	1	123.90
196-560-170-000	960 LONG BARN DR	1	123.90
196-560-180-000	972 LONG BARN DR	1	123.90
196-560-190-000	984 LONG BARN DR	1	123.90
196-570-010-000	815 CLIFFORD DR	1	123.90
196-570-020-000	809 CLIFFORD DR	1	123.90
196-570-030-000	803 CLIFFORD DR	1	123.90
196-570-040-000	799 CLIFFORD DR	1	123.90
196-570-050-000	797 CLIFFORD DR	1	123.90
196-570-060-000	789 CLIFFORD DR	1	123.90
196-570-070-000	783 CLIFFORD DR	1	123.90
196-570-080-000	777 CLIFFORD DR	1	123.90
196-570-090-000	773 CLIFFORD DR	1	123.90
196-570-100-000	767 CLIFFORD DR	1	123.90
196-570-110-000	14429 PINE VALLEY DR	1	123.90
196-570-120-000	14431 PINE VALLEY DR	1	123.90
196-570-130-000	14435 PINE VALLEY DR	1	123.90
196-570-140-000	14439 PINE VALLEY DR	1	123.90
196-570-150-000	14440 PINE VALLEY DR	1	123.90
196-570-160-000	14432 PINE VALLEY DR	1	123.90
196-570-170-000	14430 PINE VALLEY DR	1	123.90
196-570-180-000	770 CLIFFORD DR	1	123.90
196-570-190-000	780 CLIFFORD DR	1	123.90
196-570-200-000	786 CLIFFORD DR	1	123.90
196-570-210-000	794 CLIFFORD DR	1	123.90
196-570-220-000	800 CLIFFORD DR	1	123.90
196-570-230-000	806 CLIFFORD DR	1	123.90
196-570-240-000	812 CLIFFORD DR	1	123.90
196-570-250-000	818 CLIFFORD DR	1	123.90
196-570-270-000	824 CLIFFORD DR	1	123.90
196-570-280-000	830 CLIFFORD DR	1	123.90
196-570-290-000	14463 SILVER CREEK DR	1	123.90

