Jennifer Wood
Mayor

J. Carlos Gomez
Mayor Pro Tem

Chuck McGuire
Council Member

Donald Parris
Council Member

Eugene Stump
Council Member

AGENDA

CITY OF CALIFORNIA CITY
SPECIAL JOINT MEETING OF THE SUCCESSOR AGENCY FOR THE CALIFORNIA CITY REDEVELOPMENT AGENCY AND THE CITY COUNCIL

Tuesday June 27, 2017

Special Meeting 5:00 pm
Regular Meeting 6:00 pm

Council Chambers
21000 Hacienda Blvd.
California City, Ca 93505

If you need special assistance to participate in this meeting, please contact the City Clerk's office at (760) 373-7140. Notification of 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II)

NOTE: Any writings or documents provided to a majority of the City Council regarding any item on this agenda is available for public inspection in the City Clerk's office at City Hall located at 21000 Hacienda Blvd, California City, Ca during normal business hours, except such documents that relate to closed session items or which are otherwise exempt from disclosure under applicable laws. These writings are also available for review in the public access binder in the Council Chambers at the time of the meeting.

LATE COMMUNICATIONS: Following the posting of the agenda any emails, writings or documents that the public would like to submit to the council must be received by the City Clerk no later than 3pm the Monday prior to the meeting. Past that deadline citizens may bring these items directly to the meeting. Please bring 10 copies for distribution to council, staff and the public.

Agenda
June 27, 2017

At this time, please take a moment to turn off your cell phones

5:00 P.M.
CLOSED SESSION

CALL TO ORDER

ROLL CALL
Councilmembers McGuire, Parris, Stump, Mayor Pro Tem Gomez, Mayor Wood

ADOPT AGENDA

PUBLIC COMMENTS
Members of the public are welcome to address the City Council only on those items on the Closed Session agenda. Each member of the public will be given three minutes to speak.

CLOSED SESSION
CS 1. Pursuant to Cal. Gov't Code §54957; Public Employee: City Manager Evaluation
CS 2. Pursuant to Cal. Gov't Code §54957(b); Public Employee; Title: City Manager

CLOSED SESSION ACTION

6:00 P.M.
REGULAR MEETING

CALL TO ORDER

PLEDGE OF ALLEGIANCE / INVOCATION

ROLL CALL
Councilmembers McGuire, Parris, Stump, Mayor Pro Tem Gomez, Mayor Wood

CITY CLERK REPORTS / LATE COMMUNICATIONS

PRESENTATIONS
City Treasurer Middleton – April & May 2017 Report of Investments

STAFF ANNOUNCEMENTS / REPORTS
Police Chief Hurtado – Department Update
Fire Chief Vincent – Department Update
Public Works Director Platt – Department Update
Finance Director O'Laughlin – Department Update
Parks and Recreation Supervisor Daverin – Department Update
City Manager Weil – City Update
AB 1234 – Council Updates

Agenda
June 27, 2017

CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS

PUBLIC BUSINESS FROM THE FLOOR This portion of the meeting is reserved for persons desiring to address the City Council on any matter not on this agenda, and over which the City Council has jurisdiction. Please state your name for the record and limit your comments to three minutes.

CONSENT CALENDAR: CITY COUNCIL / SUCCESSOR AGENCY All items on the consent calendar are considered routine and non-controversial and will be approved by one motion if no member of the Council / Agency, staff or public wishes to comment or ask questions.(Public comments to be limited to three minutes) Roll call vote required.

City Council

CC 1. CITY CHECK REGISTERS dated through 06/21/17

CC 2. READING OF ORDINANCES
Waive reading in full of all ordinances under consideration and read by title only.
Adopt **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY ADDING CHAPTER 7 TO TITLE 5 OF THE CALIFORNIA CITY MUNICIPAL CODE RELATING TO PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE) AND OTHER SYNTHETIC DRUGS"**

CC 3. Adopt **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY DECLARING THE RESULTS OF THE SPECIAL ELECTION HELD ON JUNE 6, 2017"**

CC 4. Adopt **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY TO COOPERATE WITH THE COUNTY OF KERN"**

CC 5. Letter of Authorization for Used Oil Payment Program (OPP)

CC 6. Adopt **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AS IT RELATES TO THE CHANGING OF A STREET NAME: WALPOLE**

Successor Agency

CC 1. Meister & Meister Inc.: 2nd Amendment to Purchase and Sales Agreement/Updated Grant Deed

PUBLIC HEARING

PH 1. Proposed Zone Change 186 – City Manager Weil

PUBLIC HEARING PROCEDURE

A. Mayor read the item
B. Mayor reopen the Public Hearing open
C. Hear staff report
D. Council questions only
E. Ask city clerk to report on any communication(s)
F. Mayor call for public testimony
G. Close Public Hearing by motion
H. Council discussion
I. Council motion and vote

Recommendation
Conduct the public hearing, take public testimony, and adopt an Initial Study, Negative Declaration, and Zone Change 186, in Conjunction with VTTM 7308 by Ordinance No. 17-749.

CONTINUED BUSINESS / CITY COUNCIL

CB 1. Proposed Final Budget for FY 2017-18

Recommendation
Council discuss and adopt **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY APPROVING THE FISCAL YEAR 2017/18 FINAL BUDGET"**

CB 2. Integrated Regional Water Management Planning Grant (IRWMP) – City Manager Weil

Recommendation
Council discuss, approve the Grant Agreement as presented and authorize the City Manager to sign all necessary documents

CB 3. Professional Services Agreement for Developing the IRWMP, Ground Water Management Plan and the Salt Nutrient Management Plan for the Fremont Basin – City Manager Weil

Recommendation
Council discuss, approve the RMC proposal and authorize the City Manager to work with staff to develop said plans

CB 4. Griffith Company: Award contract for the Municipal Airport Eastside Taxiways Rehabilitation Project – Public Works Director Platt

Recommendation
Council discuss and adopt **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING THE SUBMITTAL OF AN APPLICATION, ACCEPTANCE OF AN ALLOCATION OF FUNDS, EXECUTION OF A GRANT AGREEMENT CONTINGENT UPON FINAL APPROVAL OF THE AIRPORTS IMPROVEMENTS GRANT BY THE FEDERAL AVIATION ADMINISTRATION AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, AND CERTIFYING THE AVAILABILITY OF CITY'S SHARE OF MATCHING FUNDS, AUTHORIZE HELT ENGINEERING, INC. TO PERFORM THE CONSTRUCTION MANAGEMENT AND PROJECT CLOSE-OUT AND TO AWARD THE MUNICIPAL AIRPORT EASTSIDE TAXIWAYS REHABILITATION PROJECT TO GRIFFITH COMPANY"**

NEW BUSINESS / CITY COUNCIL

NB 1. Municipal Staffing Solutions (MuniTemps): Temporary Part Time Planner – Public Works Director Platt

Recommendation
Council discuss, approve the temporary position and authorize the City Manager to execute the agreement

CONTINUED BUSINESS / SUCCESSOR AGENCY

CB 1. Offer to Purchase APN #216-010-02-00 – Executive Director Weil

Recommendation
Council discuss, approve sale and authorize the City manager to sign all necessary documents

COUNCIL AGENDA

This portion of the meeting is reserved for council members to present information, announcements, and items that have come to their attention. The Brown Act precludes Council, staff or public discussion. Short staff responses are appropriate. The Council will take no formal action. A Council member may request the City Clerk to calendar an item for consideration at a future meeting, or refer an item to staff.

Councilmember McGuire
Councilmember Parris
Councilmember Stump
Mayor Pro Tem Gomez
Mayor Wood

ADJOURNMENT

AFFIDAVIT OF POSTING: This agenda was posted on all official City bulletin boards, the City's website and agenda packets were completely accessible to the public at City Hall at least 72 hours prior to the Council Meeting.

Denise Hilliker, City Clerk

California City, California 93505

TREASURER'S MONTHLY REPORT OF INVESTMENT

April 2017

The general investment portfolio consists of funds for operations, capital improvement projects (CPI), water rate stabilization, administration replacements and reserves.

General Investment Accounts	Balance on 3/31/2017	Net Transactions	Balance on 4/30/2017	Percent of Total
Local Agency Investment Fund (122)	$ 4,476,877	$ (241,444)	$ 4,235,432	45.10%
Kern County Investment Fund (20202)	$ 4,051,452	$ 11,469	$ 4,062,921	43.26%
Sub-Total Investment Accounts	**$ 8,528,329**	$ (229,976)	**$ 8,298,353**	
General Operating Accounts	3/31/2017	Net Transactions	4/30/2017	
Bank of the Sierra -- General Checking	$ 482,948	$ 609,383	$ 1,092,331	11.63%
Petty Cash - City Hall	$ 500	$ -	$ 500	0.01%
Petty Cash - City Manager	$ 200	$ -	$ 200	0.00%
Petty Cash - Fire	$ 250	$ -	$ 250	0.00%
Petty Cash - Police	$ 250	$ -	$ 250	0.00%
Petty Cash - Parks & Recreation	$ 100	$ -	$ 100	0.00%
Sub-Total Operating Accounts	$ 484,248	$ 609,383	**$ 1,093,631**	
Total City Operating Funds	**$ 9,012,577**	**$ 379,407**	**$ 9,391,985**	**100.00%**

Restricted Housing Corporation Accounts				
Checking & CD Accounts	3/31/2017	Net Transactions	4/30/2017	
Housing Corp. -- Bank of the Sierra, Checking	$ 574,678	$ 329	$ 575,007	71.44%
Housing Corp. -- Bank of the Sierra, CD	$ 71,463	$ 3	$ 71,466	8.88%
Housing Corp. -- Bank of the Sierra, CD	$ 30,718	$ 1	$ 30,719	3.82%
Housing Corp. -- Bank of the Sierra, CD	$ 20,858	$ 1	$ 20,859	2.59%
Housing Corp. -- Bank of the Sierra, CD	$ 45,202	$ 2	$ 45,204	5.62%
Housing Corp. -- Bank of the Sierra, CD	$ 61,586	$ 7	$ 61,593	7.65%
Total Housing Corporation Funds	**$ 804,505**	**$ 344**	**$ 804,848**	**100.00%**

Restricted Successor Agency Accounts				
Checking Account	3/31/2017	Net Transactions	4/30/2017	
Successor Agency -- Bank of the Sierra, Checking	$ 525,849	$ (44,971)	$ 480,879	100.00%
Total Successor Agency Funds	**$ 525,849**	**$ (44,971)**	**$ 480,879**	**100.00%**

Restricted SDI Agency Accounts				
Checking Account	3/31/2017	Net Transactions	4/30/2017	
(SDI) -- Bank of the Sierra, Checking	$ 17,267	$ -	$ 17,267	0.02%
Sub-Total SDI Checking Account	$ 17,267	$ -	**$ 17,267**	
Investment Account (Updated Monthly)	3/31/2017	Net Transactions	4/30/2017	
(SDI) US Bank Investments	$ 84,660,832	$ 496,646	$ 85,157,478	99.04%
(SDI) Certificate of Deposit with Mission Bank	$ 806,845	$ -	$ 806,845	0.94%
Sub-Total SDI Investment Accounts	$ 85,467,677	$ 496,646	**$ 85,964,323**	
Total SDI Agency Funds	**$ 85,484,944**	**$ 496,646**	**$ 85,981,590**	**100.00%**

Presentation

California City, California 93505

TREASURER'S MONTHLY REPORT OF INVESTMENT

April 2017

INVESTMENT POLICY

The Treasurer shall invest the City's monies as permitted in the Citie's approved investment policy. The Treasurer shall consider current and projected cash needs in making such investments.

* Contact City Treasurer for US Bank investment breakdown.

US Bank		
Market Value Summary - CUSTODIAN ACCOUNT	**3/31/2017**	**4/30/2017**
Beginning Market Value	**83,844,654**	**83,798,738**
Ending Market Value	**83,798,738**	**84,295,384**
Investment Results	(45,916)	496,646
Market Value Summary - REDEVELOPEMENT AGENCY PROJ AREA TAX	**3/31/2017**	**4/30/2017**
Beginning Market Value	-	2
Ending Market Value	**2**	**2**
Investment Results	2	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX INTEREST	**3/31/2017**	**4/30/2017**
Beginning Market Value	18,282	5
Ending Market Value	**5**	**5**
Investment Results	(18,277)	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX PRINCIPAL	**3/31/2017**	**4/30/2017**
Beginning Market Value	180,000	5
Ending Market Value	**5**	**5**
Investment Results	(179,996)	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX RESERVE	**3/31/2017**	**4/30/2017**
Beginning Market Value	862,082	862,082
Ending Market Value	862,082	862,082
Investment Results	-	-
Total "US Bank" Investment Assets	**84,660,832**	**85,157,478**

California City, California 93505

TREASURER'S MONTHLY REPORT OF INVESTMENT

May 2017

The general investment portfolio consists of funds for operations, capital improvement projects (CPI), water rate stabilization, administration replacements and reserves.

General Investment Accounts	Balance on 4/30/2017	Net Transactions	Balance on 5/31/2017	Percent of Total
Local Agency Investment Fund (122)	$ 4,235,432	$ -	$ 4,235,432	42.45%
Kern County Investment Fund (20202)	$ 4,062,921	$ -	$ 4,062,921	40.72%
Sub-Total Investment Accounts	**$ 8,298,353**	$ -	**$ 8,298,353**	
General Operating Accounts	4/30/2017	Net Transactions	5/31/2017	
Bank of the Sierra -- General Checking	$ 1,092,331	$ 583,799	$ 1,676,131	16.80%
Petty Cash - City Hall	$ 500	$ -	$ 500	0.01%
Petty Cash - City Manager	$ 200	$ -	$ 200	0.00%
Petty Cash - Fire	$ 250	$ -	$ 250	0.00%
Petty Cash - Police	$ 250	$ -	$ 250	0.00%
Petty Cash - Parks & Recreation	$ 100	$ 950	$ 1,050	0.01%
Sub-Total Operating Accounts	$ 1,093,631	$ 584,749	**$ 1,678,381**	
Total City Operating Funds	**$ 9,391,985**	**$ 584,749**	**$ 9,976,734**	**100.00%**

Restricted Housing Corporation Accounts				
Checking & CD Accounts	4/30/2017	Net Transactions	5/31/2017	
Housing Corp. -- Bank of the Sierra, Checking	$ 575,007	$ 9,381	$ 584,388	71.77%
Housing Corp. -- Bank of the Sierra, CD	$ 71,466	$ 21	$ 71,487	8.78%
Housing Corp. -- Bank of the Sierra, CD	$ 30,719	$ -	$ 30,719	3.77%
Housing Corp. -- Bank of the Sierra, CD	$ 20,859	$ -	$ 20,859	2.56%
Housing Corp. -- Bank of the Sierra, CD	$ 45,204	$ -	$ 45,204	5.55%
Housing Corp. -- Bank of the Sierra, CD	$ 61,593	$ 7	$ 61,601	7.57%
Total Housing Corporation Funds	**$ 804,848**	**$ 9,409**	**$ 814,258**	**100.00%**

Restricted Successor Agency Accounts				
Checking Account	4/30/2017	Net Transactions	5/31/2017	
Successor Agency -- Bank of the Sierra, Checking	$ 480,879	$ 601,462	$ 1,082,341	100.00%
Total Successor Agency Funds	**$ 480,879**	**$ 601,462**	**$ 1,082,341**	**100.00%**

Restricted SDI Agency Accounts				
Checking Account	4/30/2017	Net Transactions	5/31/2017	
(SDI) -- Bank of the Sierra, Checking	$ 17,267	$ -	$ 17,267	0.02%
Sub-Total SDI Checking Account	$ 17,267	$ -	**$ 17,267**	
Investment Account (Updated Monthly)	3/31/2017	Net Transactions	5/31/2017	
(SDI) US Bank Investments	$ 85,157,478	$ 190,261	$ 85,347,738	99.04%
(SDI) Certificate of Deposit with Mission Bank	$ 806,845	$ -	$ 806,845	0.94%
Sub-Total SDI Investment Accounts	$ 85,964,323	$ 190,261	**$ 86,154,583**	
Total SDI Agency Funds	**$ 85,981,590**	**$ 190,261**	**$ 86,171,851**	**100.00%**

California City, California 93505

TREASURER'S MONTHLY REPORT OF INVESTMENT

May 2017

INVESTMENT POLICY

The Treasurer shall invest the City's monies as permitted in the Citie's approved investment policy. The Treasurer shall consider current and projected cash needs in making such investments.

* Contact City Treasurer for US Bank investment breakdown.

US Bank		
Market Value Summary - CUSTODIAN ACCOUNT	**4/30/2017**	**5/31/2017**
Beginning Market Value	**83,798,738**	**84,295,384**
Ending Market Value	**84,295,384**	**84,485,645**
Investment Results	496,646	190,261
Market Value Summary - REDEVELOPEMENT AGENCY PROJ AREA TAX	**4/30/2017**	**5/31/2017**
Beginning Market Value	2	2
Ending Market Value	**2**	**2**
Investment Results	-	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX INTEREST	**4/30/2017**	**5/31/2017**
Beginning Market Value	5	5
Ending Market Value	**5**	**5**
Investment Results	-	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX PRINCIPAL	**4/30/2017**	**5/31/2017**
Beginning Market Value	5	5
Ending Market Value	**5**	**5**
Investment Results	-	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX RESERVE	**4/30/2017**	**5/31/2017**
Beginning Market Value	862,082	862,082
Ending Market Value	862,082	862,082
Investment Results	-	-
Total "US Bank" Investment Assets	**85,157,478**	**85,347,738**

Report Criteria:
Report type: Invoice detail
Bank.Bank Number = 1
Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
06/17	06/14/2017	100197	Buckley, Randy	Irish Folk Musicians Tortoi	TORTOIS DAY 2017	250.00	250.00
Total 100197:							250.00
06/17	06/14/2017	100198	So California Edison Co	City Electricity	2-01-388-5074 060	68,187.46	68,187.46
Total 100198:							68,187.46
06/17	06/14/2017	100199	Williams Construction	Construction Trash Deposit	BP 16191	500.00	500.00
Total 100199:							500.00
Grand Totals:							68,937.46

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: June 14, 2017

Finance Director: Jeanie O'Farrell

CCI.

Report Criteria:
Report type: Invoice detail
Bank.Bank Number = 1
Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
06/17	06/15/2017	100200	California City Successory Age	Reimbursement for Norm	NORM HILL PAYME	4,000.00	4,000.00
Total 100200:							4,000.00
Grand Totals:							4,000.00

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
10-01200	4,000.00	.00	4,000.00
10-02005	.00	4,000.00-	4,000.00-
Grand Totals:	4,000.00	4,000.00-	.00

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 6-15-17

Finance Director: Jamie Gibson

Report Criteria:
Report type: Invoice detail
Bank.Bank Number = 1
Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
06/17	06/16/2017	100201	Bob Dacey Golf Maintenance	4th Quarter Ending 6-2017	4TH QTR	30,000.00	30,000.00
Total 100201:							30,000.00
Grand Totals:							30,000.00

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
10-02005	.00	30,000.00-	30,000.00-
10-4151-633	30,000.00	.00	30,000.00
Grand Totals:	30,000.00	30,000.00-	.00

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 6-16-17

Finance Director Jeanie O'Hara

Report Criteria:
Report type: Invoice detail
Bank.Bank Number = 1
Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
06/17	06/21/2017	100202	So California Edison Co	Park Pool House	2-33-161-4561 061	470.47	470.47
Total 100202:							470.47
06/17	06/21/2017	100203	Verizon	Long Distance Service	7214 82Y 060217	401.49	401.49
Total 100203:							401.49
Grand Totals:							871.96

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
10-01283	7.03	.00	7.03
10-02005	.00	729.21-	729.21-
10-4153-281	470.47	.00	470.47
10-4153-284	251.71	.00	251.71
18-02005	.00	135.72-	135.72-
18-4212-284	100.03	.00	100.03
18-4215-284	25.78	.00	25.78
18-4217-284	9.91	.00	9.91
54-02005	.00	7.03-	7.03-
54-5410-284	7.03	.00	7.03
Grand Totals:	871.96	871.96-	.00

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 6/21/17

Finance Director

Report Criteria:
Report type: Invoice detail
Bank.Bank Number = 1
Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
06/17	06/22/2017	100204	A Safe Pool Enclosures	Winter Pool Cover	1882	8,695.00	8,695.00
Total 100204:							8,695.00
06/17	06/22/2017	100205	A V E K	M & I Water Charges	23926	32,463.51	32,463.51
Total 100205:							32,463.51
06/17	06/22/2017	100206	Amber Chemical, Inc.	Hypochlorite Solution	0342730	328.19	328.19
06/17	06/22/2017	100206	Amber Chemical, Inc.	Hypochlorite Solution	0342893	218.79	218.79
Total 100206:							546.98
06/17	06/22/2017	100207	AmeriPride	Uniform Maintenance	2100608238	161.39	161.39
Total 100207:							161.39
06/17	06/22/2017	100208	Andrew Dunn Pecos League of	Gate Revenue	JUNE 2017	1,419.00	1,419.00
Total 100208:							1,419.00
06/17	06/22/2017	100209	Auditor-Controller-County Cle	LAFCO Operating Costs	LAFCO 061217	5,080.00	5,080.00
Total 100209:							5,080.00
06/17	06/22/2017	100210	AV Fuel Corporation	Jet Fuel	009642413	8,760.48	8,760.48
Total 100210:							8,760.48
06/17	06/22/2017	100211	B C Laboratories, Inc	Water Testing	053117	4,722.00	4,722.00
Total 100211:							4,722.00
06/17	06/22/2017	100212	Bakersfield News Observer	RFP Borax Bill Vistor's Cent	1613	680.00	680.00
Total 100212:							680.00
06/17	06/22/2017	100213	Bakersfield Well & Pump Inc	Purging & Sampling of Mon	17606	3,000.00	3,000.00
Total 100213:							3,000.00
06/17	06/22/2017	100214	Barragan, Gerrardo	Reimbursement for Concre	061317	200.69	200.69
Total 100214:							200.69
06/17	06/22/2017	100215	Barragan, Jose	Fire Cert Exam	061517	130.00	130.00
06/17	06/22/2017	100215	Barragan, Jose	Training Materials for Fire	061517-1	40.99	40.99
Total 100215:							170.99
06/17	06/22/2017	100216	Boonmee & Inthaphan	Refund 20600 Laskey	101646.03	9.55	9.55
Total 100216:							9.55

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
06/17	06/22/2017	100217	Boston, John	Reimbursement for Strippe	061317	44.46	44.46
Total 100217:							44.46
06/17	06/22/2017	100218	Bound Tree Medical	Medical Supplies	82525527	855.59	855.59
Total 100218:							855.59
06/17	06/22/2017	100219	Cal City Pet Clinic	CCAC Vouchers	36450	550.00	550.00
Total 100219:							550.00
06/17	06/22/2017	100220	Caselle, Inc	Contract Support & Mainte	81053	1,718.00	1,718.00
Total 100220:							1,718.00
06/17	06/22/2017	100221	CDW Government Inc	Fiber Server	HSV2778	385.58	385.58
Total 100221:							385.58
06/17	06/22/2017	100222	Central Valley Occupational	Pre Employ Testing - J Guz	00152638-00	618.00	618.00
Total 100222:							618.00
06/17	06/22/2017	100223	Charter Communications	Fire Internet, Telephone	0156276 060117	409.30	409.30
Total 100223:							409.30
06/17	06/22/2017	100224	City Hardware	Parks & Rec	PARKS 053117	2,153.54	2,153.54
Total 100224:							2,153.54
06/17	06/22/2017	100225	Clearview Realty /Josh Meiste	Refund 8700 Underwood	103980.06	48.58	48.58
06/17	06/22/2017	100225	Clearview Realty /Josh Meiste	Refund 8548 Heather	106075.09	45.13	45.13
06/17	06/22/2017	100225	Clearview Realty /Josh Meiste	Refund 9933 Irene	106398.06	31.34	31.34
Total 100225:							125.05
06/17	06/22/2017	100226	Deere Credit	Backhoe Lease	1847720	2,596.24	2,596.24
Total 100226:							2,596.24
06/17	06/22/2017	100227	Dennis Automotive	Auto Service Unit 3006	18004	120.00	120.00
06/17	06/22/2017	100227	Dennis Automotive	Auto Service Unit 310	18014	40.00	40.00
Total 100227:							160.00
06/17	06/22/2017	100228	Department of Justice	Fingerprinting	237148	245.00	245.00
Total 100228:							245.00
06/17	06/22/2017	100229	Devore, Danielle	Refund 21872 Garibaldi	104002.02	19.16	19.16
Total 100229:							19.16
06/17	06/22/2017	100230	DigiTech Inc.	Security Service Scout Islan	7291	45.99	45.99
Total 100230:							45.99

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
06/17	06/22/2017	100231	East Kern Air Pollution Contro	Paver, Sweeper Permit	30001, 02 060117	338.00	338.00
Total 100231:							338.00
06/17	06/22/2017	100232	Emergency Vehicle Group, Inc	Custom Truck Vault	22048	3,702.00	3,702.00
Total 100232:							3,702.00
06/17	06/22/2017	100233	Entenmann-Rovin Company	Dome Badge	0127484	123.93	123.93
Total 100233:							123.93
06/17	06/22/2017	100234	Expert Automotive	ACO Service	43396	299.41	299.41
Total 100234:							299.41
06/17	06/22/2017	100235	Fastenal	Safety Glasses & Gloves	CATEH13951	180.15	180.15
Total 100235:							180.15
06/17	06/22/2017	100236	Fed Ex	Priority Mailings	5-822-06282	77.85	77.85
06/17	06/22/2017	100236	Fed Ex	Priority Mailings	5-829-90665	110.60	110.60
Total 100236:							188.45
06/17	06/22/2017	100237	Gauthreaux, Vania	Refund 9932 Sandtrap	103401.08	9.98	9.98
Total 100237:							9.98
06/17	06/22/2017	100238	General Office Prod Ctr	Meter Billing Copier	11775	328.45	328.45
Total 100238:							328.45
06/17	06/22/2017	100239	Grainger, Inc	Reducing Male HEX Nipple,	9461899362	103.21	103.21
Total 100239:							103.21
06/17	06/22/2017	100240	Hayes, Shannon	Reimbursement for Paint	061317	122.91	122.91
Total 100240:							122.91
06/17	06/22/2017	100241	HDWBC - High Desert Wireles	Brass Mount Antenna for R	40524	62.10	62.10
Total 100241:							62.10
06/17	06/22/2017	100242	Helt Engineering, Inc	15406 Randsburg-Mojave	017-135	1,635.00	1,635.00
06/17	06/22/2017	100242	Helt Engineering, Inc	16401.4 Plan Check Tentati	017-136	287.50	287.50
06/17	06/22/2017	100242	Helt Engineering, Inc	16405 Mendiburu Road Re	017-137	2,255.00	2,255.00
06/17	06/22/2017	100242	Helt Engineering, Inc	16405 Mendiburu Road Re	017-138	4,775.00	4,775.00
06/17	06/22/2017	100242	Helt Engineering, Inc	16413 Eastside Taxiways	017-139	15,905.00	15,905.00
06/17	06/22/2017	100242	Helt Engineering, Inc	16414 Eastside Taxiways R	017-140	1,055.00	1,055.00
06/17	06/22/2017	100242	Helt Engineering, Inc	17402.12 Plan Check LM#	017-141	1,630.00	1,630.00
06/17	06/22/2017	100242	Helt Engineering, Inc	17403 Balsitis Park ADA Re	017-142	6,105.00	6,105.00
Total 100242:							33,647.50
06/17	06/22/2017	100243	International Code Council	Code Enforcement Books	1000786747	74.54	74.54

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Total 100243:							74.54
06/17	06/22/2017	100244	Interon LLC	Computer Repairs	2834	100.00	100.00
Total 100244:							100.00
06/17	06/22/2017	100245	Jones & Mayer	Attorney Fees	053117	36,867.44	36,867.44
Total 100245:							36,867.44
06/17	06/22/2017	100246	KJI Plumbing	Pool House Plumbing Progr	KJ17-29711	4,750.00	4,750.00
Total 100246:							4,750.00
06/17	06/22/2017	100247	KME Fire Apparatus	Vehicle Maint. F450 Repair	CA541060	1,372.16	1,372.16
Total 100247:							1,372.16
06/17	06/22/2017	100248	Mary Valenti, PH.D.	Psych Screening	G ALWAW	400.00	400.00
Total 100248:							400.00
06/17	06/22/2017	100249	McMaster Carr	Weather Proof Outlet Boxe	32640670	94.45	94.45
Total 100249:							94.45
06/17	06/22/2017	100250	Mojave Public Utility Dis	Wonder Acres	006090-000 0531-1	2,811.48	2,811.48
Total 100250:							2,811.48
06/17	06/22/2017	100251	Munoz, Hazel & Ruben	Refund 10100 Forest	105171.07	38.24	38.24
Total 100251:							38.24
06/17	06/22/2017	100252	Murillo, Anthony	Refund 10111 Margery	102391.05	19.27	19.27
Total 100252:							19.27
06/17	06/22/2017	100253	Perry, Diane	Supplies Reimbursement	061217	199.90	199.90
Total 100253:							199.90
06/17	06/22/2017	100254	PERS PAC	Annual Membership	6901	250.00	250.00
Total 100254:							250.00
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068903	1,009.93	1,009.93
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068921	389.13	389.13
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068922	917.74	917.74
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068923	250.86	250.86
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068924	2,171.43	2,171.43
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068927	113.65	113.65
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068928	306.05	306.05
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068929	935.08	935.08
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068941	238.62	238.62
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068955	66.49	66.49
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068985	46.39	46.39
06/17	06/22/2017	100255	R S I Petroleum Prod	Fuel	1068990	29.55	29.55

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Total 100255:							6,474.92
06/17	06/22/2017	100256	Safety-Kleen Corp	Waste Disposal, Solvent	73808836	214.46	214.46
Total 100256:							214.46
06/17	06/22/2017	100257	Sage Staffing	Temp Mary Johnson	57847	1,380.48	1,380.48
Total 100257:							1,380.48
06/17	06/22/2017	100258	Shannon, Chris & Lauren	Refund 7925 Greenwood	106176.07	36.51	36.51
Total 100258:							36.51
06/17	06/22/2017	100259	Sim Sanitation	Pool House Project Clean T	37956	20.00	20.00
Total 100259:							20.00
06/17	06/22/2017	100260	Staples Advantage	Office Supplies, Janitorial	8044769092	70.89	70.89
Total 100260:							70.89
06/17	06/22/2017	100261	Tehachapi Veterinary Hospital	Spay & Neute, Rabies Vac	403685	80.00	80.00
Total 100261:							80.00
06/17	06/22/2017	100262	Theurer-Regan	Refund 8629 Hickory	106483.03	16.87	16.87
Total 100262:							16.87
06/17	06/22/2017	100263	Thomson Reuters - West	CA Jury Instructions Pamph	836289402	240.24	240.24
Total 100263:							240.24
06/17	06/22/2017	100264	USA Bluebook	Hip Boots, Hard Hats	273237	1,423.40	1,423.40
Total 100264:							1,423.40
06/17	06/22/2017	100265	Verizon Business	Dispatch Long Distance & E	68272283	216.72	216.72
Total 100265:							216.72
06/17	06/22/2017	100266	Verizon Wireless	Cell Phone Service	9786535849	1,989.61	1,989.61
Total 100266:							1,989.61
06/17	06/22/2017	100267	Waste Management	Trash Service	3766983-2508-5	1,163.93	1,163.93
Total 100267:							1,163.93
06/17	06/22/2017	100268	Zters	Port-A-Potty Service	225827	211.81	211.81
Total 100268:							211.81
Grand Totals:							175,458.91

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 6/22/17

Finance Director

Report Criteria:
Report type: Invoice detail
Bank.Bank Number = 1
Check.Voided = no

ORDINANCE NO. 17-747

ORDINANCE OF THE CITY COUNCIL OF CALIFORNIA CITY ADDING CHAPTER 7 TO TITLE 5 OF THE CALIFORNIA CITY MUNICIPAL CODE RELATING TO PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE) AND OTHER SYNTHETIC DRUGS

WHEREAS, the Kern County Board of Supervisors recently adopted an ordinance amending the County Code by adding a chapter concerning psychoactive bath salts, psychoactive herbal incense (spice) and other synthetic drugs; and

WHEREAS, the California City Municipal Code related to synthetic drugs is modeled after the County's Code; and

WHEREAS, the City Council desires to amend the City's Municipal Code in the same way as Board of Supervisors amended the County's Code.

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

SECTION 1: Chapter 7 is added to Title 5 of the California City Municipal Code as follows:

CHAPTER 7 *PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE), AND OTHER SYNTHETIC DRUGS*

Sections:

5-7.101 - Purpose and intent.

Recreational or other use of psychoactive bath salts, psychoactive herbal incense (commonly referred to as "spice" or "synthetic marijuana") and similar products commonly known as "synthetic drugs" has been documented to cause hallucinations, agitation, psychosis, aggression, suicidal and homicidal thoughts, and death. While state and federal laws and regulations prohibit some synthetic drugs, the makers of these drugs continually alter the composition of the compounds in their products so as to escape the purview of such laws and regulations. The purpose and intent of this chapter is to protect the public health and safety within the City of California City from the dangers and ill effects of all synthetic drugs by declaring certain activities involving synthetic drugs to be a public nuisance and subject to all available civil remedies and, to provide the City of California City with reasonable measure to address the dangers to the community posed by synthetic drugs that are not regulated by state or federal law.

CC2.

5-7.102 - Definitions.

A. Consume, Consuming or Consumption. To ingest, inhale, inject, smoke or snort (insufflate).

B. Distribute, Distributing or Distribution. To furnish, give away, exchange, transfer, deliver or supply, whether or not for monetary gain.

C. Person. Includes any natural person, business, firm, company, corporation, public corporation, club, trust, partnership, association or similar organization.

D. Possess, Possessing or Possession. To have for consumption, distribution, or sale in one's actual or constructive custody or control, or under one's authority or power, whether such custody, control, authority or power be exercised solely or jointly with others.

E. Provide, Providing or Provision. Offering to distribute or sell a product or substance to any person, whether or not for monetary gain.

F. Psychoactive Bath Salts. Any crystalline or powder product that contains a synthetic chemical compound that, when consumed, elicits psychoactive or psychotropic stimulant effects. The term psychoactive bath salts includes, without limitation:

1. Products that elicit psychoactive or psychotropic stimulant effects and contain any of the following intoxicating chemical compounds:

   i. Cathinone (2-amino-1-phenyl-1-propanone), 4-methylmethcathinone (2-methylamino-1-(4-methylphenyl)propan-1-one), 4-methoxymethcathinone (1-(4-methoxyphyenyl)-2-(methylamino)propan-1-one), MDPV (methylenedioxypyrovalerone), MDMA (3, 4-methylenedioxy-N-methylamphetamine), methylene (3,4-methylenedioxy-N-methylcathinone), methcathinone (2-(methylamino)-1-phenyl-propan-1-one), flephedrone (4-fluoromethcathinone), 3-FMC (3-fluoromethcathinone), ethcathinone (2-ethylamino-1-phenyl-propan-1-one), butylone (13-keto-N-methylbenzodioxolylbutanamine), a-PPP (a-pyrrolidinopropiophenone), MPPP (4'-methyl-a-pyrrolidinopropiophenone), MDPPP (3',4'-methylenedioxy-a-pyrrolidinoprio-piophenone), a-PVP (1-phenyl-2-(1-pyrrolidinyl)-1-pentanone) or naphyrone (1-naphthalen-2-yl-2-pyrrolidin-1-ylpentan-1-one);

   ii. Any derivative of the above listed intoxicating chemical compounds;

   iii. Any synthetic substance and its isomers with a chemical structure similar to the above listed compounds;

   iv. Any chemical alteration of the above listed intoxicating chemical compounds; or

   v. Any other substantially similar chemical structure or compound.

2. Products that elicit psychoactive or psychotropic stimulant effects and are marketed under any of the following trade names: Bliss, Blizzard, Blue Silk, Bonzai Grow, Charge Plus, Charlie, Cloud Nine, Euphoria, Hurricane, Ivory Snow, Ivory Wave, Lunar Wave, Ocean, Ocean Burst, Pixie Dust, Posh, Pure Ivory, Purple Wave, Red Dove, Scarface, Snow Leopard, Stardust, Vanilla Sky, White Dove, White Night and White Lightning. This list of names is not all inclusive and is intended only as a guide which is contemporaneous with passage of this chapter. It is in no way intended to limit enforcement of these provisions to the trade names listed herein.

3. The term psychoactive bath salts shall not include any product, substance, material, compound, mixture or preparation that is specifically excepted by the California Uniform Controlled Substances Act ("UCSA") (California Health and Safety Code Section 11000 et seq.), listed in one (1) of the UCSA's schedules of controlled substances (California Health and Safety Code Sections 11053—11058), regulated by one (1) of the UCSA's synthetic drug laws (California Health and Safety Code Sections 11357.5, 11375.5, 11401), regulated by the federal Controlled Substances Act (the "CSA") (21 USCA Section 801 et seq.) or approved by the Food and Drug Administration ("FDA").

G. Psychoactive Herbal Incense (aka "Spice" or "Synthetic Marijuana"). Any organic product consisting of plant material that contains a synthetic stimulant compound that, when consumed, elicits psychoactive or psychotropic euphoric effects. The term "psychoactive herbal incense" includes, without limitation:

1. Products that elicit psychoactive or psychotropic euphoric effects and contain any of the following chemical compounds:

   i. Cannabicyclohexanol (2-[(1R,3S)-3-hydroxycyclohexyl]-5-(2-methylnonan-2-yl)phenol), JWH-018 (naphthalene-1-yl-(1-pentylindol-3-yl)methanone), JWH-073 (napththalen-1-yl-(1-butylindol-3-yl)methanone), JWH-200 ((1-(2-morpholin-4-ylethyl)indol-2-yl)-naphthalen-1-ylmethanone), HU-210 ((6aR,1OaR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,1Oa-tetrahydrobenzo [c]chromen-1-ol), CP 47, 497 (2-[(1R,3S)-3- hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol) CP 47,497 (2-[1R,3S)-3- hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol) or AM-2201 (1-[(5-fluoropentyl)-1H-indol-3-yl]-(nap-thalen-1-yl)methanone);

   ii. Any derivative of the above listed intoxicating chemical compounds;

   iii. Any synthetic substance and its isomers with a chemical structure similar to the above listed intoxicating chemical compounds;

   iv. Any chemical alteration of the above listed intoxicating chemical compounds; or

   v. Any other substantially similar chemical structure or compound.

2. Products that elicit psychoactive or psychotropic euphoric effects and are marketed under any of the following names: K2, K3, Spice, Genie, Smoke,

Potpourri, Buzz, Spice 99, Voodoo, Pulse, Hush, Mystery, Earthquake, Stinger, Ocean Blue, Serenity, Fake Weed, No More Mr. Nice Guy and Black Mamba. This list of names is not all inclusive and is intended only as a guide which is contemporaneous with passage of this chapter. It is in no way intended to limit enforcement of these provisions to the trade names listed herein.

3. The term psychoactive herbal incense shall not include any product, substance, material, compound, mixture, or preparation that is specifically excepted by the UCSA (California Health and Safety Code Section 11000 et seq.), listed in one (1) of the UCSA's schedules of controlled substances (California Health and Safety Code Sections 11053—11058), regulated by one (1) of the UCSA's synthetic drug laws (California Health and Safety Code Sections 11357.5, 11375.5, 11401), regulated by the CSA (21 USCA Section 801 et seq.) or approved by the FDA.

H. Psychoactive or Psychotropic Euphoric Effects. Affecting the central nervous system or brain function to change perception, mood, consciousness, cognition or behavior in ways that are similar to the effects of cannabis.

I. Psychoactive or Psychotropic Stimulant Effects. Affecting the central nervous system or brain function to change perception, mood, consciousness, cognition or behavior in ways that are similar to the effects of cocaine, methylphenidate or amphetamines.

J. Sell, Selling or Sale. To furnish, exchange, transfer, deliver or supply for monetary gain.

K. Synthetic Drug. Includes "psychoactive bath salts" and "psychoactive herbal incense", as those terms are defined herein.

5-7.103 - Legislative history and findings.

A. On October 9, 2011, Health and Safety Code Section 11375.5 was enacted criminalizing the sale, distribution and possession for sale or distribution of psychoactive synthetic stimulants commonly sold as "bath salts." On January 1, 2012, Health and Safety Code Section 11357.5 became effective, criminalizing the sale, distribution and possession for sale or distribution of "synthetic cannabinoids" commonly marketed as "herbal incense" or "spice." These laws are aimed at combating the growing popularity and dangerous health risks of these "designer drugs." As of the time of enactment of this chapter, pending legislation seeks to also criminalize the personal use or possession of these synthetic drugs.