Slight variances may occur due to rounding

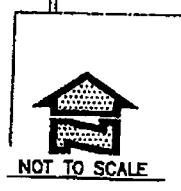
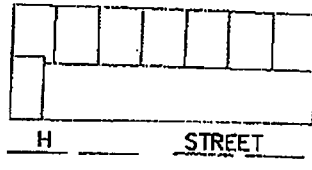
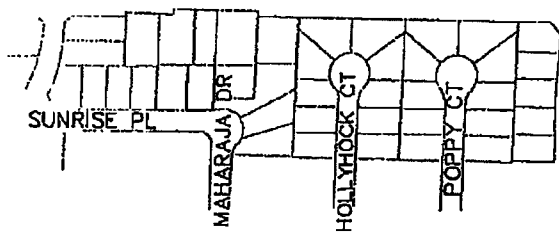
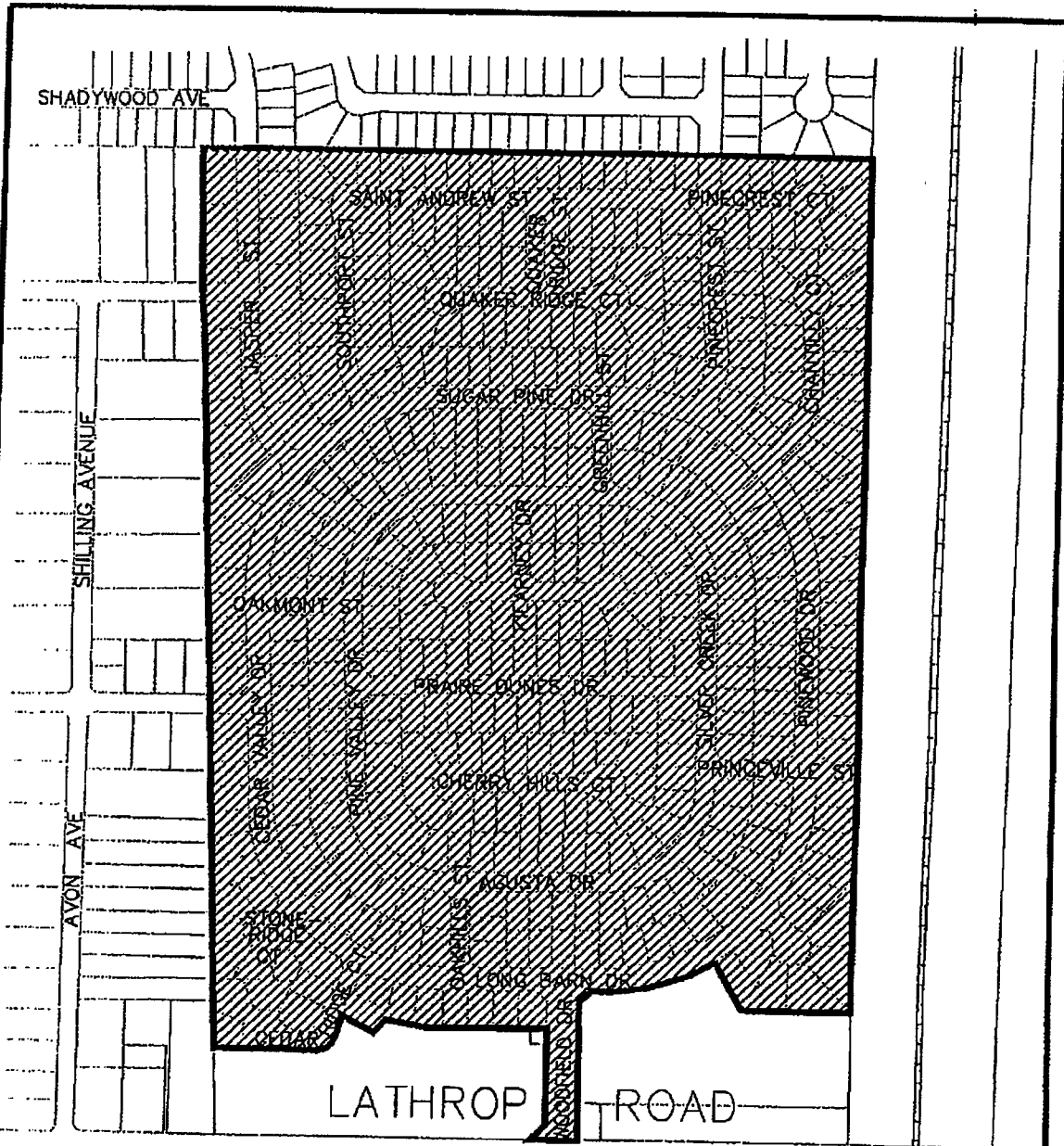
(1) Where applicable, the levy has been rounded down to an even cent for County tax roll purposes.

**City of Lathrop**  
**L&LMD No. 93-1 (Woodfield Park Maintenance Zone)**  
**Final Billing Detail Report for Fiscal Year 2023/24**

<b>APN</b>	<b>Address</b>	<b>Units</b>	<b>Levy (1)</b>
196-570-300-000	14475 SILVER CREEK DR	1	123.90
196-570-310-000	14487 SILVER CREEK DR	1	123.90
196-570-320-000	14493 SILVER CREEK DR	1	123.90
196-570-330-000	14490 SILVER CREEK DR	1	123.90
196-570-340-000	14484 SILVER CREEK DR	1	123.90
196-570-350-000	14478 SILVER CREEK DR	1	123.90
196-570-360-000	14472 SILVER CREEK DR	1	123.90
196-570-370-000	14466 SILVER CREEK DR	1	123.90
196-570-380-000	14460 SILVER CREEK DR	1	123.90
196-570-390-000	833 CLIFFORD DR	1	123.90
196-570-400-000	827 CLIFFORD DR	1	123.90
196-570-410-000	821 CLIFFORD DR	1	123.90
196-570-420-000	803 KILARNEY CT	1	123.90
196-570-430-000	809 KILARNEY CT	1	123.90
196-570-440-000	813 KILARNEY CT	1	123.90
196-570-450-000	821 KILARNEY CT	1	123.90
196-570-460-000	827 KILARNEY CT	1	123.90
196-570-470-000	830 KILARNEY CT	1	123.90
196-570-480-000	824 KILARNEY CT	1	123.90
196-570-490-000	816 KILARNEY CT	1	123.90
196-570-500-000	808 KILARNEY CT	1	123.90
196-570-510-000	800 KILARNEY CT	1	123.90
196-570-520-000	784 KILARNEY CT	1	123.90
196-570-530-000	776 KILARNEY CT	1	123.90
196-570-540-000	768 KILARNEY CT	1	123.90
196-570-550-000	760 KILARNEY CT	1	123.90
196-570-560-000	752 KILARNEY CT	1	123.90
196-570-570-000	744 KILARNEY CT	1	123.90
196-570-580-000	741 KILARNEY CT	1	123.90
196-570-590-000	749 KILARNEY CT	1	123.90
196-570-600-000	757 KILARNEY CT	1	123.90
196-570-610-000	765 KILARNEY CT	1	123.90
<b>442 Accounts</b>		<b>442</b>	<b>\$54,763.80</b>
<b>442 Total Accounts</b>		<b>442</b>	<b>\$54,763.80</b>

Slight variances may occur due to rounding

(1) Where applicable, the levy has been rounded down to an even cent for County tax roll purposes.



# City of Lathrop

Woodfield Park Maintenance District



Date: February 2001

## ITEM 5.3

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM:** **APPOINTMENT OF VOTING DELEGATE/ALTERNATE FOR 2023 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE**

**RECOMMENDATION:** **Approve Appointment of the City's Voting Delegate and Alternate for the 2023 League of California Cities Annual Conference, September 20-22, 2023, at the Sacramento SAFE Credit Union Convention Center**

---

#### **BACKGROUND:**

Each year, the League of California Cities (League) holds an Annual Conference and business meeting to decide League policy for the upcoming year. This year, the Conference will be held at the SAFE Credit Union Convention Center in Sacramento, California, September 20-22, 2023.

League membership considers and takes action on Resolutions that establish League policy. In order for cities to vote at the Annual Business Meeting, the City Council of each corresponding member jurisdiction must designate a voting delegate. Each city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official. Additionally, all delegates must be registered to attend the Annual Conference. However, registration for the entire Annual Conference is not required, they may register for Friday only.

New this year, a pre-conference information session for voting delegates will be provided to explain their role. Once the City Clerk submits the voting delegate form by the deadline, the League will contract the voting delegate/alternate prior to the conference and provide pre-conference communications with voting delegates.

Vice Mayor Akinjo, and Councilmembers Diallo, Lazard, and Torres-O'Callaghan have registered for this year's Annual Conference. The City Council as a whole may vote to assign the City of Lathrop voting delegate and alternate(s). Therefore, staff is requesting that the City Council discuss and formally approve a voting delegate and alternate(s) to participate in the General Assembly at the 2023 League Annual Conference representing the City of Lathrop.

The deadline to submit resolutions, 60 days prior to the opening of the annual conference, is July 22, 2023. Therefore, the general resolutions to be voted on during the conference are expected to be distributed to city officials and posted on the League website site on or about August 1, 2023. However, a petitioned resolution can still be submitted during the annual conference and would need to be considered and voted on during the business meeting.