B. Psychoactive Bath Salts. "Bath salts" products contain synthetic stimulants in a class of drugs known as synthetic cathinones, including MDPV, Mephedrone and Methylone. These cathinone derivatives have effects similar to cocaine, amphetamine or MDMA (Ecstasy), and may have a high risk for overdose. Doctors at poison centers and emergency rooms have reported the drug can cause paranoia and violent behavior, hallucinations, delusions, suicidal thoughts, seizures, panic

attacks, increased blood pressure and heart rate, chest pain, nausea and vomiting. According to the American Association of Poison Control Centers, in 2015, through June 30, poison centers received reports of two hundred sixty-seven (267) exposures to bath salts. While this number is decreasing from reported exposures in 2011 of six thousand thirty-eight (6,138), in 2012 of two thousand six hundred ninety-one (2,691) and in 2013 of nine hundred ninety-five (995), the numbers have remained steady since 2014 which had 582 reported exposures. The drug seems to be most popular with people who are between the ages of twenty (20) and twenty-nine (29). However, poison centers have seen bath salts exposures in a wide range of ages, from younger than six (6) to older than fifty-nine (59). The drugs come in powder and crystal forms like traditional bath salts; however, they are not the bath salts used in a bath. Users typically snort, inject or smoke them.

C. Psychoactive Herbal Incense (aka "Spice" or "Synthetic Marijuana"). "Herbal incense" products are most commonly a combustible leafy plant material that has been sprayed with research chemicals called synthetic cannabinoids. While synthetic cannabinoids and natural marijuana act on the body's natural cannabinoid receptors, synthetic cannabinoids are not marijuana. Research and anecdotal reports show that synthetic cannabinoids produce dangerous symptoms not normally associated with marijuana. Making matters worse, synthetic cannabinoids may be combined with other toxic substances. Emergency room physicians report that users of these products experience serious side effects, including severe agitation and anxiety; disorientation, fast, racing heartbeat and higher blood pressure; nausea and vomiting; convulsions, muscle spasms, seizures, and tremors; intense hallucinations and psychotic episodes; suicidal and other harmful thoughts and/or actions. According to the American Association of Poison Control Centers, in 2015 (through July 6), poison centers received reports of four thousand three hundred seventy-seven (4,377) exposures to synthetic marijuana. While it appeared reports of exposures were beginning to decline in 2012, the number of exposures has risen since 2014. In 2010, there were two thousand nine hundred six (2,906) reported exposures; in 2011, there were six thousand nine hundred fifty-nine (6,959) reported exposures; in 2012, there were five thousand two hundred thirty (5,230) reported exposures; in 2013, there were two thousand six hundred sixty-eight (2,668) reported exposures; and, in 2014, there were three thousand six hundred eighty-two (3,682) reported exposures. These products typically appear as packaged dried plant product or leaves, and are sold at gas stations, liquor stores, convenient stores, smoke shops, or on the Internet. While they sometimes have warning labels against human consumption, they are intended specifically for that use.

5-7.104 - Provision, display for sale, sell, distribution, or possession with intent to sell, of synthetic drugs—Prohibited.

A. It is unlawful for any person to provide, display for sale, sell or distribute, or possess with the intent to sell, any synthetic drug within the City of California City.

B. Including a disclaimer in any form or in any location that a synthetic drug is "not safe

for human consumption," or any similar disclaimer, will not avoid the application of this section.

5-7.105 - Provision, display for sale, sell or distribution, or possession with intent to sell, of substances claimed or represented to be synthetic drugs—Prohibited.

A. It is unlawful for any person to claim or represent that a product that person is providing, displaying for sale, selling or distributing, or possessing with the intent of selling, is a synthetic drug within the unincorporated areas of the City of California City.

B. To determine if a person is claiming or representing that a product is a synthetic drug, an enforcing official or officer may consider any of the following evidentiary factors:
    1. The product is not suitable for its marketed use (such as a crystalline or powder product being marketed as "glass cleaner");
    2. The business providing, displaying for sale, distributing or selling the product does not typically provide, distribute or sell products that are used for that product's marketed use (such as a liquor store selling "plant food");
    3. The product contains a warning label that is not typically present on products that are used for that product's marketed use (such as "not for human consumption," "not for purchase by minors," or "does not contain chemicals banned by Health and Safety Code Section 11357.5");
    4. The product is significantly more expensive than products that are used for that product's marketed use (such as half of a gram of a substance marketed as "glass cleaner" costing fifty dollars ($50.00));
    5. The product resembles an illicit street drug (such as cocaine, methamphetamine or marijuana); or
    6. The product's name or packaging uses images or slang referencing an illicit street drug (such as "Eight Ballz" or "Green Buddha").
C. Including a disclaimer in any form or in any location that a synthetic drug is "not safe for human consumption," or any similar disclaimer, will not avoid the application of this section.

5-7.106 - Possession or use of synthetic drugs—Prohibited.

It is unlawful for any person to possess or use any synthetic drug within the City of California City.

5-7.106 - Declaration of public nuisance.

A. It is a public nuisance for any person to provide, display for sale, sell, distribute, or possess with the intent to sell, any synthetic drug within the City of California City.
B. It is a public nuisance for any person to allow the provision, display for sale, sell, distribution, or possession with the intent to sell, of any synthetic drug on property owned, controlled or managed by such person within the City of California City.
C. It is a public nuisance for any person to provide, display for sale, sell, distribute, or

possess with the intent to sell, any substance claimed or represented to be a synthetic drug within the City of California City.

D. It is a public nuisance for any person to allow the provision, display for sale, sell, distribution, or possession with the intent to sell, of any substance claimed or represented to be a synthetic drug on property owned, controlled or managed by such person within the City of California City.

E. To determine if a person is claiming or representing that a substance or product is a synthetic drug, an enforcing officer may consider any of the evidentiary factors set forth in Section 5-7.105.

F. Possession that is not described in subsections (A) through (D) of this section is declared to be a public nuisance when such possession injuriously affects any person or persons, other than the person in possession, in such other person's or persons' health, safety, welfare, or comfortable enjoyment of life or property.

5-7.107 - Abatement authority and procedures; summary abatement; other remedies.

A. If a public nuisance exists pursuant to this chapter, any of the persons identified in Section 5-7.111 may proceed under Chapter 3, Public Nuisances, Sections 1-3.01 et seq.

B. Because the use of synthetic drugs has been documented to cause hallucinations, agitation, psychosis, aggression, suicidal and homicidal thoughts, and death, any violation of this chapter may present an immediate threat and grave and imminent danger not only to the person consuming the synthetic drug, but also to the public at large. If any of the persons identified in Section 5-7.111, based on the facts then known, determines that a violation of this chapter presents an immediate threat, imminent danger or hazard, or is imminently injurious to the public health or safety, then that violation is punishable by the summary abatement procedures set forth in this Section 5-7.107 or other law.

C. Nothing in this chapter shall be construed to prevent the City of California City from pursuing any and all other legal remedies that may be available, including, but not limited to, civil actions filed by City Attorney seeking any and all appropriate relief such as civil injunctions, penalties and forfeiture.

5-7.108 - Modification, suspension, or revocation of permit, license, or other grant of authority.

A. If a person violates any provision of this chapter, such violation shall be grounds for, in addition to any other enforcement action or remedy authorized by this code or other law, modification, suspension, or revocation of any permit, license, or other grant of authority by the City issued to the person, or issued to any business, firm, company, corporation, public corporation, club, trust, partnership, association, and/or similar organization owned, controlled, or managed by such person (hereafter "entity"), in accordance with the procedure of this code or other law applicable to the respective permit, license, or other grant of authority.

B. Upon determination that a violation of this chapter exists, the director of public health services will impose the following sanction.

    1. For the first violation, any and all licenses or permits issued by the Kern County Public Health Services Department and/or the City of California City

for the entity found to be in violation will be suspended for thirty (30) days.

2. For the second violation, any and all licenses or permits issued by the Kern County Public Health Services Department and/or the City of California City for the entity found to be in violation will be revoked.

5-7.109 - Seizure of evidence.

Any product or substance provided, distributed, sold or possessed for the purpose of providing, distributing or selling the product or substance, in violation of any provision of this chapter, may be seized by any City official or officer who issues a criminal citation under this chapter and removed and stored as evidence in accordance with the law.

5-7.110 - Enforcement, remedies, and penalties.

A. In addition to any enforcement action and remedy authorized by this chapter, a violation of any provision of this chapter may be subject to the enforcement and remedy provisions of Title 1, Chapter 1.12, General Penalty, Sections 1.12.010 through 1.12.030 and any other applicable enforcement and remedy provisions provided under the law.
B. Any person identified in Section 9.44.120 may, based on the facts then known, determine that, in the interest of justice, a violation of this chapter constitutes an infraction.

5-7.111- Authority to administer and enforce.

This chapter may be administered and enforced by the director of public health or his/her designee(s), or any other city official or officer so designated.

5-7.112- Exclusions.

A. This chapter shall not apply to drugs or substances lawfully prescribed or to intoxicating chemical compounds that have been approved by the FDA or which are specifically permitted by California law, including, without limitation, intoxicating chemical compounds that are specifically excepted by the UCSA (California Health and Safety Code Section 11000 et seq.).
B. This chapter shall not apply to drugs or substances that are prohibited by state or federal law, including, without limitation, California Health and Safety Code Sections 11357.5, 11375.5, and 11401 and the CSA.
C. This chapter shall not be deemed to prescribe any act that is positively permitted, prohibited or preempted by any state or federal law or regulation.

5-7.113- Severability.

If any subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted by state or federal legislation, such decision or legislation shall not affect the validity of the

remaining portions of this chapter. The board of supervisors declares that it would have passed this chapter and each and every subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

SECTION 2: If any section, subsection, sentence, clause or phrase or word of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted by state legislation, such decision or legislation shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of California City hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause or phrase or word not declared unconstitutional without regard to any such decision or preemptive legislation.

SECTION 3: Any provision of the California City Municipal Code or appendices thereto inconsistent with the provisions of the Ordinance, to the extent of such inconsistencies and no further, are repealed or modified to that extent necessary to affect the provisions of this Ordinance.

SECTION 4: The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect 30 days after its final passage.

Approved for introduction at a regular meeting on the 13th day of June, 2017, by the following vote:

AYES: McGuire, Parris, Stump, Gomez
NOES: None
ABSENT: Wood

PASSED, APPROVED, AND ADOPTED this 27th day of June, 2017, by the following vote:

AYES:
NOES:
ABSENT:

_____
Jennifer Wood, Mayor

ATTEST:

_____

Denise Hilliker, City Clerk
STATE OF CALIFORNIA)

APPROVED AS TO FORM:

_____

Christian Bettenhausen, City Attorney

COUNTY OF KERN) ss.
CITY OF CALIFORNIA CITY)

I, DENISE HILLIKER, City Clerk of California City, do hereby certify that the foregoing ordinance was introduced on the 13th day of June 2017, was regularly adopted at a meeting thereof on the 27th day of June, 2017 and was published/posted pursuant to law.

_____
Denise Hilliker, City Clerk

RESOLUTION NO. 16-17-2701

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY DECLARING THE RESULTS OF THE SPECIAL ELECTION HELD ON JUNE 6, 2017

THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY RESOLVES as follows:

1. Purpose

A special election was conducted by the City on June 6, 2017, in time, form and manner required by the Elections Code. Pursuant to resolution, the County Clerk canvassed the returns of the election and certified the results. The results are received, attached and made a part hereof as Exhibit "A"

2. Votes Cast

The total (ballots) cast in the City, including absent voter ballots, were 1,580.

3. Ballot Measure Results.

(a) At the June 6, 2017 election, two ballot measures were considered by the voters.

(b) Measure A, relating to the Cannabis Business Tax, which was placed on the ballot by Resolution No.02-17-2681 and requires a majority vote for passage, has been adopted.

(c) Measure B, relating to the Special Parcel Tax, which was placed on the ballot by Resolution No. 03-17-2682 and required a two-thirds vote for passage, has failed.

(d) The total votes, for and against each measure are listed on Exhibit "A" attached.

(e) The City Council determines and declares that the results of the election are as set forth in this section.

CC3.

4. Certification

The City Clerk shall enter on the City's records a statement of the results of the election. The Mayor and City Clerk are directed to certify to the adoption by the People of the City of California City of the ordinance proposed by Measure A. A copy of that ordinance is attached hereto and made a part hereof as Exhibit "B."

PASSED, APPROVED AND ADOPTED on June 27, 2017, by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jennifer Wood, Mayor

ATTEST:

_____
Denise Hilliker, City Clerk

(SEAL)

Exhibit "A"

CERTIFICATE OF COUNTY CLERK AS TO RESULT OF THE CANVASS

OF THE SPECIAL ELECTION

HELD JUNE 6, 2017

STATE OF CALIFORNIA }
COUNTY OF KERN } ss

I, MARY B. BEDARD, Auditor-Controller-County Clerk, County of Kern, State of California, HEREBY CERTIFY that I have canvassed the returns of the votes cast at the SPECIAL ELECTION held on June 6, 2017 and that the whole number of votes cast for and against each candidate and the whole number of votes cast for and against each measure, as posted and on file, are full, true and correct.

IN WITNESS HEREOF I do hereby set my hand and the Official Seal of the County of Kern this 15th day of June 2017.

MARY B. BEDARD
Auditor-Controller-County Clerk
County of Kern
State of California

Elections Summary Report
Special Election
Kern County
Summary for: All Contests, All Districts, All Counting Groups
Official Final Results

Precincts Reported: 54 of 54 (100.00%)

Registered Voters: 10,822 of 42,388 (25.53%)

Ballots Cast: 10,822

CITY OF BAKERSFIELD WARD 5 (Vote for 1)

Precincts Reported: 34 of 34 (100.00%)

	Total	
Times Cast	5,909 / 28,649	20.63%

Candidate	Party	Total	
BRUCE FREEMAN		3,649	62.05%
RYAN NANCE		1,923	32.70%
NOEL PINEO		309	5.25%
Total Votes		5,881	

CITY OF CALIFORNIA CITY TAX MEASURE "A" MAJORITY (Vote for 1)

Precincts Reported: 6 of 6 (100.00%)

	Total	
Times Cast	1,580 / 5,564	28.40%

Candidate	Party	Total	
Yes		1,183	75.06%
No		393	24.94%
Total Votes		1,576	

CITY OF CALIFORNIA CITY PARCEL TAX MEASURE "B" 2/3RDS (Vote for 1)

Precincts Reported: 6 of 6 (100.00%)

	Total	
Times Cast	1,580 / 5,564	28.40%

Candidate	Party	Total	
No		848	53.84%
Yes		727	46.16%
Total Votes		1,575	

KERN VALLEY HEALTHCARE DISTRICT PARCEL TAX MEASURE "C" 2/3RDS (Vote for 1)

Precincts Reported: 14 of 14 (100.00%)

	Total	
Times Cast	3,333 / 8,175	40.77%

Candidate	Party	Total	
Yes		1,719	51.67%
No		1,608	48.33%
Total Votes		3,327	

Exhibit "B"

ORDINANCE NO. 17-748

AN ORDINANCE OF THE CITY OF CALIFORNIA CITY, CALIFORNIA ADDING ARTICLE 8 (CANNABIS BUSINESS TAX) TO CHAPTER 2 OF TITLE 3 OF THE CALIFORNIA CITY MUNICIPAL CODE

THE PEOPLE OF THE CITY OF CALIFORNIA CITY DO ORDAIN AS FOLLOWS:

SECTION 1. CODE AMENDMENT. Article 8 is added to Chapter 2 of Title 3 of the California City Municipal Code to read as follows:

Article 8
CANNABIS BUSINESS TAX

Sections:

3-2.8.010 Title.
3-2.8.020 Authority and Purpose.
3-2.8.030 Intent.
3-2.8.040 Definitions.
3-2.8.050 Tax imposed.
3-2.8.060 Reporting and remittance of tax.
3-2.8.070 Payments and communications –timely remittance.
3-2.8.080 Payment – when taxes deemed delinquent.
3-2.8.090 Notice not required by City.
3-2.8.100 Penalties and interest.
3-2.8.110 Refunds and credits.
3-2.8.120 Refunds and procedures.
3-2.8.130 Personal cultivation not taxed.
3-2.8.140 Administration of the tax.
3-2.8.150 Appeal procedure.
3-2.8.160 Enforcement –action to collect.
3-2.8.170 Apportionment.
3-2.8.180 Constitutionality and legality.
3-2.8.190 Audit and examination of premises and records.
3-2.8.200 Other licenses, permits, taxes or charges.
3-2.8.210 Payment of tax does not authorize unlawful business.
3-2.8.220 Deficiency determinations.
3-2.8.230 Failure to report – nonpayment, fraud.
3-2.8.240 Tax assessment –notice requirements.
3-2.8.250 Tax assessment – hearing, application, and determination.
3-2.8.260 Conviction for violation – taxes not waived.

3-2.8.270 Violation deemed misdemeanor.
3-2.8.280 Severability.
3-2.8.290 Remedies cumulative.
3-2.8.300 Amendment or repeal.

3-2.8.010 Title.

This ordinance shall be known as the Cannabis Business Tax Ordinance.

3-2.8.020 Authority and Purpose.

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to Sections 37101 and 37100.5 of the California Government Code, upon Cannabis Businesses that engage in business in the City. The Cannabis Business Tax is levied based upon business gross receipts and square footage of plant canopy. It is not a sales and use tax, a tax upon income, or a tax upon real property.

The Cannabis Business Tax is a general tax enacted solely for general governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this Article shall be placed in the City's general fund and be available for any legal municipal purpose.

3-2.8.030 Intent.

The intent of this Ordinance is to levy a tax on all Cannabis Businesses that operate in the City, regardless of whether such business would have been legal at the time this Ordinance was adopted. Nothing in this Ordinance shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

3-2.8.040 Definitions.

The following words and phrases shall have the meanings set forth below when used in this Article:

A. "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

B. "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code and is not

limited to medical cannabis.

C. "Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Cannabis product" also means marijuana products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medical cannabis products.

D. "Canopy" means all areas occupied by any portion of a cannabis plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

E. "Cannabis business" means any business activity involving cannabis, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, of cannabis products or of ancillary products and accessories, whether or not carried on for gain or profit.

F. "Cannabis business tax" or "business tax," means the tax due pursuant to this Article for engaging in cannabis business in the City.

G. "Commercial cannabis cultivation" means cultivation in the course of conducting a cannabis business.

H. "City permit" means a permit issued by the City to a person to authorize that person to operate or engage in a cannabis business.

I. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis and includes, but is not limited to, the operation of a nursery.

J. "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

K. "Engaged in business as a cannabis business" means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person's employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;

2. Such person or person's employee owns or leases real property within the City for business purposes;

3. Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;

4. Such person or person's employee regularly conducts solicitation of business within the City; or

5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

L. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

M. "Fiscal year" means July 1 through June 30 of the following calendar year.

N. "Greenhouse" means a fully enclosed permanent structure that is primarily clad in transparent material that allows substantial use of natural light (in lieu of or in addition to artificial light) to promote cannabis growth.

O. "Gross Receipts," except as otherwise specifically provided, means, whether designated a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits and property of any kind or nature) received or payable for sales of goods, wares or merchandise or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. However, the following shall be excluded from Gross Receipts:

1. Cash discounts where allowed and taken on sales;

2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

4. Receipts derived from the occasional sale of used, obsolete or surplus

trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

5. Cash value of sales, trades or transactions between departments or units of the same business;

6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;

8. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the finance department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

P. "Nursery" means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

Q. "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

R. "Sale" means and includes any sale, exchange, or barter.

S. "State" means the State of California.

T. "State license," "license," or "registration" means a state license issued pursuant to California Business & Professions Code Sections 19300, *et seq*. or other applicable state law.

U. "Tax Administrator" means the Finance Director of the City of California City or his or her designee.

V. "Testing Laboratory" means a cannabis business that (i) offers or performs tests of medical cannabis or medical cannabis products, (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the medical cannabis industry in the state and (v) is registered with the State Department of Public Health.

3-2.8.050 Tax imposed.

A. Beginning July 1, 2018, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax.

B. The initial rate of the cannabis business tax shall be as follows:

1. For every person who is engaged in commercial cannabis cultivation in the City:

   a. Seven dollars ($7.00) annually per square foot of canopy space in an indoor cultivation facility other than a greenhouse.

   b. Five dollars ($5.00) annually per square foot of canopy space in a greenhouse.

   c. Three dollars ($3.00) annually per square foot of canopy space in an outdoor cultivation facility.

   d. One dollar ($1.00) annually per square foot of canopy space for any nursery.

2. For every person who engages in the operation of a testing laboratory: two percent (2%) of gross receipts.

3. For every person who engages in a cannabis business in the City other than commercial cannabis cultivation or the operation of a testing laboratory: six percent (6%) of gross receipts.

C. The City Council may, by resolution or ordinance, adjust the rate of the cannabis business tax. However, in no event may the City Council set any adjusted rate that exceeds the maximum rate calculated pursuant to Subdivision (D) of this Section for the date on which the adjusted rate will commence.

D. The maximum rate shall be calculated as follows:

1. For every person who is engaged in commercial cannabis cultivation in the City:

   a. Through June 30, 2021, the maximum rate shall be:

      i. Seven dollars ($7.00) annually per square foot of canopy space in an indoor cultivation facility other than a greenhouse.

      ii. Five dollars ($5.00) annually per square foot of canopy space in a

greenhouse.

iii. Three dollars ($3.00) annually per square foot of canopy space in an outdoor cultivation facility.

iv. One dollar ($1.00) annually per square foot of canopy space for any nursery.

b. On July 1, 2021 and on each July 1 thereafter, the maximum annual tax rate per square foot of each type of canopy space shall increase by the percentage change between January of the calendar year prior to such increase and January of the calendar year of the increase in the Consumer Price Index ("CPI") for all urban consumers in the Los-Angeles-Riverside-Orange County areas as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.

2. For every person who engages in a cannabis business in the City other than commercial cannabis cultivation the maximum rate shall be the rate set forth in subdivision (B) of this section.

3-2.8.060 Reporting and remittance of tax.

A. The cannabis business tax imposed by this Article shall be paid, in arrears, on a quarterly basis. For commercial cannabis cultivation, the tax due for each calendar quarter shall be based on the square footage of the business's canopy space during the quarter and the rate shall be 25% of the applicable annual rate. For all other cannabis businesses activities, the tax due for each calendar quarter shall be based on the gross receipts for the quarter.

B. Each person owing cannabis business tax for a calendar quarter shall, no later than the last day of the month following the close of the calendar quarter, file with the tax administrator a statement of the tax owed for that calendar quarter and the basis for calculating that tax. The tax administrator may require that the statement be submitted on a form prescribed by the tax administrator. The tax for each calendar quarter shall be due and payable on that same date as the statement for the calendar quarter is due.

C. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar quarters up to the calendar quarter during which cessation occurred.

D. The tax administrator may, at his or her discretion, establish shorter report and payment periods for any taxpayer as the tax administrator deems necessary to ensure collection of the tax. The tax administrator may also require that a deposit,

to be applied against the taxes for a calendar quarter, be made by a taxpayer at the beginning that calendar quarter. In no event shall the deposit required by the tax administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar quarter. The tax administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

E. For purposes of this section, the square feet of canopy space for a business shall be rebuttably presumed to be no less than the maximum square footage of canopy allowed by the business's City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage shall be the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. In no case shall canopy square footage which is authorized by the permit or license but not utilized for cultivation be excluded from taxation unless the Tax Administrator is informed in writing, prior to the period for which the space will not be used, that such space will not be used.

3-2.8.070 Payments and communications – timely remittance.

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday, the due date shall be the next regular business day on which the City is open to the public.

3-2.8.080 Payment - when taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this Article, the taxes required to be paid pursuant to this Article shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 3-2.8.060 and 3-2.8.070.

3-2.8.090 Notice not required by the City.

The City may as a courtesy send a tax notice to the business. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Article. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this Article.

3-2.8.100 Penalties and interest.

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this Article on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1.0%) per month.

2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1.0%) per month on the unpaid tax and on the unpaid penalties.

3. Interest shall be applied at the rate of one percent (1.0%) per month on the first day of the month for the full month, and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this Section, and any other amount allowed under state law.

3-2.8.110 Refunds and credits.

A. No refund shall be made of any tax collected pursuant to this Article, except as provided in Section 3-2.8.120.

B. No refund of any tax collected pursuant to this Article shall be made because of the discontinuation, dissolution, or other termination of a business.

3-2.8.120 Refunds and procedures.

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this Article, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Tax Administrator within one (1) year of the date the tax was originally due and payable.

B. The Tax Administrator, his or her designee or any other City officer charged with the administration of this Article shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.

C. In the event that the cannabis business tax was erroneously paid and the error is attributable to the City, the City shall refund the amount of tax erroneously paid up to one (1) year from when the error was identified.

3-2.8.130 Personal Cultivation Not Taxed.

The provisions of this Article shall not apply to personal cannabis cultivation as defined in the "California Control, Regulate and Tax Adult Use of Marijuana Initiative". This Article shall not apply to personal use of cannabis that is specifically exempted from state licensing

requirements, that meets the definition of personal use or equivalent terminology under state law, and for which the individual receives no compensation whatsoever related to that personal use.

3-2.8.140 Administration of the tax.

A. It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this Article.

B. For purposes of administration and enforcement of this Article generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this Article as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;

2. Provide information to any taxpayer concerning the provisions of this Article;

3. Receive and record all taxes remitted to the City as provided in this Article;

4. Maintain records of taxpayer reports and taxes collected pursuant to this Article;

5. Assess penalties and interest to taxpayers pursuant to this Article;

6. Determine amounts owed and enforce collection pursuant to this Article.

3-2.8.150 Appeal procedure.

Any taxpayer aggrieved by any decision of the Tax Administrator with respect to the amount of tax, interest, penalties and fees, if any, due under this Article may appeal to the City Council by filing a notice of appeal with the City Clerk within thirty (30) days of the serving or mailing of the determination of tax due. The City Clerk shall fix a time and place for hearing such appeal, and the City Clerk shall give notice in writing to such operator at the last known place of address. The finding of the City Council shall be final and conclusive and shall be served upon the appellant in the manner prescribed by this Article for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of the notice.

3-2.8.160 Enforcement - action to collect.

Any taxes, penalties and/or fees required to be paid under the provisions of this Article shall be deemed a debt owed to the City. Any person owing money to the City under the provisions of this Article shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this Section shall not be deemed a limitation upon the

right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, penalties and/or fees imposed by this Article or the failure to comply with any of the provisions of this Article.

3-2.8.170 Apportionment.

If a business subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

3-2.8.180 Constitutionality and legality.

This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this Article shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the tax administrator release him or her from the obligation to pay the impermissible portion of the tax.

3-2.8.190 Audit and examination of premises and records.

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator shall have the power to inspect any location where commercial cannabis cultivation occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, state and federal income tax returns, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the tax administrator shall have the power to inspect any equipment, such as computers or point of sale machines, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this Article to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee shall have the right to inspect at all reasonable times.

3-2.8.200 Other licenses, permits, taxes, fees or charges.

A. Nothing contained in this Article shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any permit or license required by,

under or by virtue of any provision of any other article of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other article of this code or any other ordinance or resolution of the City. Any references made or contained in any other article of this code to any licenses, license taxes, fees, or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other article of this code.

B. Notwithstanding subdivision (A) of this Section a cannabis business shall not be required to pay the license fee required by Division 2 of Article 3 of Chapter 2 of Title 3 of this Code so long as all of business's activities within the City that would require payment of a license fee are activities subject to the cannabis business tax.

C. The tax administrator may revoke or refuse to renew the license required by Section 3-3.2.201 of this Code for any business that is delinquent in the payment of any tax due pursuant to this Article or that fails to make a deposit required by the tax administrator pursuant to Section 3-2.8.060.

3-2.8.210 Payment of tax does not authorize unlawful business.

A. The payment of a cannabis business tax required by this Article, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this Code and all other applicable state laws.

B. No tax paid under the provisions of this Article shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

3-2.8.220 Deficiency determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this Article is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 3-2.8.240.

3-2.8.230 Failure to report—nonpayment, fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this Article at any time:

1. If the person has not filed a complete statement required under the provisions of this Article;

2. If the person has not paid the tax due under the provisions of this Article;

3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this Article; or

4. If the Tax Administrator determines that the nonpayment of any business tax due under this Article is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this Article and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this Article, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

3-2.8.240 Tax assessment - notice requirements.

The notice of assessment shall be served upon the person either by personal delivery, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this Article; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purposes of this Section, a service by mail is complete at the time of deposit in the United States mail.

3-2.8.250 Tax assessment - hearing, application and determination.

Within thirty (30) days after the date of service the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her no later than thirty (30) days after the receipt of the application, unless a later date is agreed to by

the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person requesting such hearing not later than five (5) days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 3-2.8.240 for giving notice of assessment.

3-2.8.260 Conviction for violation - taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this Article or of any state law requiring the payment of all taxes.

3-2.8.270 Violation deemed misdemeanor.

Any person violating any of the provisions of this Article shall be guilty of a misdemeanor.

3-2.8.280 Severability.

If any provision of this Article, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Article or the application of this Article to any other person or circumstance and, to that end, the provisions hereof are severable.

3-2.8.290 Remedies cumulative.

All remedies and penalties prescribed by this Article or which are available under Title 1 of the City Code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Article.

3-2.8.300 Amendment or repeal.

This Article may be repealed or amended by the City Council without a vote of the people to the extent allowed by law. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this Article. The people of the City of California City affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration of the rate of the tax to a rate that is no higher than that set by this Article, if the City Council has acted to reduce the rate of the tax;

B. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Article; or

C. The collection of the tax imposed by this Article, even if the City had, for some period of time, failed to collect the tax.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

This Ordinance was approved and adopted by the People of the City of California City at the City's June 6, 2017 special municipal election.

_____
Jennifer Wood, Mayor

ATTEST:

_____
Denise Hilliker, City Clerk

CITY COUNCIL

June 27th, 2017

TO: **Mayor and City Council**

FROM: **City Manager, Tom Weil**

SUBJECT: **Kern County Community Development Block Grant Agreement (2018 – 2020)**

BACKGROUND:
The U.S. Department of Housing and Urban Development has identified California City as authorized participant to be included in the County of Kern's Community Development Block Grant program entitlement pursuant to Title I of the Housing and Community Development Act of 1974, as amended.

The Agreement as presented allows California City's population to be included with the County of Kern's in determining a basic annual Community Development Block Grant, HOME Investment Partnerships program, and Emergency Solutions Grants program grant amounts

It is the intention of California City to enter into the Agreement with the County of Kern to cooperate in undertaking, or assist in undertaking, essential community renewal and lower income housing assistance activities in the incorporated area of this City.

RECOMMENDATION: The City Council adopt the resolution as presented and authorize the City Manager to sign the Cooperation Agreement for Community Development

ATTACHMENTS: CDBG Resolution and Cooperation Agreement

FISCAL IMPACT: N/A

ENVIRONMENTAL ACTION: N/A

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

CC4.

RESOLUTION NO. 06-17-2702

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY TO COOPERATE WITH THE COUNTY OF KERN

WHEREAS, the U.S. Department of Housing and Urban Development has identified this City as authorized to be included in the County of Kern's Community Development Block Grant program entitlement pursuant to Title I of the Housing and Community Development Act of 1974, as amended, (hereinafter the "Act"); and

WHEREAS, HUD has notified the County of Kern that it is a participant in the HOME Investment Partnerships program as defined in Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended; and

WHEREAS, HUD has notified the County of Kern that it is a participant in the Emergency Solutions Grants program; and

WHEREAS, the Act requires the execution of a Cooperation Agreement between this City and the County of Kern; and

WHEREAS, such Agreement allows this City's population to be included with the County of Kern's in determining a basic annual Community Development Block Grant, HOME Investment Partnerships program, and Emergency Solutions Grants program grant amounts; and

WHEREAS, it is the intention of this City to enter into such an Agreement with the County of Kern to cooperate in undertaking, or assist in undertaking, essential community renewal and lower income housing assistance activities in the incorporated area of this City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of California City:

1. Elects to participate in the Community Development Block Grant, HOME Investment Partnerships programs, and Emergency Solutions Grants programs for the three program years commencing with 2017-2018 and continuing through 2018-2020 in accordance with the regulations by the Act;

2. Directs the City Manager to sign the required Agreements; and

3. Authorizes the City Manager from this City to execute and/or perform all other appropriate acts necessary to accomplish the purpose of the Resolution.

PASSED, APPROVED AND ADOPTED THIS 27th DAY OF June, 2017 by the following vote:

AYES:
NAYS:
ABSTAIN:
ABSENT:

_____
Mayor, Jennifer Wood

ATTEST:

_____
City Clerk, Denise Hilliker

STATE OF CALIFORNIA)
)
COUNTY OF KERN)

I, Denise Hilliker, City Clerk of the City of California City, California, hereby certify that the foregoing Resolution was made by the City Council of the City of California City at their special meeting of June 27, 2017 and was duly passed, approved and adopted by the following vote:

AYES:
NAYS:
ABSTAIN:
ABSENT:

_____
Denise Hilliker, City Clerk
(seal)

COOPERATION AGREEMENT FOR COMMUNITY DEVELOPMENT

This Agreement, made and entered into this 27th day of June, 2017 by and between the COUNTY OF KERN, a political subdivision of the State of California (hereinafter "COUNTY") and the CITY OF CALIFORNIA CITY, a municipal corporation located within Kern County (hereinafter "CITY"),

RECITALS:

WHEREAS, the United States Department of Housing and Urban Development (hereinafter "HUD") has notified the COUNTY that it is considered to have the required qualifications (determination of essential powers) to participate in the Community Development Block Grant Entitlement (hereinafter "CDBG") program as an urban county as that term is defined in Title I of the Housing and Community Development Act of 1974, as amended (hereinafter the "Act"); and

WHEREAS, HUD has notified the COUNTY that it is a participant in the HOME Investment Partnerships Program (HOME) as defined in Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended; and

WHEREAS, HUD has notified the COUNTY that it is a participant in the Emergency Solutions Grants (ESG) Program; and

WHEREAS, the CDBG qualification process requires that following HUD's determination that a county possesses the essential powers to participate in the CDBG program as an urban county, the units of general local government within the county be notified of their opportunity to participate in the county's CDBG, HOME, and ESG programs by entering into a cooperation agreement with the designated urban county; and

WHEREAS, such cooperation agreements provide that the unit of general local government and the county will cooperate in essential community development and housing assistance activities and that the area and population of the unit of general local government will be included with that of the county by HUD in determining funding levels; and

WHEREAS, the COUNTY has notified the CITY of the opportunity to participate in the COUNTY's CDBG, HOME, and ESG programs; and

WHEREAS, the CITY desires to participate in and be a part of the COUNTY's CDBG, HOME, and ESG programs;

AGREEMENT:

1. This Agreement shall remain in effect through the 2020 program year (a program year is the twelve month period commencing July 1 and continuing through and including the following June 30). Therefore the CITY shall participate in the COUNTY's CDBG, HOME, and ESG programs during federal fiscal years 2018, 2019, and 2020, and does therefore approve and acknowledge the COUNTY's authority to carry out activities that will be funded from annual CDBG, HOME, and ESG appropriations for the federal fiscal years for which the COUNTY is to qualify and from any program income generated from the expenditure of such funds, including such additional time as may be required for completion of funded activities and the expenditure of any such funds granted by the COUNTY to the CITY. The Cooperation Agreement must remain in effect until the CDBG (and HOME and ESG, where applicable) funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funding activities completed.

2. While it remains in effect, neither the COUNTY nor the CITY shall terminate or withdraw from this Agreement (other than as provided by rules and regulations of the Act adopted by the Federal government subsequent to this Agreement).

3. The COUNTY and the CITY shall cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities.

4. The COUNTY shall have final responsibility for selecting CDBG, HOME, and ESG activities, for the filing of the Consolidated Plan with HUD, and implementing the Consolidated Plan as approved by HUD.

5. The CITY shall undertake, without reservation or intent to obstruct, all actions determined by the COUNTY or HUD to be necessary to carry out the CDBG, HOME, and ESG programs and the approved Consolidated Plan and to comply with all CDBG, HOME, and ESG program requirements and applicable Federal and State laws and regulations during the three program years for which the COUNTY qualifies as an urban county and for such additional time as may be required for completion of funded activities and the expenditure of funds granted by the COUNTY for such period.

6. The COUNTY and CITY hereby assume the obligation to take all required actions necessary to assure compliance with the COUNTY's certification required by section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and affirmatively furthering fair housing, section 109 of Title I of the Housing and Community Development Act of 1974, which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, and any and all other applicable laws, regulations and orders. By this assumption, the COUNTY and CITY recognize and accept the provisions of the Act prohibiting urban county funding for activities in, or in support of, any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the COUNTY's actions to comply with its fair housing certification.

7. Pursuant to the requirements of the Act and implementing regulations found at 24 CFR 570.501(b), the CITY hereby agrees to be subject to the same requirements applicable to subrecipients, including the requirement of a written agreement as precedent to implementation of individual CDBG funded activities, as set forth at 24 CFR 570.503.

8. The CITY shall maintain appropriate record of and return to the COUNTY on receipt by the CITY, any income generated by the expenditure of CDBG, HOME, and ESG funds received by the CITY. In the event of the CITY's community development program close-out or change in the CITY's status, any such program income that is on hand or received by the CITY subsequent to such close-out or change in status shall immediately be paid to the COUNTY.

9. The CITY has adopted and is enforcing:

   a. a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

   b. a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

10. The CITY shall comply with those provisions of the CDBG, HOME, and ESG program

which apply to real property acquired or improved in whole or in part using CDBG, HOME, and ESG funds and which is within the control of the CITY. Such provisions include CITY responsibility to:

a. make timely notification to the COUNTY of any modifications or change in the use of the real property from that planned and approved by the COUNTY at the time of acquisition or improvement, including its disposition;

b. reimburse the COUNTY in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-HUD funds) of property acquired or improved with CDBG, HOME, or ESG funds and that is sold or transferred for a use which does not qualify under CDBG, HOME, or ESG program regulations; and

c. immediately return to the COUNTY any program income generated from the disposition or transfer of property prior to or subsequent to close-out, change of status or termination of this Agreement of Cooperation.

11. The CITY understands and agrees that, as a part of the COUNTY's CDBG program:

a. it may not apply (except as otherwise provided by legislation adopted by the Federal government subsequent to this Agreement) for grants under the HUD-Administered or State-Administered Small Cities or State CDBG programs from appropriations from a fiscal year for which it is participating in the Entitlement CDBG Program with the COUNTY; and

b. it may receive a formula allocation under the HOME Investment Partnerships program or Emergency Solution Grants program only through the COUNTY, regardless of whether the COUNTY receives a HOME Investment Partnerships or Emergency Solutions Grant formula allocation.

12. CITY agrees that it may not sell, trade, or otherwise transfer all or any portion of its HUD funds to another such metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits, or non-Federal considerations, but must use such funds for activities eligible under title I of the Act.

13. This Agreement may only be modified by an instrument in writing executed by the COUNTY and the CITY and approved by HUD.

14. Any and all notices sent pursuant to, or in furtherance of the purposes of, this Agreement shall be deemed delivered if personally served upon the Clerk of the Board of Supervisors of the COUNTY or upon the Clerk of the City Council of the CITY, or if sent via the United States Postal Service, postage prepaid, directed to COUNTY, addressed as follows:

Clerk of the Board of Supervisors
County of Kern
1115 Truxtun Avenue, Fifth Floor
Bakersfield, California 93301
or directed to the CITY, addressed as follows:

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Recommended and Approved as to Content
PLANNING AND NATURAL RESOURCES DEPARTMENT

By_____
Lorelei H. Oviatt, AICP, Director

COUNTY OF KERN

By_____
Chairman, Board of Supervisors
"COUNTY"

Approved as to Form:
OFFICE OF COUNTY COUNSEL

By_____
Brian Van Wyk, Deputy

CITY OF CALIFORNIA CITY

By _____
William T. Weil, Jr.
City Manager

"CITY"

CITY COUNCIL

June 27, 2017

TO: **Mayor and City Council**

FROM: **City Manager, Tom Weil**

SUBJECT: Letter of Authorization for Used Oil Payment Program (OPP)

BACKGROUND:
The used oil that is collected at the Public Work's Garage is sent out to be recycled or disposed of properly. Our City staff works with Kern County to meet the State's CalRecycle requirements and regulations. Every year the City allows the County of Kern to act on behalf of California City as the Lead Agency in the Used Oil Payment Program. In order for the County to act on behalf of the City; the City Council must approve the City Manager to contractually bind the City.

RECOMMENDATION:
Staff is recommending City Council to approve and authorize the City Manager to submit the regional OPP Letter of Authorization to the County of Kern.

FISCAL IMPACT: N/A

ENVIRONMENTAL ACTION: N/A

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

CC5.

City of California City
21000 Hacienda Blvd
California City, CA 93505

June 16, 2017

Chuck Magee
Waste Management Supervisor
2700 "M" Street
Suite 450
Bakersfield, CA 93301-2370
Office (661) 862-8915
Fax (661) 862-8901

Re: Letter of Authorization

Mr. Magee,

I am the City Manager of the City of California City. I am authorized to contractually bind California City. Pursuant to this authority, I hereby authorize the County of Kern to submit a regional Used Oil Payment Program (OPP) application and act as Lead Agency on behalf of California City. The County of Kern is hereby authorized to execute all documents necessary to implement and secure payment under the OPP.

Thank you.

Tom Weil
City Manager
Office (760) 373-7170
Fax (760) 373-7532
Email address: citymgr@californiacity-ca.gov

CITY COUNCIL

June 27, 2017

TO: **Mayor and City Council**

FROM: **Joe Barragan, Deputy Building Official**

SUBJECT: Resolution to change the name of Walpole Drive to Walpole Avenue

BACKGROUND:
A couple of months ago, it was brought to the attention of City Staff that the street of Walpole has two names in our Tract Maps; Walpole Avenue (West of Neuralia) and Walpole Drive (East of Neuralia). However, Kern County Sheriff's Department, 911 Mapping, Kern Data, Google Maps, our Street Signs and others have the street of Walpole only as an Avenue throughout our City. After having a long lengthy discussion with Kern County Planning Department the Planning director suggested that we create a resolution to change the name of Walpole Drive to Walpole Avenue.

RECOMMENDATION:
Staff is recommending City Council adopt the Resolution to change the name of Walpole Drive to Walpole Avenue.

FISCAL IMPACT: N/A

ENVIRONMENTAL ACTION: N/A

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

CC6.

RESOLUTION NO. 06-17-2703

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AS IT RELATES TO THE CHANGING OF A STREET NAME

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY as follows:

1. Purpose.
This resolution changes the name of Walpole Drive street.

2. Street Designations.
Walpole Drive, within Tract 2305, 2447, 2629, is hereby renamed Walpole Avenue.

3. Other.
Except as provided above, street names within the City are hereby reaffirmed.

PASSED, APPROVED AND ADOPTED on June 27, 2017, by the following votes:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Mayor

ATTEST:

_____
Denise Hilliker, City Clerk

(SEAL)

CITY COUNCIL

June 27, 2017

TO: **Successor Agency**

FROM: **Tom Weil, Executive Director**

SUBJECT: **Second Amendment to Purchase and Sale Agreement/Updated Grant Deed**

BACKGROUND: The Successor Agency and the Oversight Board for California City has previously approved the sale of 13.07 acres referred to as Assessor Parcel Nos. 30251010, 30251009, 30251008, 30251007, 30251006, 30251005 to Meister & Meister Inc. a California Corporation. The proposed amendment to the contract is as follows:

Paragraph 12 of the Agreement, entitled "CLOSING AND ESCROW INSTRUCTIONS" shall be amended to read as follows:

A. Closing. The consummation of the purchase and sale of the Property (the "Closing" or "Close of Escrow") shall take place on the Closing Date, through the escrow established with Escrow Holder ("Escrow"), as evidence by recordation of the Grant Deed described in Section 6.B. in the Official Records of Kern County, California ("Official Records"). The "Closing Date" shall be no later than July 7th, 2017 or such earlier date as the parties may mutually agree upon (without obligation to so agree).

RECOMMENDATION: The Successor Agency Board review and approve the Second Amendment to Purchase and Sell Agreement and updated Grant Deed as presented and authorize the Executive Director to sign amendment as presented and forward to Pacific Trust Escrow Company.

FISCAL IMPACT: Purchase price of $336,000 dollars to Successor Agency

ENVIRONMENTAL ACTION: N/A

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

S.A.CCI

SECOND AMENDMENT
TO PURCHASE AND SALE AGREEMENT

This Second amendment ("Second Amendment") is dated effective this 27th day of June, 2017 and is entered into by and between the Successor Agency of the Former Redevelopment Agency of the City of California City, a separate public entity ("Successor Agency" or "SELLER") and Meister & Meister, Inc., a California corporation org anized under the laws of the State of California ("BUYER").

RECITALS

WHEREAS, on December 1, 2016, the SELLER and BUYER entered into an agreement for the purchase and sale of certain real property (the "Agreement"); and

WHEREAS, Paragraph 23 of the Agreement requires any amendments, modifications, or alterations of the Agreement to be in writing and duly executed by the parties; and

WHEREAS, the SELLER and BUYER mutually desire to amend, modify or alter certain terms and conditions of the Agreement.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this First Amendment, the SELLER and BUYER do hereby agree as set forth below:

1. Paragraph 12 of the Agreement, entitled "CLOSING AND ESCROW INSTRUCTIONS" shall be amended to read as follows:

A. Closing. The consummation of the purchase and sale of the Property (the "Closing" or "Close of Escrow") shall take place on the Closing Date, through the escrow established with Escrow Holder ("Escrow"), as evidence by recordation of the Grant Deed described in Section 6.B. in the Official Records of Kern County, California ("Official Records"). The "Closing Date" shall be no later than July 7th, 2017 or such earlier date as the parties may mutually agree upon (without obligation to so agree).

2. Except as expressly amended or modified by the terms of this Second Amendment, all terms of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Second Amendment and the Agreement, the terms of this Second Amendment shall prevail and control.

3. The provisions of the Agreement, as amended, including the recitals, comprise all of the terms, conditions, agreements, and representations of the parties with respect to the subject matter hereof.

4. This Second Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

5. Each party represents and warrants that the representative signing this First Amendment on its behalf has all right and authority to bind and commit that party to the terms and conditions of this Second Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment.

SELLER

By: _____
William T. Weil
City Manager
Dated: _____

BUYER

By: _____
Joshua Meister, President
Meister & Meister Inc. A California Corporation
Dated: _____

ATTEST:

By: _____
Denise Hilliker
City Clerk

APPROVED AS TO FORM

By: _____
Christian Bettenhausen
City Attorney

CITY COUNCIL
MEETING DATE: June 27, 2017

TO: City Council

FROM: City Manager, Tom Weil

SUBJECT: Public Hearing to Adopt an Initial Study, Negative Declaration, and Zone Change 186 in Conjunction with VTTM 7308

BACKGROUND:
The owner is Hal Aaron, Aaron Development Company, 651 H Street, Suite 100, Bakersfield, CA 93304. The SDR meeting for Zone Change 186 was conducted on February 14, 2017, with a favorable recommendation to move forward to public hearing. The Planning Commission conducted a public hearing on May 16, 2017 and voted to approve Zone Change 186 by Resolution 05-16-2017ZC186PC and forward to the City Council for their approval and adoption.

Zone Change 186 is necessary to rezone the 39 lots created by VTTM 7308 to R1 (One Family Residential District Medium Density) from C5 (Regional Commercial. The property lies within the project area of the 1988-2028 City of California City Redevelopment Plan and Project Area Environmental Impact Report (EIR) (SCH #871109128) and the 1992 Villages Specific Plan Supplemental EIR (SEIR) (SCH #92072089) available on the City's website at www.californiacity-ca.gov. Located in a portion of the south one half of the southwest one fourth of Section 24, Township 32 South, Range 37 East, Mount Diablo Base & Meridian, APN 208-370-03, Tract Map 6573, Lot A (5), north of California City Boulevard, Village Parkway and Commons Boulevard, California City, CA 93505.

The Notice of Intent and the Notice of Availability for public review of the Initial Study, Negative Declaration, Vesting Tentative Tract Map 7308, and Zone Change 186 was published in the local paper of general circulation on Friday, April 14, 2017, and placed on the City's website the same day. Staff mailed 46 letters to affected property owners on Wednesday, May 3, 2017, and Tuesday, June 13, 2017, ten (10) days prior to the meeting and published the public hearing notice in the local newspaper of general circulation on Friday, May 5, 2017 and Friday, June 16, 2017.

RECOMMENDATION: Conduct the public hearing, take public testimony, and adopt an Initial Study, Negative Declaration, and Zone Change 186, in Conjunction with VTTM 7308 by Ordinance No. 17-749.

SOURCE OF FUNDING: N/A

ENVIRONMENTAL ACTION: An Initial Study, Negative Declaration, Vesting Tentative Tract Map 7308 was filed in conjunction with Zone Change 186 and submitted to the State Clearinghouse for a 30-day review period beginning on Friday, April 14, 2017 and concludes at COB on Monday, May 15, 2017.

Public Hearing

RESOLUTION NO. 05-16-2017ZC186PC
BY THE CITY OF CALIFORNIA CITY
PLANNING COMMISSION
AS IT RELATES TO THE INITIAL STUDY,
NEGATIVE DECLARATION, AND ZONE CHANGE 186

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF CALIFORNIA CITY as follows:

SECTION 1. PURPOSE.

The Commission considered and made recommendation for approving the Initial Study, Negative Declaration, and Zone Change 186.

SECTION 2. FINDINGS.

The Planning Commission finds, determines and declares:

(1) This project was reviewed by Staff Development Review (SDR) on Tuesday, February 14, 2017. The SDR approved the project as presented;

(2) a duly-noticed public hearing has been conducted to consider the matter;

(3) Resolution 05-16-2017ZC186PC is forwarded to the City Council for their consideration;

(4) this amendment will not result in any significant adverse environmental impacts;

(5) this amendment will promote the welfare of the community;

(6) this amendment is consistent with the general plan and the City's zoning ordinance.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of California City does hereby approve the Initial Study, Negative Declaration, and Zone Change

186 to rezone the thirty-nine (39) parcels created in conjunction with Vesting Tentative Tract Map (VTTM) 7308 from Regional Commercial (C5) to One Family Residential District Medium Density (R1), for the development of a residential subdivision on 8.99 acres in a portion of the south one half of Section 24, T32S, R37E, MDB&M.

I HEREBY CERTIFY that the foregoing resolution was duly passed and adopted by the Planning Commission on the 16th day of May 2017.

AYES: 4 (Creighton, Hogan, Pope, Trumble)

NOES: 1 (Land)

ABSENT: 0

ABSTAIN: 0

Chairman

ATTEST:

Ronna Greene

Recording Secretary

ORDINANCE NO. 17-749

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY ADOPTING ZONE CHANGE NO. 186

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY as follows:

1. Purpose.
This ordinance adopts Zone Change No. 186.

2. Findings.
The council finds, determines and declares:
(a) A duly-noticed public hearing has been conducted by the Planning Commission and by the City Council to consider the zone change set forth herein.
(b) This zone change will not result in significant adverse environmental impacts.
(c) This zone change will promote the welfare of the community.
(d) This zone change is consistent with the general plan and zoning regulations.
(e) This project was reviewed and approved by Staff Development Review.
(f) The Planning Commission approved the proposal by Resolution No. 05-16-2017ZC186PC.

3. Property Description.
The property affected by this ordinance (herein "subject property") consists of thirty-nine (39) parcels created in conjunction with Vesting Tentative Tract Map (VTTM) 7308 for the development of a residential subdivision on 8.99 acres in a portion of the south one half of Section 24, T32S, R37E, MDB&M.

4. Zoning Amendment
This Zone Change No. 186 rezones the subject property from Regional Commercial (C5), rezoning contiguous lots to One Family Residential District Medium Density (R1).

PASSED, APPROVED AND AOPTED on June 27, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jennifer Wood, Mayor

ATTEST:

_____
Denise Hilliker, City Clerk

[SEAL]

CITY COUNCIL

27 June 2017

TO: **Mayor and City Council**

FROM: **Jeanie O'Laughlin, Finance Director**

SUBJECT: Approval of FY 2017-18 Final Budget

BACKGROUND:

Submitted herewith is the Fiscal Year (FY) 2017/18 Final Budget in the amount of $29,868,256 for the City of California City. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document.

Adoption of a budget is one of the most important actions taken by the City Council of the City of California City. It establishes the City's direction for the near term, and to some extent these decisions also have long-term implications. The budget is the City's financial work plan, translated in expenditures, supported by revenues. The budget establishes the priorities of the City for the fiscal year.

Developing and monitoring the budget is an on-going process. The estimates that are developed in this process are modified throughout the budget year to respond to unanticipated events. Monthly reports are provided as a method for on-going review at both the operating and the capital improvement project (CIP) levels.

FY 2017/18 Budget Highlights

OPERATING EXPENDITURE BUDGET

The final proposed budget is broken down into four sections, which are Personnel Services, Services and Supplies, Capital Outlay, Debt Service. Listed below are brief comments on Personnel and Capital Outlay:

Personnel Services:

- There are seven new positions added in the budget, :
  - Human Resources Director/Risk Manager-moving from a contract to City employment
  - Parks Recreation Assistant-to help with the additional events in the City
  - Administrative Assistant- support City Manager, Human Resources Director, Finance Director
  - Account Clerk III for Housing Corporation, Successor Agency and Airport
  - GSW/Kennel Workers-two part-time employees to support Animal Control Services
  - Reclassify the part-time Dispatch employees to full-time
  - CSO-add three more positions to staff the jail full-time
- During the budget year, there are funds to cover a cost of living adjustment for miscellaneous and non-sworn police department employees. The FD MOU will be re-negotiated during this fiscal year.
- PERS retirement costs are projected to remain the same; only fractional increases in some areas
- The Unfunded PERS Side loan is projected to be $1,149,134
- Retiree health Insurance costs are projected to go up by 3.9%.

CB1.

Capital Outlay: The FY 2017-18 includes money to fund some of the capital projects listed below:

- Street Maintenance - $100,768
- Upgrades/repairs to the SCADA systems
- Crane truck for streets - $200,000
- Vac Truck attachments, and backhoe for sewer department - $115,000
- Eastside Taxiway Rehabilitation (Airport Capital Projects Fund) - $595,377.
- Playground equipment at Central Park - $98,000
- Pool House Renovation Project - $462,050
- CDBG Balsitis - $262,806
- Wash rack for Dial-a-Ride $90,000

Budget Summary

City-wide revenues and transfers-in are projected to be $22,620,480; this does not include the capital project grants to date of $2,244,955. City-wide expenditures and transfers-out are projected to be $22,467,044; this does not include the capital projects of $7,401,212. Overall, City-wide budgeted revenues are projected to exceed budgeted expenditures by ($22,620,480 - $22,467,044) $153,436. The only fund operating at a deficit is the Airport; with a projected deficit of $85,071. We will review this at mid-year to see if revenues have increased; if not, we will come to Council with cuts to balance for the rest of the year.

Five (5) Year Financial Forecast

Upon adoption of the FY 2017-18 budget, and the hiring of the Budget Analyst, staff will begin working on the 5 year financial forecast which will be included as part of the FY 2018-19 budget.

ACKNOWLEDGEMENT:

The development of the annual budget takes an enormous amount of staff time and effort, and has to be completed within a compressed timeline. A sincere appreciation goes to the City Council for their leadership and foresight in reviewing the budget. We would also like to recognize and extend our gratitude to the Finance Staff, Public Works Staff, City Management and other staff members for contributing in the budget process and assisting in finalizing this budget document.

RECOMMENDATION:

Staff recommends that the city council approve the attached resolution adopting the fiscal year 2017-18 budget.

FISCAL IMPACT: As presented in the FY 2017-18 Budget.

ENVIRONMENTAL ACTION: None

ATTACHMENTS:

- Budget summary sheets, revenues, and expenditures
- Budge cover letter

RESOLUTION NO. 06-17-2704

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY APPROVING THE FISCAL YEAR 2017/18 FINAL BUDGET

WHEREAS, the City Council of the City of California City has reviewed the anticipated revenues and the proposed expenditures for the 2017/18 fiscal year; and

WHEREAS, the City Council of the City of California City has, as a result of the review, identified those programs and expenditures, which would be most beneficial to the needs of the City of California City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of California City that the Operating and Capital Improvement Projects (CIP) Budget in the amount of $30,065,986.00 for fiscal year 2017/18 is hereby approved and adopted including all amendments thereto shown in Attachments A-C.

PASSED, APPROVED AND ADOPTED on the 27th day of June, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Mayor, Jennifer Wood

ATTEST:

_____
City Clerk, Denise Hilliker

(SEAL)

June 27, 2017

City Council
City of California City

Submitted herewith is the Fiscal Year (FY) 2017/18 Adopted Budget in the amount of $22,467,044, for operations; $30,065,986 including all capital projects, for the City of California City. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document.

Adoption of a budget is one of the most important actions taken by the City Council. It establishes the City's direction for the near term, and to the extent these decisions also have long term implications. The budget is the City's financial work plan, translated in expenditures, supported by revenues. The budget establishes the priorities of the City for the fiscal year.

Developing and monitoring the budget is an on-going process. The estimates that are developed in this process are modified throughout the budget year to respond to unanticipated events. Monthly reports are provided as a method for on-going review at both the operating and the capital improvement project (CIP) levels.

FY 2017-18 BUDGET HIGHLIGHTS

MESSAGE FROM THE CITY MANAGER

This will be an exciting year as we move away from the annual parcel tax that we have depended on for various government services over the past 30 years to the Medical Marijuana taxation plan on this new industry locating within our community. Numerous challenges and opportunities also exist for the City when these fledgling businesses begin operations with the positive impact it will bring to the City's economy and budget; not only this year but in the years to come!

New construction within our Capital Projects funds will see the completion on the Pool House within Central Park, a new Education/Information Center at Borax Bill Station, new ADA bathrooms and access at Balsitis Park, upgrades to sidewalks along Heather

Avenue, the reconstruction of the Municipal Airport's East Taxiway, and many miles of local road work within our community that has been long overdue.

The budget will also allow us to begin the Integrated Water Management Planning in conjunction with Mojave Public Utilities District, the Antelope Valley East Kern Water Agency, and all the stake holders within the Fremont Basin to help us determine our long range growth capability for all those that live and work within the region.

POLICE DEPARTMENT

The Police Department continues to experience an increase in calls for service. The passage of Prop 47, Federal mandates for early release and reduced penalties for nonviolent crimes such as drug offenses, has created a burden on Law Enforcement throughout California. Additional funding has been allocated for Premium Overtime due to the historical trend from the past year. This trend includes the frequency officers must stay over their regular shifts to complete arrest reports, increase in court appearances, and increase in covering shifts for injured officers and officers on medical leave. There are occasions throughout the year when it becomes necessary to deploy additional officers "in the field" to conduct directed enforcement and target spikes in criminal activity.

With the recent and sudden death of our beloved K9 Officer "Ty" the California City Police Department is ready to welcome another K9 Officer. Funding has been allocated to purchase another K9 and cover the costs necessary to pay for the training for both the K9 and the K9 Handler. A grant has been submitted to help cover the costs. Should the California City Police Department be awarded this grant, the estimated $9,000-$10,000 which would be awarded could be used to supplant funds being pulled out of our budget. Those savings could then be used for additional training. There will be no need to purchase an additional vehicle or retrofit an existing vehicle. Ty's former police vehicle will be utilized.

As criminal cases are scrutinized more and more in the criminal courts arena, it is imperative that we adequately preserve our evidence in order to successfully prosecute cases. With the vacancy of our fire department, we have been able to secure space adjacent to the evidence processing and storage room. Funding has been allocated to replace a section of our evidence storage area. These storage lockers will be replaced with DNA compliant storage lockers. This would protect the integrity of the evidence seized in sensitive cases involving the recovery of articles which may contain DNA evidence and protect from cross contamination. It also allows for the expansion of our processing room to adequately, photograph, fingerprint, label and process any evidence recovered prior to storage.

For years, the California City Police Department has struggled with having to transport prisoners and people with mental illness to Bakersfield. This has drained our resources significantly. More often than not, we have had to call in a paid Reservists or Full time Police officer on overtime to come in and complete the tasks. This hasn't always been the most efficient way to conduct business, however, it was the only option our department had. With our Reservist having other full time jobs, many times they are unable to come in and assist with transporting a person to Bakersfield. The California City Police Department has allocated funding to hire 3 Correctional officers who would

be able to maintain the jail, and conduct transports of prisoners and mentally ill persons to the appropriate facilities for housing. We currently have one CSO I. That CSO I is a Level 2 Reservist and has the appropriate training to fulfill the requirements of a Correctional Officer. The CSO I would only need to attend additional training to become STC trained and this would then provide the California City Police Department with 4 Correctional Officers which would allow for 24/7 coverage of the jail. This would free up officers so they could remain in the field longer, where they belong. The jail checks, booking and necessary feedings and monitoring would be conducted by the Correctional Officers. Should a prisoner need medical attention, the Correctional Officer would be there to provide life-saving efforts while medical professionals arrived. The liability we currently face is astronomical. Officers are currently having to conduct 30 minute checks on prisoners, which sometimes is impossible due to the volume of calls.

This would also drastically save on overtime, because the transports of the prisoners would be done by the Correctional Officers themselves. Additionally, by converting our jail into a TYPE 1 Facility, our prisoners could be housed for longer than 6 hours. We could hold the prisoners until the morning and then have the Correctional Officers transport them to Mojave Court in the morning, saving the time, wear and tear on vehicles and making the process more efficient. Converting our holding facility to a TYPE 1 facility requires minor changes to our jail, such as purchasing a microwave, a refrigerator (which we already have) and other minor expenses.

Our communication center is one of the most important divisions of our police department. They take in the initial calls from the public and dispatch officers to calls. Funding has been allocated to create two full time dispatch positions, eliminating the part-time positions. To prevent the revolving door effect that our department has been known for, it is important to ensure that our largest assets (our employees) know they are valued. We currently have 4 full-time dispatchers, including the Dispatch Supervisor and 2 part-time dispatchers, with 3 part-time dispatcher vacancies. This week, one of our Full-time dispatchers submitted her 2 week notice and accepted a position outside of law enforcement. That brings us down to 3 full time dispatchers. Recruiting for a part-time position has been difficult for the California City Police Department. By eliminating the part time positions and saving expenditures in other areas, we are now able to fund 6 full time positions, including the Dispatch Supervisor. Two candidates that expressed interest in applying for the positions are our current part time dispatchers, who would not require additional training and already know our dispatch system.

The Police Department continues to utilize Part-Time Police Reservists to augment its force. Reservists allow for the Police Department to deploy additional uniformed police personnel during special events such as the Tortoise Days Parade, Renaissance Fair and many other community events. They also have the ability to assist with Prisoner Transport duties.

With the recent spike in Vicious Dog Attacks, the California City Animal Control Division has identified that more time needs to be spent on the streets addressing animal owners who are not in compliance. With additional part-time Animal Control Aides conducting the cleaning and feeding of the animals at the shelter, more time could be spent out in the field addressing these vicious animals. Funding has been allocated for

the hiring and training of Part-Time Animal Control Aides, who would also assist with the adoption of animals. Two Part-Time Animal Control Aides would provide coverage 7 days a week.

FIRE DEPARTMENT

The FY 17/18 Fire budget contains Fire Suppression services and Code Enforcement. This year, we have separated, and will document, the Department Strike Team participation and place it in its own budget (Wildland Operations 4213) for transparency and ease of tracking. The fire Suppression budget is reflective of 12 line staff, 1 Chief Officer, one full-time Fire Department Admin position. The staffing and overtime budget requests are reflective of the minimum staffing of 4 firefighters per day. The Battalion Chief position remains vacant and unfilled. In Code Enforcement the budget reflects 2 CE positions. All departments present a budget with attempts at clearly defining needs and equipment replacement at a minimum level while following the Department capital replacement plan. Our department will be working closely with the new Medical Marijuana industry to determine the health and safety needs that come with the increase in population and volatile chemicals.

PARKS & RECREATION DEPARTMENT

The mission of the City of California City Parks and Recreation Department is to provide quality facilities and services that are responsive to a diverse community and sustained with a focus on partnerships, innovation and environmental leadership. The goal of our team is to strengthen neighborhoods by providing services that maintain public health and enhance livability. With our recreation facilities, open spaces, natural trails, pool and playgrounds there are many opportunities for open play and exercise. Many divisions manage these resources including our Park Commission, Community Programs, Enterprise Programs and Business Services.

Sports are a huge part of Parks and Recreation. New this year to our lineup is our Pecos League Independent single A Whiptails team. We plan to continue to offer tee ball, pee wee soccer and basketball leagues. We also assist non-profit sports including Little League and youth football and soccer with their scheduling as well as offering open gym and contract classes.

Our programming also includes many community park events:
* Fireworks Gala * Renaissance/Model Train Show Double event * Halloween Trunk or Treat * Par 3 yearly tournaments * Annual Holiday Village *City Toy Drive Event *Annual Egg Hunt *Tortoise Community Park Day and Commissioners' concerts in the park.

The department also provides assistance to the community with many more events including the Cancer Walk, Cal City Clean Up, Hamm Radio Field Day, Art Show, Car Show, and Senior Center Events.

The department has several capital improvement projects for this fiscal year including our new California City Aquatic Center and Community Development Block Grant for Balsitis restrooms/ADA parking. The first two projects are funded. The third extremely important safety project that needs to be addressed is a new playground and safety

surfacing for Central Park. Our playground has out lived its life expediency and funding is needed. The Parks budget includes $98,000 for this project.

Lastly, the major important factor in the budget is the minimum wage increase. Employee wages will be an ongoing issue for the next several years. This issue will in turn affect the park master fees. Our Park Commission and staff will be looking for ways to help with this situation and still keep the programs and events affordable in our community.

PUBLIC WORKS DEPARTMENT

City of California City, California
Public Works Departmental Narrative
ANNUAL BUDGET FY 2017-18

Department: Public Works
Fund: General Fund and Enterprise Funds

Mission Statement: The staff of the Public Works Department fully supports the City of California City: "We work together to build a community of the highest quality for present and future generations". We do our part by providing superior public services: by maintaining and improving the condition of our street and alley system, by keeping our drainage ways open and free of debris, by maintaining and operating all City controlled traffic signs, and pavement markings in a safe and effective manner, by providing a safe and reliable public water and sewer system, by providing a local municipal airport, by providing an efficient, responsive building and planning department and by providing excellent delivery of capital projects.

General

The Public Works Department is comprised of eight divisions namely,

- Administration
- Engineering Services
- Streets
- Garage
- Public Facilities and Grounds
- Airport
- Water Utility Operations
- Waste Water Operations
- Building and Planning
- Public Transportation

Divisional Functions:

Each of the Public Works eight divisions have distinct and varied general responsibilities as follows:

I. Administration

1. Assures that the Department operates within the approved budget.
2. Develops and assures compliance with Departmental goals and regulations.
3. Handles all personnel issues.
4. Coordinates emergency management planning for the Department.
5. Prepares and submits payroll.
6. Monitors Department's inventory.
7. Tracks maintenance of all City vehicles, equipment and facilities.
8. Coordinates interdepartmental activities.
9. Responds to public requests and concerns.
10. Issues reports and studies.
11. Applies for, and manages grants.
12. Manages the City's Storm Water Management program.
13. Coordinates the City's solid waste program.
14. Manages the Operations of the City's Water System.

II. Engineering Oversite

1. Performs surveys.
2. Designs public improvements projects.
3. Administers construction contracts.
4. Directs contractors and interacts with the public during construction projects.
5. Manages the Public Works' Capital Improvement Program.
6. Performs field inspections.
7. Applies for, and confirms compliance with, permits.
8. Issues permits for work in the public rights-of-way.
9. Maintains City's infrastructure maps.

III. Streets

1. Performs maintenance on all public streets (paved and unpaved)
2. Maintains shared use paths.
3. Constructs and maintains drainage facilities (swales, inlets, pipes and water control structures)
4. Performs litter control.
5. Maintains vegetation within the right-of-way (mowing, trimming and weed control)
6. Provides traffic control while maintenance work is being performed by the department.
7. Installs and maintains traffic control and informational signs.
8. Assists with emergency preparedness and recovery.

IV. Garage

1. Oversees maintenance of all City vehicles and equipment.
2. Assist in scheduling of maintenance.
3. Maintains inventory of repair parts.
4. Conducts safety checks.

V. Public Facilities and Grounds

1. Maintains grounds of public buildings by mowing, trimming, and litter pickup.
2. Performs custodial functions.
3. Maintains public buildings with painting and carpentry.
4. Makes electrical, mechanical and plumbing repairs to public facilities.
5. Responds to request to move furniture and files, construct shelves, etc.
6. Maintains all public grounds including city parks, green belts and facility grounds.

VI. Waste Water Operations

1. Operates the City's Waste Water Treatment Facility.
2. Inspects and monitors plant operations to ensure compliance with regulatory standards.
3. Prepares and files operating reports.
4. Develops, and monitors compliance with, safety standards.
5. Maintains records of maintenance and operations.
6. Repairs wastewater treatment collection, conveyance and reuse facilities.
7. Inspects wastewater facilities.
8. Operates wastewater facilities to insure compliance with regulatory requirements.
9. Performs custodial and maintenance duties at wastewater facilities.
10. Assists with construction of wastewater facilities.
11. Participates in emergency preparedness and recovery.

VII. Water Utility Operations

1. Repairs water production and conveyance facilities
2. Inspects water storage facilities.
3. Operates water facilities to insure compliance with regulatory requirements.
4. Develops, and monitors compliance with, safety standards.
5. Performs custodial and maintenance duties on water production and distribution facilities

6. Assists with construction and replacement of water facilities
7. Prepares and files operating reports.
8. Participates in emergency preparedness and recovery.

VIII. Public Transit

1. Origin-to Destination Service
2. Door-to-Door Service
3. Hand-to-Hand service
4. Will Call Services
5. Same Day Service
6. To provide transportation to seniors (age 60 and older) and persons with disabilities within the city's service area.

IV. Municipal Airport

1. Airports play a vital role in connecting communities, people and markets.
2. Supporting jobs: The daily operation of the California City Municipal Airport involves a multitude of jobs. The airport creates diverse employment opportunities related to aircraft operations and maintenance, transport and logistics, airport management, planning and construction, and various retail and commercial activities, airport visitors and workers.

Operational Responsibilities

I. Administration

The Administration Division in composed of the Public Works Director, Building Official, Administrative Secretary, Planning Technician and Administrative Clerk.

Public Works Director

- Reporting to the City Manager, serves in an executive level position planning, directing and managing through subordinate supervisors the City's Public Works Department including: maintenance of facilities and grounds, streets and storm water utility operations, vehicles, park building and grounds, shared use paths and bridges, water operations management; wastewater facilities; signage; solid waste management; new facility construction; equipment replacement; and related programs. Serves as oversite to the City Engineering Services is responsible for all engineering services which consist of the design and construction supervision of all public improvements and ensures compliance with City codes for all private engineering construction plans.

- Manages eight Department supervisors who supervise a total of 43 employees in Building and Planning, Streets and Storm Water Maintenance, Water Utilities, Wastewater Treatment, Vehicle Maintenance, Public Facilities and Grounds and City Transit. Is responsible for the overall direction

coordination, and evaluation of these divisions. Carries out supervisory responsibilities in accordance with the City's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

- Manages the development and implementation of department goals, objectives, policies and priorities including special projects, construction, maintenance and office administration.

- Directs and administers the City's utility operations to include wastewater treatment, wastewater collection, water production and distribution, facility and ground maintenance, transportation, fleet and equipment services.

- Plans, directs and coordinates through subordinate supervisors in the maintenance and repair of City facilities, streets, automotive fleet, shared use paths, park grounds, bridges, storm and surface water drainage.

- Directs and administers department activities relating to the Five Year Capital Improvement Program, street resurfacing schedule, equipment replacement schedule, shared use path master plan, sign replacement schedule, water facility's replacement projects and wastewater system upgrades.

- As Oversite of Engineering Services, is responsible for permit processing, engineering review, inspection and approvals and for utility, private and public works projects and for the maintenance of city engineering maps, records and documents. Responsible for design specifications, permit application and contract documents for projects developed by the City. Reviews all private development applications to ensure all engineering aspects conform to City codes and are of adequate design.

- Develops and maintains constructive relationships with City Officials, property owners, developers, contractors and the general public regarding public works programs.

- Researches and prepares special reports, recommendations and specifications for special City construction and other municipal improvements. Reviews and approves various records, reports, and documentation including work orders, purchase requisitions, time sheets, activity reports, regulatory reports, schedules and progress reports.

- Develops, implements and administers the departmental budget.

- Responds to citizen inquiries and complaints regarding City services performed in the jurisdiction of Public Works.

City of California City Public Works Department
One Year Goal Objectives 2017-18

Objective 1. Design, Bid and Construct the following projects

1. Water Well 10 Transmission Line Project
2. Wastewater Plant SCADA System Project
3. Water and Sewer Rate Study 2017
4. Airport East Taxiway Project
5. Heather Ave Sidewalk Project
6. Well 1 Rehabilitation Project
7. Hacienda Redwood Storm Water Project
8. Randsburg Mojave Road Paving Project
9. Well 04 Rehabilitation Project
10. Water System North & South Replacement Planning Project
11. Miscellaneous Water System Replacement Projects
12. Wastewater Plant System Upgrades
13. Residential P.E Wastewater Grinder Systems

Objective 2. Building and Planning

1. Continue and gain knowledge and experience of State Laws and Regulations
2. To continue to update source files and identify sources not in compliance and work with them to bring them into compliance
3. Continue cross training department employees

Objective 3. Utilities Water and Sewer

1. To continue growing the commercial and residential customer base in water, sewer and increase the system through put
2. Review water and sewer rates annually
3. Continue the water meter replacement project by replacing over 1200 meters
4. Continue to update the SCADA System Controls in water and sewer
5. Continue cross training water and sewer employees

Objective 4. Public Works Administration

1. Complete the Fleet Management Policy
2. Complete the Americans with Disabilities Act Transition Plan
3. Complete the Public Works Construction Design Standards

Objective 5. Street Rehab Projects

1. Secure funding for small street rehab projects from $50,000 to $500,000 (non STIP)
2. Create a street maintenance fund project line item (seal coat, chip seal, slurry sand seal, etc)

Strategic Analysis – Strengths, Weaknesses, Opportunities and Threats (SWOT):

Strengths:

- Experienced, dedicated, professional staff and work force.
- Ability to deliver quality core public works and utility infrastructure and services at a competitive cost.
- Fiscally sound Utility Departments which deliver high quality products and services at affordable rates.
- Sound management and excellent customer service.
- Availability of water.

Weaknesses:

- General Fund Departments experiencing increased interdepartmental costs.
- Outdated and physically separated maintenance and operational facilities for Streets, Solid Waste, Water, Fleet and Construction Management result in inefficiencies and redundancies.
- Aging Infrastructure, particularly the water, wastewater plant and streets system, coupled with shrinking resources from the federal, state and local levels.
- Aging workforce and potential loss of institutional knowledge.
- Increasing demands of regulatory agencies on both the Water and Sewer Utilities.

Opportunities:

- Review organization and operations using the Matrix recommendations and pursue increased cost recovery for general fund departments and opportunities to increase revenue stream that will benefit investment in the infrastructure.
- Construction of a single, modern Operations Complex would improve Productivity and efficiencies and would eliminate the redundancies of maintaining two aged facilities.
- Strategically pursue fiscally sound annexations which expand tax base, population growth and economic development opportunities.
- Invest in employee training and mentoring programs and new employee recruitment; improve organization and access to central files and historical data.

Threats:

- Continued loss of experienced employees and institutional knowledge.
- Competition, duplication, and lack of cooperation between neighboring jurisdictions for limited resources.
- Gap between expenses and revenues.
- Additional statewide initiatives and unfunded mandates which further hamper the City's ability to keep up with necessary expenses.

Potential Revenue Sources

It is recommended that grant funding be pursued for replacement of the city's failing water system and expansion or upgrades of the wastewater plant, Funding sources for street maintenance projects will continue to be sought out if they become available.

How to Better Serve the Community

As does every City department, Public Works emphasizes customer service, including its internal (Council, City Manager, and other City departments) and external (resident and visitors) customers. Continuing to respond to every public request and considering every suggestion is the way to better serve the community.

ACKNOWLEDGEMENT:

The development of the annual budget takes an enormous amount of staff time and efforts, and has to be completed within a compressed timeline. A sincere appreciation goes to the City Council for their leadership and foresight in assisting in preparing the final budget. We would also like to recognize and extend our gratitude to the finance staff, city management and other staff members who contributed in the budget process and assisted in developing this budget document.

Jeanie O'Laughlin
Finance Director

Tom Weil
City Manager

City of California City

2017-18 Final Budget

Vision Statement

The creation of a livable, viable, and visually attractive community through efficient and effective continued growth and sustainable development that will result in a model City within eastern Kern County.