**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL MEETING  
VOTING DELEGATE FOR 2023 LEAGUE ANNUAL CONFERENCE**

**PAGE 2**

Information regarding the 2023 Annual Conference schedule can be found on the League website at:

<https://www.calcities.org/detail-pages/event/2023/09/20/default-calendar/annual-conference-and-expo>.

Information regarding the Resolutions and the General Assembly can be found on the League website at:

<https://www.calcities.org/advocacy/resolutions-and-the-general-assembly>.

**REASON FOR RECOMMENDATION:**

The Resolutions process and the approval by the General Assembly during the annual conference become the official League of California Cities policy. Therefore, by participating the City remains informed and participates in the policy decision-making process for the League of California Cities.

**FISCAL IMPACT:**

Sufficient funds are available in the City Council Training & Travel expense account for FY 2023-24. Typically, funds are set aside for Councilmembers to attend this event in person at an estimate cost of \$1,500, per person, which may include:

- Conference Registration Fee \$650
- Hotel – approximately \$175 per night
- Parking – approximately \$25 per day
- Meals – approximate \$100 per day
- Mileage and other misc. - \$100

This trip is subject to reimbursements and allowance set in the new Travel Policy adopted by Resolution No. 22-5112, unless amended by Council action.

**ATTACHMENTS:**

- A. 2023 Voting Delegate Packet




**CITY MANAGER'S REPORT  
JULY 10, 2023 CITY COUNCIL MEETING  
VOTING DELEGATE FOR 2023 LEAGUE ANNUAL CONFERENCE**

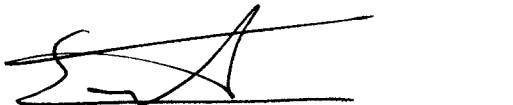
**APPROVALS:**

  
\_\_\_\_\_  
Teresa Vargas  
Government Services Director/  
City Clerk

7/5/23  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

7/5/2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

7.5.2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.5.23  
Date



Council Action Advised by August 28, 2023

**DATE: Wednesday, June 21, 2023**

**TO: Mayors, Council Members, City Clerks, and City Managers**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES  
League of California Cities Annual Conference and Expo, Sept. 20-22, 2023,  
Sacramento SAFE Credit Union Convention Center**

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Sept. 22, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

**Please complete the attached voting delegate form and email it to Cal Cities office no later than Monday, August 28.**

**New this year, we will host a pre-conference information session for voting delegates to explain their role.** Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Please view Cal Cities' event and meeting policy in advance of the conference.

**Action by Council Required.** Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council.

Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.



**Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the [Cal Cities](#) website.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

**Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

**Seating Protocol during General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the SAFE Credit Union Convention Center in Sacramento, will be open at the following times: Wednesday, Sept. 20, 8:00 a.m.- 6:00 p.m. and Thursday, Sept. 21, 7:30 a.m.- 4:00 p.m. On Friday, Sept. 22, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to Cal Cities office by Monday, Aug. 28. If you have questions, please contact Zach Seals at [zseals@calcities.org](mailto:zseals@calcities.org).

Attachments:

- General Assembly Voting Guidelines
- Voting Delegate/Alternate Form
- Information Sheet: Cal Cities Resolutions and the General Assembly



## General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.
6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.
7. **Resolving Disputes.** In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.



LEAGUE OF  
CALIFORNIA  
CITIES

CITY: \_\_\_\_\_

**2023 ANNUAL CONFERENCE  
VOTING DELEGATE/ALTERNATE FORM**

**Please complete this form and return it to Cal Cities office by Monday, August 28, 2023. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.**

To vote at the General Assembly, voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

**Please note:** Voting delegates and alternates will be seated in a separate area at the General Assembly. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the voting delegate desk.

**1. VOTING DELEGATE**

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Title: \_\_\_\_\_

**2. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

**3. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

**ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR**

**ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).**

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Mayor or City Clerk: \_\_\_\_\_ Date: \_\_\_\_\_ Phone: \_\_\_\_\_  
(circle one) (signature)

**Please complete and email this form to votingdelegates@calcities.org by Monday, August 28, 2023.**

# How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure that we are representing California cities with one voice. These policies directly guide Cal Cities advocacy to promote local decision-making, and lobby against statewide policy that erodes local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how Resolutions and the General Assembly works.