ELECTED OFFICIALS

Jennifer Wood
Mayor

J. Carols Gomez
Mayor Pro-Tem

Charles McGuire
Council Member

Don Parris
Council Member

Gene Stump
Council Member

Management Team

William T. Weil, Jr.
City Manager

Denise Hilliker
City Clerk

Jeanie O'Laughlin
Finance Director

Craig Platt
Public Works Director

Eric Hurtado
Chief of Police

Justin Vincent
Fire Chief

CITY OF CALIFORNIA CITY
Summary of Revenues, Transfers, Expenditures
and Fund Balances - ALL FUNDS
2017-18 FISCAL YEAR BUDGET

FUND NO.	FUNDS	Beginning Fund Balance 07/01/2016	Projected Surplus/Deficit 06/30/2017	Est Beginning Balance 07/01/2017	Proposed Revenue 2017/2018	Proposed Expense 2017/2018	Estimated Ending Balance 06/30/2018
	Governmental Funds						
	General Fund						
10	General Fund	4,680,932	0	4,680,932	4,461,777	4,407,550	4,735,159
	Special Revenue Funds						
11	Building and Planning	(278,473)	278,473	0	0	0	0
14	Pecos League	0	0	0	12,100	10,000	2,100
15	Renaissance Donations	16,708	0	16,708	4,000	4,000	16,708
16	OHV Recreation Programs	(101,891)	0	(101,891)	310,818	307,086	(98,159)
17	OHV EMS Grant	383	0	383	0	0	383
18	Police Services	278,719	0	278,719	3,890,349	3,889,637	279,430
19	Fire Services	(569,413)	0	(569,413)	3,045,669	3,045,637	(569,382)
20	COPS Recovery	(35,418)	0	(35,418)	41,666	41,570	(35,322)
22	Special Tax-Measure C	138	0	138	0	0	138
23	Special Tax-Measure L	19,233	11,000	30,233	0	0	30,233
24	Special Tax-Measure A (Old)	217,045	0	217,045	0	0	217,045
25	Supplemental Law (COPS)	28,769	0	28,769	140,000	139,834	28,935
26	Public Safety Augmentation	126,811	0	126,811	115,000	115,000	126,811
27	Street Services	(98,322)	0	(98,322)	1,970,786	1,897,109	(24,645)
28	Proposition 30 (AB 109)	106,963	0	106,963	61,300	61,300	106,963
29	OHV permits Program	25,824	0	25,824	196,000	150,353	71,471
30	Police Asset Forfeiture Services	6,252	0	6,252	2,000	2,000	6,252
72	SDI Fund	75,970,719	0	75,970,719	290,000	290,000	75,970,719
	Total Special Revenue Funds	75,714,047	289,473	76,003,520	10,079,687	9,953,527	76,129,681
	Debt Service Fund						
71	AMMDA	120,272	0	120,272	37,000	37,000	120,272
55	Public Works Admin Enterprise	(7,913)	0	(7,913)	0	0	(7,913)
	Total Governmental Funds	80,507,338	289,473	80,796,811	14,578,464	14,398,077	80,977,198
	Enterprise Funds						
50	Water Reserve Fund	445,305	(445,305)	0	0	0	0
51	Water Enterprise Fund	(4,264,308)	0	(4,264,308)	5,460,686	5,456,007	(4,259,629)
52	Sewer Enterprise Fund	(4,143,552)	0	(4,143,552)	1,226,402	1,225,957	(4,143,107)
53	Airport	(1,228,718)	0	(1,228,718)	276,361	361,432	(1,313,789)
54	Dial-A-Ride Enterprise Fund	(378,000)	0	(378,000)	487,287	443,018	(333,731)
	Total Enterprise Funds	(9,569,273)	(445,305)	(10,014,578)	7,450,736	7,486,414	(10,050,256)
	Successor Agency						
73	Successor Agency Fund	(44,667)	0	(44,667)	250,000	250,000	(44,667)
	Housing Corporation						
74	Housing Corporation Fund	0	0	0	341,280	332,553	8,727
		70,893,398	**(155,832)**	**70,737,566**	**22,620,480**	**22,467,044**	**70,891,002**
	Capital Projects Fund						
92	Sewer Capital Projects Fund	(935)	0	(935)	0	1,050,000	(1,050,935)
93	Airport Capital Projects Fund	733,145	0	733,145	827,890	1,585,039	(24,004)
94	Street Capital Projects Fund	(429,153)	0	(429,153)	313,229	3,664,667	(3,780,591)
95	Water Capital Projects Fund	1,501,697	0	1,501,697	841,030	843,430	1,499,297
96	Drainage Capital Projects Fund	0	0	0	0	193,000	(193,000)
97	General Fund Capital Projects F	0	0	0	262,806	262,806	0
98	Fire Capital Projects Fund	(759,035)	(1,347,434)	(2,106,469)	0	0	(2,106,469)
	Total Capital Projects Funds	1,045,719	(1,347,434)	(301,715)	2,244,955	7,598,942	(5,655,702)
	GRAND TOTAL	**71,939,117**	**(1,503,266)**	**70,435,851**	**24,865,435**	**30,065,986**	**65,235,300**

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
GENERAL FUND						
LOCAL TAXES						
10-3110	Property Tax	1,316,928	1,288,001	1,479,542	1,377,708	1,405,262
10-3120	Homeowner's Prop Tax	3,916	7,975	9,038	8,900	9,034
10-3130	Sales & Use Tax	308,840	261,123	310,587	285,000	287,850
10-3140	Franchise Fees	302,383	359,045	377,577	340,000	350,000
10-3150	Transient Occupancy Tax	45,117	62,333	67,896	60,000	70,000
10-3160	Property Transfer Tax	19,262	21,182	29,739	20,000	25,000
	Transfer to Police and Fire from Surplus					(38,000)
	Local Taxes Totals	1,996,446	1,999,659	2,274,378	2,091,608	2,109,146
LICENSES & PERMITS						
10-3210	Business License Tax	38,288	38,943	41,767	38,800	38,000
10-3211	DSA Fees	312	319	373	250	155
10-3218	Other Permits	950	766	15,470	2,000	45,000
48-3491	MMB Permit Revenue					1,141,300
10-3313	Motor Vehicle License Fees	6,370	6,153	5,697	6,100	6,500
10-3314	Motor Veh In-Lieu-Prop Tax	699,862	704,350	767,342	705,000	645,117
	Licenses and Permits Totals	929,769	744,380	830,649	752,150	1,876,072
GRANTS						
10-3318	Recycling Grant	0	0	5,000	5,000	5,000
10-3329	USDA - Community Ctr	0	0	21,000	0	
10-3325	Cooling Center Grant (Sce)	3,400	2,801	0	0	
10-3326	CDBG - Mobile Home Park	0	0	111,000	0	
10-3328	Safety/Loss Grant (Parsac)	0	3,766	2,000	5,000	5,000
	Grants Totals	104,510	6,567	139,000	10,000	10,000
CHARGES FOR SERVICES						
10-3415	Maps & Publications	7,150	9,756	6,000	7,000	7,000
10-3420	Aspen Mall Sign Maint Fee	1,635	2,195	1,650	1,650	1,650
10-3421	Pool & Marina Fees	5,464	3,532	5,000	5,000	5,000
10-3422	Swim Lessons	1,018	1,614	1,500	1,550	1,400
10-3444	Admin Fee - Waste Management	37,500	38,062	41,000	42,500	32,068
	Charges for Services Totals	52,767	96,625	55,150	57,700	47,118

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
BUILDING & PLANNING						
10-3221	Building Permits	0	0	0	85,800	90,000
10-3414	Plan Check Fees	0	0	0	35,000	50,000
	Engineering Fees					150,000
10-3420	Bid Package	0	0	0	500	0
	Building & Planning Totals	0	0	0	121,300	290,000
FINES & PENALTIES						
10-3511	Vehicle Code Fines	7,110	11,517	9,150	9,100	500
10-3512	Court Fines/Penalties	9,443	15,543	12,200	12,000	18,000
10-3522	Vehicle Impound Fees	1,645	1,500	1,500	1,550	1,000
10-3525	Restitution	102	200	100	100	400
10-3532	Vacant Property Registration	2,760	3,160	5,935	3,150	3,100
	Fines and Penalties Totals	21,060	31,920	28,885	25,900	23,000
MISCELLANEOUS REVENUE						
10-3611	Fireworks Donations	1,126	5,170	5,000	5,000	5,000
10-3612	Investment Earnings	158	5,793	5,500	5,150	5,000
10-3621	Land lease (Cell Towers)	5,808	46,455	46,400	46,400	46,864
10-3622	Marina Concessions	1,030	183	1,350	1,300	1,200
10-3623	Vending Commission	586	201	500	550	500
10-3624	Park Rents	1,766	1,908	2,077	2,000	5,000
10-3625	Scout Island Rent	1,328	357	1,000	1,000	0
10-3630	Special Activities	8,876	6,008	8,000	8,500	9,000
10-3631	Event Permits	851	400	850	800	850
10-3681	Par 3	21,856	20,320	20,650	20,800	21,000
10-3682	Admin-School Impact	296	525	500	525	394
10-3684	Admin-Bldg. Standards Fee	31	41	30	30	30
10-3696	State Mandated Cost Reim	0	146,796	21,042	0	0
10-3690	Cal Card Incentive	1,132	1,692	0	0	0
10-3691	Miscellaneous Revenue	2,809	525,294	250,100	20,000	11,604
	Miscellaneous Revenue Totals	156,370	763,725	362,999	112,055	106,442

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
10-3813	Trfr From Water-City Mgr Admin	40,000	40,000	40,000	0	
10-3871	Insurance Proceeds	0	135,339	0	0	
10-3971	Trfr from Special Tax-P & R	57,615	66,678	0	0	
10-3974	Trfr For Garage/Fac Op Costs	317,718	120,000	33,600	0	
10-3975	Trfr from Sewer Op Fund	0	0	0	152,839	
10-3976	Trfr from Water Op Fund	0	0	0	469,956	
10-3977	Trfr from Street Op Fund	0	0	0	72,449	
10-3978	Trfr from Airport Op Fund	0	0	0	30,922	
10-3979	Trfr from Public Works Admin Fund	0	0	0	12,522	
10-3980	Trfr from Dial-A-Ride Fund	0	0	0	18,783	
10-3981	Trfr from Successor Agency Fund	0	0	0	183,869	
10-3993	Trfr From Building Maintenance	116	84	0	0	
10-3995	Cash Variance	61	3	50	0	
10-3998	Loan Repayment from Water Op Fu	0	0	0	150,000	
	Proceeds and Transfers Totals	415,509	362,104	73,650	1,091,340	0
	General Fund Totals	3,676,432	4,004,980	3,764,711	4,262,053	4,461,777
PARKS/RECREATION DONATION FUND						
14-3620	Pecos League Contract Revenue				10,000	12,100
15-3632	Renaissance Donations	0	0	0	6,100	4,000
	Parks/Rec Donations Total	0	0	0	6,100	16,100
OHV GRANT						
16-3320	OHV Grant	259,236	0	0	0	
16-3321	Law Enforcement Grant	0	158,533	0	0	
16-3322	Grounds Operations Grant	0	87,345	0	0	
16-3323	Development Grant	0	0	29,083	0	
16-3325	Dirt Ground Operations Grant	0	69,478	0	0	
16-3326	Shower Building Grant	0	171,130	0	0	
16-3327	Law Enforcement G13	0	0	154,008	0	
16-3328	Ground Operation G13	0	0	194,204	0	
16-3329	Law Enforcement G14	0	0	124,021	47,100	
16-3330	Ground Operation G13	0	0	341,368	116,424	
16-3331	Law enforcement G17					91,652
16-3332	Ground Operation G17					219,166
	OHV Grant Totals	259,236	486,486	842,684	163,524	310,818

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
POLICE SERVICES						
18-3110	Special Tax	3,385,488	3,491,918	4,276,690	4,281,730	4,169,468
18-3111	Allowance for Uncollectables	0	0	(940,677)	(945,712)	(833,894)
18-3219	Live scan Fees	10,307	7,415	8,000	7,500	10,000
18-3222	Evidence Fees	2,067	0	1,000	1,000	2,500
18-3225	Animal License	9,393	8,017	8,000	8,000	9,188
18-3432	Animal Shelter Fees	4,185	3,960	3,000	3,500	5,313
18-3433	Spay/Neuter Fees	3,840	4,698	4,000	4,000	7,838
18-3434	Rabies Vaccination Fees	1,130	2,422	750	1,000	2,000
18-3523	Police Admin Citations	32,857	6,210	0	10,000	10,000
18-3690	Post Reimbursement	45,087	12,588	25,000	25,000	25,000
18-3691	Miscellaneous Revenue	6,425	36,858	73,967	31,500	20,761
18-3692	Transient Lodging	0	525	500	500	1,000
18-3813	Transfer from OHV Permit Fund	0	0	0	57,800	40,000
18-3814	Transfer COPS Recovery Fund	0	0	0	41,066	
25-03110	Transfer from Supplemental Law Fund	0	0	0	96,200	80,000
24-03110	Transfer from Measure A Old					120,000
22-03110	Transfer from Measure C					3,383
23-03110	Transfer from Measure L					29,793
28-03110	Transfer from Prop. 30					75,000
18-3973	Special Tax (P/Y)	115,974	134,053	50,000	50,000	25,000
18-3975	Police Range Rental Fees	0	0	0	75,000	85,000
	Transfer from General Fund Surplus					3,000
18-3977	Mojave SRO Reimbursement	0	0	0	40,041	0
	Police Services Totals	3,616,751	3,708,664	3,510,230	3,788,125	3,890,349
FIRE SUPPRESSION SERVICES						
19-3110	Special Tax	2,769,944	2,857,024	3,517,292	3,503,234	3,411,383
19-3111	Allowance for Uncollectables	0	0	(794,908)	(773,764)	(682,277)
19-3410	Plan Review Fees/CFC Sites	135	90	100	1,000	0
19-3523	Code Enforcement Citations	0	6,790	7,000	15,000	25,438
19-3617	Fire Supplies Cost Recovery	0	0	2,000	6,500	0
19-3632	Fire Inspection Fees	1,450	3,221	2,000	6,800	1,000
19-3691	Miscellaneous Revenue	6,057	53,299	31,181	7,500	5,625
19-3692	1/2 Cent Sales Tax/Prop 172	0	0	59,500	59,500	59,500
19-3695	Reimbursement - Fire Service	0	146,773	128,000	160,000	160,000
19-3972	Special Tax (P/Y)	97,607	112,543	50,000	50,000	0
19-3612	Investment Earnings	0	890	0	0	
19-3640	Sale of Surplus Items	0	100,000	0	0	
	Transfer from General Fund Surplus					35,000
24-3414	Special Tax-Measure A (Old)					30,000
	Fire Suppression Services Totals	2,875,194	3,280,630	3,002,165	3,035,770	3,045,669

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
20 COPS RECOVERY						
20-3342	COPS Recovery Grant	0	31,360	41,666	41,666	41,666
MEASURE A (OLD) FUND						
24-3414	Special Tax-Measure A (Old)	285,712	355,754	100,000	100,000	0
SUPPLEMENTAL LAW ENFORCEMENT						
25-3341	COPS Fast Grant	100,000	106,360	100,000	100,000	140,000
PUBLIC SAFETY AUG						
26-3354	1/2 Cent Sales Tax	172,301	189,913	115,500	115,000	115,000
STREET FUND						
27-3354	Gas Tax-2103	187,405	158,864	68,007	33,304	56,533
27-3355	Article 3 - 5399(019)	0	439,164	182,428	0	
27-3356	Gas Tax-2105	93,516	88,993	85,778	88,189	82,069
27-3357	Gas Tax-2106	27,319	33,869	49,024	47,846	54,367
27-3358	Gas Tax-2107	97,718	114,610	117,275	122,464	106,021
27-3359	Article 8 Funds	0	0	0	421,177	1,280,214
27-3360	Gas Tax-2107.5	0	8,000	4,000	4,000	4,000
	Loan Repayment from State Genl Fund					16,156
	RMRA 2017 New Gas Tax					81,426
27-3366	HSIP Grant (Redwood@Hac)	0	369,039	34,330	0	
27-3370	Kern County Air Pollution Grant	0	14,747	12,944	0	
27-3371	STPLE 5399(021)	12,896	194,142	27,892	0	
27-3612	Investment Earnings	107	0	0	0	
27-3691	Miscellaneous Revenue	215	0	0	0	
27-3317	PTMISEA - College Station	0	115,996	2,000	0	
27-3318	Highway Safety Improve. Plan	0	16,139	0	0	
27-3814	Transfer from prior Special Tax(s)	116,306	134,294	100,000	100,000	0
27-3816	Transfer from SDI	0	290,000	290,000	290,000	290,000
	Street Fund Totals	575,380	1,977,857	973,678	1,106,980	1,970,786

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
28 AB 109						
28-3320	AB 109	172,038	127,756	62,500	62,500	61,300
OHV PERMITS PROGRAM FUND						
29-3995	Camping Fees	0	2,225	3,000	3,000	3,000
29-3996	Shower Fees	0	870	2,000	2,500	2,500
29-3997	Special Event Fees	0	5,941	6,000	5,500	5,500
29-3998	Riding Permits	0	174,832	179,000	174,000	185,000
	OHV Permits Total	0	183,868	190,000	185,000	196,000
POLICE ASSET FORFEITURE FUND						
30-3501	Forfeiture Revenue	0	0	12,000	12,000	2,000
	Police Forfeiture Fund Total	0	0	12,000	12,000	2,000
WATER OPERATING FUND						
51-3612	Interest Earnings	0	0	1,250	1,500	0
51-3691	Miscellaneous Revenue	6,032	32,358	4,000	4,000	4,000
51-3711	Residential Sales	1,416,147	1,890,936	2,779,521	3,252,040	3,252,040
51-3714	Commercial Sales	203,699	885,660	1,116,457	1,306,255	1,306,255
51-3715	Turn On Fees	69,949	80,298	81,500	82,000	62,356
51-3716	Meter Installation	3,575	0	3,150	3,000	4,500
51-3717	Penalties	85,151	187,438	236,970	240,500	180,035
51-3726	Water Standby Charges	655,501	653,492	650,500	651,000	651,500
51-3814	Transfer from Special Tax	2,422	2,232	0	0	
51-3815	Transfer from Water Reserve	0	0	809,876	446,635	0
	Water Fund Totals	2,442,475	3,732,414	5,683,224	5,986,929	5,460,686

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
SEWER FUND						
52-3612	Interest Earnings	0	21	30	35	0
52-3691	Miscellaneous Revenue	0	236	1,300	1,000	1,500
52-3731	Residential Sewer	410,000	502,815	859,328	1,031,194	1,055,942
52-3734	Commercial Sewer	160,000	569,570	595,000	714,000	168,960
52-3997	Aspen Ave Sewer Assessment	17,000	2,145	16,305	16,800	0
	Sewer Fund Totals	587,000	1,074,787	1,471,963	1,763,029	1,226,402
AIRPORT FUND						
53-3110	Property Tax	50,778	58,893	55,000	57,000	57,000
53-3112	Aircraft Property Tax	1,038	0	1,000	1,050	1,050
53-3343	State Grants Annual	0	20,000	10,000	10,000	10,000
53-3381	EKAD Grant	0	50,000	50,000	44,000	15,000
53-3621	Concessions	164	467	400	450	0
53-3679	Miscellaneous Revenue	18,319	6,144	7,500	6,000	20,000
53-3781	Aviation Fuel	53,300	73,304	50,000	55,000	43,500
53-3782	Jet Fuel	39,033	39,916	42,000	40,000	66,950
53-3783	Aviation Oil	3,091	0	150	150	100
53-3784	Tie Down Fees	4,935	4,046	4,300	4,500	2,300
53-3785	T-Hangar Rent	35,629	28,757	30,000	30,000	26,250
53-3787	Office Rent	3,200	2,942	3,000	3,000	4,781
53-3791	Land/Property Lease	25,923	26,310	25,000	25,500	29,430
53-3798	RV Park Rents	12,409	8,740	9,000	9,000	0
53-3813	Transfers-In	0	0	0	66,217	
	Airport Fund Totals	247,817	319,519	287,350	351,867	276,361
DIAL-A-RIDE						
54-3359	Article 4 (LTF)	0		432,696	0	0
54-3363	Section 5311 Operating	51,332	51,777	51,777	51,500	0
54-3364	Article 6.5	0	0	0	412,617	465,410
54-3366	PTMISEA- Security Cameras	0	89,020	0	0	0
54-3370	Low Carbon Transit	0	4,440	0	0	0
54-3751	Fares Income	25,921	28,728	24,600	25,000	21,878
	Dial-a-Ride Totals	77,253	173,965	509,073	489,117	487,287
PUBLIC WORKS ADMIN						
55-3813	Transfers In from other funds	0	0	0	1,246,194	0
	Public Works Admin Totals	0	0	0	1,246,194	0

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
ASPEN MALL MAINT DISTRICT ASSESS						
71-3427	Assessments	37,507	26,740	37,340	37,000	37,000
	AMMDA Totals	37,507	26,740	37,340	37,000	37,000
SDI FUND						
72-3612	Interest Earnings	239,901	241,550	242,800	290,000	290,000
	SDI Totals	239,901	241,550	242,800	290,000	290,000
SUCCESSOR AGENCY						
73-3999	ROPS Revenue	0	0	250,000	250,000	250,000
	Successor Agency Totals	0	0	250,000	250,000	250,000
HOUSING CORPORATION						
	Rental Revenue					328,140
	Storage/Utility income					13,140
	Housing Corporation Totals					341,280
STREET CAPITAL PROJECTS FUND - 90						
90-3317	PTMISEA - College Station 5399-022	0	0	13,121	0	0
90-3318	CML - College Station 5399-022	0	0	197,194	0	0
90-3319	Kern Count Air Pollution Grant (DM	0	0	17,500	0	0
90-3320	SR2SL - 5399-020	0	0	321,820	0	0
90-3321	STPL - 5399-021	0	0	65,298	0	0
90-3322	HSIPL - 5399-023	0	0	789,709	0	0
90-3323	RSTPL - 5399-024	0	0	320,000	320,000	0
90-3324	Article 8 Funds	0	0	288,094	0	0
90-3325	CMAQ	0	0	331,986	0	0
90-3328	SDI Tracts 3279 & 3280 - Chip Seal	0	0	729,714	0	0
90-3330	RSTPL - 5399-TBD 15406	0	0	0	46,616	0
90-3335	CMAQ HEI 16406	0	0	0	199,950	0
90-	Transfer from Street Reserve					313,229
90-3341	Transfer from Street Op.Fund	0	0	149,763	161,862	0
	Street Project Fund Totals	0	0	3,224,199	728,428	313,229
WATER CAPITAL PROJECTS FUND - 91			0			
91-3820	IRWMP	0	0	1,500,000	0	841,030
91-3825	Bond Proceeds	0	0			
	Water Projects Fund Totals	0	0	1,500,000	0	841,030

CITY OF CALIFORNIA CITY
REVENUE
FY 2013-14 TO 2017-18

FUND	DESCRIPTION	Actual 2013-/14	Actual 2014-15	Actual 2015-16	Adopted 2016-17	2017-18 Proposed
AIRPORT CAPITAL PROJECTS FUND - 93			0			
93-3410	FAA Grant - Lights & Signage	0	0	29,847	0	
93-3411	FAA Grant - Westside Taxiway	0	0	860,954	0	
93-3415	FAA Grant- Eastside- Taxiway	0	0	0	83,760	750,740
93-3415	State Grant Match (FAA)	0	0	0	4,208	42,150
93-3412	EKAD Grant	0	0	50,000	6,000	35,000
93-3413	State Grant (DOT)	0	0	52,000	0	
	Airport Project Fund Totals	0	0	992,801	93,968	827,890
DRAINAGE CAPITAL PROJECTS FUND-95						
	Transfer From General Fund	0	0	96,500	96,500	
95-3990	Drainage Projects Fund Total	0	0	96,500	96,500	0
GENERAL FUND CAPITAL PROJECTS FUND - 97						
97-3995	Insurance Proceeds	0	0	0	462,050	
97-3996	CDBG - Balsitis Park	0	0	0	262,806	262,806
	General Fund Capital Projects Total	0	0	0	724,856	262,806
FIRE CAPITA						
98-3501	Transfer from Fire Service Fund	0	0	600,000	0	
98-3502	General Fund Loan	0	0	600,000	0	
98-3503	Bank Loan (Est. Balance)	0	0	0	350,000	
	Fire Capital Projects Fund Total	0	0	1,200,000	350,000	0
					0	
GRAND TOTALS		15,861,843	20,473,059	28,326,434	25,386,606	24,865,435

CITY OF CALIFORNIA CITY
SUMMARY SCHEDULE OF EXPENSES BY FUND
FISCAL YEARS 2015 -2018

FUND	DEPARTMENT	ACCOUNT NO.	ACTUAL EXPENDITURES 2014-15	ACTUAL EXPENDITURES 2015-16	MODIFIED BUDGET 2016-17	REQUESTED BUDGET 2017-18
	GENERAL FUND					
10	City Council	4111	39,647	25,655	36,674	36,791
10	Ordinances & Proceedings	4113	6,808	14,920	0	0
10	City Manager	4131	101,033	102,285	163,090	41,454
10	City Clerk	4132	72,639	92,661	131,505	163,465
10	Elections	4133	3,877	0	0	0
10	Attorneys	4134	341,092	296,588	331,000	298,212
10	Finance	4141	156,707	295,584	664,233	164,837
10	Treasurer	4143	7,544	12,091	10,081	9,112
10	Human Resources	4145	74,475	91,030	106,685	152,974
10	Risk Management	4146	3,766	0	5,000	5,000
10	City Contracts	4151	259,711	257,867	231,000	206,050
10	Data Processing	4152	103,025	84,527	77,764	89,476
10	General Fund Utilities	4153	356,168	520,235	671,063	621,063
10	Insurance	4154	23,654	21,286	50,300	28,353
10	General Government	4155	18,961	32,853	24,771	16,300
10	Facilities Maintenance	4161	226,193	363,363	567,451	650,215
10	Engineering	4163	29,778	57,690	0	0
10	Non-Departmental	4165	28,769	28,055	60,500	10,500
10	Building & Planning	4170	0	3,846	294,682	549,946
10	Medical Marijuana Business	4171	0	0	194,803	739,555
10	Planning/Zoning Commission	4175	0	0	10,337	10,353
10	Drainage	4416	0	25,000	96,500	0
10	Waste Disposal	4424	124	0	1,200	1,200
10	Shop and Garage	4441	114,378	170,883	231,665	8,256
10	Grounds Maintenance	4510	159,556	209,865	0	0
10	Parks & Recreation Commission	4560	2,672	3,763	5,148	6,135
10	Recreation Administration	4561	284,743	247,567	265,569	343,029
10	Pool Marina	4562	117,167	71,026	102,356	108,267
10	Park Improvements	4563	28,545	133,724	0	98,000
10	Council Special Projects	4564	51,487	8,823	0	0
10	PAR 3 Golf Course	4565	23,409	22,184	40,541	49,008
10	OHV Permits Program	4219	0	0	0	0
	Total General Fund		**2,635,926**	**3,193,371**	**4,373,918**	**4,407,550**
	SPECIAL REVENUE FUNDS					
	Building and Planning					
11	Planning Administration	4311	92,325	117,316	0	0
11	Planning/Zoning Commission	4312	4,469	7,614	0	0
11	Building Inspection	4322	63,700	174,652	0	0
	Total Building and Planning		**160,495**	**299,582**	**0**	**0**
	Pecos League					
14	Pecos League	4567	**0**	**0**	**10,448**	**10,000**
	Total Pecos League		**0**	**0**	**10,448**	**10,000**
	Parks & Recreation					
15	Parks & Recreation Donations	4570	6,783	0	4,900	4,000
	Total Parks & Recreation		**6,783**	**0**	**4,900**	**4,000**

CITY OF CALIFORNIA CITY
SUMMARY SCHEDULE OF EXPENSES BY FUND
FISCAL YEARS 2015 -2018

FUND	DEPARTMENT	ACCOUNT NO.	ACTUAL EXPENDITURES 2014-15	ACTUAL EXPENDITURES 2015-16	MODIFIED BUDGET 2016-17	REQUESTED BUDGET 2017-18
	Public Safety - Police					
	Police Services					
18	Police Services	4212	2,856,164	3,236,481	2,859,768	3,032,811
18	Records	4213	196,897	219,087	208,103	230,333
18	Public Safety Dispatch	4215	305,438	321,323	356,724	385,065
18	Animal Control & Regulation	4217	254,305	202,159	197,245	241,428
18	Mojave Unified School District SRO	4718	0	0	40,041	0
	Total Police Services		**3,612,805**	**3,979,050**	**3,661,881**	**3,889,637**
	OHV Recreation Programs					
16	Law Enforcement	4219	136,163	279,695	0	0
16	Ground Operations	4220	192,204	297,578	0	0
16	Development Picnic Shade Covers	4221	0	29,083	0	0
16	Dirt LE	4222	61,592	61,596	0	0
16	Dirt Ground Operations	4223	51,510	59,249	0	0
16	Shower Building	4224	28,078	76,785	0	0
16	Law Enforcement G14	4225	0	86,672	47,100	0
16	Ground Operations G14	4226	0	226,598	115,224	0
16	Law Enforcement G15	4227	0	0	128,595	87,920
16	Ground Operations G15	4228	0	0	417,068	189,064
16	Education and Safety G15	4229	0	0	37,852	30,102
16	RTP Dump Truck Purchase Grant	4230	0	0	57,200	0
	Total OHV Recreation Programs		**469,547**	**1,117,256**	**803,039**	**307,086**
20	COPS Recovery	4211	47,671	44,901	37,355	41,570
25	Supplemental LAW (COPS)	4213	64,051	148,741	100,000	139,834
26	Public Safety Augmentation	4214	122,422	76,326	104,928	115,000
28	Proposition 30 (AB 109)	4221	24,301	50,580	85,100	61,300
29	OHV Permits Program	4219	187,628	164,276	164,865	150,353
30	Police Asset Forfeiture	4700	0	10,552	11,000	2,000
	Total Public Safety - Police		**4,528,425**	**5,591,683**	**4,968,168**	**4,706,780**
	Pubic Safety - Fire					
17	OHV EMS Grant	4220	53,914	0	0	0
	Fire Services					
19	Code Enforcement	4216	247,623	278,255	318,003	235,201
19	Fire Suppression	4222	3,447,284	3,761,120	2,410,632	2,648,136
19	Wildland Operations	4223	0	0	160,000	162,300
	Total Fire Services		**3,694,907**	**4,039,375**	**2,888,635**	**3,045,637**
	Total Public Safety - Fire		**3,748,821**	**4,039,375**	**2,888,635**	**3,045,637**
	Streets Services					
27	Street Maintenance	4411	794,314	847,625	818,721	1,528,814
27	Spec Tax Street Improvements	4412	1,154,036	0	0	0
27	Street Clean Up Crew	4413	0	0	38,740	71,636
27	Streets - SDI	4415	14,703	39,184	290,000	296,659
	Total Street Services		**1,963,053**	**886,809**	**1,147,461**	**1,897,109**
72	**SDI FUND**	7211	**6,198**	**29,407**	**290,000**	**290,000**
	Total Special Revenue Funds		**10,413,774**	**10,846,855**	**9,309,612**	**9,953,527**

CITY OF CALIFORNIA CITY
SUMMARY SCHEDULE OF EXPENSES BY FUND
FISCAL YEARS 2015 -2018

FUND	DEPARTMENT	ACCOUNT NO.	ACTUAL EXPENDITURES 2014-15	ACTUAL EXPENDITURES 2015-16	MODIFIED BUDGET 2016-17	REQUESTED BUDGET 2017-18
	DEBT SERVICE FUND					
71	AMMDA	7111	**15,458**	**14,860**	**17,167**	**37,000**
	ENTERPRISE FUNDS					
	Water Reserve Fund					
50	Water Conservation Fund	5011	**960**	**810,836**	**446,635**	**0**
	Water Enterprise Fund					
51	Water Administration	5111	559,689	2,109,576	0	0
51	Source & Supply	5112	247,469	264,088	0	0
51	Pumping	5113	808,956	742,362	0	0
51	Transmission & Distribution	5115	1,342,974	1,646,502	5,239,901	5,456,007
51	Water Non-Operating	5150	644,466	870,740	0	0
51	USDA Phase I	5156	63,814	63,188	0	0
	Total Water Enterprise fund		**3,667,369**	**5,696,456**	**5,239,901**	**5,456,007**
	Sewer Enterprise Fund					
52	Sewer Administration	5211	129,896	136,795	0	0
52	Treatment & Disposal	5213	1,290,900	1,375,228	1,238,312	1,225,957
	Total Sewer Enterprise Fund		**1,420,796**	**1,512,023**	**1,238,312**	**1,225,957**
	Airport Enterprise Fund					
53	Airport Operations	5310	**695,427**	**637,029**	**342,687**	**361,432**
	Dial-A-RIDE Enterprise Fund					
54	Dial-A-RIDE	5410	**228,852**	**262,173**	**352,131**	**443,018**
	Public Works Admin Enterprise Fund					
55	Public Works Admin	5117	**0**	**7,913**	**415,706**	**0**
	Total Enterprise Funds		**6,013,404**	**8,926,432**	**8,035,372**	**7,486,414**
	SUCCESSOR AGENCY FUND					
73	Successor Agency	4631	**182,538**	**112,583**	**268,000**	**250,000**
74	**HOUSING CORPORATION FUND**	4632	**0**	**0**	**0**	**332,553**
	CAPITAL PROJECTS FUNDS					
92	Sewer Capital Projects Fund	7015	0	935	0	1,050,000
93	Airport Capital Projects Fund	7015	0	751,559	93,968	1,585,039
94	Street Capital Projects Fund	7000	0	1,526,601	685,119	3,664,667
95	Water Capital Projects Fund	7005	0	916,563	314,303	843,430
96	Drainage Capital Projects Fund	7001	0	0	96,500	193,000
97	General Fund Capital Projects Fund	7001	0	0	724,856	262,806
98	Fire Capital Projects Fund	7020	0	718,125	1,538,929	0
	Total Capital Projects Fund		**0**	**3,913,783**	**3,453,675**	**7,598,942**
	GRAND TOTAL EXPENDITURES		**19,261,100**	**27,007,884**	**25,457,744**	**30,065,986**

CITY COUNCIL

June 27th, 2017

TO: **Mayor and City Council**

FROM: **City Manager, Tom Weil**

SUBJECT: **Integrated Regional Water Management Planning Grant**

BACKGROUND: The City Council authorized the Prop 1 Planning Grant application at the April 12th, 2016 meeting for the preparation of the Integrated Regional Water Management Plan for the Fremont Basin. This is a joint effort between the Mojave Public Utility District, Antelope Valley East Kern Water Agency, and the City of California City along with all the stakeholders within the Fremont Basin. RMC Water and Environmental has led the stakeholder meetings led to the Prop 1 funding application. The resolution identifies California City as the lead to receive and monitor the funding during the writing of the IRWMP which includes the Ground Water Management Plan and the Salt Nutrient Management Plan for the Fremont Basin. It is expected this regional effort will take between 18 to 20 months to complete. The matching funds for this grant will be satisfied through the previous expenditures by the three agencies for the stakeholder meetings and actual grant application process along with the region's qualification as having a 97.5% Disadvantage Community rating. State grant funding, now awarded for this planning grant is $841,030 dollars.

RECOMMENDATION: The City Council approve the Grant Agreement as presented and authorize the City Manager to sign all documents associated with the Prop 1 funds for the Integrated Water Management Plan which will include the Ground Water Management Plan and the Salt Nutrient Management Plan for the Fremont Basin.

ATTACHMENTS: Grant Agreement

FISCAL IMPACT: This is a shared cost for matching has already been satisfied by California City, Mojave PUD and AVEK for this grant.

ENVIRONMENTAL ACTION: N/A

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

CB2.

GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND CITY OF CALIFORNIA CITY
AGREEMENT NUMBER 4600011941
2016 PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLANNING GRANT
CALIFORNIA WATER CODE section 79740 ET SEQ.

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the City of California City, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Proposition 1) to Grantee for the purpose of developing or completing a new, or updating an existing IRWM plan to comport with the IRWM Plan standards set forth in the IRWM Program Guidelines dated July 2016, herein referred to as "Project".

2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is executed by State, and terminates on July 27, 2018, or when all of the Parties' obligations under this Grant Agreement are fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement.

3. GRANT AMOUNT. The maximum amount payable by the State under this Grant Agreement shall not exceed $841,030.

4. GRANTEE COST SHARE. Grantee agrees to be responsible for the difference between the estimate of Project cost and the Grant Amount (amount specified in Paragraph 3). Grantee Cost Share consists of local and federal cost share and value of in-kind service, as documented in Exhibit B (Budget). Grantee's Local Cost Share must be non-State sources and incurred after November 4, 2014.

5. GRANTEE'S RESPONSIBILITY. Grantee and its representatives shall:

   a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule).

   b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for Water Quality, Supply and Infrastructure Improvement, Act of 2014 financing.

   c) Comply with all applicable California laws and regulations.

   d) Implement the Project in accordance with applicable provisions of the law.

   e) Fulfill its obligations under the Grant Agreement.

6. DISBURSEMENT OF FUNDS. State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation.

7. ELIGIBLE PROJECT COST. Grantee shall apply State funds only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Work performed on the Project after the grant Award Date, shall be eligible for reimbursement.

   Costs that are not eligible for reimbursement include, but are not limited to the following items:

   a) Costs, other than those noted above, incurred prior to the award date of the Grant.

   b) Operation and maintenance costs and purchase of equipment that is not an integral part of the Project.

   c) Establishing a reserve fund.

   d) Purchase of water supply.

   e) Replacement of existing funding sources for ongoing programs.

f) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).

g) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Grantee Cost Share (i.e., Funding Match).

h) Payment of stipends.

i) Application preparation costs for other funding opportunities.

j) Meals not directly related to travel.

k) Acquisition of real property (land or easements).

l) Overhead not directly related to the Project.

8. METHOD OF PAYMENT.

a) Reimbursement – Submit a copy of invoice for costs incurred and supporting documentation to the DWR Project Manager via Grant Review and Tracking System (GRanTS). Additionally, the original invoice form with signature and date (in ink) of Grantee's Project Representative, as indicated on page 7 of this Grant Agreement, must be sent to the DWR Project Manager for approval. Invoices submitted via GRanTS shall include the following information:

1) Costs incurred for work performed during the period identified in the particular invoice.

2) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:

i) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.

ii) Invoices must be itemized based on the categories specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).

iii) Sufficient evidence (e.g., receipts, copies of checks, time sheets) as determined by the State must be provided for all costs included in the invoice.

iv) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via U.S. mail or Express mail delivery of a "wet signature" invoice for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 16 "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number.

b) Advanced Payment – Water Code section10551 authorizes advance payment by State for projects which are sponsored by a nonprofit organization; a disadvantaged community (DAC); or, the proponent of a project that benefits a DAC. If these projects are awarded less than $1,000,000 in grant funds, the Grantee may receive an advanced payment of 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. If the Grantee is requesting advanced payment, within 90 calendar days of execution of the Grant Agreement the Grantee shall provide DWR an Advanced Payment Request. The Advanced Payment Request must contain the following:

1) A funding plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution. (i.e., for what, how much, and when)

2) A discussion of the Grantee's financial capacity to complete the project once the advance funds have been expended.

Advanced grant funds must be applied to costs incurred after the agreement execution date.

Grantee shall also submit an Advance Payment Invoice containing the request to the DWR Project Manager with signature and date (in ink) of Grantee's Project Representative, as indicated on page 8 of this Agreement. Within 60 calendar days of receiving the Advanced Payment invoice and subject to the availability of funds, State will authorize payment of the advanced funds sought of 50% of the grant award for the qualified Project.

The Advance Payment Invoice shall be submitted on forms provided by State and shall meet the following format requirements:

3) Invoice must contain the date of the invoice, the time period covered by the invoice, and the total amount due.

4) Invoice must be itemized based on the categories (i.e., tasks) specified in Exhibit B.

5) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 16 "Submission of Reports."

On a quarterly basis, the Grantee will submit an Accountability Report to DWR that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:

6) An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.

7) A funding plan which shows how the remaining advanced funds will be expended.

8) Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.

DWR Project Manager will notify Grantee, in a timely manner, when, upon review of the Expenditure Summary, the State determines that any portion or portions of the expenditures claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit B, the State will reject the claim and remove them from the Expenditure Summary.

Once Grantee has expended all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 8a).

9. REPAYMENT OF ADVANCES. State may demand repayment from Grantee of all or any portion of the advanced State funding along with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State and take any other action that it deems necessary to protect its interests for the following conditions:

a) The project is not being implemented in accordance with the provisions of this Grant Agreement.

b) Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction.

Repayment amounts may also include:

c) Advance funds which have not been expended within 18 months of the Grant Agreement's execution by the Grantee.

d) Actual costs incurred are not consistent with the Exhibit A (Work Plan) activities, not supported, or are ineligible.

e) At the completion of the project, the funds have not been expended.

For conditions 11a) and 11b), repayment may consist of deducting the amount from future reimbursement invoices.

State may consider Grantee's refusal to repay the requested advanced amount a substantial breach of this Grant Agreement subject to the default provisions in Paragraph 11, "Default Provisions." If State notifies Grantee of its decision to demand repayment or withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

10. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 11, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 11, "Default Provisions." If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

11. DEFAULT PROVISIONS. Grantee (and a Local Project Sponsor receiving grant funding through this Grant Agreement) will be in default under this Grant Agreement if any of the following occur:

    a) Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.

    b) Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement.

    c) Failure to make any remittance required by this Grant Agreement.

    d) Failure to comply with Labor Compliance Program requirements (Paragraph 15).

    e) Failure to submit timely progress reports.

    f) Failure to routinely invoice State.

    g) Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

    Should an event of default occur, State shall provide a notice of default to the Grantee and shall give Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, State may do any of the following:

    a) Declare the funding be immediately repaid, with interest, at the California general obligation bond interest rate at the time the State notifies the Grantee of the default.

    b) Terminate any obligation to make future payments to Grantee.

    c) Terminate the Grant Agreement.

    d) Take any other action that it deems necessary to protect its interests.

    In the event State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

12. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:

a) An urban water supplier that receives grant funds governed by this Grant Agreement shall maintain compliance with the Urban Water Management Planning (UWMP) Act (Water Code, section 10610 et seq.) and Sustainable Water Use and Demand Reduction, Part 2.55 of Division 6 (Water Code, section 10608 et seq.) by doing the following:

1) Have submitted their 2015 UWMP and had it deemed consistent by DWR. If the 2015 UWMP has not been submitted to DWR funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by DWR, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and DWR deems the UWMP consistent. For more information, visit the following website: http://www.water.ca.gov/urbanwatermanagement.

2) All urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim gallons per capita per day (GPCD) target. If not meeting the interim target, also include a schedule, financing plan, and budget for achieving the GPCD target, as required pursuant to Water Code section 10608.24. Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD target (Water Code, section 10608.24).

b) An agricultural water supplier receiving grant funding must:

1) Comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with section 10608) of Division 6 of the Water Code. Submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code section 10608.48.

2) Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. For more information, visit the following website: http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm.

c) Grantees diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.

d) Project sponsors must demonstrate compliance with the groundwater compliance options set forth on pages 11 and 12 of the 2016 IRWM Program Guidelines, dated July 2016.

e) Project Proponents that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by Water Code section 10920 and the CASGEM Program.

13. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to complete the Project. Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. Grantee shall provide copies of permits and approvals to State.

14. RELATIONSHIP OF PARTIES. Grantee is solely responsible for design, construction, and operation and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.

15. LABOR COMPLIANCE. The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: http://www.dir.ca.gov/lcp.asp. For more information, please refer to DIR's Public Works Manual at: http://www.dir.ca.gov/dlse/PWManualCombined.pdf.

16. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. If requested, Grantee shall promptly provide any additional information deemed

necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for the Project.

a) Progress Reports: Grantee shall submit progress reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent via e-mail to the State's Project Manager and shall be uploaded into GRanTS at the frequency specified in Exhibit C (Schedule). The progress reports shall provide a brief description of the work performed during the reporting period including: Grantee's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Agreement.

f) Accountability Report: Grantee shall submit, on a quarterly basis, an Accountability Report by individual Local Project Sponsor that at a minimum:
   1) An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
   1) A funding plan which shows how the remaining advanced funds will be expended.
   2) If applicable, provides an accounting of distributing the advanced funds to the appropriate Local Project Sponsor.
   3) Documents that the funds were spent on eligible reimbursable costs.
   4) Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.

b) Water Management Status Report: By July 1, 2016, all urban water suppliers were required to submit an UWMP that demonstrates they are meeting the 2015 interim Senate Bill (SB)x7-7 GPCD target. If the urban water supplier is not meeting the interim target, then the urban water suppliers must also submit with its UWMP, a schedule, financing plan, and budget for achieving the GPCD (Water Code, section10608.24). Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD target (Water Code, section10608.24). Failure to progress on implementation may result in continuing grant eligibility actions under Paragraph 12.

c) Grant Completion Report: Upon completion of the Project, Grantee shall submit to State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of Project Completion. The Grant Completion Report shall include reimbursement status, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during the Project. Retention for the Project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to and approved by the State. The Grant Completion Report format is attached as Exhibit F.

17. STATEWIDE MONITORING REQUIREMENTS. Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with section10780) of Division 6 of the Water Code) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G (Requirements for Statewide Monitoring and Data Submittal), for web links and information regarding other State monitoring and data reporting requirements.

18. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:

a) Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the work plan, schedule or term, and budget.

b) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least 14 calendar days prior to the event.

19. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:

    a) By delivery in person.

    b) By certified U.S. mail, return receipt requested, postage prepaid.

    c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.

    d) By electronic means.

    Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses set forth in Paragraph 21. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

20. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

21. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

    Department of Water Resources
    Arthur Hinojosa
    Chief, Division of IRWM
    P.O. Box 942836
    Sacramento CA 94236-0001
    Phone: (916) 653-4736
    e-mail: Arthur.Hinojosa@water.ca.gov

    City of California City
    William T. Weil Jr.
    City Manager
    21000 Hacienda Blvd
    California City, CA 93505
    Phone: (760) 373-7170
    Email: citymgr@califomiacity-ca.gov

    Direct all inquiries to the Project Manager:

    Department of Water Resources
    Kaylee Vanni
    Division of Integrated Regional Water Management
    901 P Street, Room 213-A
    Sacramento, CA 94236-0001
    Phone: (916) 651-5002
    Email: Kaylee.Vanni@water.ca.gov

    City of California City
    Craig Platt
    Public Works Director
    7800 Moss Ave
    California City, CA 93505
    Phone (760) 373-7297
    Email: cplatt@californiacity-ca.gov

    Either party may change its Project Representative or Project Manager upon written notice to the other party.

22. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

    Exhibit A – Work Plan

    Exhibit B – Budget

    Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Authorizing Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Statewide Monitoring and Data Submittal

Exhibit H – State Audit Document Requirements for Grantees

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

_____
Arthur Hinojosa, P.E., Chief
Division of Integrated Regional Water Management

Date_____

Approved as to Legal Form and Sufficiency

_____
Robin Brewer, Assistant Chief Counsel
Office of Chief Counsel

Date_____

CITY OF CALIFORNIA CITY

_____
William T. Weil Jr., City Manager

Date_____

EXHIBIT A
WORK PLAN

Proposal Objective(s)

The objectives of this planning proposal are to: A) develop a new IRWM Plan for the Fremont Basin IRWM Region (Region) that will be consistent with the 2016 IRWM Grant Program Guidelines and IRWM Plan Standard Requirements; B) develop a Groundwater Management Plan; C) prepare a Final Salt/Nutrient Management Plan; D) conduct outreach and regular participatory meetings; and E) ensure Disadvantaged Community participation.

Pre-Agreement Status of IRWM Plan

The Fremont Basin IRWM Region completed the Region Acceptance Process (RAP) in September 2011 and is now an accepted IRWM region. The Region lies entirely within Kern County, within the Lahontan Proposition 1 Funding Area.

In 2014, the City of California City, Mojave Public Utilities District (Mojave PUD), and Antelope Valley-East Kern Water Agency (AVEK) signed a Memorandum of Understanding (MOU) and formed the Fremont Basin Regional Water Management Group (RWMG).

To date, the Fremont Basin IRWM has conducted stakeholder meetings, created a Facebook webpage, and developed a mailing list to facilitate communication with stakeholders and the public about the IRWM planning process and funding opportunities.

Some technical analyses have been conducted in the Region, including the AVEK's 2015 UWMP and Mojave PUD's Sewer and Water Master Plans. However, several technical planning documents that are required to support new and existing legislation described in the 2016 IRWM Program Guidelines have not been developed or are not complete.

Groundwater Management Plan (GWMP)

The Fremont Basin IRWM Region does not currently have a GWMP. An evaluation of groundwater resources in California City was conducted in 2008 (Evaluation of Groundwater Resources in California City, 2008) that can provide a technical basis for characterizing the Fremont Valley Groundwater Basin (Basin). The RWMG will utilize this document as a starting point for developing the management objectives, monitoring, activities, and administration for the Basin.

Salt and Nutrient Management Plan (SNMP)

A draft SNMP was developed in 2010 in anticipation of recycled water development in the Fremont Basin IRWM Region. The draft SNMP was never completed and is in need of updating to bring it into compliance with State regulations. Additional analyses are needed to confirm the assimilative capacity of the Basin and to evaluate the fate and transport of salts and nutrients in the Basin.

Work Plan

Category (a): Grant Administration

Task 1: Administration

Manage Grant Agreement including coordination of Agreement execution and amendment(s) (if necessary), communication with DWR, and maintenance of Project files related to implementation of the Grant Agreement.

Deliverables

- Executed grant agreement, amendment(s) (if necessary)
- Executed contract(s) with consultants

Task 2: Invoicing

Prepare and submit invoices to DWR, track task progress and schedule, and manage contracts and budgets associated with the Grant Agreement. The Grantee, or its designee, will administer and track any contracts with

consultants or other agencies that are necessary to complete tasks in the work plan and compile the required invoice back-up information.

Deliverables

- Invoices and associated backup documentation

Task 3: Reporting

The Grantee will be responsible for compiling progress reports for submittal to DWR. The Grantee will retain consultants as needed to prepare and submit quarterly progress reports and the Final Grant Completion Report.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit F of this Agreement. For example, quarterly progress reports will document the following: work completed during that quarter, budget expenditures, activities and milestones achieved, scheduling concerns, and potential problems and project performance. Upon completion of the scope of work, a final Grant Completion Report will be prepared and submitted to DWR. The Grant Completion Report will include: documentation of actual work done, changes and amendments (if applicable), a final schedule showing actual progress versus planned progress, and copies of final documents and reports generated during the project.

Deliverables

- Quarterly Progress Reports
- Draft and Final Project Completion Reports

Category (b): IRWM Plan Outreach

Outreach tasks associated with the development of the Fremont Basin IRWM Plan began in September 2015 with the first Fremont Basin IRWM Stakeholder Ground meeting.

Task 4: IRWM Plan Meetings and Outreach

Subtask 4.1: RWMG

Conduct conference calls with members of the RWMG to discuss the IRWM Plan process, upcoming Stakeholder Group Workshops (to be held under Subtask 4.2), and information to be included in the IRWM Plan. This subtask will include preparation for, facilitation of, and participation in up to twelve (12) RWMG conference calls. Develop meeting agendas and minutes.

Subtask 4.2: IRWM Plan Stakeholder Group Workshops

Hold up to 15 Stakeholder Group Workshops during development of the IRWM. Three Stakeholder Group Workshops have been completed prior to the development of the grant application and twelve are planned to be completed. Update the public on the IRWM Plan, discuss the purposes of integrated planning, and discuss the means by which the public can participate in the IRWM and SNMP/GWMP development process. Announce meetings to a broad distribution list via e-mail. All materials developed for use in stakeholder workshops will be made available on the Fremont Basin IRWM website.

Prepare public meeting notices and invitations, maintain the stakeholder contact list; develop and distribute presentations, meeting handouts and minutes; distribute feedback questionnaires, and compile public responses obtained during the workshops.

Subtask 4.3: Working Group Meetings

The RWMG will create Working Groups, led by a subject area expert, and focus on technical topics to advise the RWMG on the development of the IRWM Plan, GWMP, and the SNMP. This scope of work covers four working groups that are anticipated to meet twice each and cover the following specialized topics: (1) the SNMP/GWMP, (2) DAC/Public Outreach, (3) Climate Change, and (4) a topic to be decided by the RWMG upon project initiation. The focus of these working groups may be adapted to the needs of the Region once

the planning process is initiated. DAC and tribal outreach are assumed to be covered under the DAC/Public Outreach Working Group.

Subtask 4.4: Targeted DAC and Tribal Outreach

The RWMG will conduct targeted outreach to DAC and tribal special interest groups to understand and focus their water management-related issues and needs. Conduct outreach meetings held by the DAC/Public Outreach Working Group in DACs/EDAs and publish all meeting materials, presentations, technical resources, IRWM Plan goals and objectives, and proposed project ideas on the Fremont Basin IRWM website.

In addition, the DAC/Public Outreach Working Group will consult with other nearby agencies that manage successful DAC outreach campaigns. This will include at least one meeting with DAC, EDA, and tribal stakeholders/ representatives. The continued outreach to these communities ensures that the communities will be aware of the IRWM Plan development.

Deliverables

- RWMG meeting agendas and meeting notes (up to 12 each)
- Stakeholder Group contact list
- Stakeholder Group meeting agendas and meeting notes (up to 15 each)
- Working Groups contact list
- Working Groups meeting agendas and meeting notes (up to 8 each)
- DAC and Tribal representative contact list

Category (c): Plan Development

Task 5: Data Collection and Analysis

Conduct an analysis of existing documents in the Fremont Basin IRWM Region to assess available data needed to prepare the IRWM Plan and SNMP/GWMP documents.

Prepare a Data Needs Information Sheet that includes a listing of all available documents, data gaps, and a short summary of contents/findings. This document is assumed to be a "living" document during IRWM Plan preparation. Prepare draft versions that will be submitted with each Quarterly Progress Report and a final version that will be submitted upon IRWM Plan completion.

Deliverables

- Draft and Final versions of Data Needs Information Sheet

Task 6: Groundwater Management Plan

Develop a GWMP. The results of the GWMP will be used to inform the IRWM Plan sections 2. Region Description, 3. Goals, Objectives, and Priorities, 4. Resource Management Strategies, 6. Project Review Process, and 12. Relation to Local Water Use Planning.

Subtask 6.1: Basin Characterization

Describe the current groundwater conditions in the Region, which may include but not be limited to: the physical structure and characteristics of the aquifer system, historical data, and a general discussion of historical and projected water demands and supplies. Utilize existing documents to summarize groundwater levels, groundwater quality, inelastic and land surface subsidence, and groundwater-surface water interaction. Create a map of the groundwater Basin showing Basin boundaries, local agency area subject to the plan, and boundaries of other local agencies that overlie the Basin. Create a map of recharge areas and provide a description of how recharge areas and surface water supply contribute to the replenishment of the groundwater Basin.

Subtask 6.2: Basin Management Goals and Objectives

Develop Basin management goals and objectives (BMOs) to address the following issues: groundwater levels, groundwater quality management and restoration, inelastic subsidence, changes in surface water flow and quality, water recycling, and reuse of stormwater.

Describe how management actions and programs in the GWMP help meet these objectives and how each objective is intended to achieve groundwater sustainability.

Subtask 6.3: Groundwater Basin Management Activities

Develop groundwater Basin management activities based on the groundwater Basin characterization described in Subtask 6.1, findings from the Data Collection (Task 5), and input from GWMP Working Group meetings and Stakeholder workshops (Task 4).

Subtask 6.4: Anti-Degradation Analysis

Evaluate impacts that could result from the implementation of the recycled water projects in the Region and stormwater use goals and strategies, and determine if the goals will result in potential future degradation of groundwater quality. If so, the goals will be examined to ensure that they are consistent with the policy procedures of Resolution No. 68-16.

These analyses will provide the necessary information to answer the questions posed by Resolution No. 68-16. If the beneficial uses or water quality objectives for the Fremont Basin are determined to be inappropriate given environmental conditions, we will recommend discussions with Regional Water Quality Board (RWQCB) staff about possible modifications to the Lahontan Water Quality Control Plan (RWQCB Basin Plan) that will make the SNMP more successful.

Subtask 6.5: Implementation Analysis

Develop a governing body to oversee SNMP/GWMP implementation, evaluate the cost of implementing the preferred strategy(ies), identify possible funding sources, assess California Environmental Quality Act (CEQA) compliance issues, and determine if a RWQCB Basin Plan amendment will be required for SNMP/GWMP implementation.

Subtask 6.6: Monitoring Program

Prepare a Groundwater Monitoring Program to assess achievement of the Basin-wide goals and objectives for groundwater management.

Summarize type of monitoring site, type of measurement, frequency of monitoring, as well as other applicable information such as well depth, screen intervals, aquifer zones monitored, and type of well relied on for information.

Evaluate and assess existing groundwater monitoring programs in the Basin. If necessary, modify those existing programs to achieve SNMP/GWMP objectives.

The resultant monitoring program will identify the stakeholders responsible for conducting the groundwater sampling, organizing monitoring results into the groundwater management database, and reporting the results to the State Water Resources Control Board staff as appropriate.

Subtask 6.7: Prepare GWMP

1. <u>Develop Draft GWMP</u>

Upon completion of Subtasks 6.1-6.6, a Draft GWMP will be prepared. The monitoring program, developed in Subtask 6.7, will be presented as a separate, stand-alone document, included as an appendix to the GWMP. This draft of the GWMP will then be presented to the RWMG, GWMP Working Group, and RWQCB for their review.

2. <u>Develop Public Draft GWMP</u>

Review comments on the Draft GWMP will be incorporated to create a Public Draft GWMP that will be posted on the Fremont Basin IRWM website for public review and comment. A 30-day public comment period will be allowed, after which comments received will be addressed in a plan revision as appropriate. A comment matrix will also be developed and posted to the Fremont Basin IRWM website. A public meeting will be held to review the Draft GWMP under Task 4.

3. Develop Final GWMP

Following public review of the Public Draft GWMP, comments received will be incorporated to create a Final GWMP.

Deliverables

- Verification of public comment solicitation
- Final GWMP
- Verification of GWMP approval
- Incorporation of the GWMP as an appendix to the Fremont Basin IRWM plan

Task 7: Salt/Nutrient Management Plan

Update the 2010 SNMP draft. The results of the SNMP will be used to inform the IRWM Plan sections 2. Region Description, 3. Goals, Objectives, and Priorities, 6. Project Review Process, and 12. Relation to Local Water Use Planning.

Subtask 7.1: Basin Characteristics

Update background information provided in the draft SNMP and provide a conceptual model of the groundwater Basin. Present necessary background data required to perform the following required data analyses, including areas where groundwater quality has been impaired and/or overdraft situations have occurred, areas of inelastic subsidence, and groundwater use and quality trends.

Subtask 7.2: Basin Management Goals and Objectives

Update groundwater management goals and BMOs described in the 2010 draft SNMP.

Subtask 7.3: SNMP Analyses

Identify and quantify salinity and nutrient loads to the Basin for identified constituents of concern. Assimilative capacity is a comparison of existing water quality concentrations to the limits set in the RWQCB Basin Plan. Determine the assimilative capacity of the groundwater basin and evaluate the fate and transport of salts and nutrients in the groundwater basin.

To accomplish this, the following four major work items will be conducted:

1. Identify Salt and Nutrient Constituents of Concern (COCs)

Identify recommended salinity and nutrient parameters that will be addressed in the SNMP. Identify constituents of concern relative to attainment of RWQCB Basin Plan Water Quality Objectives, BMOs, watershed Total Maximum Daily Loads (TMDLs), and other surface water quality standards. Selection of COCs will depend on the water quality data available and requirements by any other compliance documents and/or permits (existing and anticipated).

2. Identify Salt and Nutrient Sources

Identify land use characteristics, as well as known point sources, non-point sources, and their locations, to determine the types of salts and/or nutrient contributions to the groundwater basin. Define the type of water used for outdoor irrigation for each parcel, both currently and in the projected future. Identify other (future) water sources and their places of use (including their use in groundwater basin augmentation) based on information gathered from appropriate water suppliers, irrigators, and stakeholders.

3. Quantify Salt and Nutrient Sources Loads

Quantify the Basin's salt and nutrient sources in terms of volume, concentration, and/or mass loads based on available information. Utilize the existing groundwater balance, developed for the Basin's existing groundwater model, to prepare mass load estimates for the Basin as a whole.

4. Perform Modeling

A loading analysis is an extension of the work performed in Steps 2 and 3. Based on the water quality information gathered and the spatial location of the identified sources, calculate and sum loads from coincident sources to develop an estimate of salt and/or nutrient loading to the groundwater basin. Assess the quality impacts of the loading to the groundwater basin using an EXCEL-based mixing model. Develop a salt and nutrient loading and mixing model to account for these factors and calculate a loading estimate for an average year.

Subtask 7.4: Salt and Nutrient Management Strategies

Identify reasonable groundwater basin salt and nutrient management strategies that may help achieve the basin management goals and objectives for managing and maintaining both groundwater elevation and quality. These salt and nutrient management strategies will build off of the draft SNMP and management actions identified for the GWMP in Subtask 6.3.

Develop a preliminary list of alternative management strategies that are feasible for implementation in the Basin. Obtain input from the stakeholder groups on the preliminary list. The preliminary alternative management strategies developed will then be used to evaluate and compare the most feasible basin salt and nutrient management strategies on the basis of criteria determined in collaboration with the RWMG. After this evaluation is complete, a preferred strategy or set of strategies will be selected for implementation using stakeholder feedback and a pre-defined decision process.

Subtask 7.5: Implementation Analysis

Refer to Subtask 6.5.

Subtask 7.6: Monitoring Program

Refer to Subtask 6.6.

Subtask 7.7: Prepare SNMP

1. Develop Draft SNMP

A Draft SNMP will be prepared using the work completed in prior tasks. The monitoring program, developed in Subtask 6.6, will be presented as a separate, stand-along document, included as an appendix to the SNMP. This draft of the SNMP will then be presented to the RWMG, SNMP Working Group, and RWQCB for their review.

2. Develop Public Draft SNMP

Review comments on the Draft SNMP will be incorporated to create a Public Draft SNMP that will be posted on the Fremont Basin IRWM website for public review and comment. A 30-day public comment period will be allowed, following which comments received will be addressed in a plan revision, as appropriate. A comment matrix will be developed and also be posted to the Fremont Basin IRWM website. A public meeting will be held to review the draft SNMP under Task 4.

3. Develop Final SNMP

Following public review of the Public Draft SNMP, comments received will be incorporated to create a Final SNMP.

Deliverables

- Verification of public comment solicitation
- Final SNMP
- Incorporation of the SNMP as an appendix to the Fremont Basin IRWM plan

Task 8: IRWM Plan Development

Develop a new Integrated Regional Water Management (IRWM) Plan for the Fremont Basin IRWM Region. This plan will be consistent with all 2016 Grant Program Guidelines and the 2016 IRWM Plan Standard Requirements.

Subtask 8.1: Prepare Draft IRWM Plan Sections

1. Governance

Document the governance structure that ensures the IRWM Plan will be updated and implemented beyond existing State grant programs.

2. Region Description

Describe the region managed by the RWMG. Discuss the regional effects of climate change based on regional planning documents. Incorporate results of the GWMP (Task 6) and the SNMP (Task 7), including issues related to water supply, quality, and reliability; an assessment of current and projected water demands and supplies; and a description of how the Fremont Basin's hydrogeology functions.

3. Goals, Objectives, and Priorities

Present the plan objectives and a description of the process used to develop objectives. Describe the relationship between the objectives and climate change adaptation and mitigation. Incorporate the results of the GWMP (Task 6) to help define regional goals and objectives related to groundwater management efforts including the Sustainable Groundwater Management Act (SGMA) compliance. Incorporate the results of the SNMP (Task 7) including identification of regional goals and objectives related to salt and nutrient contamination.

4. Resource Management Strategies

Document the range of Resource Management Strategies (RMS) considered that meet the IRWM objectives and identify which RMS were incorporated into the IRWM Plan. Discuss water quality issues to comply with Assembly Bill (AB) 1249 (Stats. 2014, ch. 717). Incorporate results of the GWMP (Task 6) to help define potential RMS and IRWM projects that effectively manage the basin's supply and storage potential.

5. Integration

Describe the structures and processes that provide opportunities to develop and foster integration. The IRWM Plan will demonstrate that the RWMG is forming, coordinating, and integrating separate efforts to function as a unified effort.

6. Project Review Process

Develop and implement a project solicitation process to gather potential projects for the IRWM Plan and associated grant applications. Develop a project information template that provides the RWMG with the necessary information to understand, rank, and prioritize individual project and programs in the IRWM Plan. The project solicitation process will be implemented by distributing the Project Information Template to interested stakeholders via electronic and/or paper formats, as appropriate. The outreach process will include DACs, Native American Tribal Communities, and conservation organizations. Following receipt of the project information, an Excel project database will be developed that contains relevant information on each submitted project for use in the prioritization and ranking process.

Develop a project selection approach, methodology, and process. The project prioritization process will form the basis for selecting projects submitted for inclusion in the IRWM Plan.

Following development of the draft and final project ranking lists, the projects will be assessed for the overall IRWM Plan benefits achieved through project integration and implementation. This assessment will also be included within the IRWM Plan document and on the IRWMP website to illustrate the added value of integrated regional planning.

Incorporate the results of the GWMP (Task 6) and the SNMP (Task 7) to include characterization of potential projects and their benefits and costs that could be included in the IRWM Plan for implementation.

7. Impact and Benefit

Discuss potential impacts and benefits of the IRWM Plan implementation, including impacts and benefits within the Region, between regions, and those directly affecting DAC, EJ related concerns, and Native American Tribal communities.

8. Plan Performance and Monitoring

Describe the performance measures and monitoring methods established to ensure that the objectives of the Plan are met.

9. Data Management

Describe the process of data collection, storage, and dissemination to IRWM participants, stakeholders, the public, and the State.

10. Finance

Develop a plan for implementation and financing of identified projects and programs. This section will also identify and explain potential financing for implementation of the IRWM Plan.

11. Technical Analysis

Describe the data and technical analyses that were used to develop the Plan, including a brief description of studies, models, or other technical methodologies used, including the GWMP (Task 6) and the SNMP (Task 7). Identify data gaps where additional monitoring or studies are needed.

12. Relation to Local Water Planning

Describe the local water planning documents that form the basis for the IRWM Plan, including the GWMP (Task 6) and the SNMP (Task 7). This section will also include a discussion of climate change adaptation and mitigation strategies from local water planning documents.

13. Relation to Land Use Planning

Describe the processes that foster communication between land use managers and RWMGs with the intent of effectively integrating water management and land use planning.

14. Stakeholder Involvement

Describe the public process that provides outreach to stakeholders. Discuss how DACs, Native American tribes, and other stakeholders will be involved.

15. Coordination

Identify a process to coordinate water management projects and activities of participating local agencies and local stakeholders, a process to coordinate with neighboring IRWM regions, and identification of areas where the State may assist in coordination.

16. Climate Change

Address climate change adaptation and the mitigation of GHG emissions based on DWR's IRWM Plan Standards and the Climate Change Handbook for Regional Water Planning. Discuss both adaptation to the effects of climate change and mitigation of GHG emissions based on regional planning documents. This section will include a list of prioritized vulnerabilities, and a methodology for further data gathering and analysis of the prioritized vulnerabilities. A Climate Change Vulnerability Assessment will be completed and submitted as an appendix to the IRWM Plan.

Subtask 8.2: Draft IRWM Plan

Review the IRWM Plan sections developed in Subtask 8.1. Incorporate comments as appropriate as part of this subtask. Compile the revised sections into a Draft IRWM Plan that complies with DWR's 2016 IRWM Plan Standard Requirements and documents how the Plan meets State goals and priorities. Submit the Draft IRWM Plan to DWR for the 2016 IRWM Plan Review Process.

Subtask 8.3: Revised Draft IRWM Plan

Comments on the Draft IRWM Plan will be compiled and incorporated to develop a Revised Draft IRWM Plan. The Revised Draft IRWM Plan will be made available for comment by stakeholders and the general public. Compile and respond to public comments on Draft IRWM Plan in a comment matrix for RWMG review as part of this subtask.

Subtask 8.4: Final IRWM Plan

Prepare a Final IRWM Plan based on the public comments received on the Draft IRWM Plan in Subtask 8.3. Incorporate public comments received during the public review period, as appropriate, into the Final IRWM Plan. Submit the Final IRWM Plan to DWR. RWMG will adopt the Final 2016 Plan Update.

Deliverables

- Climate Change Vulnerability Assessment
- Draft IRWM Plan consistent with 2016 IRWM Plan Standards
- Final IRWM Plan consistent with 2016 IRWM Plan Standards

EXHIBIT B
BUDGET

Budget Category	Local Cost Share*	Grant Share	Total
Category (a): Project Administration	$31,188	$0	$31,188
Category (b): IRWM Plan Outreach	$10,236	$187,680	$197,916
Category (c): Plan Development	$0	$653,350	$653,350
GRAND TOTAL (Sum rows (a) through (c) for each column.)	$41,424	$841,030	$882,454

*Consists of local, federal, and value of in-kind service.

EXHIBIT C
SCHEDULE

Tasks	Start Date	End Date
Category (a): Project Administration	5/2/16	4/27/18
Task 1: Administration	5/2/16	4/27/18
Task 2: Invoicing	3/2/17	4/27/18
Task 3: Reporting	4/12/17	4/27/18
Category (b): Plan Development or Update		
Task 4: IRWM Plan Meetings and Outreach	9/11/15	3/30/18
Category (c): IRWM Plan Outreach		
Task 5: Data Collection and Analysis	3/2/17	10/5/17
Task 6: GWMP	3/2/17	12/21/17
Task 7: SNMP	3/2/17	12/21/17
Task 8: IRWM Plan Development	4/3/17	3/30/18

EXHIBIT D
STANDARD CONDITIONS

D.1) **ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

a) Separate Accounting of Funding Disbursements Records: Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts and disbursements of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.

b) Fiscal Management Systems and Accounting Standards: The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.

c) Disposition of Money Disbursed: All money disbursed pursuant to this Grant Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law and be placed in a non-interest bearing account.

d) Remittance of Unexpended Funds: Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

D.2) **ACKNOWLEDGEMENT OF CREDIT:** Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Grant Agreement.

D.3) **AMENDMENT:** This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. State shall have no obligation to agree to an amendment.

D.4) **AMERICANS WITH DISABILITIES ACT:** By signing this Grant Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. section 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5) **APPROVAL:** This Agreement is of no force or effect until signed by all parties to the Agreement. Grantee may not submit invoices or receive payment until all required signatures have been obtained.

D.6) **AUDITS:** State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may elect to pursue any remedies provided in Paragraph 11 or take any other action it deems necessary to protect its interests.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three years after final payment under this Grant Agreement with respect to all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of Grantee or its contractor or subcontractors shall be

preserved for this purpose for at least three (3) years after project completion or final billing, whichever comes later.

D.7) **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for the Proposition 1 Planning Grant Program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Grant Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Grant Agreement and Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, State shall have the option to either cancel this Grant Agreement with no liability occurring to State, or offer a Grant Agreement amendment to Grantee to reflect the reduced amount.

D.8) **CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of $100,000, the Grantee acknowledges in accordance with Public Contract Code section 7110, that:

a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section5200) of Part 5 of Division 9 of the Family Code; and

b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

D.9) **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the State's Project Manager, within thirty (30) calendar days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

D.10) **COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.

D.11) **COMPUTER SOFTWARE:** Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

D.12) **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.

a) Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

b) Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee

may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

c) Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government Code section 87100 et seq.

d) Employees and Consultants to the Grantee: Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

D.13) **DELIVERY OF INFORMATION, REPORTS, AND DATA:** Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by State.

D.14) **DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than $5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.

D.15) **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, section 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355(a)(1).

b) Establish a Drug-Free Awareness Program, as required by Government Code section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:

   i) The dangers of drug abuse in the workplace,

   ii) Grantee's policy of maintaining a drug-free workplace,

   iii) Any available counseling, rehabilitation, and employee assistance programs, and

   iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.

c) Provide, as required by Government Code section 8355(a)(3), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:

   i) Will receive a copy of Grantee's drug-free policy statement, and

   ii) Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

D.16) **GRANTEE COMMITMENTS:** Grantee accepts and agrees to comply with all terms, provisions, conditions and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.

D.17) **GRANTEE NAME CHANGE:** Approval of the State's Program Manager is required to change the Grantee's name as listed on this Grant Agreement. Upon receipt of legal documentation of the name change the State will process an amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

D.18) **GOVERNING LAW:** This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.19) **INDEMNIFICATION:** Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.

D.20) **INDEPENDENT CAPACITY:** Grantee, and the agents and employees of Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.21) **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.

D.22) **INSPECTIONS OF PROJECT BY STATE:** State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State.

D.23) **INVOICE DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that Grantee may have regarding the performance of this Grant Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the DWR Project Manager within thirty (30) calendar days of Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to the Grant Agreement to implement the terms of any such resolution.

D.24) **NONDISCRIMINATION:** During the performance of this Grant Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, section12990 et seq.) and the applicable regulations promulgated there under (California Code of Regulations, title 2, section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.

D.25) **NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** For contracts over $100,000 executed or amended after January 1, 2007, the Grantee certifies by signing this Grant Agreement, under penalty of perjury

under the laws of State of California that Grantee is in compliance with Public Contract Code section10295.3.

D.26) **OPINIONS AND DETERMINATIONS:** Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

D.27) **PERFORMANCE AND ASSURANCES:** Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A (Work Plan) and to apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law.

D.28) **PRIORITY HIRING CONSIDERATIONS:** If this Grant Agreement includes services in excess of $200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code section11200 in accordance with Public Contract Code section10353.

D.29) **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.

D.30) **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

D.31) **RETENTION:** Notwithstanding any other provision of this Grant Agreement, State shall withhold five percent (5.0%) until January 1, 2018, and ten percent (10.0%), thereafter, of the funds requested by Grantee for reimbursement of Eligible Costs. Withheld funds will be eligible to be released when the Grantee has fulfilled the requirements of Paragraph 16, "Submissions of Reports".

D.32) **RIGHTS IN DATA:** Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act, Government Code section 6250 et seq. Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

D.33) **SEVERABILITY:** Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.

D.34) **STATE REVIEWS:** The parties agree that review or approval of Project, applications, documents, permits, plans, and specifications or other project information by the State is for administrative purposes only and does not relieve the Grantee of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project.

D.35) **SUSPENSION OF PAYMENTS:** This Grant Agreement may be subject to suspension of payments or termination, or both, and Grantee may be subject to debarment if the State determines that:

a) Grantee, its contractors, or subcontractors have made a false certification, or

b) Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.

D.36) **SUCCESSORS AND ASSIGNS:** This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part

thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.

D.37) **TERMINATION BY GRANTEE:** Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.

D.38) **TERMINATION FOR CAUSE:** Subject to the right to cure under Paragraph 10, the State may terminate this Grant Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 10.

D.39) **TERMINATION WITHOUT CAUSE:** The State may terminate this Grant Agreement without cause on 30 calendar days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.

D.40) **THIRD PARTY BENEFICIARIES:** The parties to this Grant Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.

D.41) **TIMELINESS:** Time is of the essence in this Grant Agreement.

D.42) **TRAVEL:** Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Agreement. Travel and per diem expenses to be reimbursed under this Agreement shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3, of the California Code of Regulations and shall be reimbursed consistent with the rates current at the time of travel. These rates are published at: http://www.calhr.ca.gov/employees/Pages/travel-meals.aspx, or its successor website. For the purpose of computing such expenses, Grantee's designated headquarters shall be: 21000 Hacienda Blvd California City, CA 93505. No travel outside the Funding Area shall be reimbursed unless prior written authorization is obtained from the State's Project Manager.

D.43) **VENUE:** The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.

D.44) **WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

D.45) **WORKERS' COMPENSATION:** Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Grant Agreement and will make its contractors and subcontractors aware of this provision.

EXHIBIT E
AUTHORIZING RESOLUTION

A copy of documentation, such as a resolution adopted by the applicant's governing body, designating an authorized representative to file an application for an IRWM Planning Grant and enter into an agreement with the State of California.

RESOLUTION NO. 09-16-2673 ORIGINAL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY APPROVING AN APPLICATION TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES TO OBTAIN AN INTEGRATED REGIONAL WATER MANAGEMENT PLANNING GRANT AND TO ENTER INTO AN AGREEMENT TO RECEIVE A GRANT FOR THE FREMONT BASIN INTEGRATED REGIONAL WATER MANAGEMENT PLAN

THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY RESOLVES as follows:

WHEREAS, the City Council of the City of California City, approves an application be made to the California Department of Water Resources to obtain an Integrated Regional Water Management Planning Grant Pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code Section 79700 *et seq.*); and

WHEREAS, the City Council of the City of California City, approves to enter into an agreement to receive a grant for the Fremont Basin Integrated Regional Water Management Plan; and

WHEREAS, the City Council of the City of California City, hereby authorizes and directs the City Manager of the City of California City to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement with California Department of Water Resources.

PASSED, APPROVED AND ADOPTED this 27th day of September, 2016 by the following roll call vote:

AYES: Gomez, Smith, Warren, McGuire, Wood
NAYS: None
ABSTAIN: None
ABSENT: None

Jennifer Wood, Mayor

ATTEST:

Denise Hilliker, City Clerk

(seal)

EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For each project, discuss the following at the task level, as organized in Exhibit A (Work Plan):

- Percent complete estimate.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Meetings held or attended.
- Scheduling concerns and issues encountered that may delay completion of the task.
- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any schedule or budget modifications approved by DWR during the reporting period.

GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format.

Project Summary

Summary of the work competed including a short description of any amendments to this Grant Agreement.

The following items should be provided, unless already submitted as a deliverable:

- A copy of the IRWM Plan that meets all 2016 IRWM Guideline IRWM Plan Standards
- A copy of any final technical report or study, produced for or utilized in this Project as described in the Work Plan
- Electronic copies of any data collected
- Discussion of problems that occurred during the work and how those problems were resolved
- Final Project schedule showing actual progress versus planned progress

Cost & Disposition of Funds Information

- Summary of Project costs including the following items:
  - Accounting of the cost of project expenditure include all internal and external costs not previously disclosed
  - A discussion of factors that affected the project cost and any deviation from the original Project cost estimate.

EXHIBIT G

REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL

Surface and Groundwater Quality Data

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit F.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: http://www.ceden.org.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/gama/geotracker_gama.shtml. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program.

Groundwater Level Data

Grantee shall submit to DWR groundwater level data collected as part of this grant. Water level data must be submitted using the California Statewide Groundwater Elevation Monitoring (CASGEM) online data submission system. Grantee should use their official CASGEM Monitoring Entity or Cooperating Agency status to gain access to the online submittal tool and submit data. If the data is from wells that are not part of the monitoring network, the water level measurements should be classified as voluntary measurements in the CASGEM system. If the grantee is not a Monitoring Entity or Cooperating Agency, please contact your DWR grant project manager for further assistance with data submittal. The activity of data submittal should be documented in appropriate progress or final project reports, as described in Exhibit F. Information regarding the CASGEM program can be found at http://www.water.ca.gov/groundwater/casgem/.

EXHIBIT H

STATE AUDIT DOCUMENT REQUIREMENTS GUIDELINES FOR GRANTEES

State Audit Document Requirements

The list below details the documents/records that State Auditors typically reviewed in the event of a Grant Agreement being audited. Grantees should ensure that such records are maintained for each State funded Program/Project. Where applicable, this list of documents also includes documents relating to the Grantee's funding match which will be required for audit purposes.

Internal Controls:

1. Organization chart (e.g., Agency's overall organization chart and organization chart for this Grant Agreement's funded project.
2. Written internal procedures and flowcharts for the following:
   a) Receipts and deposits
   b) Disbursements
   c) State reimbursement requests
   d) State funding expenditure tracking
   e) Guidelines, policy(ies), and procedures on State funded Program/Project
3. Audit reports of the Grantee's internal control structure and/or financial statements within the last two years.
4. Prior audit reports on State funded Program/Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A list of all bond-funded grants, loans or subventions received from the State.
3. A list of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related, if applicable.
2. Contracts between the Grantee, member agencies, and project partners as related to the State funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips or bank statements showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the Grant Agreement.

Accounting Records:

1. Ledgers showing receipts and cash disbursement entries for State funding.

2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to reimbursement requests submitted to the State for the Grant Agreement

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Grantee staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Grantee's

Project Files:

1. All supporting documentation maintained in the Program/Project files.
2. All Grant Agreement related correspondence.

CITY COUNCIL

June 27th, 2017

TO: **Mayor and City Council**

FROM: **City Manager, Tom Weil**

SUBJECT: **Professional Services Agreement for Developing the Integrated Regional Water Management Plan to include the Ground Water Management Plan and the Salt Nutrient Management Plan for the Fremont Basin**

BACKGROUND: RMC Water and Environmental has led the effort which has secured the Prop 1 funding grant award from California Department of Water Resources (DWR) in the amount of $841,030. The grant identifies California City as the lead to receive and monitor the funding during the writing of the IRWMP which includes the Ground Water Management Plan and the Salt Nutrient Management Plan for the Fremont Basin. It is expected this regional effort will take between 18 to 20 months to complete. Attached is the RMC proposal for these services which currently exceeds the grant award by $2,400 dollars. This covers RMC's travel costs throughout the IRWMP preparation. These costs will be shared equally by the Mojave Public Utility District, the Antelope Valley East Kern Water Agency, and California City. We have also verified with California DWR that there is no issue with awarding RMC the contract for such services.

RECOMMENDATION: The City Council approve the RMC proposal as presented and authorize the City Manager to work with the City Attorney in the preparation and execution of a Professional Services Agreement to develop the Integrated Water Management Plan which will include the Ground Water Management Plan and the Salt Nutrient Management Plan for the Fremont Basin.

ATTACHMENTS: RMC Proposal

FISCAL IMPACT: Fund 51-5115-320 IRWMP $2,400 This is a shared cost by California City, Mojave PUD and AVEK to cover RMC travel in preparation of the IRWMP and associated plans.

ENVIRONMENTAL ACTION: N/A

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

CB3.

William T. Weil

From: Daum, Theodore@DWR <Theodore.Daum@water.ca.gov>
Sent: Friday, June 16, 2017 1:23 PM
To: William T. Weil
Subject: RE: Competitive Bidding and Procurement

Hi Tom;

Per our conversation earlier this afternoon, engaging your current contractor RMC for the work associated with this grant agreement including Exhibit D Section D.10 would not be an issue with DWR. Please let me know if you have any further questions.

Best Regards;

Ted

Ted Daum
Senior Environmental Scientist
Department of Water Resources
Division of Integrated Regional Water Management Financial Assistance Branch
901 P Street
P.O. Box 942836
Sacramento, CA 94236-0001

(916) 651-9264 (office)
(916) 651-9292 (fax)

-----Original Message-----
From: William T. Weil [mailto:citymgr@californiacity-ca.gov]
Sent: Friday, June 16, 2017 1:11 PM
To: Daum, Theodore@DWR
Subject: Competitive Bidding and Procurement

Ted,
Per our conversation earlier it will not be a problem with the City of California City engaging our current contractor RMC who we have used to develop our grant application to continue on with the development of our IRWMP under this grant agreement. I want to make sure that section D.10 under exhibit D - Standard Conditions would not be an issue.
Take Care,
Tom Weil
City Manager
City of California City

RMC water and environment | WOODARD & CURRAN

National Experience. Local Focus.

June 19, 2017

Mr. Tom Weil
City of California City
21000 Hacienda Blvd
California City, CA 93505

Subject: Proposal for Fremont Basin Integrated Regional Water Management Plan

Dear Tom:

RMC, a Woodard and Curran Company, is pleased to submit this proposal for preparing the Fremont Basin Integrated Regional Water Management (IRWM) Plan for the City of California City (City) in accordance with the Proposition 1 IRWM grant requirements.