## General Resolutions



Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance to cities. The

resolution must have the concurrence of at least five additional member cities or individual members.

## Policy Committees



The Cal Cities President assigns general resolutions to policy committees where members review, debate, and recommend positions for

each policy proposal. Recommendations are forwarded to the Resolutions Committee.

## Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, policy committee, as well as individuals appointed by the Cal Cities president.

**Voting delegates** are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates — one from every member city.

Seven **Policy Committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, municipal department, as well as individuals appointed by the Cal Cities president.

## Petitioned Resolutions



The petitioned resolution is an alternate method to introduce policy proposals during the annual conference. The petition must be signed by

voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

## Resolutions Committee



The Resolutions Committee considers all resolutions. General Resolutions approved<sup>1</sup> by either a policy committee or the Resolutions Committee

are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.<sup>2</sup>

## General Assembly



During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

## What's new in 2023?



- Voting delegates will receive increased communications to prepare them for their role during the General Assembly.
- The General Assembly will take place earlier to allow more time for debate and discussion.
- Improvements to the General Assembly process will make it easier for voting delegates to discuss and debate resolutions.

<sup>1</sup> The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.

<sup>2</sup> Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI. Sec. 5(f).

## ITEM 5.4

### **CITY MANAGER'S REPORT JULY 10, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM:** **PROVIDE DIRECTION FOR HISTORIC LATHROP BEAUTIFICATION AND CREATE CIP GG 24-23**

**RECOMMENDATION:** **Adopt Resolution Creating CIP GG 24-23 Historic Lathrop Beautification Project and Approving Related Budget Amendment**

---

#### **SUMMARY:**

On June 12, 2023 City Council requested that an item be brought back to discuss Historic Lathrop Beautification.

Staff identified some preliminary locations for Council's consideration, including the northern end of 5<sup>th</sup> Street near Lathrop Road, the southern end of 5<sup>th</sup> Street near Louise Avenue and Basin Park near Woodfield Drive. Staff has also gathered information on potential project scopes for Council's consideration, including monument signs, roadway arches and decorative fountains.

Staff is requesting that City Council provide direction on a preferred project scope and approve the creation of CIP GG 24-23, Historic Lathrop Beautification. Staff is also requesting the approval of a budget amendment allocating \$100,000 to start the design process utilizing Measure C Funds.

#### **BACKGROUND:**

The City of Lathrop was incorporated in 1989 and includes several different development areas that have been constructed over the past few years. The newer development areas include a corresponding specific plan that guides design standards and often incorporate beautification elements.

Historic Lathrop, generally known as the area bounded by Lathrop Road on the north, Louise Avenue on the south, Harlan Road on the west and 7<sup>th</sup> Street on the east, predates the City's incorporation in 1989. Historic Lathrop does not have a specific plan with individual design standards and beautification elements.

On June 12, 2023 City Council requested that an item be brought back to discuss Historic Lathrop Beautification.

#### **REASON FOR RECOMMENDATION:**

Approving the creation of CIP GG 24-23 will allow the City to begin planning and procuring professional services for the Project. Staff will update Council as design progresses and return at a later date to request award of a construction contract.

**CITY MANAGER’S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**CREATE CIP GG 24-23 HISTORIC LATHROP BEAUTIFICATION PROJECT**

**FISCAL IMPACT:**

To initiate the Project and fund the design, staff is requesting the approval of a budget amendment allocating \$100,000 to start the design process utilizing Measure C Funds, subject to Measure C Oversight Committee approval. Therefore, staff is requesting City Council approve a budget amendment transferring \$100,000 from General Fund (1010) to the CIP Project Fund (3010), to be reimbursed by Measure C Fund (1060) upon review and approval by the Measure C Oversight Committee.