The specific objectives of our proposal are to:

- **Develop a new IRWM Plan for the Fremont Basin IRWM Region** that is consistent with the 2016 IRWM Grant Program Guidelines and will meet the 2016 IRWM Plan Standard Requirements.
- **Develop a Groundwater Management Plan (GWMP)** that is consistent with AB 3030 and Water Code Section 10753.7 that will identify groundwater resource vulnerabilities, needs, and potential projects for the IRWM Plan. The GWMP will help coordinate the monitoring, operation, and administration of the Fremont Valley Groundwater Basin, a low priority basin under the California Statewide Groundwater Elevation Monitoring (CASGEM) program; and it is also intended to meet many of the requirements of a Groundwater Sustainability Plan (GSP) under the Sustainable Groundwater Management Act of 2014 (SGMA).
- **Prepare a Final Salt/Nutrient Management Plan (SNMP)** for the Fremont Valley Groundwater Basin compliant with the State Water Resources Control Board Recycled Water Policy that builds off of previous efforts already completed. The SNMP will identify salt and nutrient vulnerabilities, needs, management measures, and potential projects for the IRWM Plan.
- **Conduct thorough outreach** and regular participatory meetings to inform stakeholders in the Region and to obtain their input for the IRWM Plan development process.
- **Ensure Disadvantaged Community (DAC) participation** by conducting targeted DAC outreach and by coordinating with other Regions in the North/South Lahontan Funding Area. The IRWM DAC tasks in this proposal are designed to feed into concurrent efforts by the North/South Lahontan Funding Area to develop a DAC Work Plan.

Our proposed team for this project and the project tasks are briefly introduced below. A detailed scope of work is presented in Attachment A of this proposal. Our proposed fee estimate and schedule are presented in Attachment B and Attachment C of this proposal, respectively. If you have any questions, you may contact Brian Dietrick at 213-223-9479 or bdietrick@woodardcurran.com. We look forward to working with you on this important project.

888 South Figueroa Street, Suite 1700
Los Angeles, CA 90017 • 213.223.9460 • rmcwater.com

Sincerely,

Brian N. Dietrick

Brian N. Dietrick
Project Manager

Background

The Fremont Basin IRWM Region completed the Region Acceptance Process (RAP) in September 2011 and is an accepted IRWM Region. The Region lies entirely within Kern County, within the North/South Lahontan Proposition 1 Funding Area. The Region is surrounded to the north by the Inyo-Mono IRWM Region, to the west by the Kern County IRWM Region (which lies in the Tulare/Kern Funding Area), to the south by the Antelope Valley IRWM Region, and to the east by the Mojave IRWM Region. The Fremont Basin IRWM Region is located within the larger North/South Lahontan Funding Area and the other Funding Areas and Regions in Southern California.

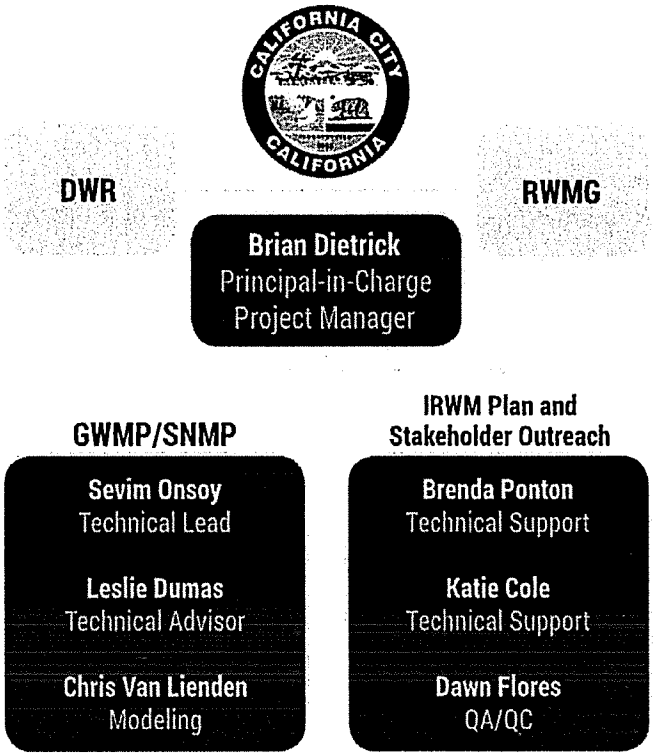
In 2014, the City, Mojave Public Utilities District (Mojave PUD), and Antelope Valley-East Kern Water Agency (AVEK) signed a Memorandum of Understanding (MOU) and formed the Fremont Basin Regional Water Management Group (RWMG). Since its formation, the RWMG has initiated stakeholder and DAC outreach by conducting a series of IRWM stakeholder meetings, yet the Region has not had the resources to develop an IRWM Plan. The Fremont Basin Region is 97.5 percent DAC by area, and has limited financial resources to conduct integrated planning efforts. The City is being awarded Proposition 1 IRWM Planning funding to allow the Fremont Basin Region to develop an IRWM Plan that meets the 2016 IRWM Plan Standard Requirements, along with supporting analyses and technical documents needed for the Region to develop a comprehensive, compliant IRWM Plan. A goal of the Plan development is also to identify the DACs/EDAs in the Region and consider the water-related needs of those DACs/EDAs.

To date, the Fremont Basin IRWM Region has conducted three (3) stakeholder meetings to introduce the IRWM program to stakeholders and describe the IRWM planning process and funding opportunities. The RWMG created a Facebook webpage for the Fremont Basin IRWM Region to facilitate communication with stakeholders and with the public. The RWMG has also developed a mailing list to provide updates on the IRWM planning process and distribute information on issues of interest to the watershed community.

Proposed Team

We bring a highly integrated team to assist the City with the preparation of a comprehensive IRWM planning document and prepare the Fremont Basin IRWM Region for future water resources management efforts. Brian Dietrick, the proposed project manager, and the technical support team shown in the Org chart below were directly involved in the development of IRWM plans, SNMPs, and GWMPs throughout California. In addition, the proposed team was also directly involved with the preparation of the successful Proposition 1 IRWM Planning Grant application for the Fremont Basin and are very familiar with the Fremont Basin IRWM Region and stakeholders. This continuity will provide efficiency and support an expedited schedule to produce a compliant IRWM Plan in time for Round 1 of the IRWM Implementation Grant Solicitation in Spring/Summer 2018.

The following is a brief description of our proposed project team. The resumes for our team members can be provided upon request.



Brian Dietrick, P.E. – Principal-in-Charge, Project Manager, Stakeholder and Outreach

Brian has 25 years of experience and has worked on numerous water supply planning efforts that have examined conjunctive use, salt and nutrient management, and recycled water and reuse options. He has expertise in water supply assessment, including calculating all current demands and supplies, projecting those demands and supplies out to the future, and incorporating the impacts of both population increase and climate change. Brian has worked with the Antelope Valley IRWM Region to prepare its IRWM Plan update, which included extensive stakeholder outreach to a wide variety of agency, nonprofit, municipal, and local citizen groups. He has led teams in preparing multiple successful Greater Los Angeles County IRWM implementation grants; and has participated in the development of salt and nutrient management plans for the Antelope Valley Region, Upper Los Angeles River Area, and Water Replenishment District of Southern California's Central and West Coast Basins.

Sevim Onsoy, Ph.D. – GWMP/SNMP Lead

Dr. Onsoy is experienced in a broad range of local and regional water-related projects with 13 years of experience, including water supply and water quality assessments, groundwater basin studies, groundwater recharge, groundwater management and monitoring, conjunctive use, and groundwater modeling. She has a strong technical and research background in groundwater hydrology and subsurface flow and transport modeling, particularly in the area of nitrate management and its impact on groundwater. She has developed and/or applied groundwater models to analyze potential impacts

on groundwater resources. She has prepared Groundwater Management Plans, Salt and Nutrient Management Plans, Urban Water Management Plans, CASGEM Programs, and Drinking Water Source Assessment Programs. She supported the Upper Santa Clara River IRWM Plan update and prepared a climate change assessment in compliance with the Proposition 84 IRWM Plan guidelines to evaluate potential climate change impacts on water resources. She is currently developing a Monitoring and Reporting Program (MRP) in support of the City of Santa Rosa's SNMP, and is the technical lead and modeler for developing an integrated hydrogeologic model for the Eastern San Joaquin Subbasin in support of SGMA implementation.

Leslie Dumas, P.E., D.WRE – GWMP/SNMP Senior Technical Advisor

Leslie is a hydrologist, water resource engineer and project manager with 30 years of experience providing hydrogeologic, hydrologic, environmental and scientific consultation for projects throughout the United States. She has prepared and/or reviewed Groundwater Monitoring Programs, Groundwater Management Plans, Salt and Nutrient Management Plans, and Water Master Plans for various civil projects. Leslie has provided IRWM Program Support to a number of IRWM regions to develop both IRWM Plans and grant applications, including the following regions: Westside–San Joaquin, Mokelumne-Amador-Calaveras, Monterey Peninsula, East Stanislaus, American River Basin, and East Contra Costa County. As RMC's SGMA leader, Leslie is responsible for monitoring on-going activity related to SGMA implementation.

Chris van Lienden, P.E. – Modeling

Chris focuses on the planning and evaluation of water, recycled water, and sewer systems. He has extensive experience with hydraulic modeling, including experience with software packages including InfoWater, H2Omap Water, InfoWorks ICM, InfoSWMM, InfoSewer, and H2Omap Sewer. Chris' experience includes all aspects of hydraulic system evaluation, including data collection, model construction, demand and load development, calibration, and capacity evaluations. He has performed technical analyses for completing Salt and Nutrient Management Plans for the City of Santa Rosa, the Sonoma Valley County Sanitation District, and the Paso Robles Groundwater Basin that included developing a GIS-based loading model to calculate salinity and total nitrogen loading based on land cover, water and fertilizer applications, and other relevant data attributes for the basin.

Brenda Ponton – IRWM Support

Brenda has a background in environmental science and planning with a focus on integrated regional watershed management. She has experience working on a variety of planning efforts in California, particularly related to integrated resources planning, watershed management, water quality regulations, and water supply and demand assessments. Brenda helped prepare the Antelope Valley IRWM Plan Update, Upper Santa Margarita Watershed IRWM Plan Update and Upper Santa Ana River Watershed IRWM Plan Update. Additionally, she has helped develop several successful IRWM grant applications for the Greater Los Angeles County, Fremont Basin, and Antelope Valley IRWM Regions.

Katie Cole – IRWM Support

Katie specializes in regional planning efforts, water quality analysis, water conservation, and grant administration. She managed the grant administration for the San Diego County IRWM Plan, Round 1 and Round 2 implementation grants. She also prepared the project completion reports for the two funding rounds. She assisted in the preparation of a successful grant application for the Greater Los Angeles County IRWM Region (Proposition 84, Round 4 Implementation). She is experienced in identifying and evaluating strategies for reducing future consumptive water use and in evaluating water sources and developing projects and programs to balance water supplies.

Dawn Flores – QA/QC

Dawn specializes in water resources planning and has seven years of direct experience working with IRWM regions throughout Southern California, including Greater Los Angeles County, Antelope Valley, Santa Barbara County, Upper Santa Margarita Watershed, San Diego County and Coachella Valley. She is experienced in water resources planning, grant writing, water quality evaluation, climate change evaluation, advanced data analysis, water resources modeling, and cartography. Dawn's water resources modeling experience includes the use of the Water Evaluation and Planning System (WEAP) and Watershed Analysis Risk Management Framework (WARMF). Dawn serves as a company GIS lead and is experienced in advanced GIS applications including spatial analysis, geodatabases, spatial statistics, and terrain analysis.

Proposed Scope of Work

The scope of work in the Fremont Basin IRWM Plan grant application included 8 tasks. Task 1 (Administration), Task 2 (Invoicing), and Task 3 (Reporting) of the grant application were presented as local match and are therefore not part of this proposal. The scope of work for completing the Fremont Basin IRWM Plan is organized into the following five major tasks that align with the tasks proposed in the grant application:

- Task 4: Data Collection and Analysis
- Task 5: Salt/Nutrient Management Plan and Groundwater Management Plan
- Task 6: IRWM Plan Projects
- Task 7: IRWM Plan Development
- Task 8: IRWM Plan Meetings and Outreach

Attachment A describes a detailed scope of work for the tasks and subtasks. Deliverables for each task are also identified under each task description.

Proposed Fee Estimate

The fee estimate for this project is $843,460. Attachment B presents the fee breakdown for the tasks and subtasks described in Attachment A.

Proposed Schedule

A detailed project schedule is presented in Attachment C and assumes a 13-month schedule for completion of the tasks described in Attachment A.

Attachment A – Scope of Work

Task 4. Data Collection and Analysis

A thorough analysis of existing documents in the Fremont Basin IRWM Region will be conducted to assess what data are available to prepare the IRWM Plan, including what data are available to prepare the SNMP/GWMP documents. Potential resources will include:

- City of California City's *Evaluation of Groundwater Resources in California City, 2008*
- Draft SNMP for Fremont Valley Groundwater Basin
- AVEK's 2015 UWMP
- California City's 2015 UWMP
- Mojave PUD's Sewer and Water Master plans
- Drainage System Master Plan for California City
- Water Master Plan for California City
- Annual Water Purveyor Reports

Additional documents will be identified as part of this task and data gaps and needs will be discussed with the RWMG and the IRWM Plan Stakeholder Group during Task 8 meetings and Workshops.

As appropriate and as required to fill data gaps, additional data will also be collected from appropriate state and local agencies to supplement and update existing databases and GIS files. These data may include:

- Recent historical measurements of precipitation at gauging stations
- Recent historical measurements of temperature, evaporation, and evapotranspiration from local CIMIS (California Irrigation Management Information Systems) stations
- Recent groundwater levels collected from the County and/or USGS monitoring well networks
- Recent groundwater quality data
- Well details, including location, screened interval, and historical production
- Recent land use and crop survey maps

Water use and current and projected future land use data will also be collected from the following agencies to ensure a complete and up-to-date database:

- California Department of Water Resources
- AVEK
- Kern County
- Mojave PUD
- California City

A Data Needs Information Sheet will be prepared that includes a comprehensive listing of all available and relevant documents and a short summary of contents/findings. Data gaps will also be described in

the Data Needs Information Sheet; this document is assumed to be a "living" document during IRWM Plan preparation, with draft versions submitted with each Quarterly Progress Report and a final version submitted upon IRWM Plan completion.

Task 4 Deliverable:

- Data Needs Information Sheet (draft and final versions)

Task 5. Salt/Nutrient Management Plan and Groundwater Management Plan

The Fremont Valley Basin does not currently have a Groundwater Management Plan (GWMP) or a compliant Salt/Nutrient Management Plan (SNMP). The Region developed a draft SNMP in 2010 that was never completed and is in need of updating and additional analyses to bring it into compliance with State regulations. The planned work under this task includes the combined development of a SNMP and GWMP (as two separate documents), building from work completed for the 2010 draft SNMP. Due to similarities in work needed to complete a SNMP and GWMP, this Proposal has combined development of the SNMP/GWMP into one Task. This opportunity to combine the development of the two plans will minimize project costs and better utilize project resources.

Both the GWMP and SNMP development processes require public participation in the development of the plan. This requirement will be met in conjunction with ongoing Working Group and stakeholder outreach efforts being implemented as part of the IRWM Plan in Task 8. As described in Subtask 8.2, one public meeting will be held to specifically address the SNMP/GWMP; however, the SNMP/GWMP will be addressed at other public meetings held in association with the IRWM Plan development.

The SNMP/GWMP documents and analyses developed under this task will support and inform the water supply reliability-related needs, goals, strategies and projects established for the IRWM Plan as well as provide technical background for the region description chapter of the IRWM Plan. A draft SNMP was developed for the Fremont Valley Groundwater Basin in 2010 that will be used as a reference for the work completed under this task. Work, costs, and schedule to complete the 2010 draft SNMP are not included in this Proposal.

Work to complete the final SNMP and develop a GWMP is described below and planned to occur over the duration of the project. This scope of work does not include preparation of a Substitute Environmental Document (SED) in support of the SNMP, nor any work associated with the development and passage of a Basin Plan amendment.

Subtask 5.1: Basin Characterization

This subtask will describe current groundwater conditions in the basin, including the physical structure and characteristics of the aquifer system underlying the plan area, historical data to the extent available, and a general discussion of the historical and projected water demands and supplies. Existing documents and resources will be utilized to summarize groundwater levels, groundwater quality, inelastic and land surface subsidence, and groundwater-surface water interaction. Existing data will be evaluated for data gaps relative to creating a water balance/conceptual model as a basis for identifying needs for future investigations and studies (anticipated as a recommendation for subsequent study and not included under this Proposal). A map of the groundwater basin showing groundwater basin boundaries, local agency area subject to the plan, and boundaries of other local agencies that overlie the basin will be developed, as well as a map of recharge areas and a description of how recharge areas

contribute to the replenishment of the groundwater basin. This subtask will also involve describing the surface water supply used or available for use for groundwater recharge or in-lieu use.

This subtask also will update the information provided in the draft SNMP and provide a conceptual model of the groundwater basin. This includes presenting necessary background data at appropriate spatial and temporal scales required to perform the following required data analyses, including areas where groundwater quality has been impaired and/or overdraft situations have occurred, areas of inelastic subsidence, and groundwater use and quality trends, especially as it relates to salt and nutrients.

Subtask 5.2: Basin Management Goals and Objectives

Basin management goals and objectives will provide targets for achieving a more reliable supply for the long-term protection of the groundwater basin and will depend on the needs seen by area stakeholders. Based on the groundwater setting/conceptual model described in Subtask 5.1, findings from the Data Collection (Task 4), and input from SNMP/GWMP Working Group meetings and Stakeholder workshops (Task 8), specific goals and Basin Management Objectives (BMOs) will be developed to address the following issues at a minimum:

- Groundwater levels
- Groundwater quality management and restoration
- Inelastic land surface subsidence
- Changes in surface flow and surface water quality affecting groundwater levels or caused by groundwater pumping
- Water recycling
- Reuse of stormwater

A discussion of how the management actions and programs contained in the SNMP and GWMP helps meet each objective and how each objective is intended to achieve the basin's overall sustainability goal for the long-term beneficial uses of groundwater will also be included, as well as a discussion of the planning and implementation horizon.

Groundwater management goals and BMOs will build upon those identified in the 2010 draft SNMP. It is imperative that the goals and objectives of this SNMP/GWMP do not conflict with those of other plans, if at all possible, and instead presents a comprehensive picture of regional groundwater management. To this end, processes for obtaining stakeholder input and resolving potential conflicts will be developed and vetted with the RWMG and stakeholders, prior to implementation.

Subtask 5.3: Salt and Nutrient Management Plan Analyses

Assimilative capacity represents a comparison of existing water quality concentrations to the limits (water quality objectives or WQOs) set in the Lahontan Water Quality Control Plan (Basin Plan). Water quality better than the Basin Plan limits is an indicator of available assimilative capacity, while water quality constituent levels above the Basin Plan limits indicate that load reduction measures may be necessary (or where the Basin Plan objectives may need to be changed). State requirements for

components of salt and nutrient management plans include conducting a series of analyses to determine the assimilative capacity of the groundwater basin and to evaluate the fate and transport of salts and nutrients in the groundwater basin and subsequent use of basin assimilative capacity as a result of the implementation of potential recycled water projects. These analyses will be conducted under this subtask and will build upon the previous analysis conducted in the draft SNMP.

This subtask will involve identifying and quantifying salinity and nutrient loads to the Basin for identified constituents of concern (that is, constituents that represent the general loading of salts and nutrients to the groundwater basin). To accomplish this, the following four major work items will be conducted.

1. Identify Salt and Nutrient Constituents of Concern (COCs)

Salts and nutrients can be measured and evaluated using any number of indicator parameters. In this step, recommended salinity and nutrient parameters will be identified to be addressed within the SNMP, focusing on identifying constituents of concern relative to attainment of Basin Plan Objectives, Basin Management Objectives, watershed TMDLs and other surface water quality standards as related to beneficial use for the Basin. Constituents of concern may include nitrate and TDS, and may include one or more individual ions such as phosphorus, chlorine, sulfates, or sodium if such constituents are determined to be of concern. Selection of the COCs will depend on water quality data available, and need to be coordinated with the analysis of constituents required for by other compliance documents and/or permits (existing and anticipated).

2. Identify Salt and Nutrient Sources

In this step, land use characteristics will be identified, as well as known point sources, non-point sources, and their locations, to determine the types of salt and/or nutrient contributions to the groundwater basin. The type of water used for outdoor irrigation for each parcel, both currently and in the projected future, will be defined. Other (future) water sources and their places of use (including their use in groundwater basin augmentation) will be identified based on information gathered with appropriate water suppliers, irrigators and stakeholders.

3. Quantify Salt and Nutrient Source Loads

The Basin's salt and nutrient sources and their respective contributions to loading to the groundwater basin will be quantified in terms of volume, concentration, and/or mass loads based on available information. This analysis will utilize the existing groundwater balance, developed for the basin's existing groundwater model, to prepare mass load estimates for the Basin as a whole.

4. Perform Modeling

A loading analysis is an extension of the work performed in Steps 2 and 3. Based on the water quality information gathered and the spatial location of the identified sources, loads from coincident sources will be calculated and summed to develop an estimate of salt and/or nutrient loading to the groundwater basin. The quality impacts of the loading to the groundwater basin will then be assessed using an EXCEL-based mixing model. A salt and nutrient loading and mixing model will be developed to account for these factors and calculate a loading estimate for an average year.

Subtask 5.4: Management Strategies

Develop Groundwater Basin Management Activities

Based on the groundwater basin characterization described in Subtask 5.1, findings from the Data Collection (Task 4), and input from GWMP Working Group meetings and Stakeholder workshops (Task 8), existing basin management activities will be summarized and new or planned management activities will be developed to address the monitoring and management of the following conditions to meet basin management objectives:

- Groundwater levels
- Groundwater quality degradation
- Inelastic land surface subsidence
- Surface flow or surface water quality that directly affect groundwater levels or quality or are caused by groundwater pumping in the basin.

Additional management activities may be described, such as the identification and management of wellhead protection areas and recharge areas, regulation of the migration of contaminated groundwater, administration of a well abandonment and well destruction program, mitigation of conditions of overdraft, replenishment of groundwater extractions, monitoring of groundwater storage, conjunctive use operations facilitation, and identification of well construction policies. Other potential components discussed in this portion of the GWMP may include measures addressing groundwater contamination cleanup, recharge, storage, conservation, water recycling, and extraction projects, efficient management practices for delivery of water and water conservation methods to improve efficiency of water use, and measures related to impacts on groundwater dependent ecosystems.

Identify Available Salt and Nutrient Management Strategies

Reasonable groundwater basin salt and nutrient management strategies will also be identified that may help achieve the identified basin management goals and objectives for managing and maintaining both groundwater elevations and quality. These salt and nutrient management strategies will build off of the draft SNMP and management actions identified for the GWMP, and may include but are not limited to:

- changes to groundwater extraction permitting practices;
- wastewater salt and nutrient source control;
- groundwater pumping metering;
- public education;
- source load reduction;
- source water salinity control;
- groundwater recharge;
- groundwater management;
- institutional arrangements;
- land use regulation;
- landscape conservation; and
- stormwater/runoff management.

A preliminary list of alternative management strategies that are feasible for implementation in the Basin will be developed with the RWMG, and input will be obtained from the stakeholder group on the preliminary list. The preliminary alternative management strategies developed will then be used to evaluate and compare the most feasible basin salt and nutrient management strategies on the basis of criteria determined in collaboration with the RWMG. After this evaluation is complete, a preferred strategy or set of strategies will be selected for implementation using stakeholder feedback and a pre-defined decision process.

Subtask 5.5: Anti-Degradation Analysis

The Recycled Water Policy states that SNMPs must include "an anti-degradation analysis demonstrating that the projects included within the plan will, collectively, satisfy the requirements of Resolution No. 68-16." Resolution No. 68-16 requires that water quality must be maintained to meet current and future beneficial uses and that activities must meet discharge requirements to maintain water quality standards.

Work in this task will evaluate impacts that could result from the implementation of the recycled water projects in the basin and stormwater use goals and strategies previously developed, and will determine if the goals will result in potential future degradation of groundwater quality. If so, the goals will be examined to ensure that they fit within the requirements of Resolution No. 68-16, including confirmation that:

- The water quality reduction is consistent with the maximum benefit to the State of California;
- The water quality reduction will not unreasonably affect present and anticipated beneficial uses;
- The water quality reduction will not result in water quality less than that prescribed in the policies; and
- Implemented projects are using the best practicable treatment technologies.

These analyses will provide the necessary information to answer the questions posed by Resolution No. 68-16. If the beneficial uses or water quality objectives for the Fremont Basin are determined to be inappropriate given environmental conditions, we will recommend discussions with RWQCB staff about possible Basin Plan modifications that will make the SNMP more successful. Analysis by an economist is assumed not to be required for the level of detail required for the SNMP.

Subtask 5.6: Implementation Analysis

The results of the previous tasks will be used to evaluate various components for SNMP/GWMP implementation. These components include developing a governing body to oversee SNMP/GWMP implementation, evaluating the cost of implementing the preferred strategy(ies) and identifying possible funding sources, assessing CEQA compliance issues, and determining if a basin plan amendment will be required for SNMP/GWMP implementation.

Additional groundwater management administrative provisions may be developed and described, including the development of relationships with state and federal regulatory agencies, review of land

use plans and coordination with land use agencies to assess activities which create a reasonable risk of groundwater contamination, consideration and assessment of applicable plans and programs within the basin for how groundwater sustainability will affect those plans, and potential development of a plan for collaboration with overlying agencies.

The efforts described in all previous tasks/subtasks will be documented, and coordination with the RWMG will occur to identify recommended Basin Plan modifications (including recommended modification of groundwater quality objectives and/or modification of Basin Plan implementation policies) that are consistent with implementing the preferred management strategy(ies). An appropriate approach will also be developed and information needs defined for a Basin Plan amendment.

Subtask 5.7: Monitoring Program

Based on the groundwater setting described in Subtask 5.1, findings from the Data Collection (Task 4), and input from SNMP/GWMP Working Group meetings and Stakeholder workshops (Task 8), monitoring protocols will be developed for:

- Changes in groundwater levels
- Groundwater quality
- Inelastic land surface subsidence for basins for which subsidence has been identified as a potential problem
- Flow and quality of surface water that directly affect groundwater levels or quality or are caused by groundwater pumping in the basin

A summary of the type of monitoring site, type of measurements, and frequency of monitoring will be included, as well as other information such as well depth, screened intervals, aquifer zones monitored, and type of well relied on for information.

This subtask will result in the preparation of a Groundwater Monitoring Program to assess achievement of the Basin-wide goals and objectives for groundwater management. In general, the ultimate purposes of the Basin-wide monitoring program are to:

- Monitor groundwater elevations and salt and nutrient loading rates at the locations where they occur (including reporting of monitoring results to appropriate State databases);
- Characterize and monitor the spatial distribution of salts and nutrients in the Basin over time;
- Assess whether Basin Plan water quality objectives are being met; and
- Use results of the monitoring and analysis for local and regional planning in the Basin.

In this subtask, any existing groundwater monitoring programs in the Basin will be evaluated to assess whether they collectively achieve the management objectives of the SNMP/GWMP. If necessary, modifications to those existing monitoring programs or augmentation of the overall network of programs will be recommended to achieve the SNMP/GWMP objectives. The resultant monitoring program will also identify the stakeholders responsible for conducting the groundwater sampling, submitting water quality samples to qualified analytical laboratories for testing, organizing the

subsequent monitoring results into the groundwater management database, and reporting the monitoring results to State Water Resources Control Board staff as appropriate.

The goal of this subtask will be to identify an optimal groundwater monitoring network and program that will meet all basin monitoring needs, including those of the new SNMP and GWMP, CASGEM, and other regional and local monitoring requirements

Subtask 5.8: Prepare SNMP

Develop Draft SNMP

A Draft SNMP will be prepared using the work completed in prior tasks. The monitoring program, developed in Subtask 5.7, will be presented as a separate, stand-along document, included as an appendix to the SNMP. This draft of the SNMP will then be presented to the RWMG, SNMP Working Group, and RWQCB for their review.

Develop Public Draft SNMP

Review comments on the Draft SNMP will be incorporated to create a Public Draft SNMP that will be posted on the Fremont Basin IRWM website for public review and comment. A 30-day public comment period will be allowed, following which comments received will be addressed in a plan revision, as appropriate. A comment matrix will be developed and also be posted to the Fremont Basin IRWM website. A public meeting will be held to review the draft SNMP under Task 8.

Develop Final SNMP

Following public review of the Public Draft SNMP, comments received will be incorporated to create a Final SNMP.

Subtask 5.9: Prepare GWMP

Develop Draft GWMP

Upon completion of Subtasks 5.1-5.7, a Draft GWMP will be prepared. The monitoring program, developed in Subtask 5.7, will be presented as a separate, stand-along document, included as an appendix to the GWMP. This draft of the GWMP will then be presented to the RWMG, GWMP Working Group, and RWQCB for their review.

Develop Public Draft GWMP

Review comments on the Draft GWMP will be incorporated to create a Public Draft GWMP that will be posted on the Fremont Basin IRWM website for public review and comment. A 30-day public comment period will be allowed, following which comments received will be addressed in a plan revision, as appropriate. A comment matrix will also be developed and posted to the Fremont Basin IRWM website. A public meeting will be held to review the Draft GWMP under Task 8.

Develop Final GWMP

Following public review of the Public Draft GWMP, comments received will be incorporated to create a Final GWMP.

Task 5 Deliverables:

- Draft SNMP
- Draft GWMP
- Public Draft SNMP
- Public Draft GWMP
- Compiled response to Public Draft SNMP comments in comment matrix
- Compiled response to Public Draft GWMP comments in comment matrix
- Final SNMP
- Final GWMP

Task 6. IRWM Plan Projects

A project solicitation process, prioritization process, and integration assessment will be developed in conjunction with the stakeholder workshops described in Task 8. Results from these tasks and the public workshops will inform chapters within the IRWM Plan (Task 7). This task includes the following project development and analysis components.

Subtask 6.1: Develop and Implement Project Solicitation Process

A project solicitation process will be developed and implemented to gather potential projects for the IRWM Plan and associated grant applications. This task will include development of a project information template that provides the RWMG with the necessary information to understand, rank and prioritize individual project and programs in the IRWM Plan. The project solicitation process will be implemented by distributing the Project Information Template to interested stakeholders via electronic and/or paper format, as appropriate. This outreach process will include the DACs, Native American Tribal Communities, and conservation organizations. Following receipt of the project information, an Excel project database will be developed that contains relevant information on every submitted project for use in the prioritization and ranking processes.

Subtask 6.2: Develop IRWM Plan Project Prioritization Process and Rank List

A project selection approach, methodology and process will be developed. The project prioritization process will form the basis for selecting projects submitted for inclusion in the IRWM Plan. The approved prioritization process will be applied to all the listed projects, and draft evaluations describing how the established process impacted each project's ranking.

Subtask 6.3: Assess Project Integration and Implementation

Following development of the draft and final project ranking lists, the projects will be assessed with an eye towards integration and enhancement, such that the maximum benefits that are achieved by the projects. The projects will be assessed for the overall IRWM Plan benefits achieved through project

integration and implementation to highlight the greatest synergies in integrated water management. This assessment will also be included within the IRWM Plan document and on the Fremont Basin IRWM Plan website to illustrate the added value of integrated regional planning.

Task 6 Deliverables:

- Project Information Template
- Database of projects submitted for the IRWM Plan (Excel)
- Draft and Final Project Ranking Lists
- Project Integration and Implementation Assessment language for chapter within the IRWM Plan

Task 7. IRWM Plan Development

An IRWM Plan that complies with DWR's 2016 IRWM Plan Standard Requirements will be developed based on collected data (Task 4), technical analyses (Tasks 5 and 6) and the outcomes of the Stakeholder Workshops and Working Group Meetings (Task 8). Work to develop the IRWM Plan will be conducted under the subtasks below.

Subtask 7.1: Prepare Draft IRWM Plan Sections

This Subtask includes the development of the draft IRWM Plan sections based on information collected in Tasks 4, 5, 6 and 8. The sections developed under this subtask will be reviewed by the RWMG and compiled into the Draft IRWM Plan in Subtask 7.2. The draft IRWM Plan sections will include all information to comply with the DWR 2016 IRWM Plan Standard Requirements as discussed below.

Governance

Documentation of the governance structure that ensures the IRWM Plan will be updated and implemented beyond existing State grant programs. The description will include the following:

- Group responsible for development of the Plan
- The RWMG and individual project proponents who adopted the Plan
- Description of chosen governance structure
- Description of how governance addresses and ensures various activities:
    - Public Outreach and involvement processes
    - Effective decision-making
    - Balanced access and opportunity for participation in the IRWM process
    - Effective communication – both internal and external to the IRWM Region
    - Long-term implementation of IRWM Plan
    - Coordination with neighboring IRWM efforts, State agencies, and federal agencies
- The collaborative process(es) used to establish Plan objectives
- How interim changes and formal changes to the IRWM Plan will be performed

- Updating or amending the IRWM Plan

Region Description

A description of the region being managed by the RWMG will be prepared. This section will also include a discussion of the likely regional effects of climate change based on regional planning documents and the public workshop on climate changes identified in Task 8. A region description will be developed that includes:

- Watersheds and water systems
- Internal boundaries
- Water supplies and demands
- Water quality conditions
- Social and cultural makeup of the regional community
- Major water-related objectives and conflicts
- IRWM regional boundary description
- Neighboring and/or overlapping IRWM efforts (if any) and an explanation of the planned/working relationship that promotes cooperation and coordination between regions (e.g., DAC Work Plan for the North/South Lahontan Funding Area)
- How the IRWM Plan will help reduce dependence on the Sacramento-San Joaquin Delta for water supply

Objectives

This section will include a clear presentation of the plan objectives and a description of the process used to develop the objectives. This section will also include a discussion of the relationship between the objectives and climate change adaptation and mitigation. The objectives and their relationship to climate change adaptation and mitigation will be developed in the public workshops described in Task 8.

Resource Management Strategies

This section will document the range of Resource Management Strategies (RMS) considered to meet the IRWM objectives and identify which RMS were incorporated into the IRWM Plan. This section will include a discussion of water quality issues to comply with AB 1249. This section will also include a discussion of adaptation strategies that address the regional impacts of climate change based on the public workshop identified under Task 8.

Integration

This section will include a description of the structures and processes that provide opportunities to develop and foster integration. Integration includes stakeholder/institutional, resource, and project implementation. The IRWM Plan will demonstrate that the RWMG is forming, coordinating, and integrating separate efforts in order to function as a unified effort. The section will be informed by discussions in Task 8.

Project Review Process

This section will include a description of the project solicitation process, prioritization process, and integration assessment developed in Task 6 and Task 8. This section will also include a discussion of how climate change adaptation and mitigation will be included in the review process. The results of the project review and prioritization process will result in a prioritized list of projects to be included in the IRWM Plan. This section will be based on the outcomes of the public workshops identified in Task 8.

Impact and Benefit

This section will include a discussion of potential impacts and benefits of IRWM Plan implementation, including impacts and benefits within the IRWM Region, between regions, and those directly affecting DAC, Environmental Justice-related concerns, and Native American Tribal communities. The benefits described here will be developed in the public workshops described under Task 8.

Plan Performance and Monitoring

This section will include a description of the performance measures and monitoring methods established to ensure that the objectives of the Plan are met. This section will also include a discussion of the application of adaptive management to the IRWM planning process in response to new climate change related information.

Data Management

This section will provide a description of the process of data collection, storage, and dissemination to IRWM participants, stakeholders, the public, and the State.

Finance

This section will present a plan for implementation and financing of identified projects and programs. This section will also identify and explain potential financing for implementation of the IRWM Plan. The discussion will include:

- Known, as well as potential, funding sources, programs, and grant opportunities for the development and ongoing funding of the IRWM Plan
- Funding mechanisms for projects that implement the IRWM Plan
- An explanation of the certainty and longevity of known or potential funding for the IRWM Plan and projects that implement the Plan
- An explanation of how operation and maintenance (O&M) costs for projects that implement the IRWM Plan would be covered and the certainty of O&M funding

Technical Analysis

The IRWM Plan will document the data and technical analyses that were used in the development of the Plan, including a brief description of studies, models, or other technical methodologies used. The IRWM Plan will identify data gaps where additional monitoring or studies are needed.

Relation to Local Water Planning

This section will include documentation of the local water planning documents that form the basis for the IRWM Plan. This section will also include a discussion of climate change adaptation and mitigation strategies from local water planning documents.

Relation to Land Use Planning

This section will describe the processes that foster communication between land use managers and RWMGs with the intent of effectively integrating water management and land use planning. This section will include:

- A list of local water plans used in the IRWM Plan
- A discussion of how the IRWM Plan relates to planning documents and programs established by local agencies
- A description of the dynamics between the IRWM Plan and local planning documents
- A description of the consideration and incorporation of water management issues and climate change adaption and mitigation strategies from local plans into the IRWM Plan

Stakeholder Involvement

This section will be informed by work completed under Task 8 and will include:

- A description of the public process that provides outreach to stakeholders
- A description of the process to identify, inform, invite, and involve stakeholders
- A discussion of how DACs will be involved
- A discussion of the collaborative process to engage stakeholder groups
- A discussion regarding how Native American tribes or stakeholders are necessary to address the objectives and resource management strategies of the IRWM Plan and are involved or are being invited to be involved in Plan activities.

Coordination

This section will identify a process to coordinate water management projects and activities of participating local agencies and local stakeholders, a process to coordinate with neighboring IRWM regions, and identification of areas where the State may assist in coordination.

Climate Change

The IRWM Plan will address climate change adaptation and the mitigation of greenhouse gas (GHG) emissions based on DWR's IRWM Plan Standards and the Climate Change Handbook for Regional Water Planning. The IRWM Plan will include a discussion of both adaptation to the effects of climate change and mitigation of GHG emissions based on regional planning documents and the public workshop identified under Task 8. This section will include a list of prioritized vulnerabilities, and a methodology for further data gathering and analysis of the prioritized vulnerabilities. A Climate Change Vulnerability Assessment will be completed and submitted as an appendix to the IRWM Plan.

Subtask 7.2: Draft IRWM Plan

The IRWM Plan sections developed in Subtask 7.1 will be reviewed by the RWMG. Comments will be incorporated as appropriate as part of this subtask. The revised sections will be compiled into a Draft IRWM Plan that complies with DWR's 2016 IRWM Plan Standard Requirements and will document how the Plan meets State goals and priorities. The Draft IRWM Plan will be submitted to the RWMG for review for comment.

Subtask 7.3: Revised Draft IRWM Plan

Under Subtask 7.3, RWMG comments on the Draft IRWM Plan will be compiled and incorporated into the IRWM Plan to develop a Revised Draft IRWM Plan. The Revised Draft IRWM Plan will be made available for comment by stakeholders and the general public. Public comments on Draft IRWM Plan will be compiled and responded to in a comment matrix for RWMG review as part of this subtask.

Subtask 7.4: Final IRWM Plan

Based on the public comments received on the Draft IRWM Plan prepared for in Subtask 7.3, a Final IRWM Plan will be prepared. Public comments received during the public review period will be incorporated into the Final IRWM Plan.

Task 7 Deliverables:

- Climate Change Vulnerability Assessment
- Draft IRWM Plan chapters
- Draft IRWM Plan
- Revised (Public) Draft IRWM Plan
- Comment matrix for Public Draft IRWM Plan
- Final IRWM Plan

Task 8. IRWM Plan Meetings and Outreach

An ongoing outreach process is critical to the development of the Fremont IRWM Plan. Keeping the Fremont Basin IRWM Plan Stakeholder Group, DACs/EDAs, and general public involved in the process ensures that the Fremont Basin IRWM Plan will be successful. This task consists of the following components:

Subtask 8.1: RWMG

Up to twelve (12) conference calls will be conducted with members of the RWMG to discuss the IRWM Plan process, upcoming Stakeholder Group Workshops (to be held under Subtask 8.2), and information to be included in the IRWM Plan. This subtask will include preparation for, facilitation of, and participation in up to twelve (12) RWMG conference calls. Meeting agendas and minutes will be developed under this subtask.

Subtask 8.2: IRWM Plan Stakeholder Group Workshops

Twelve (12) Stakeholder Group Workshops will be conducted as part of the proposed work. The workshops will be open to the public and consist of facilitated discussions of major topics needed to draft chapters in the Plan and supporting technical documents. These meetings will be announced to a broad distribution list via e-mail and all materials developed for use in stakeholder workshops will be made available on the Fremont Basin IRWM website.

Stakeholder Workshops will be used to gather key information to inform the development of the IRWM Plan. Workshops will also be used to update the public on the IRWM Plan, discuss the purposes of integrated planning, groundwater management planning and salt and nutrient management planning, and discuss the means by which the public can participate in the IRWM and SNMP/GWMP development process. Workshops topics will include: needs, objectives, and priorities; water management strategies; project development and prioritization; project integration; IRWM Plan implementation; climate change; comments on the draft SNMP/GWMP and IRWM Plan; and other topics as required to develop the IRWM Plan.

Work under this subtask will include preparation of public meeting notices and invitations, maintenance of the stakeholder contact list, development and distribution of presentations, meeting handouts and minutes, distribution of feedback questionnaires, and compilation and summarization of public responses obtained during the workshops.

Subtask 8.3: Working Group Meetings

The RWMG will create Working Groups that will be led by a subject area expert and focus on technical topics to advise the RWMG on the development of the IRWM Plan and its supporting documents including the GWMP and SNMP. The objective of this task is to support the Working Groups, including preparation for, facilitation of, and participation in Working Group meetings. By supporting the Working Groups, information regarding the development of the IRWM Plan can be easily distributed to the Fremont Basin IRWM Plan Stakeholder Group and any other interested parties. This scope of work covers four (4) Working Groups that are anticipated to meet twice each and cover the following specialized topics: (1) the SNMP/GWMP, (2) DAC/Public Outreach, (3) Climate Change, and a fourth topic to be decided by the RWMG upon project initiation. The focus of these Working Groups may be adapted to the needs of the Region once the planning process is initiated. DAC and tribal outreach are assumed to be covered under the DAC/Public Outreach Working Group. It is assumed that Working Group Meetings will be held the same day as Stakeholder Workshops to reduce travel time and costs.

Subtask 8.4: Targeted DAC and Tribal Outreach

The RWMG will conduct targeted outreach to DAC and tribal special interest groups to understand and focus their water management-related issues and needs. Outreach will include outreach meetings held by the DAC/Public Outreach Working Group in DACs/EDAs and publication of all meeting materials, presentations, technical resources, IRWM Plan goals and objectives, and proposed project ideas on the Fremont Basin IRWM website. By making the communities aware of the Plan development, they are more likely to provide valuable input into the decision process which results in the implementation of a fair and balanced Plan.

In addition, the DAC/Public Outreach Working Group will consult with other nearby agencies that managed successful DAC outreach campaigns. This will include at least one meeting with DAC, EDA,

and tribal stakeholders/ representatives. The continued outreach to these communities ensures that the communities will be aware of the IRWM Plan development.

Task 8 Deliverables:

- RWMG meeting agendas and meeting notes (up to twelve each)
- Stakeholder Group contact list
- Stakeholder Group meeting agendas and meeting notes (up to twelve each)
- Working Groups contact list
- Working Groups meeting agendas and meeting notes (up to eight each)
- DAC and Tribal representative contact list

RMC

Professional Expertise. Local Focus.

Attachment B - Fee Estimate

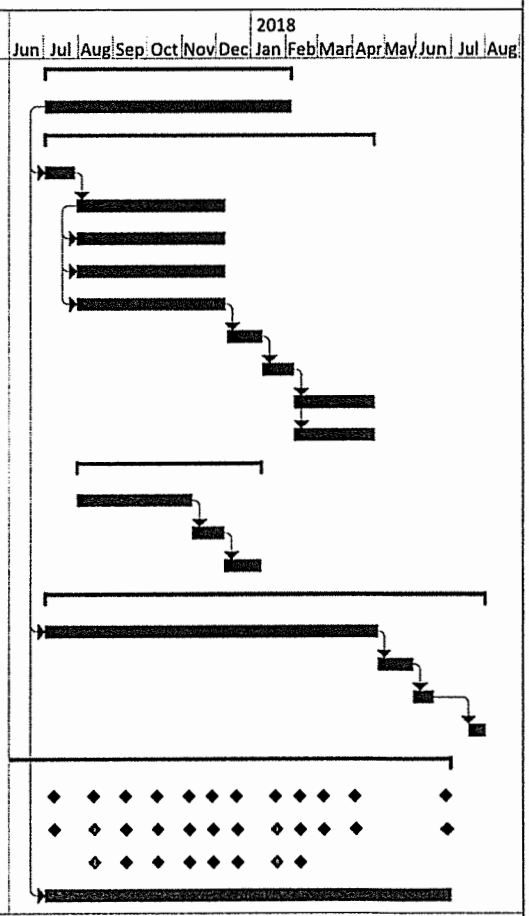
City of California City
Fremont Basin Integrated Regional Water Management Plan

Tasks	Labor												ODCs		Total
	Brian Dietrick	Steven Ostoy	Brandi Pierson	Kate Cole	Leslie Dietz	Chris Van Lunsen	Engineer / Planner I	Dave Flores	Graphics	Admin. Assist.	Total Hours	Total Labor Costs (1)	ODCs	Total ODCs (2)	Total Fee
	PIC/PM	SNMP/ GWMP Lead	IRWM Tech Support	IRWM Tech Support	Sr. Technical Advisor	Modeling	Support	QA/QC	Graphics and Support Team						
	$266	$237	$178	$201	$266	$237	$152	$222	$145	$105					
Tasks 1, 2, and 3 are local match and therefore not included															
Task 4: Data Collection and Analysis															
4.1 Data Collection and Analysis	16	40		42	8	8	42				156	$32,586		$0	$32,586
Subtotal Task 1:	16	40	0	42	8	8	42	0	0	0	156	$32,586	$0	$0	$32,586
Task 5: SNMP/GWMP															
5.1 Basin Characterization	8	24			16		90		4		142	$26,332		$0	$26,332
5.2 Basin Management Goals and Objectives	12	24			12		20				68	$15,112		$0	$15,112
5.3 SNMP Analyses	8	40			10	38	80				176	$35,434		$0	$35,434
5.4 Management Strategies	8	24			16		60				108	$21,192		$0	$21,192
5.5 Anti-Degradation Analysis	6	40			16	74	40		4		180	$39,530		$0	$39,530
5.6 Implementation Analysis	8	24			16		64				112	$21,800		$0	$21,800
5.7 Monitoring Program	4	16			12		54				86	$16,256		$0	$16,256
5.8 Prepare SNMP	12	66			20		164	12	16		290	$54,066		$0	$54,066
5.9 Prepare GWMP	12	60			20		144	12	16		264	$49,604		$0	$49,604
Subtotal Task 2:	78	318	0	0	138	112	716	24	40	0	1426	$279,326	$0	$0	$279,326
Task 6: IRWM Plan Projects															
6.1 Develop and Implement Project Solicitation Process	8		16				32		4		60	$10,420		$0	$10,420
6.2 Develop IRWM Plan Project Prioritization Process and Rank List	18		40				80				138	$24,068		$0	$24,068
6.3 Assess Project Integration and Implementation	6		10				12		4		32	$5,780		$0	$5,780
Subtotal Task 3:	32	0	66	0	0	0	124	0	8	0	230	$40,268	$0	$0	$40,268
Task 7: IRWM Plan Development															
7.1 Prepare Draft IRWM Plan Sections	140		203	180			640	48	20		1431	$250,790		$0	$250,790
7.2 Draft IRWM Plan	24		22	18			84	8	16		172	$30,782		$0	$30,782
7.3 Revised Draft IRWM Plan	8		9	8			28	6	8		67	$12,066		$0	$12,066
7.4 Final IRWM Plan	4		8	8			14	4	4		42	$7,692		$0	$7,692
Subtotal Task 4:	176	0	242	214	0	0	966	66	48	0	1712	$301,350	$0	$0	$301,350
Task 8: IRWM Plan Meetings and Outreach															
8.1 RWMG (12 - 1 hr meetings)	24		30								54	$11,724		$0	$11,724
8.2 IRWM Plan Stakeholder Group Workshops (12 - 2 hr meeting)	144	30	242				252			16	684	$126,474	$1,500	$1,650	$130,124
8.3 Working Group Meetings (8- 2 hr meetings)	16	28	42				42				128	$24,752	$500	$550	$25,302
8.4 Targeted DAC and Tribal Outreach	16		66				68				130	$22,780		$0	$22,780
Subtotal Task 5:	200	58	360	0	0	0	362	0	0	16	996	$187,730	$2,000	$2,200	$189,930
GRAND TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

1. The individual hourly rates include salary, overhead and profit.
2. Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
3. RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.

Attachment C - Proposed Schedule for Fremont Basin IRWM Plan

ID	Task Name	Start	Finish
1	**Task 4: Data Collection and Analysis**	**Mon 7/3/17**	**Mon 2/5/18**
2	Identify Data Gaps and Needs	Mon 7/3/17	Mon 2/5/18
3	**Task 5: SNMP/GWMP**	**Mon 7/3/17**	**Fri 4/20/18**
4	5.1: Basin Characterization	Mon 7/3/17	Fri 7/28/17
5	5.2: Basin Management Goals and Objectives	Mon 7/31/17	Fri 12/8/17
6	5.3: SNMP Analyses	Mon 7/31/17	Fri 12/8/17
7	5.4: Management Strategies	Mon 7/31/17	Fri 12/8/17
8	5.5: Anti-Degradation Analysis	Mon 7/31/17	Fri 12/8/17
9	5.6: Implementation Analysis	Mon 12/11/17	Wed 1/10/18
10	5.7: Monitoring Program	Thu 1/11/18	Wed 2/7/18
11	5.8: Prepare SNMP	Thu 2/8/18	Fri 4/20/18
12	5.9: Prepare GWMP	Thu 2/8/18	Fri 4/20/18
13	**Task 6: IRWM Plan Projects**	**Mon 7/31/17**	**Tue 1/9/18**
14	6.1: Develop and Implement Project Solicitation Process	Mon 7/31/17	Thu 11/9/17
15	6.2: IRWM Plan Project Prioritization Process and Rank List	Fri 11/10/17	Thu 12/7/17
16	6.3: Assess Project Integration and Implementation	Fri 12/8/17	Tue 1/9/18
17	**Task 7: IRWM Plan Development**	**Mon 7/3/17**	**Tue 7/31/18**
18	7.1: Prepare Draft IRWM Plan Sections	Mon 7/3/17	Mon 4/23/18
19	7.2: Draft IRWM Plan	Tue 4/24/18	Mon 5/28/18
20	7.3: Revised Draft IRWM Plan	Tue 5/29/18	Fri 6/15/18
21	7.4: Final IRWM Plan	Mon 7/16/18	Tue 7/31/18
22	**Task 8: IRWM Plan Meetings and Outreach**	**Fri 9/11/15**	**Fri 6/29/18**
23	8.1: RWMG	Tue 7/11/17	Tue 6/26/18
36	8.2: IRWM Plan Stakeholder Group Workshops	Fri 9/11/15	Wed 6/27/18
52	8.3: Working Group Meetings	Wed 8/16/17	Wed 2/14/18
61	8.4: Targeted DAC and Tribal Outreach	Mon 7/3/17	Fri 6/29/18



Project: Fremont Basin IRWM Plan
Date: Mon 6/19/17

Task Milestone Summary

CITY COUNCIL

June 27, 2017.

TO: **Mayor and City Council**

FROM: **Craig Platt, Public Works Director**

SUBJECT: **A Resolution of the City Council of the City of California City authorizing the submittal of an application, acceptance of an allocation of funds, execution of a grant agreement contingent upon final approval for an airports improvements grant by the Federal Aviation Administration and the California Department of Transportation, and certifying the availability of City's share of matching funds, authorize Helt Engineering, Inc. to perform the construction management and project close-out and to award the Municipal Airport Eastside Taxiways Rehabilitation Project to Griffith Company.**

.....

Background:

The City of California City and the Federal Aviation Administration are parties to federal Airport Improvements Program (AIP) grants program; and the City of California City desires to fully reconstruct the eastside taxiways to enhance the airport safety.

The California Department of Transportation, pursuant the Public Utilities Code and California Aid to Airports Program (CAAP) regulations, requires local government approval authorizing the application and certifying the availability of up to 5.5% matching funds of Federal Aviation Administration grants to airports, a sum from other than state or federal sources.

On June 2, 2017 at 2:00 PM. City Clerk received and opened sealed bids for the Municipal Airport Eastside Taxiways Rehabilitation project. A total of three sealed bids were received and opened by the City Clerk.

The following is the tabulation of the bids:

Company	Base Bid Total
Griffith Company	***$721,688.00***
Granite Construction	$787,878.10
Bowman Asphalt	$859,320.00

The office of the City Engineer has reviewed and qualified the lowest responsible bidder, **Griffith Company**. The City is allowing 30 working days for the contractor to complete the project. The estimated construction start date is July 10, 2017.

RECOMMENDATION:

Motion to pass a resolution authorizing the submittal of an application, acceptance of an allocation of funds, execution of a grant agreement contingent upon the final approval for an airports improvements grant by the Federal Aviation Administration and the California Department of Transportation, certifying the availability of City's share of matching funds, authorize Helt Engineering, Inc. to perform the construction management and project close-out and to award the Municipal Airport Eastside Taxiways Rehabilitation Project construction to Griffith Company.

FISCAL IMPACT:

The sources of funding for project bid construction implementation are:

Funding:	Federal Aviation Administration (FAA) 90%	$ 649,519.20
	California Department of Transportation Match (4.5%)	$ 32,475.96
	Local Match (5.5%) 93-7015-737	$ 39,692.84
	TOTAL FUNDS:	**$ 721,688.00**

ENVIRONMENTAL ACTION: Categorical Exclusion Determination was approved by FAA officials

CB. 4.

RESOLUTION NO. 06-17-2705

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING THE SUBMITTAL OF AN APPLICATION, ACCEPTANCE OF AN ALLOCATION OF FUNDS, EXECUTION OF A GRANT AGREEMENT CONTINGENT UPON FINAL APPROVAL OF THE AIRPORTS IMPROVEMENTS GRANT BY THE FEDERAL AVIATION ADMINISTRATION AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, AND CERTIFYING THE AVAILABILITY OF CITY'S SHARE OF MATCHING FUNDS, AUTHORIZE HELT ENGINEERING, INC. TO PERFORM THE CONSTRUCTION MANAGEMENT AND PROJECT CLOSE-OUT AND TO AWARD THE MUNICIPAL AIRPORT EASTSIDE TAXIWAYS REHABILITATION PROJECT TO GRIFFITH COMPANY.

WHEREAS, the City of California City and the Federal Aviation Administration are parties to federal Airport Improvements Program (AIP) grants program; and

WHEREAS, the California Department of Transportation, pursuant the Public Utilities Code and California Aid to Airports Program (CAAP) regulations, requires local government approval authorizing the application and certifying the availability of up to 5.5% matching funds of Federal Aviation Administration grants to airports, a sum from other than state or federal sources; and

WHEREAS, the City of California City is submitting an application for the Municipal Airport Westside Taxiways Rehabilitation Project, which is included in the Federal Aviation Administration Airports Improvements Program; and

WHEREAS, On June 2, 2017 at 2:00 PM. sealed bids were opened for the Municipal Airport Eastside Taxiways Rehabilitation Project. A total of three sealed bids were received and opened by the City Clerk. The office of the City Engineer has reviewed and qualified the lowest responsible bidder, **Griffith Company**. The City is allowing 30 working days for the contractor to complete the project. The estimated construction start date is July 10, 2017.

NOW, THEREFORE, BE IT RESOLVED THAT: the City Council of the City of California City, Kern County, California:

1. Authorizes filing the application for the project in the FY2016-17 Airports Improvements Program
2. Authorizes accepting the allocation of funds for the project at the Municipal Airport
3. Authorizes execution of the Grant Agreement
4. Certifies the availability of the City's (5.5%) matching funds
5. Authorizes Helt Engineering, Inc. to perform the construction management and project close-out; and
6. Awards the Municipal Airport Eastside Taxiways Rehabilitation Project to the lowest responsible bidder Griffith Company; and

BE IT FURTHER RESOLVED, that the City Council of the City of California City, Kern County, California hereby authorize William T. Weil Jr. (City Manager) to sign any documents required to apply for and accept these subject funds on behalf of the City of California City.

PASSED, APPROVED AND ADOPTED this 27th day of June, 2017 by the following roll call vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

_____
Jennifer Wood, Mayor

ATTEST:

_____
Denise Hilliker
City Clerk

STATE OF CALIFORNIA)
)
COUNTY OF KERN)

I, Denise Hilliker, City Clerk of the City of California City, California, hereby certify that the foregoing Resolution was made by the City Council of the City of California City at their special meeting of June 27, 2017 and was duly passed, approved and adopted by the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

_____
Denise Hilliker, City Clerk
(seal)

City Council

June 27, 2017

TO: Mayor and City Council

FROM: Craig Platt, Public Works Director

SUBJECT: Municipal Staffing Solutions (MuniTemps): Temporary Part Time Planner

BACKGROUND:

Ronna Greene has informed Craig Platt that the volume of work in the Planning Department has increased and even though residents from the Community have volunteered to assist Ronna's, the need for more detailed work is required.

It is also projected that due to the increase in the MMJ business there will be more activity with planning and staff development review activity. The billing rate is $49.50 an hour for this temporary service and will be billed on a semi-monthly basis.

RECOMMENDATION:

Authorize the City Manager to sign the agreement for the use of the service provided Municipal Staffing Solutions for a temporary person that will be contracted through the agency for up to six months or more depending on volume of work. The agreement may be terminated with 7 day written notice by either party and exhibit A with 1 day written notice.

A candidate with approximately four years of experience and a Master's degree in Urban and Regional Planning has been identified.

FISCAL IMPACT:

There is no Fiscal Impact to the Planning Department budget. The poison is paid from the MMB fund Phase I, account number 10-4171-491 and does not require the payment of benefits.

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department. **

ENVIRONMENTAL IMPACT: None

NB.1

MuniTemps®
Municipal Staffing Solutions

Municipal Staffing Agreement

GOVERNMENT STAFFING SERVICES, INC., dba **MuniTemps**, with its Corporate Mailing Address at **MuniTemps Corporate Lockbox, PO Box 718, Imperial Beach, CA 91933** ("STAFFING FIRM"); and the **CITY OF CALIFORNIA CITY**, with its principal municipal office located at **21000 Hacienda Boulevard California City, CA 93505** ("CITY") agree to the terms and conditions set forth in this Municipal Staffing Agreement (the "Agreement").

STAFFING FIRM's Duties and Responsibilities

1. STAFFING FIRM will:

   a. Recruit, screen, interview, and assign its employees ("Assigned Employees") to perform the type of work described on Exhibit A under CITY's supervision at the locations specified on Exhibit A;

   b. Pay Assigned Employees' wages and provide them with the benefits that STAFFING FIRM offers to them;

   c. Pay, withhold, and transmit payroll taxes; provide unemployment insurance and workers' compensation benefits; and handle unemployment and workers' compensation claims involving Assigned Employees;

CITY's Duties and Responsibilities

2. CITY will:

   a. Properly supervise Assigned Employees performing its work and be responsible for its business operations, products, services, and intellectual property;

   b. Properly supervise, control, and safeguard its premises, processes, or systems, and not permit STAFFING FIRM employees to operate any vehicle or mobile equipment (unless authorized under section 2.f. below), or entrust them with unattended premises, cash, checks, keys, credit cards, merchandise, confidential or trade secret information, negotiable instruments, or other valuables without STAFFING FIRM's express prior written approval or as strictly required by the job description provided to STAFFING FIRM;

   c. Provide Assigned Employees with a safe work site and provide appropriate safety information, training, and safety equipment with respect to any hazardous substances or conditions to which they may be exposed at the work site;

   d. Not change Assigned Employees' job duties without STAFFING FIRM's express prior written approval; and

   e. Exclude Assigned Employees from CITY's benefit plans, policies, and practices, and not make any offer or promise relating to Assigned Employees' compensation or benefits.

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Website: www.munitemps.com

f. CITY is authorized to direct STAFFING FIRM's employees to drive CITY vehicles and equipment if CITY assumes liability for STAFFING FIRM's employees under CITY's auto insurance policy and names STAFFING FIRM as "additionally insured".

Payment Terms, Bill Rates, and Fees

3. CITY will pay STAFFING FIRM for its performance at the rates set forth on Exhibit A and will also pay any additional costs or fees set forth in this Agreement. STAFFING FIRM will invoice CITY for services provided under this Agreement on a Semi-Monthly basis. Payment is due on receipt of invoice. Invoices will be supported by the pertinent time sheets or other agreed system for documenting time worked by the Assigned Employees. CITY's signature or other agreed method of approval of the work time submitted for Assigned Employees certifies that the documented hours are correct and authorizes STAFFING FIRM to bill CITY for those hours. If a portion of any invoice is disputed, CITY will pay the undisputed portion.

4. STAFFING FIRM shall email invoices and supporting timesheets directly to the CITY's Accounts Payable office with a copy sent to any designated Department of the CITY.

5. STAFFING FIRM may assign two classes of Employees at CITY: (1) "Executive" Employees are presumed to be exempt from laws requiring premium pay for overtime, holiday work, or weekend work. These Employees are assigned on a fixed monthly salary contract which will be paid and pro rated on a bi-weekly pay cycle. When assigned Employee completes project at CITY, CITY will be required to pay the pro rated amount of the monthly salary contract agreed to in Exhibit A as of the full week ending last day worked at the CITY. (2) "Non-Executive" Employees are presumed to be nonexempt from laws requiring premium pay for overtime, holiday work, or weekend work. STAFFING FIRM will charge CITY special rates for premium work time only when an Assigned Employee's work on assignment to CITY, viewed by itself, would legally require premium pay and CITY has authorized, directed, or allowed the Assigned Employee to work such premium work time. CITY's special billing rate for premium hours will be the same multiple of the regular billing rate as STAFFING FIRM is required to apply to the Assigned Employee's regular pay rate. (For example, when federal law requires 150% of pay for work exceeding 40 hours in a week, CITY will be billed at 150% of the regular bill rate.)

Confidential Information

6. Both parties may receive information that is proprietary to or confidential to the other party or its affiliated companies and their CITYs. Both parties agree to hold such information in strict confidence and not to disclose such information to third parties or to use such information for any purpose whatsoever other than performing under this Agreement or as required by law. No knowledge, possession, or use of CITY's confidential information will be imputed to STAFFING FIRM as a result of Assigned Employees' access to such information.

Cooperation

7. The parties agree to cooperate fully and to provide assistance to the other party in the investigation and resolution of any complaints, claims, actions, or proceedings that may be brought by or that may involve Assigned Employees.

Indemnification and Limitation of Liability

8. To the extent permitted by law, STAFFING FIRM will defend, indemnify, and hold CITY and its directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused

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by STAFFING FIRM's breach of this Agreement; its failure to discharge its duties and responsibilities set forth in paragraph 1; or the negligence, gross negligence, or willful misconduct of STAFFING FIRM or STAFFING FIRM's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

9. To the extent permitted by law, CITY will defend, indemnify, and hold STAFFING FIRM and its parent, subsidiaries, directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by CITY's breach of this Agreement; its failure to discharge its duties and responsibilities set forth in paragraph 2; or the negligence, gross negligence, or willful misconduct of CITY or CITY's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

10. Neither party shall be liable for or be required to indemnify the other party for any incidental, consequential, exemplary, special, punitive, or lost profit damages that arise in connection with this Agreement, regardless of the form of action (whether in contract, tort, negligence, strict liability, or otherwise) and regardless of how characterized, even if such party has been advised of the possibility of such damages.

11. As a condition precedent to indemnification, the party seeking indemnification will inform the other party within 15 business days after it receives notice of any claim, loss, liability, or demand for which it seeks indemnification from the other party; and the party seeking indemnification will cooperate in the investigation and defense of any such matter.

12. The provisions in paragraphs 9 through 13 of this Agreement constitute the complete agreement between the parties with respect to indemnification, and each party waives its right to assert any common-law indemnification or contribution claim against the other party.

Miscellaneous

13. Notwithstanding any other provision of this Agreement to the contrary, the provisions of paragraphs 9 - 13 shall remain effective after termination or renewal of this Agreement.

14. No provision of this Agreement may be amended or waived unless agreed to in a writing signed by the parties.

15. Each provision of this Agreement will be considered severable, such that if any one provision or clause conflicts with existing or future applicable law or may not be given full effect because of such law, no other provision that can operate without the conflicting provision or clause will be affected.

16. This Agreement and the exhibits attached to it contain the entire understanding between the parties and supersede all prior agreements and understandings relating to the subject matter of the Agreement.

17. The provisions of this Agreement will inure to the benefit of and be binding on the parties and their respective representatives, successors, and assigns.

18. The failure of a party to enforce the provisions of this Agreement will not be a waiver of any provision or the right of such party thereafter to enforce each and every provision of this Agreement.

19. CITY will not transfer or assign this Agreement without STAFFING FIRM's written consent.

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20. Any notice or other communication will be deemed to be properly given only when sent via the United States Postal Service or a nationally recognized courier, addressed as shown on the first page of this Agreement.

21. Neither party will be responsible for failure or delay in performance of this Agreement if the failure or delay is due to labor disputes, strikes, fire, riot, war, terrorism, acts of God, or any other causes beyond the control of the nonperforming party.

22. The provisions of this agreement shall be entered into according to the laws of the State of California.

Term of Agreement

23. This Agreement shall remain valid until terminated by either party upon **7 days** written notice. The **Exhibit "A"** can be terminated upon **1 day** written notice.

Authorized representatives of the parties have executed this Agreement below to express the parties' agreement to its terms.

CITY OF CALIFORNIA CITY	**GOVERNMENT STAFFING SERVICES, INC.**
Signature	Signature
	John Herrera, CPA
Printed Name	Printed Name
	President / CEO
Title	Title
	06/14/2017
Date	Date

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Municipality:	**City of California City, CA**	Notes
Client Contact:	**Mary Johnson**	**Human Resources Manager**
Interim Position:	**Planning Technician**	Elizabeth Burkett
Bill Rate per Hour:	**$49.50**	
Hours per Week:	**40**	Monday - Friday, 8am to 5pm
Start Date:	**6/28/2017**	
Expected Duration:	**6+ Months**	Depending on Needs of City.

CITY may hire Elizabeth Burkett as its direct employee, as an independent contractor, or through any third party by paying a buyout fee equal to (a) 9% of the annual salary offered by CITY to Elizabeth Burkett if she has worked a minimum of 980 hours on MuniTemps' payroll at the CITY, or (b) 18% of the annual salary offered by CITY to Elizabeth Burkett if she has worked less than 980 hours on MuniTemps' payroll at the CITY.

City will properly supervise MuniTemps employee(s) performing its work and be responsible for its business operations, services, and intellectual property. City will also properly supervise, control, and safeguard its premises, processes, or systems, and not permit MuniTemps employees to operate any vehicle or mobile equipment unless approved by MuniTemps in writing.

Job Description
Answer questions and provide information to the public, via telephone, front counter and/or Internet. Assist in responding to requests for information from other departments, agencies and the general public; providing basic property information and interpreting the zoning ordinance. Evaluate and approve home occupation permits and business occupancies for business license issuance. Receive and process applications for less complex, more routine applications such as Minor Discretionary Permits, Minor Administrative Approvals-sign permits, temporary uses of land, seasonal sales permits, and the like. Related duties as assigned.

INVOICING INFORMATION: Let us know who needs to receive a copy of invoices. **Note:** *A/P must be copied also.*

Name:_____ Name:_____

Title:_____ Title:_____

Email:_____ Email:_____

Authorized Signature: _____ _____
City Representative **Date**

SUCCESSOR AGENCY

June 27th, 2017

TO: **Chairman and Agency Directors**

FROM: **Tom Weil, City Manager**

SUBJECT: **Offer to Purchase APN 216-010-02-00**

BACKGROUND:
Canna Pharmaceuticals, Inc. has offered to purchase from the Successor Agency 29.7 acres (APN 216-010-02-00) for the appraised price of $585,000.00 dollars where at least one 50,000 square foot structure will be built with an anticipation start date immediately from time of closing. Completion would be within 24 months. The Oversight Board has reviewed the offer and finds it acceptable to move forward with the contract upon Successor Agency approval.
The agreement does have clauses that will allow land to be returned to the Successor Agency with all improvements if project is not completed within the specified time frame.

RECOMMENDATION: Successor review the pending sale and approve the City Manager to sign all documentation related to the transaction and to open escrow with Pacific Trust Escrow Company within 5 business days.

FISCAL IMPACT: $585,000 revenue to pay down existing Successor Agency debt.

ENVIRONMENTAL ACTION: No Direct

S.A.
CB 1.

REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND
MUTUAL ESCROW INSTRUCTIONS

THIS REAL PROPERTY PURCHASE AND SALE AGREEMENT (the "Agreement") is entered effective on the date fully executed by and between the Successor Agency of the Former Redevelopment Agency of the City of California City, a separate public entity ("Successor Agency" or "SELLER") and Canna Pharmaceuticals, Inc., a California corporation organized under the laws of the State of California ("BUYER").

RECITALS

A. The real property which is subject to this Agreement is generally located at the intersection of Lindberg Blvd. and Curtis Place California City, California, (commonly referred to as Airport Industrial Park and legally described in Exhibit "A" which is attached hereto and incorporated herein by reference (the "Property"). The property is vacant land. The Property can be found on Section 16, Township 32 South, Range 37 East, City of California City, County of Kern, State of California. The Property is further identified as Assessor Parcel No. 216-010-02-00.

B. The California State Legislature enacted Assembly Bill x1 26 in 2011 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code sections 33000 et seq., as amended by Assembly Bill 1484 in 2012 and Senate Bill 107 in 2015) hereafter referenced as "Dissolution Law". All references to Health and Safety Code sections in this Agreement are references to the Dissolution Law.

C. Prior to the effective date of the Dissolution Law, the Redevelopment Agency of the City of California City (the "Former Redevelopment Agency") owned fee interest title in and to the Property.

D. On February 1, 2012 and upon dissolution of the Former Redevelopment Agency, the City of California City, acting in a separate limited capacity and as a separate legal entity, became the Successor Agency of the Former Redevelopment Agency of the City of California City ("Successor Agency").

E. Successor Agency ("SELLER") now holds fee title interest in and to the Property.

F. SELLER is responsible for the disposition of the Property in accordance with the procedures and requirements of Dissolution Law. Pursuant to Health and Safety Code Section 34177, successor agencies are required to dispose of assets and properties of the Former Redevelopment Agency expeditiously and in a manner aimed at maximizing the value.

G. In accordance with Health and Safety Code Section 34191.5, the SELLER prepared and the Oversight Board of the Successor Agency ("Oversight Board") approved a "Long-Range Property Management Plan" which included sale of the Property.

H. SELLER desires to convey fee title interest in and to the Property to BUYER in a manner consistent with the Dissolution Law requiring, inter alia, the disposition of its former property.

I. BUYER desires to purchase the Property from SELLER and SELLER desires to sell the Property on the terms and conditions contained in this Agreement.

J. It is the desire of the SELLER and BUYER and City of California City that within 24 months after the transfer of the Property to the BUYER, the BUYER shall have commenced and completed the construction of the Project; and

L. BUYER shall improve and use the Property for the Project that is the subject of the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the requirements and conditions of the City of California City. The Project will be developed with one 50,000 square foot structure with fencing, security systems, within Twenty-four months of the date the Property is transferred to the BUYER ("Project").

AGREEMENT

The foregoing recitals are incorporated herein as if fully set forth. For valuable consideration and subject to the terms and conditions hereof, BUYER and SELLER agree as follows:

1. PURCHASE AND SALE.

A. Conveyance of Property. SELLER agrees to sell to BUYER and BUYER agrees to purchase from SELLER, the Property on the terms and conditions set forth in this Agreement. BUYER and SELLER agree that the Property is vacant land. The Legal Description of the Property is attached as Exhibit A.

B. Purchase Price for the Property. The minimum purchase price shall be no less than $20,000 per acre. The total purchase price to be paid by BUYER to the SELLER for the Property is Five Hundred Eighty-five Thousand Dollars ($585,000) (the "Purchase Price"). SELLER shall obtain at BUYER's cost and expense an appraisal of the Property ("Appraisal").

C. Reversion of Fee Title Interest. BUYER shall, within 24 months after the transfer of the Property to the BUYER, to have commenced and completed the construction of the Project; and, pursuant to the Grant Deed, if the BUYER fails to secure a Certificate of Occupancy within twenty-four months from the transfer of the Property to BUYER, then the Property shall automatically revert back to the SELLER. In event of such reversion to SELLER, SELLER shall refund to BUYER an amount equal to one-half of the Purchase Price without interest.

2. OPENING OF ESCROW AND DEPOSIT.

A. Opening Escrow. Within five (5) business days of the Effective Date of this Agreement, SELLER shall open an escrow (the "Escrow") with First American Title Company (the "Title Company" or "Escrow Holder") for conveyance of the Property to BUYER. This Agreement shall constitute mutual instructions to the Escrow Holder. The Opening Date of escrow shall be the date on which Escrow Holder receives a fully executed copy of this Agreement. BUYER and SELLER shall execute additional escrow instructions as may be required to enable the Escrow Holder to close the escrow consistent with the terms of this Agreement and as BUYER and SELLER may approve, which approval shall not be unreasonably withheld.

B. Deposit.

(1) **Initial Non-Refundable Deposit.** BUYER shall deliver to SELLER a check in the sum of Ten Thousand ($10,000.00) ("Initial Non-Refundable Deposit"). Immediately upon the opening of Escrow, SELLER shall deliver the Initial Non-Refundable Deposit to Escrow Holder for the benefit of BUYER. The Initial Non-Refundable Deposit shall not be refunded for any reason.

(2) **Additional Refundable Deposit.** Within ten (10) days of the Effective Date of this Agreement, BUYER shall deposit into an additional sum of Five Thousand Dollars ($5,000.00). The Additional Refundable Deposit may be refunded as set forth in B (4), below.

(3) **DEPOSIT.** Collectively, the Initial Non-Refundable Deposit and the Additional Refundable Deposit may be referred to as the "Deposit".

(4) **Conditions for Refund of the Additional Refundable Deposit.** The Additional Refundable Deposit shall become nonrefundable to BUYER upon expiration of the Due Diligence Period if this Agreement has not been terminated; except that the Additional Refundable Deposit shall be refundable to BUYER if: (i) Escrow fails to close due to SELLER's default or breach of its representations or warranties under this Agreement or (ii) Closing fails to occur due to the failure of any condition to Closing set forth in this Agreement which is for the benefit of the BUYER. A full refund or partial refund of Additional Refundable Deposit may also be made to BUYER pursuant to Section 3.B of this Agreement. If upon termination of this Agreement SELLER is entitled to retain any portion of the Deposit, then BUYER shall within one (1) business day thereafter instruct Escrow Holder to immediately release such portion of the Deposit to SELLER (which obligation shall survive the termination of this Agreement). Upon termination of this Agreement, the parties shall have no further obligations hereunder except for the Surviving Obligations. As used in this Agreement, "Surviving Obligations" shall mean all obligations of BUYER and/or SELLER which are expressly stated in this Agreement to survive Close of Escrow (defined in Section 6.A) or termination of this Agreement.

(5) **Handling of Deposit.** The Deposit shall be deposited in an interest bearing money market or savings account with a national banking association or federally chartered savings and loan association, which interest shall accrue to the benefit of the BUYER and shall be applied to the Purchase Price at the Closing.

3. DUE DILIGENCE PERIOD AND INSPECTIONS.

A. Due Diligence Period. BUYER shall have until ninety (90) days following the Effective Date to conduct BUYER's due diligence, as BUYER deems necessary, but at BUYER's sole cost and expense, including but not limited the right to review and approve the Property Materials, to inquire and meet with all governmental or quasi-governmental authorities, and to inspect and approve the physical conditions of and all other matters concerning the Property (the "Due Diligence Period"). If BUYER is not satisfied for whatever reason, or no reason, with the condition of the Property, BUYER has the affirmative duty to terminate this

Agreement not later than the expiration of the Due Diligence Period by providing SELLER and Escrow Holder written notice thereof ("Buyer's Termination Notice") prior to the end of the Due Diligence Period. If BUYER fails to deliver BUYER's Termination Notice, then, BUYER shall be deemed to have elected not to terminate this Agreement.

B. Return of Deposit During Due Diligence Period. Upon receipt of Buyer's Termination Notice in escrow pursuant to Section 3.A., the Additional Refundable Deposit or portion thereof shall be returned as follows:

(i) The full Additional Refundable Deposit shall be refunded upon notification by the Buyer within the first (30) days of the Due Diligence Period that it is cancelling the contract.

(ii) Fifty percent (50%) of the Additional Refundable Deposit shall be refunded upon notification by the Buyer more than thirty (30) but less than (60) days of the Due Diligence Period that it is cancelling the contract.

(iii) Twenty-five percent (25%) of the Additional Refundable Deposit shall be refunded upon notification by the Buyer more than sixty (60) but less than ninety (90) days of the Due Diligence Period that it is cancelling the contract.

After the Due Diligence Period, if the Agreement is not terminated pursuant to Section 3.A., the Additional Refundable Deposit shall become nonrefundable.

C. Property Materials. Not later than three (3) days following the Effective Date, SELLER shall deliver to BUYER the following documents relating to the Property to the extent in the possession or control of SELLER (collectively, the "Property Materials"): (i) all soils, groundwater, environmental, property inspection and other reports and test results relating to the physical condition of the Property, including without limitation engineers' and consultants' plans, reports, and studies relating to the physical condition of the Property; (ii) all notices of violations of laws, if any, from any governmental or quasi-governmental authorities related to the Property; and (iii) other correspondence and notices from any governmental or quasi-governmental authorities related to the Property.

D. Access. Subject to this Section below, until the earlier to occur of the Close of Escrow or termination of this Agreement, BUYER shall have the right to enter upon the Property to inspect, investigate and conduct tests upon the Property, as BUYER, in its sole discretion deems necessary but at its sole cost and expense. BUYER shall keep the Property free and clear of any and all liens related to BUYER's inspections, test, and investigations. All entry onto and inspections of the Property shall be subject to the following:

(1) BUYER shall give SELLER not less than one (1) business day prior notice of any entry onto the Property by BUYER or by BUYER's agents, employees, consultants, and contractors (collectively, "BUYER's Representatives").

(2) If the Property is physically damaged in connection with any of BUYER's or BUYER's Representatives' activities on, in or about the Property pursuant to this Agreement, then BUYER, at BUYER's sole cost and expense, shall promptly repair such damage.

4. (3) BUYER shall indemnify, protect, defend (with counsel reasonably acceptable to SELLER) and hold harmless SELLER and each of SELLER's employees, agents, officer, directors, and City Council for, from and against any and all claims,

damages, liens, suits, causes of action, legal or administrative proceedings, finds, penalties, judgments, demands, obligations, costs, liabilities and losses (including mechanics' liens) and expenses (including, without limitation, reasonable attorneys' fees) (all collectively and each individually referred to herein as the "Claims and Liabilities") for property damage (both real and personal), death or personal injury to the extent caused by the acts or negligence of BUYER or BUYER's Representatives acting on behalf of BUYER pursuant to this Agreement while on, in, or about the Property, subject to this Section 4.C below, which obligation shall survive Close of Escrow or termination of this Agreement.

5. TIMING OF DEVELOPMENT

BUYER shall develop the Project and shall have used best efforts to successfully have applied for and received building permits from the City of California City within ninety (90) days of the Closing of Escrow; and BUYER shall begin construction of the Project within a reasonable time after the issuance of building permits, and, shall complete construction and secure a Certificate of Occupancy within twenty-four (24) months after the transfer of the Property to the BUYER. BUYER acknowledges and agrees that should BUYER fail to comply with its obligations under this Section, then (1) pursuant to the Grant Deed and this Agreement, fee title interest to the Property shall revert back to the SELLER; (2) Upon reversion of fee title interest to the SELLER, SELLER shall refund to BUYER no more than one-half of the Purchase Price for the Property without interest as provided in the Purchase and Sale Agreement; (3) City of California City shall have the right to utilize in any way and/or sell any and all architectural, engineering, and construction plans and specifications for the Project without compensation to the BUYER for same; and (4) City of California City shall, at its option, make a claim against the Performance Bond or assign to a third party the City's right to make such a claim.

6. PERFORMANCE BOND

Concurrently with the Closing of Escrow, BUYER shall deliver to City of California City a performance bond in the sum of the amount that is equal to the total cost of the Project, as above defined, on the forms provided by the City Clerk, which secures the faithful performance of this Agreement and completion of the Project. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bonds shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the BUYER promptly and faithfully performs all terms and conditions of this Agreement.

7. PROJECT APPROVALS

BUYER shall secure, at BUYER'S expense, all licenses, permits, authorizations, including but not limited to any land use approvals, required for the Project and use of the Property from all applicable government and/or regulatory entities ("Governmental Approvals"). SELLER expressly grants to BUYER a right of access to the Property to perform surveys, soils tests, and other engineering procedures or environmental studies on the Property necessary to determine that BUYER's use of the Property for the Project is compatible with BUYER's engineering specifications, system design, operations and Governmental Approvals.

Notwithstanding anything stated in this Agreement to the contrary, BUYER understands that the execution of this Agreement is not a guarantee by the City that the proposed use will be allowed on the subject parcel. BUYER shall not be entitled to occupy the Premises, and shall not be entitled to utilize the Premises for the proposed use, unless and

until BUYER first obtains any and all required Governmental Approvals and land use entitlements for the Project on the Premises, including but not limited to BUYER's compliance with any requirements of the California Environmental Quality Act ("CEQA"). The City is not obligated to grant any such approvals, and the process of reviewing and granting of such approvals with respect to the Project on the Premises will be subject to the standard independent review process and procedures established by the City from time to time. Moreover, nothing herein shall be construed as a waiver of the City's right to defend, to the fullest extent of the law, its use of its discretionary authority and executive powers. This Agreement shall be void and of no effect if the land use approvals are not granted, with no further right or obligation of either party to each other.

8. REPRESENTATIONS, WARRANTIES AND COVENANTS.

A. Representations by SELLER. SELLER represents and warrants to BUYER based on information and belief as follows:

(1) No other consent or approval is required for the execution and delivery of this Agreement by SELLER or the performance by SELLER of its obligations hereunder other than those already obtained by SELLER, or specifically set forth in this Agreement.

(2) To the best of SELLER's knowledge, based on information and belief presently available to SELLER at the time of this Agreement, the Property Materials delivered to BUYER are complete copies of such documents in the actual possession or control of SELLER, and are all of the Property Materials known to be in the actual possession or control of SELLER. Prior to Closing, SELLER agrees to promptly deliver to BUYER any additional documents received by SELLER relating to the physical condition, use, and operation of the Property.

(3) SELLER has not received written notice from any governmental or quasi-governmental authority of existing violations of any laws or other legal requirements specifically with respect to the Property.

(4) As of the Closing, there shall be no outstanding contracts made by SELLER for any improvements to the Property which have not been fully paid for, and SELLER shall cause to be discharged and removed as an exception to title all mechanics' and materialmen's liens arising from any labor and material furnished prior to the Closing (other than those caused by work performed by BUYER).

The representations and warranties of SELLER set forth in this Section 4.A shall survive the Close of Escrow.

B. Representations by BUYER. BUYER represents and warrants to SELLER that no consent or approval from anyone other than BUYER is required for the execution and delivery of this Agreement by BUYER or the performance of BUYER of its obligations hereunder. The representations and warranties of BUYER set forth in this Section 4.B shall survive the Close of Escrow.

C. Mutual Representations and Indemnity. Each party represents and warrants to the other that it has had no dealings with any real estate broker, agent, or finder in connection with the negotiation of this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection with this Agreement, BUYER, if such claim is based upon an alleged relationship with or any agreement alleged to have been made

by BUYER, hereby agrees to indemnify, protect and defend with counsel reasonably acceptable to SELLER and hold SELLER and its officers, agents, employees, successors and assigns harmless against any and all such claims and liabilities which SELLER may or does sustain or incur by reason of such claim or claims. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, SELLER, if such claim is based upon an alleged relationship with or any agreement alleged to have been made by SELLER, hereby agrees to indemnify, protect, and defend with counsel reasonably acceptable to BUYER, and hold BUYER, officers, agents, employees, successors and assigns harmless against any and all Claims and Liabilities which BUYER may sustain or incur by reason of such claim or claims. The provisions of this Section 4.C shall survive the Close of Escrow or termination of this Agreement.

D. Covenants of SELLER. SELLER hereby agrees as follows:

(1) After the Effective Date and prior to the Closing, no part of the Property, or any interest therein, shall be sold, encumbered or otherwise transferred without BUYER's prior written consent.

(2) Prior to Closing, SELLER Shall promptly notify BUYER of any fact or circumstance of which SELLER becomes aware which would make any of SELLER's representations and warranties untrue in any material respect, or any covenant of SELLER under this Agreement incapable or improbably of being cured or performed.

E. Covenants of BUYER.

(1) BUYER shall not cause or be the reason for the imposition of any mechanics' and materialmen's liens to be placed on or attached to the Property prior to Closing.

(2) Prior to Closing, BUYER shall promptly notify SELLER of any fact or circumstance of which BUYER becomes aware which would make any of BUYER's representations and warranties untrue in any material respect, or any covenant of BUYER under this Agreement incapable of being cured or performed.

9. AS-IS.

A. "AS-IS" Purchase. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES, AND REPRESENTS AND WARRANTS TO SELLER, THAT, EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS EXPRESSLY SET FORTH HEREIN BUYER IS PURCHASING THE PROPERTY "AS-IS", AND "WITH ALL FAULTS", AFTER SUCH INSPECTION, ANALYSIS, EXAMINATION AND INVESTIGATION BUYER DESIRES TO MAKE AND EXPRESSLY WITHOUT SELLER'S COVENANT, WARRANTY OR REPRESENTATION AS TO PHYSICAL CONDITION, TITLE, LEASES, RENTS, REVENUES, INCOME, EXPENSES, OPERATION, ACCESS, ZONING OR OTHER REGULATION, COMPLIANCE WITH LAW, SUITABILITY FOR PARTICULAR PURPOSES OR ANY OTHER MATTER WHATSOEVER, EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS SET FORTH IN THIS AGREEMENT OR ANY REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING. SELLER HAS NO OBLIGATION TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS TO THE PROPERTY, OR TO PAY ANY FEES, COSTS OR EXPENSES RELATED TO THE PROPERTY EXCEPT AS PROVIDED IN THIS AGREEMENT. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS HEREIN AND ANY

REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (A) THE VALUE OF THE PROPERTY; (B) THE INCOME TO BE DERIVED FROM THE PROPERTY; (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, INCLUDING THE POSSIBILITIES FOR DEVELOPMENT OF THE PROPERTY; (D) THE HABITABILITY, MARKETABILITY, MERCHANTABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (E) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (F) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, SOILS AND GEOLOGY; (G) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (H) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS, INCLUDING BUT NOT LIMITED TO, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, CALIFORNIA HEALTH AND SAFETY CODE, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 CFR PART 261, CERCLA, AS AMENDED, RCRA, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT AND THE TOXIC SUBSTANCE CONTROL ACT, AS ANY OF THE FOREGOING MAY BE AMENDED FROM TIME TO TIME AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING FROM TIME TO TIME; (I) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (J) THE CONTENT, COMPLETENESS OR ACCURACY OF THE PROPERTY DOCUMENTS AND ANY OFFERING CIRCULAR OR INFORMATION PACKAGE PROVIDED BY SELLER; (K) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (L) DEFICIENCY OF ANY DRAINAGE OR UNDERSHORING; (M) THAT THE PROPERTY MAY BE LOCATED ON OR NEAR EARTHQUAKE FAULTS; (N) THE EXISTENCE OR NON-EXISTENCE OF LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (O) THE ENTITLEMENT STATUS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, GENERAL PLAN STATUS, SPECIFIC PLAN STATUS, ZONING STATUS, SUBDIVISION STATUS UNDER THE CALIFORNIA SUBDIVISION MAP ACT; (P) THE APPLICABILITY OF THE FEDERAL OR CALIFORNIA ENDANGERED SPECIES ACTS AND THE EXISTENCE OF ANY SPECIES PROTECTED THEREUNDER; (Q) ANY NON-COMPLIANCE OF THE PROPERTY OR ANY IMPROVEMENTS; (R) ANY ERRORS, INACCURACIES OR DEFECTS IN THE WORK PRODUCT RELATING TO THE PROPERTY; OR (S) ANY OTHER MATTER CONCERNING THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND HAVING OBTAINED AND EXAMINED SUCH INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY AS BUYER HAS DEEMED NECESSARY OR APPROPRIATE, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATIONS AND REVIEW, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER OTHER THAN THE SELLER REPRESENTATIONS AND COVENANTS SET FORTH HEREIN AND ANY REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING. AT THE CLOSING BUYER SHALL HAVE INDEPENDENTLY CONFIRMED, SUBJECT TO THE SELLER REPRESENTATIONS AND COVENANTS SET FORTH

HEREIN AND ANY REPRESENTATIONS AND COVENANTS OF SELLER SET FORTH IN ANY DOCUMENT DELIVERED BY SELLER AT THE CLOSING, TO ITS SATISFACTION ALL INFORMATION THAT IT CONSIDERS MATERIAL TO ITS PURCHASE OF THE PROPERTY, INCLUDING WITHOUT LIMITATION THE EXISTENCE OF ANY AND ALL MUNICIPAL FEES, CHARGES, OR OTHER LIABILITIES THAT MAY EXIST WITH RESPECT TO THE PROPERTY. EXCEPT FOR THE SELLER REPRESENTATIONS AND COVENANTS, BUYER ASSUMES ALL RISK OF DISCOVERING AND UNDERSTANDING ALL FACTS AND CIRCUMSTANCES RELATING TO THE PROPERTY, INCLUDING PHYSICAL FEATURES AND CONDITIONS, PERMIT AND ENTITLEMENT STATUS, DEVELOPMENT OBLIGATIONS, LIABILITIES, AND OTHER FACTORS RELEVANT TO THE DEVELOPMENT OF THE REAL PROPERTY. SELLER FURTHER ADVISES BUYER THAT PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1102, 1103.1(A), 3434 AND OTHER APPLICABLE PROVISIONS OF CALIFORNIA LAW, SELLER IS NOT LIABLE AND SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE OCCASIONED BY ANY CONSTRUCTION DEFECT OR OTHER DEFECT IN THE REAL OR PERSONAL PROPERTY SO DESIGNED, MANUFACTURED, CONSTRUCTED, REPAIRED, MODIFIED OR IMPROVED OR FOR ANY LOSS OR DAMAGE RESULTING FROM THE FAILURE OF SELLER OR ANY OTHER PARTY THAT PARTICIPATED IN THE DESIGN OR CONSTRUCTION OF THE PROPOSED IMPROVEMENTS ON THE PROPERTY TO USE DUE CARE IN THE DESIGN, MANUFACTURE, CONSTRUCTION, REPAIR, MODIFICATION OR IMPROVEMENT OF SUCH REAL OR PERSONAL PROPERTY. THIS PROVISION WILL SURVIVE THE CLOSING AND CONSTITUTE MATERIAL CONSIDERATIONS FOR SELLER'S AGREEMENT TO SELL THE PROPERTY TO BUYER.

B. Release. Effective upon the Closing, except as otherwise provided herein or in any documents delivered at the Closing, BUYER, on behalf of itself, and the BUYER representatives fully, unconditionally, and irrevocably release SELLER from any and all claims that BUYER may now have or hereafter acquire against SELLER for any liabilities arising from or related to Property, its design, development, entitlements or any conditions existing or events occurring on, in or about the Property before the Closing, including without limitation any construction defects, or other conditions, latent or otherwise, including, without limitation, environmental matters affecting the Property or any portion thereof; provided, however, that nothing herein shall constitute a release of any other claims for liabilities other than as specified above. The foregoing release includes claims of which BUYER is presently unaware or which Buyer does not presently suspect to exist which, if known by BUYER, would materially affect Buyer's release of the Released Parties. In connection with this release, BUYER specifically waives the provision of California Civil Code Section 1542, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

This release by BUYER shall constitute a complete defense to any claim, cause of action, defense, contract, liability, indebtedness or obligation released pursuant to this release. Nothing in this release shall be construed as (or shall be admissible in any legal action or proceeding as) an admission by SELLER or any other released party that any defense, indebtedness, obligation, liability, claim or cause of action exists which is within the scope of those hereby released.

_____ _____

BUYER'S Initials SELLER'S Initials

10. BUYER'S ACKNOWLEDGMENT OF ABXI 26 AND INDEMNIFICATION OF CITY AND SELLER

BUYER acknowledges and agrees that the SELLER's original acquisition of the Property was pursuant to Health and Safety Code Section 33000 et. seq. otherwise known as the California Redevelopment Law. BUYER further acknowledges and agrees that the SELLER is selling the Property as a result of the California Supreme Court's decision in California Redevelopment Association v. Matosantos which upheld ABX1 26 which dissolved all redevelopment agencies operating within the State of California. BUYER acknowledges and agrees that under ABX1 26, the SELLER's sale the Redevelopment agency Property is subject to a number of legal requirements ("ABX1 26 Sale Approvals") in order to complete this sale. BUYER acknowledges and agrees that the SELLER has no control over ABX1 26 Sales Approvals. BUYER hereby acknowledges and agrees that it will not bring any claims, demands, suits, actions or proceedings of any kind or nature against the SELLER or the City of California City, their respective agents, employees, consultants or volunteers related to ABX1 26 Sale Approvals of the Redevelopment Property. BUYER shall indemnify, defend, and hold harmless the SELLER and City of California City against any and all claims, challenges, and/or legal proceedings of any kind brought by anyone seeking to void and set aside this Agreement and/or transfer of the Property on any basis; or, otherwise, challenging the sale price.

INITIALS OF BUYER: INITIALS OF SELLERS:

11. BUYER'S INDEMNIFICATION OF SELLER AND CITY FOR CHALLENGES TO SALE/TRANSFER OF PROPERTY AND/OR DEVELOPMENT OF PROPERTY BY BUYER

BUYER shall defend, indemnify, and hold harmless the Successor Agency and SELLER from and against any and all claims, damages, demands, suits and/or proceedings of any kind brought by anyone challenging the validity and/or legality of the sale and transfer of the Property pursuant to this Agreement, or the process followed. BUYER shall further defend, indemnify, and hold harmless the Successor Agency and SELLER from and against any and all claims, damages, demands, suits and/or proceedings of any kind brought by anyone challenging the validity and/or legality of the BUYER'S future development of the Property, including any and all challenges to any permits and/or approvals that may or may not be granted by the Successor Agency for the development of the Property.

12. CLOSING AND ESCROW INSTRUCTIONS.

A. Closing. The consummation of the purchase and sale of the Property (the "Closing" or "Close of Escrow") shall take place on the Closing Date, through the escrow established with Escrow Holder ("Escrow"), as evidence by recordation of the Grant Deed described in Section 6.B. in the Official Records of Kern County, California ("Official Records"). The "Closing Date" shall be 30 days after the last date of the Due Diligence Period or such earlier date as the parties may mutually agree upon (without obligation to so agree).

B. SELLER'S Deposits.

Prior to Closing, in sufficient time prior thereto to allow Closing on the Closing Date, SELLER shall cause to be delivered into the Escrow:

(1) A Grant Deed executed by SELLER, with signatures notarized for recording in the Official Records, conveying to BUYER the Property, in the form of Exhibit "B" attached hereto ("Grant Deed"), which Grant Deed shall be recorded in the Official Records at the Closing;

(2) An affidavit in compliance with the Foreign Investment and Real Property Tax Act and a California Tax Withholding Form 593-C, executed by SELLER (the "Non-Foreign Status Certificate" and "Form 593-C", respectively), certifying that SELLER is not subject to withholding under federal or state law; and

(3) Such additional instruments or documents reasonably required by Escrow Holder in order to consummate the purchase and sale of the Property in accordance with the terms and conditions of this Agreement, to the extent consistent with this Agreement, including without limitation escrow instructions and an owner's affidavit reasonably required by the Title Company to enable the Title Company to issue the Title Policy to BUYER at the Closing.

C. BUYER'S Deposits. Prior to Closing, in sufficient time prior thereto to allow Closing to occur on the Closing Date, BUYER shall cause to be delivered into the Escrow the following:

(1) In immediately available funds a sum equal to the Purchase Price, plus BUYER's estimated Closing Costs, less the Deposit, together with any interest earned thereon; and

(2) Such additional instruments or documents reasonably required by Escrow Holder in order to consummate the purchase and sale of the Property in accordance with the terms and conditions of this Agreement, to the extent consistent with this Agreement, including without limitation escrow instructions.

D. Failure to Timely Close Escrow. If the Closing does not occur by the Closing Date, then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party. If neither party is in default, then the cost of cancellation of the Escrow shall be shared equally between BUYER and SELLER, unless otherwise expressly provided in the Agreement. If only one of the parties hereto is in default, then such defaulting party shall pay for the entire cost of cancellation of the Escrow. The termination of this Agreement and cancellation of the Escrow, as provided herein, shall be without prejudice to whatever legal rights, as said rights may be limited by the terms contained in this Agreement, that BUYER or SELLER may have against each other arising out of this Agreement and the Escrow, which rights shall survive the termination of this Agreement.

E. Conditions to Closing.

(1) **BUYER'S Conditions**. In addition to all other conditions to the completion of the transaction described in this Agreement, SELLER and BUYER agree that the Closing of the sale and purchase contemplated by this Agreement is subject to satisfaction, approval or waiver by BUYER of the matters specified below in this Section 6.E.(1), which conditions are solely for the benefit of the BUYER and can be unilaterally waived by BUYER:

i. The Title Company shall be irrevocably committed to issue to BUYER at the Closing an Owner's Standard ALTA policy of title insurance in the amount of the Purchase Price, insuring the Property is vested in BUYER

subject to no exceptions other than the Permitted Exceptions, in the form and with endorsements to be approved by BUYER prior to the end of the Due Diligence Period (the "Title Policy");

ii. There shall have been no material adverse change in the physical condition of the Property from the Effective Date through the Closing Date; and

iii. SELLER shall not be in material default of SELLER's obligations under this Agreement, and all of SELLER's express representations and warranties set forth in this Agreement shall continue to be true, correct, and unchanged in all material respects as of the Closing.

(2) **SELLER's Conditions**. In addition to all other conditions to the completion of the transaction described in this Agreement, SELLER and BUYER agree that the Closing of the sale and purchase contemplated by this Agreement is subject to satisfaction, approval or waiver by SELLER of the matters specified below in this Section, which conditions are solely for the benefit of SELLER and can be unilaterally waived by SELLER:

i. BUYER shall not be in material default of BUYER's obligations under this Agreement, and all of BUYER's express representations and warranties set forth in this Agreement shall continue to be true, correct, and unchanged in all material respects as of the Closing.

ii. BUYER shall have acquired (1) all the entitlements, including an approved set of Development Plans for the Project; (2) any and all financing, if any; and (3) building permits to start the actual construction of the Project

F. Title. At Closing, title to the Property shall be conveyed to BUYER subject to only the following exceptions (collectively, "Permitted Exceptions"): (i) non-delinquent real property taxes and assessments (if any), (ii) the standard pre-printed exceptions and exclusions contained in an ALTA Standard coverage owner's policy of title insurance, and (iii) liens and encumbrances resulting from the acts of BUYER or any of BUYER's representatives. Anything to the contrary in this Agreement notwithstanding, SELLER shall pay or discharge, or cause to be removed, whether or not specifically objected to by BUYER, all monetary liens or encumbrances affecting the Property (other than non-delinquent real property taxes and assessments, and other than monetary liens and encumbrances created by BUYER, but otherwise including without limitation all deeds of trust and mortgages and other encumbrances relating thereto, judgment liens, mechanics' and materialmen's liens or claims of lien, and liens relating to defaulted taxes), and all liens or encumbrances voluntarily created or assumed by SELLER prior to the Close of Escrow; and in no event shall SELLER be allowed to elect or be deemed to have elected not to pay, discharge or cause to be removed such matters.

If following the Effective Date, the Title Company discloses additional exceptions not previously disclosed as exceptions in the preliminary title report delivered to BUYER before the Effective Date, other than the Permitted Exceptions, then unless BUYER agrees to accept title as it then is without reduction of the Purchase Price, BUYER may, at its option determined in BUYER's sole and absolutely discretion, terminate this Agreement, in which event the Nonrefundable Consideration shall be released to SELLER if such exception has not been caused by SELLER's default under this Agreement (and otherwise it shall be released to BUYER), and the Deposit Balance shall be returned to BUYER.

G. Prorations.

(1) Subject to Subsection (2) below, all revenues and expenses of the Property, including without limitation real property taxes, special taxes, assessments (if any) shall be prorated and apportioned between BUYER and SELLER as of the Closing Date, so that SELLER bears all expenses with respect to the Property, and has the benefit of all income with respect to the Property, through and including the date immediately preceding the Closing Date. If any portion of the Property is affected by any assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien due and payable as part of the annual ad valorem property tax bill received for the Property, then such installment shall be prorated as of the Closing Date; and if any such assessment or other charge is not payable in installments or are not billed as part of the annual ad valorem property tax bill for the Property, shall be paid in full by SELLER at the Closing. Notwithstanding the foregoing, SELLER shall be solely responsible for clearing all possessory interest taxes from the Property not later than the Closing. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow within the time required by this Section 10 below, which obligation shall survive the Closing.

(2) Subject to Subsection (1) above, if any of the items to be prorated as of Closing cannot be finally determined as of Closing, the prorations shall be made at Closing based on the last available information, and post-closing adjustments between BUYER and SELLER shall be made within twenty (20) days after the date that the actual amounts are determined, and if payment is not made within this twenty (20) day period the party owing such sums shall pay interest thereon, at the rate of ten percent (10%) per annum, from the date of delivery of the bill to the non-paying party to the date of payment. This subsection shall survive the Closing.

H. Title Charges, Other Closing Costs. If this transaction is terminated by BUYER prior to the expiration of the Due Diligence Period for any reason other than SELLER's default hereunder, BUYER shall pay all escrow costs billed by the Escrow Holder and Title Company. If this transaction closes as provided in this Agreement:

(1) SELLER shall pay that portion of the premium for the Title Policy attributable to ALTA Standard Owner's Policy of coverage (exclusive of endorsements), and the escrow fees;

(2) BUYER shall pay recording fees for the recording of the Grant Deed (if any), and the portion of the premium for the Title Policy attributable to an ALTA Extended Policy coverage and endorsements issued with the Title Policy, if BUYER so elects to obtain an ALTA Extended Policy; and

(3) All other Closing costs, if any, shall be allocated between SELLER and BUYER in accordance with the custom in Kern County, California.

I. Disbursement of Funds. On the Close of Escrow, Escrow Holder shall be instructed to disburse the Purchase Price less: (i) SELLER's share of prorations as determined pursuant to Subsection G immediately above, and (ii) SELLER share of costs of Escrow in immediately available funds, as directed by SELLER.

J. Delivery of Documents. Escrow Holder shall be instructed to, upon the Close of Escrow, deliver all instruments and documents as follows:

(1) Escrow Holder shall be instructed to deliver to SELLER:

i. A copy of the Grant Deed executed by SELLER, showing recording information, and certified by the Escrow Holder as being a true and complete copy of the Grant Deed recorded in the Official Records;

ii. A copy of the Non-Foreign Status Certificate, and Form 593-C;

iii. A copy of all other documents deposited into Escrow; and

iv. The Purchase Price, less the costs and prorations chargeable to SELLER pursuant to this Agreement.

(2) Escrow Holder shall be instructed to deliver to BUYER following the Close of Escrow the following:

i. A copy of the Grant Deed signed by SELLER, showing recording information, and certified by the Escrow Holder as being a true and complete copy of the Grant Deed recorded in the Official Records;

ii. A copy of the Non-Foreign Status Certificate, and Form 593-C;

iii. The original Title Policy; and

iv. A copy of all other documents deposited into Escrow.

13. CONDEMNATION.

If between the date of this Agreement and the Closing Date any condemnation or eminent domain proceedings are initiated which would result in the taking of any portion of the Property, then BUYER may terminate this Agreement by written notice of the commencement or occurrence of any condemnation or eminent domain proceedings affecting the Property. If such proceedings are initiated for the taking of any part of the Property, BUYER shall then notify SELLER, within ten (10) business days after BUYER's receipt of SELLER's notice (but in no event later than the Closing Date), whether or not BUYER elects to terminate this Agreement. If BUYER elects not to terminate this Agreement or fails to make an election within such ten (10) business day period or prior to the Closing Date, whichever is earlier, then BUYER shall be deemed to have elected to proceed with the Closing without any reduction to the Purchase Price, in which event SELLER shall assign to BUYER at Closing all of SELLER's right, title and interest in and to any award made in connection with such condemnation or eminent domain proceedings, or if such payment has been received by SELLER such payment shall be credited to BUYER at the Closing, and Closing shall be delayed, if necessary, until the later to occur of (i) the Closing Date, or (ii) ten (10) days after the expiration of the ten (10) business day period. If this Agreement is terminated in accordance with this Section 7, then the Deposit shall be refunded to BUYER by the Escrow Holder, and SELLER and BUYER shall thereupon be released from all further obligations under this Agreement other than the Surviving Obligations.

14. RISK OF LOSS.

If prior to the Closing, the Improvements, or any part thereof, are materially and substantially damaged or destroyed such that the total cost of restoring the Property to the condition that existed just prior to the damage of destruction is equal to or exceeds thirty percent (30%) of the Property's fair market value prior to the damage or destruction, BUYER has the right, exercisable by giving written notice to the SELLER within ten (10) days after receiving written notice of such damage or destruction (but in any event no later than the Closing Date, either (i) to terminate this Agreement, in which case the Deposit shall be returned to BUYER, and any other money or documents in escrow shall be returned to the party depositing the same, and neither party shall have any further rights or obligations under this Agreement other than the Surviving Obligations, or (ii) to accept the Property in its then condition and to proceed with the Closing. A failure by BUYER to notify SELLER in writing within such ten (10) business day period or prior to the Closing Date, whichever is earlier, will be deemed an election to proceed under clause (ii) above. If BUYER elects (ii) in the prior sentence, all of SELLER's insurance proceeds, if any, shall be retained by SELLER

15. DEFAULT AND REMEDIES.

A. DEFAULT BY BUYER; LIQUIDATED DAMAGES. IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED BECAUSE OF BUYER'S DEFAULT UNDER THIS AGREEMENET, ESCROW HOLDER SHALL BE INSTRUCTED BY SELLER TO CANCEL THE ESCROW, SELLER AND BUYER SHALL THEREUPON BE RELEASED FROM EACH OF ITS RESPECTIVE OBLIGATIONS HEREUNDER (OTHER THAN THE SURVIVING OBLIGATIONS), AND AS LIQUIDATED DAMAGES HEREUNDER, THE DEPOSIT (DEFINED IN SECTION 2.B), TO THE EXTENT MADE, SHALL BE PAID TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR SIGNATURES OR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE AMOUNT DESIGNATED AS LIQUIDATED DAMAGES IN THIS SECTION 9.A. HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS REASONABLE LIQUIDATED DAMAGES PURSUANT TO THE TERMS HEREOF, CALIFORNIA CIVIL CLODE SECTIONS 1671 AND 1677 AND ANY RETENTION OF LIQUIDATED DAMAGES AS A RESULT THEROF SHALL CONSTITUTE SELLER'S ONLY AND EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF A DEFAULT ON THE PART OF BUYER. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES. ADDITIONALLY, BUYER AGREES THAT IF PURSUANT TO THE GRANT DEED THE PROPERTY REVERTS BACK TO SELLER AS A RESULT OF BUYER'S FAILURE TO SECURE A CERTIFICATE OF OCCUPANCY WITHIN ONE YEAR OF THE DATE OF TRANSFER OF THE PROPERTY, THE BUYER SHALL PAY TO SELLER AS LIQUIDATED DAMAGES ONE HALF OF THE PURCHASE PRICE. THE PROVISIONS OF THIS SECTION 9.A. SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT MERGE WITH THE GRANT DEED UPON TRANSFER OF THE PROPERTY.

SELLER'S INITIALS: _____ BUYER'S INITIALS: _____

B. Default or Breach by SELLER. If SELLER materially defaults in the performance of its obligations hereunder or is otherwise in material breach of the terms hereof, such that BUYER is materially and adversely impacted, BUYER shall, at its election, have the right to:

(1) Seek specific performance of SELLER's obligation to convey the Property to BUYER pursuant to this Agreement, and SELLER agrees that because of the unique nature of the Property, specific performance is an appropriate remedy for enforcement of SELLER's obligation to convey the Property to BUYER pursuant to the Agreement; provided, however, that in the event Buyer elects to sue Seller for specific performance of Seller's obligations under this Agreement; (i) Buyer must have reasonably demonstrated that it is prepared to deliver into Escrow all funds and documents required by this Agreement in order for the Closing to occur, and Buyer shall be ready and willing in all other respects to close Escrow in accordance with the terms and conditions of this Agreement; and (ii) Buyer must have filed a petition with the Superior Court of Kern County, seeking specific performance of Seller's obligations under this Agreement, within sixty (60) days after the scheduled Closing Date (as the same may be mutually extended by the parties).

(2) Terminate this Agreement, upon which termination BUYER's remedy shall be the return of the Deposit and recovery of all out of pocket expenses incurred by BUYER in connection with this Agreement and BUYER's due diligence investigations relating to the Property and all other damages incurred by BUYER as the result of SELLER's default; and

(3) Such other rights to BUYER by law or in equity. The provisions of this Section 9.B. shall survive the Close of Escrow or the termination of this Agreement.

C. Remedies.

(1) SELLER'S Default. If SELLER defaults hereunder, or the Closing does not occur by reason of Seller's default hereunder which is not cured within ten (10) days after Seller's first have knowledge of such default, then Buyer shall be entitled to pursue its right to specifically enforce this Agreement or to terminate this Agreement. In the event Buyer terminates this Agreement, Seller, to the extent that any Deposit has been released, or Escrow Holder, to the extent any Deposit has not been released, shall immediately return said Deposit(s) to Buyer. Seller shall also pay for all out of pocket expenses incurred by Buyer in connection with this Agreement and Buyer's due diligence investigations relating to the Property and all other damages incurred by Buyer as a result of Seller's default. Except as otherwise provided, neither party will have any further obligations under this Agreement.

(2) BUYER'S Default. **BUYER AND SELLER AGREE THAT IN THE EVENT THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT OR BREACH (NOT DUE TO SELLER'S WRONGFUL ACTS OR OMISSIONS OR SELLERS' BREACH) HEREUNDER, THE DAMAGES TO SELLER WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, AND THAT THEREFORE THE DEPOSIT, TO THE EXTENT MADE AND RELEASED AND BECOME NON-**

REFUNDABLE, IS A REASONABLE ESTIMATE OF THE DAMAGES TO SELLERS, SUCH DAMAGES INCLUDING COSTS OF NEGOTIATING AND DRAFTING OF THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER UPON BUYER'S DEFAULT, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HEREWITH. ACCORDINGLY, BUYER AGREES THAT UPON BUYER'S RECEIPT OF NOTICE OF SUCH DEFAULT OR BREACH FROM SELLER, WHICH NOTICE SHALL SPECIFY THE BREACH IN DETAIL, AND FAILURE BY BUYER TO CURE SAID BREACH, DEFAULT OR FAILURE TO PERFORM WITHIN TEN (10) DAYS AFTER RECEIPT OF SUCH NOTICE, AND CLOSING FAILS TO OCCUR BECAUSE OF SUCH BREACH OR DEFAULT, SELLERS' DAMAGES SHALL BE LIMITED TO THE DEPOSIT, TO THE EXTENT SAID DEPOSIT HAS BEEN MADE, RELEASED AND HAVE BECOME NON-REFUNDABLE, AS LIQUIDATED DAMAGES, AS SELLER'S SOLE REMEDY IN THE EVENT OF ANY SUCH MATERIAL BREACH OR DEFAULT BY BUYER HEREUNDER. THE PARTIES ACKNOWLEDGE THAT SELLER'S RETENTION OF LIQUIDATED DAMAGES AS CONTEMPLATED IN THIS SECTION 9 IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677. THE FOREGOING IS NOT INTENDED TO LIMIT BUYER'S SURVIVING OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY OBLIGATIONS OF BUYER TO INDEMNIFY SELLERS OR WITH RESPECT TO ANY DEFAULT BY BUYER WHICH OCCURS FOLLOWING THE APPLICABLE CLOSING.

INITIALS OF BUYER: _____ INITIALS OF SELLERS: ____/____

(3) Arbitration of Disputes. **EXCEPT AS PROVIDED BELOW, IF A DISPUTE ARISES OUT OF OR RELATES TO THIS AGREEMENT, UPON THE WRITTEN DEMAND OF EITHER PARTY, THE DISPUTE SHALL BE RESOLVED BY BINDING ARBITRATION IN ACCORDANCE WITH THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL ARBITRATION RULES EXCEPT THAT THE ARBITRATION SHALL BE CONDUCTED BY ONE (1) ARBITRATOR WHO IS A RETIRED JUDGE OR AN ATTORNEY WITH NOT LESS THAN FIFTEEN (15) YEARS' EXPERIENCE IN REAL ESTATE MATTERS. DISCOVERY SHALL BE ALLOWED AS PROVIDED IN CODE OF CIVIL PROCEDURE SECTION 1283.05, THE PROVISIONS OF WHICH ARE INCORPORATED BY REFERENCE. THE ARBITRATOR MAY ORDER SPECIFIC PERFORMANCE WHEN THAT REMEDY IS PROVIDED FOR IN THIS AGREEMENT. THE JUDGMENT UPON THE ARBITRATION AWARD SHALL BE FINAL AND BINDING UPON THE PARTIES AND MAY BE ENTERED IN ANY COURT**

HAVING JURISDICTION THEREOF. IF THE PARTIES DO NOT AGREE UPON AN ARBITRATOR WITHIN FIFTEEN (15) DAYS AFTER DELIVERY OF A WRITTEN DEMAND FOR ARBITRATION, THEN THE ARBITRATOR SHALL BE CHOSEN BY THE AMERICAN ARBITRATION ASSOCIATION. THE ARBITRATOR SHALL ALLOCATE THE FEES AND COSTS OF ARBITRATION BETWEEN THE PARTIES AND SHALL AWARD COSTS, INCLUDING REASONABLE ATTORNEY'S FEES, TO EITHER PARTY. NOTHING CONTAINED IN THIS SECTION SHALL RESTRICT EACH PARTY FOR SEEKING EQUITABLE RELIEF FROM THE COURT SYSTEM PENDING RESOLUTION OF THE ARBITRATION.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

SELLER'S INITIALS: _____ BUYER'S INITIALS: _____

D. Jury Waiver. BUYER and SELLER each waives the right to a jury in any litigation in connection with this Agreement, or the property, or the transactions contemplated by this Agreement. BUYER and SELLER each acknowledges that this waiver has been freely given after consultation by it with competent counsel. This section 9.D has been included only for the event that, despite the parties' intention, the agreement to utilize judicial reference or arbitration as provided above is held to be inapplicable, and nothing in this section 9.D is intended to qualify the parties' agreement to resolve all disputes via order of reference.

16. NOTICE.

All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following address:

If to BUYER:

Canna Pharmaceuticals, Inc.
523 West 6th Street, Suite 716

Los Angeles, CA 90014

With a copy to:

If to SELLER:

City of California City
William T. Weil Jr
City Manager
21000 Hacienda Blvd.
California City, CA 93505

With a copy to:

Jones & Mayer
Christian Bettenhausen
City Attorney
3777N. Harbor Blvd.
Fullerton, CA 92835

Any notices required under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service, if served personally on the person to whom notice is to be given, (ii) on the date of service if sent by tele copier with confirmation of successful transmission, provided the original is concurrently sent by first class mail, and provided that notices received by tele copier after 5:00 p.m. shall be deemed given on the next business day, (iii) on the next business day after deposit with a recognized overnight delivery service, or (iv) on the third day after mailing, if mailed to the party to whom notice is to be given by first class mail, registered or certified, and postage-prepaid.

17. TIME OF ESSENCE.

Time is of the essence of this Agreement.

18. GOVERNING LAW AND VENUE.

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to any choice of law principles. Venues for all court proceedings or alternative forms of dispute resolution proceedings shall be Kern County.

19. COUNTERPARTS.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. CAPTIONS.

The captions/headings in this Agreement are inserted for convenience of reference and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions hereof.

21. ASSIGNABILITY.

Buyer may not assign its rights, remedies and obligations under this Agreement, in whole or in part, without Seller's prior written consent, which may be withheld in Seller's sole discretion, except to an affiliate of Buyer. For purposes of this paragraph, an "affiliate" of Buyer is any corporation, partnership, joint venture, individual, business trust, real estate investment trust, or any other legal entity who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with Buyer.

22. BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of both parties hereto and their respective successors and permitted assigns.

23. MODIFICATIONS; WAIVER.

No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

24. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded hereby.

25. AMBIGUITIES.

This Agreement shall be interpreted as if it had been jointly drafted by both parties. Therefore, the normal rule of construction that ambiguities are construed against the drafter is waived.

26. SEVERABILITY.

Any provision of this Agreement which is void, unenforceable or invalid or the inclusion of which would adversely affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect.

27. SUBMISSION OF AGREEMENT.

The submission of this Agreement by one party to the other or their agents or attorneys for review will not be deemed an offer to sell or purchase the Property, and no agreement with respect to the purchase and sale of the Property will exist unless and until this Agreement is executed and delivered by both SELLER and BUYER.

28. REAL ESTATE REPORTING PERSON.

Escrow Holder is designated the "real estate reporting person" for purposes of Section 6045 of Title 16 of the United States Code and Treasury Regulation 1.6045-4 and any instructions or settlement statement prepared by Escrow Holder shall so provide. Upon the consummation of the transaction contemplated by this Agreement, Escrow Holder shall, after review and approval by SELLER (such approval not to be unreasonably withheld, conditioned or delayed), file a Form 1099 information return and send the statement to SELLER as required under the aforementioned statute and regulation.

29. COMPUTATION OF TIME.

In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included, and the last day of the period so computed will be included, unless it is a Saturday, Sunday, or legal holiday recognized as such in California, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or such legal holiday. As used in the Agreement, "business day" shall mean a day which is not a Saturday, Sunday, or legal holiday recognized as such in California.

30. WAIVER.

No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, not shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

31. NUMBER AND GENDER.

When required by the context of this Agreement, each number (singular and plural) shall include all numbers, and each gender shall include all genders.

32. NEGOTIATED TERMS.

Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

33. SIGNATURES.

Signatures and initials to this Agreement created by the signer by electronic means and/or transmitted by telecopy or other electronic transmission shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an executed original of this Agreement with its actual signature and initials to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own electronically created and/or electronically transmitted signature and initials and shall accept the electronically created and/or electronically transmitted signature and initials of the other party to this Agreement.

34. NO MERGER

BUYER and SELLER agree that this Agreement shall not merge with the Grant Deed upon transfer of the Property and the rights, duties, obligations, representation, and guarantees contained in this Agreement shall survive after the conveyance of the Property to BUYER.

35. EXCLUSIVITY.

During the terms of this Agreement, SELLER shall not offer the Property or any interest therein for sale or lease to any other party, or negotiate, solicit, or entertain any offers.

[Signatures to follow]

IN WITNESS WHEROF, the parties hereto have executed this Agreement as follows:

SELLER:

Successor Agency of the Former
Redevelopment Agency of the City of
California City

Name: _____

Title: _____

Date: _____

ATTEST:

Name: _____
City Clerk

BUYER:

Canna Pharmaceuticals, Inc

Name: _____

Title: _____

Date: _____

ATTEST:

Name: _____
City Clerk

EXHIBIT INDEX

Exhibit Reference	Content
Exhibit A	Legal Description of Real Property
Exhibit B	Grant Deed
Exhibit C	Proposed Development Plan
Exhibit D	Assessor Map No. 216-010-02-00

GRANT DEED

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: California City 21000 Hacienda Blvd California City, CA 93505 Attn: City Clerk	
APN:	Space Above This Line Reserved for Recorder's Use

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency of the Former Redevelopment Agency of the City of California City, a public body politic, ("Grantor") hereby GRANTS to Canna Pharmaceuticals, Inc., a California Corporation ("Grantee"), the certain real property located in the City of California City, Count of Kern,, State of California, described in the legal description attached hereto as Exhibit "A," and incorporated herein by this reference ("Property").

The Grant of Property, hereunder, is subject to the following condition: BUYER shall develop at least one building which will be 50,000 square feet in size, with parking and security systems all enclosed by security fencing to be used as a marijuana cultivation facility. BUYER shall begin construction of the Project within a reasonable time after the issuance of building permits, and, shall complete construction and secure a Certificate of Occupancy for the within twenty-four (24) months after the transfer of the Property to the BUYER; and if Grantee fails to secure a Certificate of Occupancy within twenty-four (24) months of the date of this Grant Deed, then fee title to the Property shall revert back to the Grantor. and, in the event of reversion, Grantor shall refund to Grantee the a sum equal to one half of the Purchase Price without interest as set forth in the P&S Agreement.

Dated: _____

Successor Agency to the California City Redevelopment Agency

By:_____

Its:_____

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and 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 forgoing paragraph is true and correct.

Witness my hand and official seal.

_____
Notary Public

[SEAL]