<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$100,000
<u>Increase Transfer In</u>		
3010-9900-393-0000	GG 24-23	\$100,000
<u>Increase Expenditures</u>		
3010-8000-420-12-00	GG 24-23	\$100,000

**ATTACHMENTS:**

- A. Resolution Creating CIP GG 24-23 Historic Lathrop Beautification Project and Approving Related Budget Amendment

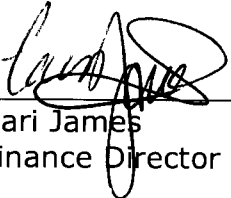


**CITY MANAGER'S REPORT**  
**JULY 10, 2023 CITY COUNCIL REGULAR MEETING**  
**CREATE CIP GG 24-23 HISTORIC LATHROP BEAUTIFICATION PROJECT**

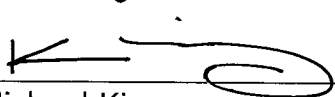
**APPROVALS:**

  
\_\_\_\_\_  
Brad Taylor  
City Engineer


7/6/2023  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

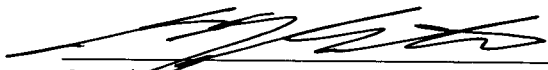
7/6/2023  
Date

  
\_\_\_\_\_  
Michael King  
Assistant City Manager

7.5.2023  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

7-5-2023  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

7.6.23  
Date

**RESOLUTION NO. 23-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP CREATING CIP GG 24-23 HISTORIC LATHROP BEAUTIFICATION PROJECT AND APPROVING RELATED BUDGET AMENDMENT**

**WHEREAS**, the City of Lathrop was incorporated in 1989 and includes several different development areas that have been constructed over the past few years; and

**WHEREAS**, newer development areas include a corresponding specific plan that guides design standards and often incorporate beautification elements; and

**WHEREAS**, Historic Lathrop, generally known as the area bounded by Lathrop Road on the north, Louise Avenue on the south, Harlan Road on the west and 7th Street on the east, predates the City’s incorporation in 1989; and

**WHEREAS**, Historic Lathrop does not have a specific plan with individual design standards and beautification elements; and

**WHEREAS**, on June 12, 2023 City Council requested that an item be brought back to discuss Historic Lathrop Beautification; and

**WHEREAS**, staff is requesting that City Council approve the creation of CIP GG 24-23 Historic Lathrop Beautification; and

**WHEREAS**, to initiate the Project and fund the design, staff is requesting the approval of a budget amendment allocating \$100,000 to start the design process utilizing Measure C Funds, subject to Measure C Oversight Committee approval. Therefore, staff is requesting City Council approve a budget amendment transferring \$100,000 from General Fund (1010) to the CIP Project Fund (3010), to be reimbursed by Measure C Fund (1060) upon review and approval by the Measure C Oversight Committee.

<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$100,000
<u>Increase Transfer In</u>		
3010-9900-393-0000	GG 24-23	\$100,000
<u>Increase Expenditures</u>		
3010-8000-420-12-00	GG 24-23	\$100,000

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop hereby approves the creation of Capital Improvement Project (CIP) GG 24-23 Historic Lathrop Beautification; and

**BE IT FURTHER RESOLVED,** that the City Council of the City of Lathrop also approves a budget amendment transferring \$100,000 from General Fund (1010) to the CIP Project Fund (3010), to be reimbursed by Measure C Fund (1060) upon review and approval by the Measure C Oversight Committee.

Increase Transfer Out 1010-9900-990-9010		\$100,000
Increase Transfer In 3010-9900-393-0000	GG 24-23	\$100,000
Increase Expenditures 3010-8000-420-12-00	GG 24-23	\$100,000

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of July, 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

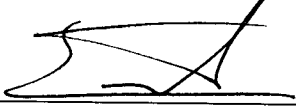
ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney