Regular Meeting of the Madera City Council and Special Meeting of the Madera City Council as the Groundwater Sustainability Agency and Regular Meeting of Madera Public Financing Authority Board

205 W. 4th Street, Madera, California 93637

JOINT MEETING NOTICE AND AGENDA

Wednesday, October 2, 2019
6:00 p.m.

Council Chambers
City Hall

CALL TO ORDER

ROLL CALL: **Mayor Andrew J. Medellin**
Mayor Pro Tem Steve Montes, District 3
Council Member Cece Gallegos, District 1
Council Member Jose Rodriguez, District 2
Council Member Derek O. Robinson Sr., District 4
Council Member Santos Garcia, District 5
Council Member Donald E. Holley, District 6

INVOCATION: Pastor Josh Blair, Hosanna Church

PLEDGE OF ALLEGIANCE:

APPROVAL OF AGENDA:

PUBLIC COMMENT:

The first fifteen minutes of the meeting are reserved for members of the public to address the Council on items which are within the subject matter jurisdiction of the Council. Speakers shall be limited to three minutes. Speakers will be asked, but are not required, to identify themselves and state the subject of their comments. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Council does not respond to public comment at this time.

PRESENTATIONS:

1. Madera City Council's Recognition of Claudia Mendoza, Interim Deputy City Clerk

INTRODUCTIONS:

A. WORKSHOPS

1. Downtown Transportation Study Update (Report by Keith Helmuth)

B. CONSENT CALENDAR

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

B-1 Informational Report on Register of Audited Demands (Report by Susan O'Haro)

B-2 Informational Report on Personnel Activity (Report by Wendy Silva)

B-3 Consideration of a Resolution Approving Agreement with Scott Chase and Melissa Chase for Demolition of Building and Improvements on 100 E 14th Street Madera, CA 93638, APN 011-201-001 Required for the Olive Avenue Widening and Reconstruction Project and Authorizing the Mayor to Execute the Agreement (Report by Keith Helmuth)

B-4 Consideration of a Resolution Approving the Request from Madera Downtown Association for the City of Madera to Contribute $15,000 for a Crow Hazing Program and Amending the City of Madera Fiscal Year 2019/20 Budget in the Amount of $5,000 (Report by Arnoldo Rodriguez)

B-5 Consideration of a Resolution Authorizing the Mayor to Sign a Letter of Support from WYE Madera County to the California High-Speed Rail Authority Urging Against Diverting Funding Away from San Joaquin Valley High-Speed Rail Infrastructure (Report by Arnoldo Rodriguez)

C. HEARINGS, PETITIONS, BIDS, RESOLUTIONS, ORDINANCES, AND AGREEMENT

C-1 Update on the Status of the Groundwater Sustainability Plan (GSP): Receive Update and Public Comments and Provide Council Input (Report by Keith Helmuth)

C-2 Consideration of a Resolution Approving a Fourth Amendment to the Madera Municipal Golf Course Operation and Management Lease Agreement Between the City and SGM Inc. DBA Sierra Golf Management Inc. and Authorizing the Mayor to Execute the Amendment on Behalf of the City (Report by John Scarborough)

C-3 Consideration of a Joint Resolution of the City Council of the City of Madera and the Madera Public Financing Authority Approving an Agreement with Del Rio Advisors, LLC, for Municipal Advisor Services Related to the Water Revenue Refunding Bonds, Series 2019 and Authorizing the Mayor to Execute the Agreement (Report by Susan O'Haro)

D. WRITTEN COMMUNICATIONS

There are no reports for this section.

E. ADMINISTRATIVE REPORTS

E-1 Consideration of a Request to Designate a Voting Delegate and Alternates with Direction on How to Vote on Conference Resolutions for the League of California Cities Annual Conference and Direct the City Clerk to Submit the Voting Delegate Form to the League (Report by Arnoldo Rodriguez)

F. COUNCILMEMBER REPORTS/ANNOUNCEMENTS/FUTURE AGENDA ITEMS

This portion of the meeting is reserved for the Mayor and Councilmembers (i) to make brief reports on boards, committees, and other public agencies, and at public events, (ii) to request updates, (iii) to initiate future agenda items., and (iv) to take action on matters initiated under this section of the agenda. Under this section the Council may take action only on items specifically agendized and which meet other requirements for action.

G. CLOSED SESSION

G-1 Closed Session Announcement – City Attorney

G-2 Conference with Legal Counsel - Existing Litigation pursuant to Government Code §54956.9(d)(1): 2 cases:

G-3 Conference with Labor Negotiators pursuant to Government Code §54957.6
Agency Designated Representatives: Arnoldo Rodriguez, Wendy Silva, & Che Johnson

Employee Organizations: General Bargaining Unit, Madera Police Officers' Association, Mid-Management Employee Group, Law Enforcement Mid-Management Group

G-4 Conference with Legal Counsel – Existing Litigation pursuant to Government Code §54956.9
Name of Case: MCA 1803 LLC v. City of Madera

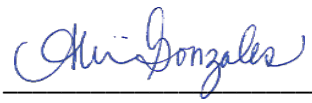
G-5 Closed Session Report – City Attorney

There are no reports for this section.

- Please silence or turn off cell phones and electronic devices while the meeting is in session.

- Regular meetings of the Madera City Council are held the 1st and 3rd Wednesday of each month at 6:00 p.m. in the Council Chambers at City Hall.
- Any writing related to an agenda item for the open session of this meeting distributed to the City Council less than 72 hours before this meeting is available for inspection at the City of Madera Office of the City Clerk, 205 W. 4th Street, Madera, California 93637 during normal business hours.
- The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Request for additional accommodations for the disabled, signers, assistive listening devices, or translators needed to assist participation in this public meeting should be made at least seventy-two (72) hours prior to the meeting. Please call the Human Resources Office at (559) 661-5401. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service.
- Questions regarding the meeting agenda or conduct of the meeting, please contact the City Clerk's office at (559) 661-5405.
- Para asistencia en Español sobre este aviso, por favor llame al (559) 661-5405.

I, Alicia Gonzales, City Clerk for the City of Madera, declare under penalty of perjury that I posted the above agenda for the Regular Meeting of the Madera City Council for October 2, 2019, near the front entrances of City Hall and on the City's website www.madera.gov at 5:30 p.m. on September 26, 2019.



Alicia Gonzales, City Clerk

RETURN TO AGENDA

REPORT TO CITY COUNCIL

Approved by:

Department Director

City Manager

Council Meeting of: October 2, 2019

Agenda Number: B-1

SUBJECT:

Informational Report on Register of Audited Demands

RECOMMENDATION:

Review Register of Audited Demands Report for September 7, 2019 to September 20, 2019.

SUMMARY:

The Register of Audited Demands for the City covering obligations paid during the period of September 7, 2019 to September 20, 2019 is contained in the attachment and summarized in the following tables.

Table 1: *Warrant Distribution Summary*		
Description	*Check #'s*	*Amount*
General Warrant	23424 - 23570	$1,219,313.20

Table 2: *Wire Transfer Summary*		
Description	*Vendor*	*Amount*
Payroll and Taxes	Union Bank	$597,854.40
SDI	EDD	$2,151.85
CalPERS Payment	CalPERS	$120,494.80

DISCUSSION:

Warrant requests are processed weekly based on the adopted Fiscal Year 2019/2020 budget and released for payment every Friday. Each demand has been audited and the Interim Finance Director hereby certifies as to their accuracy and that there were sufficient funds for their payment. Per the request of City Council, we have included the departments from which each of

the respective warrants were requested as well as the fund/division description from which they were paid.

FINANCIAL IMPACT:

Demands for payments are made within the constraints of the approved 2019/2020 budget.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

These expenditures were spent considering Strategy 115: Economic Resource Provision: Ensure sufficient economic resources to provide adequate City services and prepare for future growth.

ALTERNATIVES:

Informational only.

ATTACHMENTS:

Register of Audited Demands

CITY OF MADERA

REGISTER OF AUDITED DEMANDS FOR BANK #1-UNION BANK GENERAL ACCOUNT

October 2, 2019

CHECK	PAY DATE	DEPARTMENT	PAID FROM ORG	ISSUED TO	DESCRIPTION	AMOUNT
23424	09/12/2019	HR	INS/RISK MGT	AMERITAS LIFE INSURANCE CORP	DENTAL INSURANCE	14,357.24
23425	09/12/2019	FINANCE	WATER FUND	ALW ENTERPRISES INC	REFUND DEPOSIT	1,667.72
23426	09/12/2019	FINANCE	WATER FUND	JIM CRAWFORD CONSTRUCTION	REFUND DEPOSIT	1,700.00
23427	09/12/2019	FINANCE	WATER FUND	MASTER STORAGE MANAGEMENT	REFUND DEPOSIT	1,700.00
23428	09/12/2019	FINANCE	AIRPORT OPS	PUMFORD, DENNIS	REFUND DEPOSIT	150.00
23429	09/12/2019	FINANCE	VARIOUS	ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	4,284.98
23430	09/12/2019	FINANCE	VARIOUS	AT&T	08/19 CALNET 3 SERVICE	826.50
23431	09/12/2019	GRANTS	CDBG ADMIN	AVALOS, MICHELLE	MILEAGE REIMBURSEMENT	51.97
23432	09/12/2019	HR	INS/RISK MGT	BLUE SHIELD OF CA	MEDICAL INSURANCE	249,293.87
23433	09/12/2019	PD ADMIN	SUPP LAW ENF	CHIARAMONTE, GIACHINO	PER DIEM MOTOROLA STAGING	190.00
23434	09/12/2019	UB/WATER	WATER CONS	CITY OF MADERA	MULCH REBATE	40.00
23435	09/12/2019	UB/WATER	WATER UTILITY	CITY OF MADERA	MISAPPLIED PAYMENT	55.45
23436	09/12/2019	GRANTS	INTERMODAL	CITY OF MADERA	08/19 UTILITIES ACCT 003040421-6	77.10
23437	09/12/2019	GRANTS	INTERMODAL	CITY OF MADERA	08/19 UTILITIES ACCT 003040431-8	82.20
23438	09/12/2019	UB/WATER	WATER CONS	CITY OF MADERA	TOILET REBATE	100.00
23439	09/12/2019	GRANTS	INTERMODAL	CITY OF MADERA	08/19 UTILITIES ACCT 003040441-0	104.13
23440	09/12/2019	UB/WATER	WATER CONS	CITY OF MADERA	SMART IRRIG CONTROLLER REBATE	105.00
23441	09/12/2019	UB/WATER	WATER CONS	CITY OF MADERA	DRIP IRRIGATION REBATE	116.12
23442	09/12/2019	UB/WATER	WATER CONS	CITY OF MADERA	DRIP IRRIGATION REBATE	135.42
23443	09/12/2019	UB/WATER	WATER CONS	CITY OF MADERA	MULCH REBATE	175.00
23444	09/12/2019	HR	HR/RISK MGT	CONCENTRA MEDICAL CENTERS	PRE-EMPLOYMENT PHYSICALS	462.50
23445	09/12/2019	ENGINEERING	SEWER CAP	CUSHMAN CONTRACTING CORP	WWTP REHAB PROJ PROG PMT #14	81,414.82
23446	09/12/2019	ENGINEERING	SEWER CAP	FIRST REPUBLIC BANK	RETENTION OF PROG PMT #14	4,236.65
23447	09/12/2019	UB/WATER	UB/SEWER	DATAPROSE, LLC	AUGUST BILLING	10,188.43
23448	09/12/2019	PW ADMIN	SEWER MTC/OPS	DIAMOND COMMUNICATIONS	TELEPHONE ANSWERING SERVICE	115.00
23449	09/12/2019	BUILDING	BUILDING	FIRE SAFETY SOLUTIONS, LLC	FIRE PROTECTION ENG SVS	9,862.50
23450	09/12/2019	HR	INS/RISK MGT	LIEBERT CASSIDY WHITMORE	LEGAL FEES	8,268.00
23451	09/12/2019	UB/WATER	PD ADMIN	MADERA COUNTY TREASURER	PARKING PENALTIES	1,732.50
23452	09/12/2019	UB/WATER	WATER UTILITY	SANTOS E TOMAS	REFUND OVERPAYMENT	1,245.53
23453	09/12/2019	FINANCE	VARIOUS	PACIFIC GAS & ELECTRIC	08/19 SERVICE 9920095153-3	34,519.71
23454	09/12/2019	UB/WATER	FINANCE	PHOENIX GROUP INFO SYS	CITATIONS FOR JULY	393.95
23455	09/12/2019	WWTP	WWTP	POLYDYNE INC.	SLUDGE BIOSOLIDS DEWATERING	6,133.25
23456	09/12/2019	PD ADMIN	SUPP LAW ENF	RIVIERE, TANYA	PER DIEM MOTOROLA STAGING	190.00
23457	09/12/2019	CITY ADMIN	CITY COUNCIL	ROBINSON, DEREK	MILEAGE REIMBURSEMENT	82.24
23458	09/12/2019	HR	HR/RISK MGT	ROSAS, DIANA	PER DIEM PELRA CA CONFERENCE	148.50
23459	09/12/2019	WWTP	WWTP	RUSSELL, CHRIS	PER DIEM WW CERT REVIEW	122.00

CHECK	PAY DATE	DEPARTMENT	PAID FROM ORG	ISSUED TO	DESCRIPTION	AMOUNT
23460	09/12/2019	PW ADMIN	VARIOUS	TAMARACK PEST CONTROL	PEST CONTROL SERVICE	485.00
23461	09/12/2019	PURCHASING	VARIOUS	TESEI PETROLEUM, INC.	FUEL FOR CITY	14,391.24
23462	09/12/2019	WWTP	WWTP	ANDREW WARREN	PER DIEM WW CERT REVIEW	122.00
23463	09/12/2019	PARKS	PARKS	WEST COAST ARBORISTS, INC.	STREET TREE MAINTENANCE	31,350.00
23464	09/12/2019	PD	SUPP LAW ENF	WILLIAMS, RANDALL	PER DIEM MOTOROLA STAGING	190.00
23465	09/19/2019	FINANCE	PD ADMIN	AMERICAN MOBILE SHREDDING	SHREDDING SERVICES	280.00
23466	09/19/2019	HR	CITY CLERK	ANTHEM BLUE CROSS	CITY PAID RETIREE MED BILL	1,546.37
23467	09/19/2019	FINANCE	VARIOUS	AT&T	08/19 CALNET 3 SERVICE 9391026402	1,583.12
23468	09/19/2019	AIRPORT OPS	AIRPORT OPS	BARNES & THORNBURG	STORM WATER MONITORING	4,950.00
23469	09/19/2019	HR	CITY ADMIN	BLUE SHIELD OF CALIFORNIA	CITY PAID RETIREE MED BILL	146.00
23470	09/19/2019	HR	CITY ADMIN	BLUE SHIELD OF CALIFORNIA	CITY PAID RETIREE RX BILL	117.80
23471	09/19/2019	ENGINEERING	MAX- CAP OUTLY	BMY CONSTRUCTION GROUP	TRANSIT CENTER PROJECT	204,936.85
23472	09/19/2019	GRANTS	TRANS- FIXED RTE	DAVID J. BOYLE	BUS STOP REPAIR	132.00
23473	09/19/2019	WATER QUAL	WATER QUAL	BSK ASSOCIATES	WATER SAMPLES	912.00
23474	09/19/2019	PD ADMIN	PD ADMIN	CA DEPARTMENT OF JUSTICE	AUGUST SERVICES	287.00
23475	09/19/2019	BUILDING	BUILDING	COOK, DANIEL	CALBO TRAINING REIMBMT	43.00
23476	09/19/2019	UB/WATER	UB/SEWER	CORELOGIC INFORMATION SOL	METROSCAN SERVICES	150.00
23477	09/19/2019	PD	PD ADMIN	DIEBERTS CREATIVE COPY INC	BUSINESS CARDS	75.78
23478	09/19/2019	PD	PD ADMIN	RAUL R. HERRERA JR.	POLYGRAPHS	200.00
23479	09/19/2019	WWTP	WWTP	ELECTRIC MOTOR SHOP, INC.	REPLACEMNT FOR OX DITCH	8,733.35
23480	09/19/2019	STREETS	DRAINAGE CAP	KRAZAN & ASSOCIATES, INC.	COMPACTION TESTING	693.00
23481	09/19/2019	PLANNING	GEN TRUST	LSA ASSOCIATES, INC	VILLAGE D-EIR JUNE	2,742.50
23482	09/19/2019	GRANTS	CDBG ADMIN	MADERA TRIBUNE	CDBG CAPERS	720.00
23483	09/19/2019	PD	PD ADMIN	MADERA UNIFORM & ACCESSORIES	BODY ARMOR	849.76
23484	09/19/2019	GRANTS	TRANS- DAR	MADERA YOUNG PROFESSIONALS	OLD TIMERS PARADE BOOTH	25.00
23485	09/19/2019	HR	GEN TRUST	MELGAR, MARIA	INSURANCE PROCEEDS	72,845.10
23486	09/19/2019	WATER	WATER MTC/OPS	MENDOZA, MARTIN	TRAVEL REIMBURSEMENT	88.43
23487	09/19/2019	GRANTS	TRANS- FIXED RTE	MV TRANSPORTATION, INC.	TRANSIT OPERATOR SERVICES	104,199.09
23488	09/19/2019	GRANTS	CDBG ADMIN	ONTRAC	SHIPPING SERVICES	15.72
23489	09/19/2019	FINANCE	VARIOUS	PACIFIC GAS & ELECTRIC	08/19 SERVICE 1715785853-5	1,686.21
23490	09/19/2019	PARKS	GEN TRUST	BARRERAS, ALONZO	FACILITY DEPOSIT REFUND	100.00
23491	09/19/2019	PARKS	GEN TRUST	BUSTAMONTE, AMANDA	FACILITY DEPOSIT REFUND	100.00
23492	09/19/2019	PARKS	PARKS	GALLEGOS, LYDIA	PARK CANCELLATION REFUND	165.00
23493	09/19/2019	PARKS	GEN TRUST	LIRA, GUADALUPE	FACILITY DEPOSIT REFUND	100.00
23494	09/19/2019	PARKS	GEN TRUST	LOPEZ, RAMON	PARK DEPOSIT REFUND	50.00
23495	09/19/2019	PARKS	GEN TRUST	MADERA GLASS	PARK DEPOSIT REFUND	50.00
23496	09/19/2019	PARKS	GEN TRUST	NARCOTICS ANONYMOUS	PARK DEPOSIT REFUND	50.00
23497	09/19/2019	PARKS	GEN TRUST	NEW LIFE ASSEMBLY	PARK DEPOSIT REFUND	50.00
23498	09/19/2019	PARKS	GEN TRUST	ORTEGA, LUZ	PARK DEPOSIT REFUND	50.00
23499	09/19/2019	PARKS	GEN TRUST	SAENZ, ISAAC	PARK DEPOSIT REFUND	50.00

CHECK	PAY DATE	DEPARTMENT	PAID FROM ORG	ISSUED TO	DESCRIPTION	AMOUNT
23500	09/19/2019	PARKS	GEN TRUST	2ND MISSIONARY BAPTIST CHURCH	PARK DEPOSIT REFUND	50.00
23501	09/19/2019	PARKS	GEN TRUST	VALDIVIA, YESENIA	FACILITY DEPOSIT REFUND	500.00
23502	09/19/2019	PARKS	GEN TRUST	VALENZUELA, RAMON	FACILITY DEPOSIT REFUND	100.00
23503	09/19/2019	PARKS	GEN TRUST	VALLEY WEST CHRISTIAN CENTER	PARK DEPOSIT REFUND	50.00
23504	09/19/2019	PARKS	GEN TRUST	ZAMORA, CINDY	PARK DEPOSIT REFUND	50.00
23505	09/19/2019	PD	PD ADMIN	PECK'S PRINTERY	ENVELOPES	380.23
23506	09/19/2019	STREETS	STREETS	MORRIS J PIERCE	REMOVE & REPLACE ASPHALT	44,754.50
23507	09/19/2019	FACILITIES	CODE ENF	PRESTIGE CUSTOM GLASS	WINDOW REPLACEMENT	727.86
23508	09/19/2019	HR	SEWER MTC/OPS	REGENCE BLUECROSS OF UTAH	CITY PAID RETIREE MED BILL	325.00
23509	09/19/2019	PD	PD ADMIN	RON'S TOWING & ROAD SERVICE	ROAD SERVICE	830.00
23510	09/19/2019	WWTP	WWTP	TERRAFORM POWER, LLC.	AUGUST ELECTRIC UTILITIES	25,683.66
23511	09/19/2019	WWTP	WWTP	SYNAGRO WEST, INC.	ENV AND ECOLOGICAL SERVICES	21,409.77
23512	09/19/2019	VARIOUS	VARIOUS	TESEI PETROLEUM INC.	PROPANE	2,929.76
23513	09/19/2019	PURCHASING	VARIOUS	TESEI PETROLEUM, INC.	FUEL FOR CITY	11,373.90
23514	09/19/2019	PD	SUPP LAW ENF	THE RADAR SHOP	ON-SITE RADAR RE-CERTS	483.00
23515	09/19/2019	PD	PD ADMIN	TRANSUNION RISK & ALT DATA SOL.	DATABASE ACCESS	208.60
23516	09/19/2019	UB	WATER FUND	AGUILAR VINCENT SR	UTILITY BILLING CREDIT REFUND	161.72
23517	09/19/2019	UB	WATER FUND	ARREAZOLA VALERIE	UTILITY BILLING CREDIT REFUND	38.60
23518	09/19/2019	UB	WATER FUND	BAYLESS ARVILLA P	UTILITY BILLING CREDIT REFUND	100.91
23519	09/19/2019	UB	WATER FUND	BEAUTE SALON VELA TERRI	UTILITY BILLING CREDIT REFUND	131.08
23520	09/19/2019	UB	WATER FUND	BONILLA ROSANNE	UTILITY BILLING DEPOSIT REFUND	78.07
23521	09/19/2019	UB	WATER FUND	CABALLERO GLORIA T	UTILITY BILLING DEPOSIT REFUND	1.31
23522	09/19/2019	UB	WATER FUND	CARRILLO AMEZOLA HECTOR	UTILITY BILLING DEPOSIT REFUND	93.27
23523	09/19/2019	UB	WATER FUND	CHAVEZ MIGUEL A	UTILITY BILLING CREDIT REFUND	113.81
23524	09/19/2019	UB	WATER FUND	CORONA ROBERT	UTILITY BILLING DEPOSIT REFUND	101.00
23525	09/19/2019	UB	WATER FUND	FELLING RICHARD C/O NEWTON PROP	UTILITY BILLING DEPOSIT REFUND	0.80
23526	09/19/2019	UB	WATER FUND	FLEMING JEANETTE	UTILITY BILLING DEPOSIT REFUND	9.68
23527	09/19/2019	UB	WATER FUND	GLOUDEMAN CHERYL	UTILITY BILLING CREDIT REFUND	241.88
23528	09/19/2019	UB	WATER FUND	GODFREY JENNIFER OR CITY	UTILITY BILLING CREDIT REFUND	21.81
23529	09/19/2019	UB	WATER FUND	GRIMALDO DANNY CYNTHIA	UTILITY BILLING DEPOSIT REFUND	24.62
23530	09/19/2019	UB	WATER FUND	GUDINO FERNANDO MANUELA	UTILITY BILLING CREDIT REFUND	137.44
23531	09/19/2019	UB	WATER FUND	GUIVERRA EVA	UTILITY BILLING CREDIT REFUND	76.82
23532	09/19/2019	UB	WATER FUND	HANSON TERRY HANSON KARLA	UTILITY BILLING CREDIT REFUND	135.00
23533	09/19/2019	UB	WATER FUND	JIMENEZ HERMININA SANCHEZ	UTILITY BILLING CREDIT REFUND	180.35
23534	09/19/2019	UB	WATER FUND	KLAIR CO LLC	UTILITY BILLING DEPOSIT REFUND	57.09
23535	09/19/2019	UB	WATER FUND	LUNDY VALERIE	UTILITY BILLING CREDIT REFUND	222.10
23536	09/19/2019	UB	WATER FUND	MARTEL LOURDES B	UTILITY BILLING CREDIT REFUND	59.12
23537	09/19/2019	UB	WATER FUND	MARTINEZ KELLY MIGUEL	UTILITY BILLING DEPOSIT REFUND	2.36
23538	09/19/2019	UB	WATER FUND	MICHELSON JERI	UTILITY BILLING DEPOSIT REFUND	44.99
23539	09/19/2019	UB	WATER FUND	MILLER STEVEN D	UTILITY BILLING CREDIT REFUND	142.49

CHECK	PAY DATE	DEPARTMENT	PAID FROM ORG	ISSUED TO	DESCRIPTION	AMOUNT
23540	09/19/2019	UB	WATER FUND	NEVAREZ MONICA	UTILITY BILLING CREDIT REFUND	4.82
23541	09/19/2019	UB	WATER FUND	NGUYEN ANH H	UTILITY BILLING CREDIT REFUND	296.85
23542	09/19/2019	UB	WATER FUND	PAGE JENNIFER CLINTON OR CITY	UTILITY BILLING DEPOSIT REFUND	133.31
23543	09/19/2019	UB	WATER FUND	PALACIOS FABIOLA	UTILITY BILLING CREDIT REFUND	513.49
23544	09/19/2019	UB	WATER FUND	PEREZ EULALIA	UTILITY BILLING CREDIT REFUND	115.65
23545	09/19/2019	UB	WATER FUND	PISTORESI INVESTMENTS INC	UTILITY BILLING DEPOSIT REFUND	26.20
23546	09/19/2019	UB	WATER FUND	POND LOUIS	UTILITY BILLING DEPOSIT REFUND	22.75
23547	09/19/2019	UB	WATER FUND	REED VIVIAN	UTILITY BILLING CREDIT REFUND	117.51
23548	09/19/2019	UB	WATER FUND	REYES JUAN RECIO ZARCO MARIA	UTILITY BILLING CREDIT REFUND	238.43
23549	09/19/2019	UB	WATER FUND	SANCHEZ JOSE	UTILITY BILLING CREDIT REFUND	48.64
23550	09/19/2019	UB	WATER FUND	SELECT PORTFOLIO SERVICING	UTILITY BILLING CREDIT REFUND	337.20
23551	09/19/2019	UB	WATER FUND	SINGH SATNAM	UTILITY BILLING CREDIT REFUND	151.51
23552	09/19/2019	UB	WATER FUND	TAYLOR ROGER	UTILITY BILLING CREDIT REFUND	339.11
23553	09/19/2019	UB	WATER FUND	VALENCIA MONIQUE	UTILITY BILLING CREDIT REFUND	75.14
23554	09/19/2019	PURCHASING	VARIOUS	US BANK CORP PAYMENT SYSTEMS	08/19 CAL-CARD CHARGES	133,514.79
23555	09/19/2019	PD	PD ADMIN	VERIZON WIRELESS	PD AIR CARDS	76.02
23556	09/19/2019	STREETS	DRAINAGE CAP	VIDEO INSPECTION SPECIALISTS	LINE VIDEO INSPECTION	1,068.75
23557	09/19/2019	PD	MEAS K - PD	WATCHGUARD VIDEO	MOBILE CHARGING KIT	1,087.91
23558	09/20/2019	FINANCE	PAYROLL TAX	ADMINISTRATIVE SOLUTIONS INC.	ADMIN FEES	138.00
23559	09/20/2019	FINANCE	PAYROLL TAX	ADMINISTRATIVE SOLUTIONS INC.	MEDICAL & CHILD CARE EXPENSE	1,035.45
23560	09/20/2019	FINANCE	PAYROLL TAX	ADMINISTRATIVE SOLUTIONS INC.	ASI MEDICAL PART A	31,467.28
23561	09/20/2019	FINANCE	PAYROLL TAX	CA DEPARTMENT OF CHILD SUPPORT	CHILD SUPPORT DEDUCTIONS	1,353.07
23562	09/20/2019	FINANCE	PAYROLL TAX	COLONIAL LIFE & ACCIDENT INS	EMPLOYEE LIFE INSURANCE	1,087.79
23563	09/20/2019	FINANCE	PAYROLL TAX	M A C E A	MONTHLY DUES	2,362.50
23564	09/20/2019	FINANCE	PAYROLL TAX	M P O A	MONTHLY DUES	7,649.64
23565	09/20/2019	FINANCE	PAYROLL TAX	M.C.E.A.	MONTHLY DUES	380.00
23566	09/20/2019	FINANCE	PAYROLL TAX	MID-MGMT EMPLOYEE GROUP	MONTHLY DUES	600.00
23567	09/20/2019	FINANCE	PAYROLL TAX	N.P.C.-ORCHARD TRUST COMPANY	DEFERRED COMP CONTRIBS	2,381.02
23568	09/20/2019	FINANCE	PAYROLL TAX	N.P.C.-ORCHARD TRUST COMPANY	DEFERRED COMP CONTRIBS	8,282.35
23569	09/20/2019	FINANCE	PAYROLL TAX	STATE OF CALIFORNIA	FRANCHISE TAX DEDUCTIONS	150.00
23570	09/20/2019	FINANCE	PAYROLL TAX	VANTAGEPOINT TRANSFER AGENTS	DEFERRED COMP CONTRIBS	22,635.82

BANK #1 - UNION BANK GENERAL ACCOUNT TOTAL **$ 1,219,313.20**

RETURN TO AGENDA

REPORT TO CITY COUNCIL

Approved by:

Wendy Silva

Wendy Silva, Director of Human Resources

Arnoldo Rodriguez

Arnoldo Rodriguez, City Manager

Council Meeting of: October 2, 2019

Agenda Number: B-2

SUBJECT:
Informational Report on Personnel Activity

RECOMMENDATION:
This report is submitted for informational purposes only and there is no action requested from the City Council (Council).

SUMMARY:
The purpose of this report is to provide the Council an informational update on employment matters, including new hires, transfers, and terminations.

DISCUSSION:
The Civil Service Commission did not meet in September.

The following individuals began employment with the City since our last report:

Name	Position	Department	Status*	Effective Date
Julian Collier	Program Leader I	Parks & Community Services	PT	9/3/19
Tiffany Ljuba	Assistant Engineer	Engineering	FT	9/9/19
Jennifer Martinez	Parking Enforcement Officer	Police Department	PT	9/16/19
Silas Varela	Public Safety Dispatcher	Police Department	FT	9/16/19
Fredrick Ramos	Program Leader I	Parks & Community Services	PT	9/16/19

*Status: PT = Part Time, FT = Full Time

The following promotions, transfers, or assignment changes occurred since our last report.

Name	Old Position	New Position	Effective Date
Claudia Mendoza	Interim City Clerk	Interim Deputy City Clerk	8/26/19
Marco Silvas	Wastewater Treatment Plant Operator in Training	Wastewater Treatment Plant Operator I	9/4/19

The following employees separated from employment since our last report.

Name	Position	Department	Status*	Effective Date
Kimberly Gutierrez	Accounting Technician I	Finance Department	PT	8/12/19
Maddyson Salazar	Program Leader I	Parks & Community Services	PT	8/15/19
Neil Hayes	Network Administrator	Information Services	FT	8/30/19

*Status: PT = Part Time, FT = Full Time

FINANCIAL IMPACT:
Funding for positions and employees to fill those positions is contemplated annually by the Council in the budget process. During the course of any given fiscal year, individual employees filling specific positions may change due to a number of various circumstances. All hiring and termination decisions are subject to the approval of the City Manager.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:
The information contained herein is not addressed by the Vision Madera 2025 plan, nor is the information in conflict with that plan.

ALTERNATIVES:
This report is for informational purposes only.

ATTACHMENTS:
None

RETURN TO AGENDA

REPORT TO CITY COUNCIL

Approved by:

Keith Helmuth, Department Director

Arnoldo Rodriguez, City Manager

Council Meeting of: October 2, 2019

Agenda Number: B-3

SUBJECT:

Consideration of a Resolution Approving Agreement with Scott Chase and Melissa Chase for Demolition of Building and Improvements on 100 E 14th Street Madera, CA 93638, APN 011-201-001 Required for the Olive Avenue Widening and Reconstruction Project and Authorizing the Mayor to Execute the Agreement

RECOMMENDATION:

Staff recommends that the City Council (Council) adopt a resolution approving the Agreement with Scott Chase and Melissa Chase (Owners) for demolition of building and site improvements and compensation in the amount of $86,850.

SUMMARY:

A parcel of land purchased from the Union Pacific Railroad Company (UPRR), that was occupied by a building under a lease agreement, was necessary for the Olive Avenue Widening and Reconstruction Project. Purchase of the property resulted in UPRR requiring the City become the Lessor of the Lease Agreement. The Owners have agreed to perform the demolition work to remove the building and site improvements at their expense. The compensation amount of $86,850 for the appraised value of the building and site improvements will be funded by the Regional Surface Transportation Program (RSTP) funds included in the FY 2019/20 budget for this work.

DISCUSSION:

A parcel of land, 100 E 14th Street, Madera, CA 93638 or APN 011-201-001, was purchased from the UPRR that was necessary for the Olive Avenue Widening and Reconstruction Project. In order to acquire the parcel, UPRR required the City become the Lessor of the Lease Agreement with the Owners of the building and site improvements on the parcel.

The Lease Agreement has been terminated and Notice to Vacate has been issued. The Owners have the option to remove the building and improvements at their expense or have the City perform the demolition work with the cost being reimbursed by the Owners. The Owners have agreed to perform the demolition work to remove the building and site improvements as required in the Lease Agreement.

Under the Relocation Assistance Program an Appraisal Report was prepared. The value of the building and site improvements was determined to be $86,850 by the Appraisal Report. The compensation amount of $86,850 will be funded by the RSTP funds included in the FY 2019/20 budget for this work.

FINANCIAL IMPACT:

There will be no impact to the City's General Fund for the right-of-way and relocation assistance of owner improvement costs for this project. RSTP funds are being used for right-of-way acquisition and relocation costs and these funds are included in the City's 2019/20 Budget, Account No: 41315320-7050.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

Strategy 126: This project supports this strategy for providing clean, attractive streets that are safe and aesthetically pleasing.

Strategy 138: This project supports this strategy to establish and enforce ADA standards throughout the community.

ALTERNATIVES:

None as the demolition of the improvements is required for widening of Olive Avenue.

ATTACHMENTS:

1. Resolution

Attachment 1

Resolution

RESOLUTION NO. 19-_____

A RESOLUTION OF THE COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING AN AGREEMENT WITH SCOTT CHASE AND MELISSA CHASE, FOR DEMOLITION OF BUILDING AND IMPROVEMENTS ON 100 E 14TH STREET MADERA, CA 93638, APN 011-201-001 REQUIRED FOR OLIVE AVENUE WIDENING AND RECONSTRUCTION PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, the City Council of the City of Madera (CITY) has approved the Olive Avenue Widening and Reconstruction Project between Gateway Drive and Knox Street and Knox Street between Neplus Way and Olive Avenue (the Project); and

WHEREAS, the Project required the acquisition of 100 E 14th Street Madera, CA 93638**,** APN 011-201-001, a parcel owned by the Union Pacific Railroad Company (UPRR), that included a Lease Agreement for a building and site improvements that now need to be removed from the property; and

WHEREAS, the Lessees of the building, Scott Chase and Melissa Chase (Owners), have agreed to demolish the building and site improvements required upon the termination of the lease agreement; and

WHEREAS, the CITY will compensate Owners in the amount of $86,850 for the value of the building and site improvements as determined and described in the Appraisal Report prepared by Hodges Lacey & Associates, LLC dated October 5, 2018; and

WHEREAS, in April 1996, the City of Madera adopted a Mitigated Negative Declaration for the East Olive Avenue Plan Line and Building Set Back Project (East Olive Avenue Plan Line) for the widening of Olive Avenue to a 100 foot right of way arterial standard street. The Mitigated Negative Declaration was certified based on an Initial Study in conformance with the California Environmental Quality Act (CEQA). The Addendum to the Mitigated Negative Declaration for the widening of East Olive Avenue to 100 feet right of way arterial standard was approved by the Madera Planning Commission on November 10, 2015.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA hereby resolves, finds, determines and orders as follows:

1. The above recitals are true and correct.

2. The City Council of the City of Madera approves the Agreement, a copy of which is attached hereto as Exhibit A and incorporated by reference.

3. The Mayor is authorized to execute the Agreement.

4. The City Engineer is authorized to process the payment in the amount of $86,850 to Scott Chase and Melissa Chase upon satisfactory completion of the demolition work.

5. This resolution is effective immediately upon adoption.

* * * * * * * *

Exhibit A

Agreement

AGREEMENT FOR DEMOLITION OF BUILDING AND SITE IMPROVEMENTS ON APN 011-201-001

OWNER: Scott Chase & Melissa Chase

PROJECT: Olive Avenue, Gateway Drive to Knox Street, Widening & Reconstruction Project

MAILING ADDRESS: 412 W. Olive Avenue
Madera, CA 93637

SITUS: 100 E. 14th Street
Madera, CA 93638

This Agreement for Demolition of Building and Site Improvements ("Agreement") on APN 011-201-001 is entered between the City of Madera, a municipal corporation and Scott and Melissa Chase "OWNERS" and is effective upon full execution by both parties.

The Parties agree as follows:

1. Scott Chase and Melissa Chase OWNERS own a building and site improvements located upon the parcel of land, APN 011-201-001, owned by the CITY.

2. The building and improvements are on the CITY'S property under a Lease of Property Agreement ("Lease Agreement") originally executed and approved by the Union Pacific Railroad Company ("UPRR"). The City recently acquired the property from the UPRR and under the terms of the acquisition of the property which was part of the Olive Avenue, Gateway Drive to Knox Street, Widening & Reconstruction Project ("Project"). The CITY is now the Lessor under the Lease Agreement.

3. OWNERS agree they have received notice from CITY that the CITY terminated the Lease Agreement and that they have been notified to vacate the property consistent with the Lease Agreement. Under the terms in the Lease Agreement the OWNERS have the option to remove the building and improvements at OWNERS' expense or the CITY will remove the building and improvements and OWNERS will reimburse the CITY for all expenses incurred.

4. OWNERS hereby agree to remove the building and improvements at OWNERS' expense and accept compensation in the amount of $86,850.00 for the value of the building and improvements as described in the Appraisal Report prepared by Hodges Lacey & Associates, LLC dated October 5, 2018.

5. CITY will compensate Owners upon the following terms and conditions:

a. The OWNERS shall pay for all costs to complete building and site demolition work.

b. The CITY'S payment to OWNERS will be made after completion of the demolition of the building and site improvements to the reasonable satisfaction of the City.

c. The demolition work shall consist of removing the building, including the floor & foundation. The site improvements demolition work shall consist of removing the pavement, fence, and posts and restoring the land to a smooth flat surface.

d. The demolition shall be performed by a qualified demolition contractor. The City will waive demolition permit fees.

e. The demolition work shall be completed within 45 days after the execution of this Agreement. In the event the demolition work is not completed within this time period, CITY is authorized under this Agreement to go onto the Property to cause the work required under this Agreement to be performed and to deduct the costs thereof from any compensation due to OWNERS under this Agreement.

f. The OWNERS shall make all necessary arrangements to secure necessary permits and with PG&E to disconnect power to the property.

g. OWNERS agree and acknowledge that they are responsible for the cost to relocate personal property and that they can receive compensation for eligible relocation expenses through the CITY'S relocation consultant, Overland, Pacific & Cutler, LLC.

6. It is understood and agreed by OWNERS that this Agreement is a contract for the demolition and site improvements on the parcel binding upon OWNER and CITY, their heirs, executors, administrators, successors in interest, and assigns and that there is no further obligation by CITY to OWNERS regarding compensation for the building and site improvements.

SIGNATURES ON NEXT PAGE

CITY OF MADERA,
A municipal corporation

_____
Andrew J. Medellin, Mayor

APPROVED AS TO FORM:

_____
Hilda Cantu Montoy, City Attorney

ATTEST:

_____
Alicia Gonzales, City Clerk

OWNERS

_____
Scott Chase

_____
Tax I.D. (Soc. Sec. #)

_____
Melissa Chase

_____
Tax I.D. (Soc. Sec. #)

RETURN TO AGENDA

REPORT TO CITY COUNCIL

Approved by:

Department Director

City Manager

Council Meeting of: October 2, 2019

Agenda Number: B-4

SUBJECT:

Consideration of a Resolution approving the request from Madera Downtown Association for the City of Madera to contribute $15,000 for a Crow Hazing program and amending the City of Madera Fiscal Year 2019/20 budget in the amount of $5,000.

RECOMMENDATION:

Staff recommends adoption of a Resolution approving the request from the Madera Downtown Association (MDA) for the City of Madera (City) to participate in a Crow Hazing program and amending the City's Fiscal Year (FY) 2019/20 Budget.

SUMMARY:

On September 18, 2019, the City Council (Council) discussed a request from the MDA to contribute $15,000 towards continuation of a crow abatement program originally started in FY 2018/19. The Council may recall that last crow season, the Council approved a contribution from the City in the amount of $10,000 to go towards the crow abatement pilot program. In anticipation and recognition of the nature of the program requiring a multi-year approach, staff appropriated $10,000 towards continued support of the abatement program in the FY 2019/20 budget; however on August 28, 2019, the MDA submitted a request for a $15,000 contribution. As a result, a $5,000 budget amendment is included as part of this report. In short, staff supports the request in an effort to reduce the negative impact that the crows have on businesses, private and public property, and the vehicles that park in downtown.

DISCUSSION:

In December 2018, the MDA made a request to Council to designate $3,500 of Parking District Funds to engage Integrated Avian Solutions in humanely abating the crow population in downtown. The initial one-month trial proved successful and the MDA returned to Council in January 2019 to request a partnership between the MDA, the City, and the County to continue

the abatement program through April 2019. At that meeting, Council approved the MDA's request for an additional $1,500 of Parking District funds and a $10,000 contribution from the General Fund. At the end of the pilot program, Integrated Avian Solutions presented compelling evidence that the program was successful with the reminder that crows are migratory in nature and are likely to return until such time they reacclimate to another area. The suggestion was also made to begin the program earlier in the year to redirect the crows at the onset of the season.

Due to the program's overall success, the MDA is requesting to continue the program this season. The following is a summary of the program (*in no particular order*):

- $15,000 contribution from the City
- $15,000 contribution from the County
- $31,500 program budget
- Program will begin the first week of October 2019 and run through April 15, 2020
- Program covers 25 blocks in downtown
- The vendor shall furnish labor and falconry trained raptors to abate the roosting crows

FINANCIAL IMPACT:

Approval of this resolution will impact the City's General Fund Community Promotions budget by an additional $5,000 as $10,000 was previously budgeted.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

Approval of this item is consistent with Strategy 115 of the Vision Plan – Economic Resource Provision: Ensure sufficient economic resources to provide adequate City services and prepare for future growth; as well as Vision Focus Area: A Safe, Healthy Environment – Strategy 404 Community Wellness, Promote increased community wellness.

ALTERNATIVES:

As an alternative to approving the requested funding and amending the City's budget accordingly, the Council may elect to:

1. Reject the funding request, which will likely result in a return of the crows to the affected area;
2. Fund the program to a lesser extent;
3. Refer the item back to staff for additional information.

ATTACHMENTS:

1. Resolution with Exhibit AA Budget Amendment
2. Letter from the Downtown Association requesting funding
3. Work program, including a map of the project area

RESOLUTION NO. _____

A RESOLUTION APPROVING THE REQUEST FROM MADERA DOWNTOWN ASSOCIATION FOR THE CITY OF MADERA TO CONTRIBUTE $15,000 FOR A CROW HAZING PROGRAM AND AMENDING THE CITY OF MADERA FISCAL YEAR 2019/20 BUDGET IN THE AMOUNT OF $5,000

WHEREAS, City staff was advised of nuisance caused by a high concentration of crows in the Madera Downtown Association (MDA) program area and surrounding areas; and

WHEREAS, the City would like to assist the Downtown Area and surrounding areas in abating the crows to create a healthier and more pleasant experience for the visitors to the area; and

WHEREAS, funds in the amount of $10,000 already exist in the City of Madera's Community Promotion budget for this purpose; and

WHEREAS, the MDA is the lead organization for the crow abatement program; and

WHEREAS, the County of Madera will also be contributing $15,000 to the program; and

WHEREAS, the overall program budget is $31,500; and

WHEREAS, the appropriation amendment to the City of Madera Fiscal Year 2019/2020 Budget, listed in Exhibit AA attached hereto, is necessary to fund the additional contracted services expense;

NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA DOES HEREBY resolve, find and order as follows:

1. The above recitals are true and correct.
2. The request for of the Madera Downtown Association to utilize Community Promotion Funds in the amount of $15,000 for crow abatement purposes, is hereby approved.
3. The budget amendment set forth in the Exhibit AA, attached hereto, is approved.
4. The City Clerk is authorized and directed to forward a copy of the resolution to the Director of Financial Services, who is authorized to take such action as necessary to implement the terms of this resolution.

****

EXHIBIT AA

CITY OF MADERA

Budget Appropriation : Res.#xx-xx; 10/02/19

2019-2020 Budget Adjustment

FUND	ORG CODE	OBJECT CODE	DESCRIPTION	(+)	(-)
1020	10201120	6470	Funding to Outside Agencies	5,000.00	
				5,000.00	**-**

Madera DOWNTOWN Association

August 28, 2019

Mr. Arnoldo Rodriguez
City Manager
205 West 4th Street
Madera, CA 93637

Dear Arnoldo,

As you know, last year the Madera Downtown Association contracted with the firm Avian Solutions for a pilot program to humanely rid our downtown of the annual migration of crows and the mess they leave. With the help of the City and County of Madera the crows were completely eliminated from the targeted areas. However, this is not a "one and done" process as the crows and their offspring need to be trained to stay away. Over time, it will take less flights, but this year's schedule of 90 flights over the same target area will run $31,500. We are hoping the City and the County can contribute $15,000 each. As a Business Improvement District, we are bound to stay within the confines of the downtown area as defined by those of us who are self-assessed. BID money is supposed to be used for promotion, and this is really more of a maintenance issue. Putting in $10,000 last year caused us to operate in a deficit for the first time in our history. Considering our entire budget is $20,392 we cannot afford to contribute that amount again this year. We hope to take $1500 out of our parking district account to cover the remainder of the cost.

Avian Solutions has submitted a bid to include the Howard Road area for an additional $13,500. That is out of our sphere of influence, but thought we would pass it along if you are interested.

The results last year were nothing short of amazing. If we stop now, the crows will surely return. As a migratory bird, we will need to maintain hazing the crows with hawks next year until they and their offspring learn that the targeted area is not for them.

We would like to get on the council agenda as soon as possible to present this proposal. I hope we can count on you to help convince the City Council that this investment is well worth the benefit this brings to the health and aesthetics of our city.

Very truly yours,

Rochelle M. Noblett

Rochelle Minneti Noblett, Secretary

INTEGRATED AVIAN SOLUTIONS

Falconry-based Bird Abatement for Industry & Agriculture

California, Oregon, Washington

www.avian-solutions.com

845.532.5401



Bird Abatement Proposal

15 August 2019

PURCHASER
Madera Downtown Association / City of Madera / Madera County

PURCHASER'S REPRESENTATIVE
Steve Copland

Integrated Avian Solutions (Vendor), under contract with the Madera Downtown Association (Purchaser), successfully cleared roosting crows from an approximately 25-block area of downtown Madera, CA in the winter of 2018-19. Due to the project's success and the broad scope of the crow problem in Madera, we are proposing a continuation of the work next year. Our work has provided an effective solution to the long-standing crow problem in Madera's Business Improvement District (BID), and virtually eliminated unsightly crow droppings. However, crows will return each autumn to roost in downtown Madera. The need for comprehensive ongoing crow management is evident, and we are excited to help forge a long-term solution for Madera.

We are proposing a full-season program to start on 1 October 2019 and run through 15 April 2020. The Project Area depicted on Page 5 includes the BID, county and city buildings, police station and post office. This area hosts the highest crow densities and highest pedestrian traffic. Our proposal offers considerable value, in that we can service the entire project area for a 30% decrease from last year's rate. Efficiencies gleaned during our work last year allow us to provide our services to you at a reduced rate.

Our proposed Schedule of Services is outlined on Page 2. Services will be billed at $350 per day and total program costs will not exceed $31,500.

Thank you for the opportunity to present our proposal. We have enjoyed working with you and look forward to helping you keep your downtown clean again this year.

Sincerely,

Adam Baz
Project Manager
845.532.5401

Kort Clayton
Principal
971.217.0080

SCHEDULE OF SERVICES

Month	Shifts/week	Total shifts	Rate	Cost
Oct 1-14th	4	10	350	3,500
Oct 15-31st	3	8	350	2,800
November	3	13	350	4,550
December	3	13	350	4,550
January	3	14	350	4,900
February	3	12	350	4,200
March	3	13	350	4,550
April	3	7	350	2,450
				$31,500

SCOPE OF WORK

EXISTING SITUATION

From approximately October through April, impressive numbers of American crows gather to roost in downtown Madera. They come from the surrounding agricultural areas and residential neighborhoods to begin assembling just before sunset. The birds eventually settle in to roost in street trees and on power lines, and during the course of the night leave an unsightly and unhygienic mess on the sidewalks, benches, restaurant tables, lamp posts, parked vehicles, and everything else beneath them. Pressure washing can be cost-prohibitive and does not address the root of the problem.

Crows have roosted in downtown Madera during winter months for decades. However, the population has escalated in recent years to levels that are now deemed problematic by much of the affected business community. Local businesses have filed complaints with the Downtown Association and City. Past efforts made by the City and Sheriff's Department–including shooting crows and amplifying predator calls–have been ineffective and inhumane.

At the request of the Madera Downtown Association and Chamber of Commerce, we initiated a partial-season of falconry-based crow control on 5 December 2018, covering 25 blocks in historic downtown Madera. We typically suggest beginning crow management projects on October 1st, however we did not begin discussions with the Purchaser until November. Upon arrival we found high numbers of crows roosting throughout the BID, with notable groups on the roof of Madera Government Center and La Quinta Inn, on the power lines and traffic signal poles at Gateway Dr and 4th St, and throughout the street trees along Yosemite Ave and 6th St. Within weeks of launching the program the crows were absent from the project area, and have remained at bay. In mid-January we expanded the project pro bono to include the police station and post office, to address a group of crows roosting there.

Businesses within the BID have been exceptionally pleased with the results, and we are confident that our program offers Madera the most effective, humane, and cost-efficient solution available to address your crow problem. We are the only company to have successfully implemented a crow abatement project of this scale, and we look forward to bringing our experience and knowledge to further resolve your crow problem in Madera.

BIRD CONTROL PROCESS

Bird abatement is accomplished through hazing, which is any number of methods used to intimidate and displace pest birds. Conventional hazing tools such as amplified predator calls, reflective mylar strips, raptor decoys, propane canons, and pyrotechnic noisemakers only yield temporary results because they quickly lose effectiveness as pest birds become acclimated.

We use a falconry-based hazing program. This method works, and because birds have an intrinsic fear of raptors, efficacy does not diminish. The sight of a hawk or falcon flying with purpose always compels birds to abandon what they are doing and flee the area. Birds never become habituated to the threat posed by a live, free-flying raptor.

Our abatement team will include two to three licensed falconers with Harris's hawks. The team will strategically clear the project area by "sweeping" crows from primary roosting corridors. Specifically, a

falconer will walk along a street occupied by crows and their hawk will fly from perch to perch (including trees, signs, buildings, and the falconer's glove). This approach will elicit a strong antipredator response from the crows, which will retreat as the hawk approaches. The crows will quickly learn that the project area is no longer a comfortable or safe place for them to loiter or roost.

Falconers will work both independently and in coordination to efficiently clear the entire project area during each shift. Our team will adapt tactics to achieve maximum impact each night. For example, each falconer may work separate areas with their hawks, or we may work together by deploying multiple hawks in the same area. We will coordinate between falconers and execute flanking maneuvers to steer retreating crows outside of the project area.

PROJECT DESCRIPTION

A. Vendor shall furnish the labor and falconry-trained raptors to assist in the abatement of roosting crows within the project area. Vendor is well experienced in bird abatement and possesses the relevant licenses and permit. All raptors used will be legally allowed for bird abatement.

B. Services will commence with written notice-to-proceed. Services may also be extended by mutual agreement.

C. Services will include mobilization/demobilization to and from the project area, assessment and observation of pest birds, free flying of raptors, raptor feeding and maintenance, equipment maintenance, and tracking of wayward or lost raptors if required. Raptors are the primary method of bird abatement, but our falconers may use other tools such as noisemakers and visual deterrents (e.g., tree tappers, laser pointers, whistles, etc.).

D. Abatement activities will begin around sunset when crows are staging to roost. Shifts will end once crows have retreated from the project area.

E. Vendor and Vendor's falconers are independent contractors and are not employees of Purchaser.

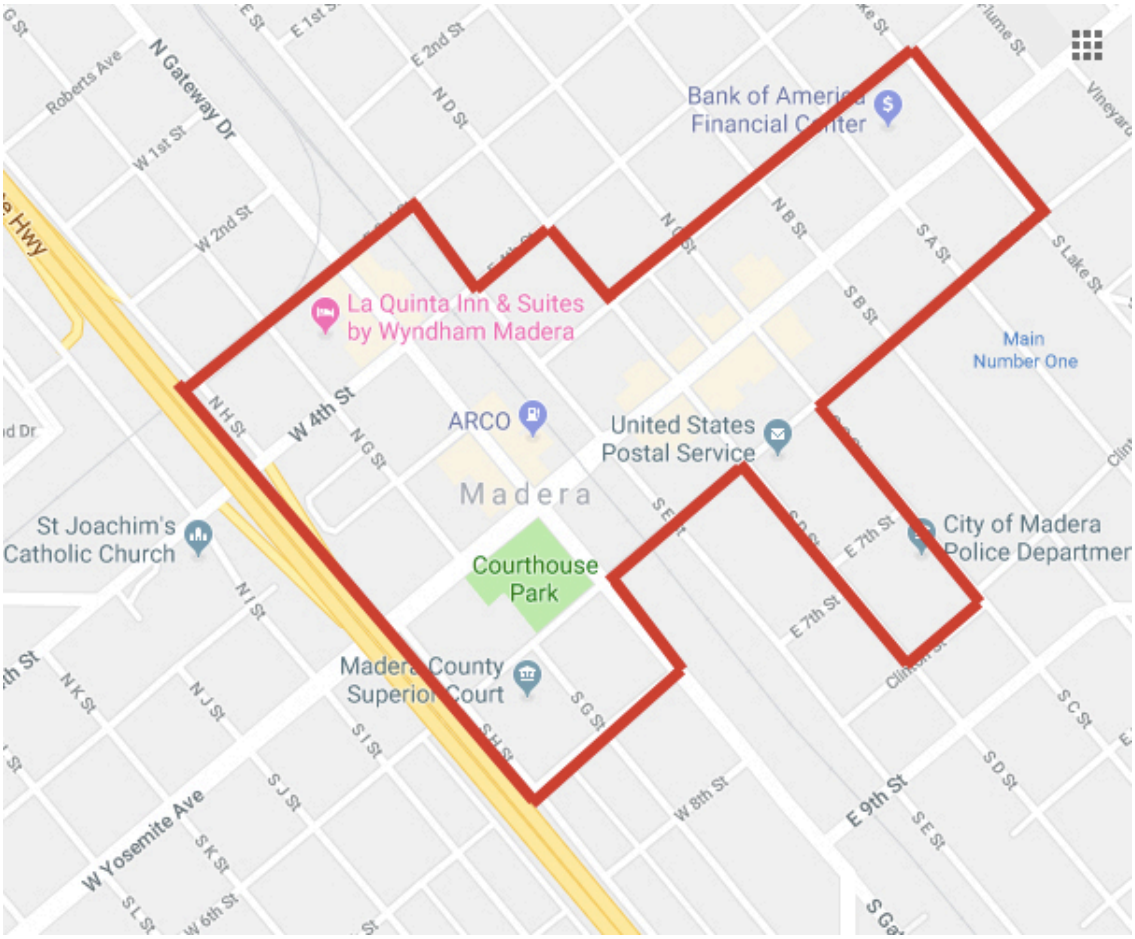
F. Purchaser shall assist Vendor in properly advertising the project and notifying relevant stakeholders (e.g., Police Department, City officials, local businesses, etc.) of the proposed activities.

G. Vendor shall submit monthly invoices to Purchaser. Payment terms are Net 15. Invoices remaining unpaid beyond thirty (30) days may be subject to service charge of 5% per annum.

H. This Proposal is confidential and contains proprietary information and intellectual property of Vendor. The rates, schedule, scope-of-work or other elements may not be disclosed to anyone outside this agreement without the express written permission of Vendor.

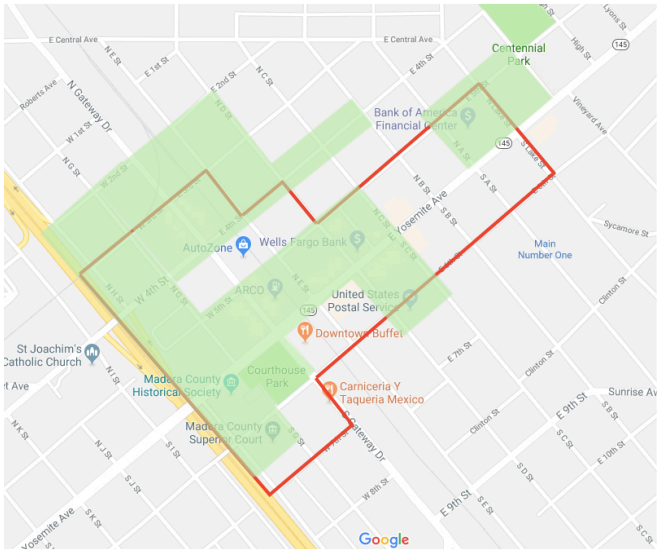
I. This agreement incorporates Vendor's standard Terms and Conditions (available upon request).

PROJECT AREA MAP

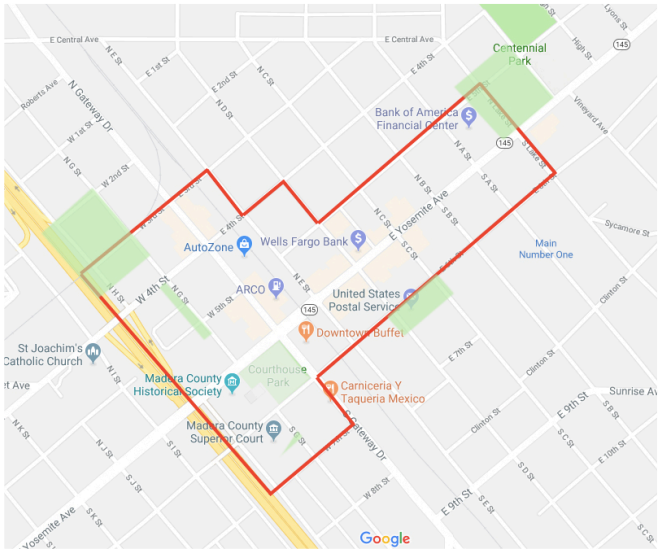


DEMONSTRATION OF RESULTS

The following images provide a before-and-after look at the crow situation during our work in Madera. The “Before” image is from December 2018, when the project began. The “After” image is from February 2019, part way through our hazing efforts. The shaded green represents areas of crow activity, and the red line delineates the current project area.



BEFORE



AFTER

ABOUT US

Integrated Avian Solutions is a network of talented falconers, experienced wildlife biologists, and passionate bird management professionals. We take a long and comprehensive view of every new opportunity and bring all our faculties and resources to bear with the singular goal of solving your bird problem. Our company is unique in that it is run and managed by falconers who also hold graduate degrees in wildlife biology. Thus, we offer a deep and unparalleled understanding of avian biology, which is invaluable for managing nuisance bird problems. Falconry is the foundation of our business and the most powerful bird management tool on the market. When everything else falls short, pest birds will not ignore the threat posed by a free-flying falcon or hawk. Our falconry programs are turn-key, natural, non-lethal, and sustainable.



Kort Clayton (Principal) is a Master Falconer with 25 years of experience. He has delivered and managed bird abatement services for a broad spectrum of clients, including vineyards, berry farms, solid waste, commercial real estate, and heavy industry. Kort holds an M.Sc. in Wildlife Biology and is well versed in both state and federal wildlife regulations from his 15 years of environmental consulting experience. He was a former Director and President of the Oregon Falconers Association.



Adam Baz (Project Manager) is a licensed falconer and holds an M.Sc. in Avian Biology from Portland State University. He has worked as a wildlife biologist for over 10 years throughout California and Oregon, focusing on birds and human-wildlife conflicts. He delivers abatement services and manages contracts throughout central and southern California.

RETURN TO AGENDA

REPORT TO CITY COUNCIL

Approved by:
Arnoldo Rodriguez
City Manager

Council Meeting of: October 2, 2019

Agenda Number: B-5

SUBJECT:

Consideration of a Resolution Authorizing the Mayor to Sign a Letter of Support from WYE Madera County to the California High-Speed Rail Authority Urging Against Diverting Funding Away From San Joaquin Valley High-Speed Rail Infrastructure

RECOMMENDATION:

Staff recommends that the City Council (Council) authorize the Mayor to sign the attached letter.

SUMMARY:

WYE Madera County (WMC) is requesting that the City of Madera sign a letter of support urging the California High-Speed Rail Authority (HSRA) to strongly oppose any legislation intended to strip or divert funding away from high-speed rail projects currently planned or underway in the San Joaquin Valley.

DISCUSSION:

WMC, a collaborative of agencies in Madera County of which the City of Madera is a member, recently learned of impending legislation which would allow for the reallocation of funding earmarked for high-speed rail projects in the San Joaquin Valley. The attached letter requests that the HSRA strongly oppose any legislation or pressure to divert or eliminate funding identified for facilities planned and already under construction in the San Joaquin Valley. It is expected that other WYE members will also be submitting a comparable letter opposing any potential diversion of funds.

FINANCIAL IMPACT:

There is no direct fiscal impact associated with executing the letter of support.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The information contained herein is not addressed by the Vision Madera 2025 plan, nor is the information in conflict with that plan.

ALTERNATIVES:

The Council may elect not to authorize the Mayor to sign the attached letter or may direct staff to prepare alternative verbiage for inclusion in a revised letter to be returned to the Council at a later date for consideration in advance of a release to the HSRA.

ATTACHMENTS:

1. Resolution
2. Exhibit 1 - Letter from WYE Madera County to CHSRA

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN A LETTER OF SUPPORT FROM WYE MADERA COUNTY TO THE CALIFORNIA HIGH-SPEED RAIL AUTHORITY URGING AGAINST DIVERTING FUNDING AWAY FROM SAN JOAQUIN VALLEY HIGH-SPEED RAIL INFRASTRUCTURE

WHEREAS, the City of Madera joins WYE Madera County in supporting and protecting investment planned for the greater San Joaquin Valley; and

WHEREAS, the City opposes any legislation that would eliminate funding necessary to complete active and planned high-speed rail infrastructure in the San Joaquin Valley; and

WHEREAS, the attached letter of support confirms the City of Madera's commitment to a functional high-speed rail system.

NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA DOES HEREBY resolve, find and order as follows:

1. The above recitals are true and correct.
2. The City Council of the City of Madera supports rejecting legislation that would divert funding away from high-speed rail infrastructure in the San Joaquin Valley, as addressed in the letter of support, a copy of which is attached hereto as Exhibit 1 and referred to for, is approved.
3. The Mayor of the City of Madera is hereby authorized to sign said letter on behalf of the City

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Exhibit 1

Board of Directors
California High-Speed Rail Authority
770 L Street, Suite 620
Sacramento CA 95814
Via Email to: boardmembers@hsr.ca.gov

Subject: WYE Madera County Support for Continued Investment in San Joaquin Valley

Dear California High-Speed Rail Authority Directors,

WYE Madera County is a collaborative of agencies in Madera County with common interests pertaining to the California High-Speed Rail. Wye Madera County members are:

- County of Madera
- City of Chowchilla
- City of Madera
- Madera County Transportation Commission
- Madera Unified School District
- Workforce Development Board of Madera County
- Madera County Economic Development Commission

Our member agencies are interested in ensuring that California's investment in high-speed rail achieves the intended state-wide transportation system benefits while providing local benefits and avoiding disproportionate effects on the citizens of Madera County.

High-speed rail construction is well underway in Madera County and the San Joaquin Valley. Completion of the Merced-Fresno-Bakersfield segment is critical to ensure that the constructed facilities result in a functional rail system with state-wide and regional transportation benefits. WYE Madera County is committed to ensuring the infrastructure investment that has been made to date for California High Speed Rail in the San Joaquin Valley is completed. Therefore, we urge the Authority to strongly oppose any legislation or pressure to divert or eliminate funding identified for facilities planned and under construction in the San Joaquin Valley.

Sincerely,

cc via electronic mail to:

Brian Kelly, CHSRA CEO: brian.kelly@hsr.ca.gov
Brian Annis, CHSRA CFO: brian.annis@hsr.ca.gov
Chad Edison, CalSTA: chad.edison@calsta.ca.gov

RETURN TO AGENDA

REPORT TO CITY COUNCIL

Groundwater Sustainability Agency

Approved by:

Keith Helmuth, Department Director

Arnoldo Rodriguez, City Manager

Council Meeting of: October 2, 2019

Agenda Number: C-1

SUBJECT:

Update on the Status of the Groundwater Sustainability Plan (GSP)

RECOMMENDATION:

Staff recommends that the City Council (Council), acting as the Groundwater Sustainability Agency (GSA):

- Receive GSP status update.
- Receive public comment and provide input and suggested modifications to the draft GSP.

SUMMARY:

The City of Madera (City) is one of seven agencies that have established a Groundwater Sustainability Agency (GSA) within the boundaries of Madera Groundwater Subbasin pursuant to the 2014 Sustainable Groundwater Management Act (SGMA). Four of those GSAs, including the City, County of Madera (County), Madera Irrigation District (MID), and Madera Water District (MWD), prepared the *Madera Subbasin Joint Groundwater Sustainability Plan* (Joint GSP).

The Joint GSP, now in draft form, has been prepared in compliance with the Sustainable Groundwater Management Act (SGMA), which requires GSAs to achieve groundwater sustainability in the subbasin by 2040. Combined, the Joint GSP GSAs are responsible for approximately 95 percent of the Madera Subbasin. Preparation of the Joint GSP was funded primarily through a State grant with additional staff and resources provided from each GSA.

DISCUSSION:

As noted in the last update to Council on September 4, 2019, the Joint GSP is now available for comment and continues to be available for review by the public and the Council through November 11, 2019. It can be viewed either as a hard copy at the City Clerk's office or downloaded from:
www.maderacountywater.com/maps/madera-subbasin/.

Since the last update, the Technical Advisory Committee (TAC) met on September 20, 2019 to discuss proposals presented by various consulting firms for preparation of a Data Management System (DMS) as well as the coordination agreement between all seven GSAs. The review of submittals indicates there were at least two qualified firms. The TAC currently anticipates that the top two firms as ranked by TAC members will be interviewed prior to a final selection of the firm that will prepare the DMS.

As of the time this staff report was finalized, the TAC had received nine written responses to the draft GSP.

The next event of importance for the Joint GSP is the Coordination Committee meeting for the Madera Subbasin Joint GSP. This meeting is scheduled for October 22, 2019. During this meeting, the GSP will be presented and the public will be provided an opportunity to provide verbal or written comments.

FINANCIAL IMPACT:

No actions will be taken as a result of this report and there are no impacts to the General Fund at this time.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The recommended action supports the Well-Planned Community Vision Statement. "Sound planning helps Madera celebrate its past, balance its present with available resources and infrastructure and anticipate its future with coordinated planning and interagency cooperation guided by a shared vision." Where Strategy 434 is directly related: "Ensure continued water supplies to meet the demands of all Madeirans through innovative reclamation, conservation and education on water-use."

ALTERNATIVES:

This report does not include items that would be associated with possible alternatives.

ATTACHMENTS:

None.

RETURN TO AGENDA

REPORT TO CITY COUNCIL

Approved by:

John Scarborough, Interim Parks Director

Arnoldo Rodriguez, City Manager

Council Meeting of: October 2, 2019

Agenda Number: C-2

SUBJECT:

Consideration of a Resolution approving a fourth amendment to the Madera Municipal Golf Course Operation and Management Lease Agreement Between the City and SGM Inc. DBA Sierra Golf Management Inc. and authorizing the Mayor to execute the amendment on behalf of the City. The amendment would extend the existing agreement for an additional 180 days.

RECOMMENDATION:

It is recommended that City Council (Council) adopt the Resolution approving the fourth amendment to the Madera Municipal Golf Course Operations and Management Lease Agreement between the City and SGM Inc. DBA Sierra Golf Management and authorizing the Mayor to execute the amendment on behalf of the City.

SUMMARY:

Due to the current lease agreement expiring on October 31, 2019, staff and the City's Ad-Hoc Committee (Committee) have met with representatives from SGM in an attempt to negotiate terms of a new agreement. The Committee has made substantial progress; however, additional time is necessary to thoroughly explore opportunities to improve the lease document. As a result, staff is recommending that Council approve a fourth amendment to the original agreement. This four agreement will grant the negotiating parties an additional 180 days to finalize this process.

DISCUSSION:

The City and Sierra Golf Management (SGM) entered into an agreement on November 1, 2009, effectively transferring all municipal golf course maintenance and operations to SGM. The master agreement had an initial term of five years and an option to extend for an additional five years which was exercised on October 15, 2014. This last extension is currently set to expire on October 31st of this year, unless extended by mutual agreement of both parties.

Staff and SGM have both verbally consented to extend the agreement for a period of 180 calendar days to allow adequate time for the parties to attempt to negotiate a new agreement. Council approval of this

matter shall effectively extend the current agreement until April 30, 2020, at which time the agreement will terminate if new terms are not agreed to in advance of this date.

It is noted that the existing agreement requires that SMG pay the City base rent of $40,000 per year. Given that a 180-day extension is proposed, the base rent would be $20,000, plus $2.00 per round of golf. In addition, the existing agreement requires that SMG make Capital Improvement Projects (CIP) of $50,000 per year. Given that this amendment is for 180 days, SMG would be required to complete a minimum of $25,000 of CIP. There are no other changes proposed to the terms of the agreement.

For unforeseen reasons, should negotiations not progress, the City reserves the right to publish a Request For Proposal to secure a new contractor at any time prior to the termination date of April 30, 2020.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

Strategy 411:	Enhance and expand recreational activities available to Madera residents.
Strategy 404:	Promote increased community wellness.
Action 121.10:	Add facilities and amenities for the public.

ALTERNATIVES:

1. Council may elect to not approve the fourth amendment. This may result in the expiration of the current agreement and leave the City without a contractor.
2. Council may request staff bring additional information back to a subsequent meeting.

ATTACHMENTS:

1. Resolution
2. Attachment A- Master Lease Agreement adopted October 7, 2009
3. Attachment B- Fourth Amendment to the Lease Agreement
4. Attachment C- Second Amendment adopted July 3, 2013
5. Attachment D- Third Amendment adopted October 15, 2014

RESOLUTION NO. 19-_____

FOURTH AMENDMENT TO THE MADERA MUNICIPAL GOLF COURSE OPERATION AND MANAGEMENT LEASE AGREEMENT WITH SIERRA GOLF MANAGEMENT COMPANY INC

WHEREAS, the City of Madera (City) owns the Madera Municipal Golf Course, hereinafter called golf course for use and benefit of the public; and

WHEREAS, the City desires to provide the highest level of service to the community of Madera by providing an improved golf course facility and related operations; and

WHERAS, the City and Sierra Golf Management Company Inc. (SGM) entered into a five-year agreement on October 7, 2009; and

WHEREAS, the initial five-year agreement allowed for a five-year extension and said five-year extension was exercised on October 15, 2014; and

WHEREAS, on October 3, 2013, the City Council approved the second amendment to the agreement.

WHEREAS, on October 15, 2014, the City Council approved the third amendment to the agreement.

WHEREAS, the existing agreement is set to expire on October 31, 2019; and

WHEREAS, the City SGM have been in negotiations to develop new lease terms for full-service golf course operations; and

WHEREAS, the City and Sierra Golf Management have agreed to extend the existing agreement by 180 days to allow for further negotiations; and

WHEREAS, all terms and conditions of the agreements shall remain unless expressly amended in the fourth amendment.

WHEREAS, rent and all other fees shall be remitted to the City by SMG as outlined in the agreement however they shall be prorated for the 180-day extension.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA, HEREBY, finds, orders and resolves as follows:

1. The above recitals are true and correct.

2. The Mayor is authorized to execute the Amendment on behalf of the City.

3. This Resolution is effective immediately upon adoption.

* * * * *

FOURTH AMENDMENT TO MADERA MUNICIPAL GOLF COURSE OPERATION AND MANAGEMENT LEASE AGREEMENT BETWEEN THE CITY OF MADERA AND SIERRA GOLF MANAGEMENT, INC.

This Fourth Amendment to Madera Municipal Golf Course Operation and Management Lease Agreement ("Fourth Amendment") is made by and between the CITY OF MADERA, a California municipal corporation, ("CITY"), and SGM Inc. dba Sierra Golf Management Inc., Post Office Box 788 Chowchilla, California 93610 ("Sierra") both hereinafter collectively referred to as "the Parties."

RECITALS

WHEREAS, CITY and SIERRA entered into an agreement on October 7, 2009, to contract for the operation and management of the Madera Municipal Golf Course ("Agreement"); and

WHEREAS, the Parties executed a Second Amendment to Agreement on July 3, 2013, and a Third Amendment to Agreement on October 15, 2014; and

WHEREAS, CITY and Sierra desire to extend the termination date of Agreement from October 31, 2019, to April 30, 2020.

AMENDMENT

1. Section 2 of the Agreement entitled "Term" is amended by adding a third paragraph. Section 2 shall now read as follows:

This Lease Agreement shall commence on November 1, 2009 (the "Effective Date") and shall continue in full force and effect for a period of ten (10) years ("Initial Term"), thereafter terminating on October 31, 2019 ("Termination Date"), unless extended sooner or otherwise terminated sooner as provided herein, save and except, Sierra's lease of the clubhouse and banquet facilities and food and beverage operation shall not commence until March 15, 2010, unless the current tenant agrees to terminate its tenancy and vacate earlier than March 15, 2010, and which shall terminate on October 31, 2019.

The City may, in its sole discretion, grant one (1) option to Sierra to extend this Lease Agreement ("Renewal Option"), for an additional five (5) year period ("Renewal Term"), which Renewal Option will only take effect upon the mutual written consent of the parties. The City shall give Sierra no less than 180 days written notice of its intent to extend the Lease for an additional five (5) year period, at which point the City shall enter into negotiations with Sierra to extend this Lease Agreement beyond the Renewal Term. The parties agree to negotiate in good faith. In the event City and Sierra are unable during such 180-day period to reach agreement on the lease terms, this Lease Agreement shall terminate and shall be of no further force and effect and except as may specifically be provided for elsewhere in this Lease Agreement, neither City not Sierra shall have any further obligations hereunder.

Notwithstanding the foregoing, the Parties are currently negotiating renewal of the Agreement for an additional period. To ensure that the Agreement does not terminate on October 31, 2019, this Agreement shall be extended until April 30, 2020.

2. Except as amended by this Fourth Amendment, all terms and conditions of the Agreement shall continue in full force and effect.

3. This Fourth Amendment shall be effective on October __, 2019.

IN WITNESS WHEREOF, the City of Madera has caused this Fourth Amendment to Agreement to be executed on its behalf by its Mayor and duly attested by its City Clerk, and SGM Inc. dba Sierra Golf Management Inc. has executed this Fourth Amendment to Madera Municipal Golf Course Operation and Management Lease Agreement on the day and year written below.

CITY OF MADERA,
A municipal corporation

_____
Andrew J. Medellin, Mayor

SGM INC. DBA SIERRA GOLF MANAGEMENT

_____
Jeff Christenson

APPROVED AS TO FORM:

_____
Hilda Cantu Montoy, City Attorney

ATTEST:

_____
Alicia Gonzales, City Clerk

MADERA MUNICIPAL GOLF COURSE
OPERATION AND MANAGEMENT LEASE AGREEMENT

This Operation and Management Lease Agreement ("Lease Agreement") is made and entered into this 7th day of October 2009 by and between the **City of Madera**, a municipal corporation of the State of California, hereinafter called "City" and SGM Inc. dba Sierra Golf Management Inc., Post Office Box 788 Chowchilla, California 93610, hereinafter referred to as "Sierra" both hereinafter collectively referred to as "the parties."

RECITALS

WHEREAS, the City owns and operates the Madera Municipal Golf Course, hereinafter called "Golf Course," for the use and benefit of the public; and;

WHEREAS, the City desires to provide the highest level of service to the community of Madera by providing an improved golf course facility and related operations: and:

WHEREAS, the City has determined to privatize the management and operation of the Madera Municipal Golf Course by leasing the entire facility, including the clubhouse, to Sierra; and;

WHEREAS, The City desires to provide pro shop sales and rental of golf equipment and supplies, conduct driving range, rental of carts, provide golf lessons and instruction, collect fees for services, perform course and facility related maintenance provide food, beverages service, provide banquet and other concession services for the convenience and enjoyment of the public at Golf Course; and Sierra is engaged in the such business, and is prepared, equipped and qualified to undertake such operations and provide all services required herein, at Golf Course; and

WHEREAS, Sierra has submitted a proposal to operate golf course operations dated September 10, 2009, attached hereto as Exhibit "A". Sierra has responded to a Request for Qualifications and has experience in golf course operations and related concessions. City and Sierra wish to enter into a contract for such services; and

NOW, THEREFORE, in mutual consideration of the terms, covenants, and conditions set forth herein, the parties agree as follows:

TERMS

1. Leased Premises. City hereby leases to Sierra and Sierra hereby leases from City the real property, and all the facilities and improvements situated thereon, located in the City of Madera, California, commonly known as Madera Municipal Golf Course located on Avenue 17 near the Airport in the City of Madera (the "Leased Premises") which Leased Premises consist of an eighteen-hole golf course, an adjacent parking area, a

driving range, a clubhouse, a banquet facility as well as other structures, buildings, facilities, equipment, and shop equipment (Exhibit B).

2. Term. This Lease Agreement shall commence on November 1, 2009 (the "Effective Date") and shall continue in full force and effect for a period of five (5) years ("Initial Term"), thereafter terminating on October 31, 2014 ("Termination Date"), unless extended sooner or otherwise terminated sooner as provided herein, save and except, Sierra's lease of the clubhouse and banquet facilities and food and beverage operation shall not commence until March 15, 2010, unless the current tenant agrees to terminate its tenancy and vacate earlier than March 15, 2010, and which shall terminate on October 31, 2014.

The City may, in its sole discretion, grant one (1) option to Sierra to extend this Lease Agreement ("Renewal Option"), for an additional five (5) year period ("Renewal Term"), which Renewal Option will only take effect upon the mutual written consent of the parties. The City shall give Sierra no less than 180 days written notice of its intent to extend the Lease for an additional five (5) year period, at which point the City shall enter into negotiations with Sierra to extend this Lease Agreement beyond the Renewal Term. The parties agree to negotiate in good faith. In the event City and Sierra are unable during such 180-day period to reach agreement on the lease terms, this Lease Agreement shall terminate and shall be of no further force and effect and except as may specifically be provided for elsewhere in this Lease Agreement, neither City not Sierra shall have any further obligations hereunder.

3. Holding Over. In the event Sierra shall holdover or remain in possession of the Leased Premises with the express or the implied consent of the City after expiration of the Initial Term or any Renewal Term(s) thereof, such holding over or continued possession shall create a tenancy for month-to-month only, upon the same terms and conditions as are herein set forth and in effect the last month prior to the expiration of the then current term of this Lease Agreement. Rent during any such hold over period shall be calculated as set forth in Section 5.10 of this Lease Agreement.

4. Use of the Leased Premises.

4.1. Condition of the Leased Premises. Sierra acknowledges personal inspection of the Leased Premises and the surrounding areas and evaluation of the extent to which the physical condition of the Leased Premises and of the surrounding areas will or may effect the operation of the Leased Premises. Except as otherwise provided herein, Sierra expressly acknowledges its acceptance of the Leased Premises in its "As-Is, Where-Is" condition and acknowledges existing easements for roadways, sewer, and water lines, and further acknowledges the City has made no representations or warranties as to the condition of the Leased Premises or its fitness for the use intended hereunder. Sierra shall make no demands upon the City for any improvements or alterations of the Leased premises, except as provided herein.

4.2. Warranty of Title. The City warrants and represents that it has sole and exclusive rights and title to the Leased Premises, subject only to the rights of the United States of America, as more specifically set forth herein, and debt service on bond

obligations for the purchase of the real property, such that it may enter into this Lease Agreement. The City further warrants and represents that the execution, delivery or performance of this Lease Agreement will not conflict with or violate any other agreement by which the City is bound, or any law, rule, regulation or ordinance by which the City is bound.

4.3. Zoning Classification. Sierra understands and acknowledges the Leased Premises are located within a Public/Semi-Public Zoning District and that Sierra's management and operation of the Leased Premises shall be subject to those regulations applicable to that zoning district, in addition to all other applicable standards or provisions of federal, state or local law. The City represents that the operation of a municipal golf course is consistent with this zoning classification and the permissible uses within this zoning classification.

4.4. Permitted Use. The Leased Premises shall be used only and exclusively for a golf facility and such other purposes including, but not limited to, operation of an eighteen-hole golf course and practice facility; fee-based use by the general public of the golf course and the practice facilities; golf instruction; pro-shop sales and activities; fee-based business sponsored golf outings, including leagues and tournaments; and operation of a restaurant and banquet facility and associated food and beverage services. Any other uses shall require the express prior written consent of the City. Sierra shall work cooperatively with the City with regard to the use of the Leased Premises for City recreational programs and activities. All revenue generated by Sierra shall be the property of Sierra including one hundred (100) percent of all gross receipts from the sale of green fees, green fees packages, golf equipment, soft goods, supplies, lessons, driving range, cart fees, and food, beverage and banquet operations

4.5. Prohibited Uses. Except for those articles or commodities commonly used in the operation and maintenance of a municipal golf course and restaurant and banquet facility, Sierra agrees not to keep or use upon the Leased Premises, nor permit to be kept thereon, any article or commodity which would operate to increase the rate of insurance upon the Leased Premises because of its hazardous nature unless Sierra agrees to pay any increase in any insurance premiums payable to City as a result of the placement of any article or commodity on the Leased Premises within twenty (20) days after receipt of notice of such increase.

4.6. Price Control. All rates and fees charged by Sierra, including green fees, cart fees, memberships, merchandise, and food and beverage shall be sold at prices comparable to those prevailing for similar public golf course facilities in the San Joaquin Valley, taking into account the size, age, demographic characteristics, rent structure, and location of the Leased Premises in relation to other public golf facilities located in San Joaquin Valley.

4.7. Federal Aviation Regulations. Sierra understands and acknowledges that the Leased Premises are located on land adjacent to and owned by the Madera Municipal Airport. Sierra further understands and acknowledges that the Leased Premises and all activities conducted and services performed on the Leased Premises are subject to federal oversight and control including, but not limited to, the airspace

directly above the Leased Premises. Sierra further understands and acknowledges that portions of the Leased Premises are or may be subject to runway and airspace protection zones governed by federal and state authorities. Sierra will maintain the Leased Premises, operate its equipment, and direct its personnel in airspace sensitive areas consistent with federal and state requirements.

Other than with respect to the Leased Premises, Sierra, its employees and agents are expressly prohibited from accessing or gaining entry to any facilities owned or operated by either the Madera Municipal Airport or the Federal Aviation Administration located on or near the Leased Premises without prior consent of the Airport Manager. Sierra shall also employ all reasonable efforts to prevent its invitees and guests from accessing or gaining entry to such facilities. Sierra shall fully comply and cooperate with all security alerts and emergency activities related to airport operations.

5. Rent.

5.1. Base Rent. Commencing on the Effective Date, Sierra shall pay to City monthly Base Rent for the use and occupancy of the Leased Premises, on the tenth day of each calendar month throughout the Initial Term and the Renewal Term, without deduction, offset, prior notice or demand, except as otherwise specifically set forth in this Lease Agreement. Base rent through the entire Initial Term and through the Renewal Term shall be as follows:

Year 1:	$24,000 per year
Year 2:	$30,000 per year
Year 3:	$36,000 per year
Year 4:	$36,000 per year
Year 5:	$36,000 per year
Renewal Year 6:	$40,000 per year
Renewal Year 7:	$40,000 per year
Renewal Year 8:	$40,000 per year
Renewal Year 9:	$40,000 per year
Renewal Year 10:	$40,000 per year

5.2. Per Round Rate. In addition to Base Rent, Sierra agrees to pay to the City a "per round" rate that establishes an initial rate of $1.00 per round but increases in later years as set forth below. The rate per round will be paid on the tenth day of each calendar month throughout the Initial Term and the Renewal Term, without deduction, offset, prior notice or demand, except as otherwise specifically set forth in this Lease Agreement.

Year 1:	$1.00 per round
Year 2:	$1.00 per round
Year 3:	$1.50 per round
Year 4:	$2.00 per round
Year 5:	$2.00 per round
Renewal Year 6:	$2.00 per round
Renewal Year 7:	$2.00 per round

Renewal Year 8:	$2.00 per round
Renewal Year 9:	$2.00 per round
Renewal Year 10:	$2.00 per round

5.3. **"Per Round Rate".** For purposes of this Lease Agreement the "per round rate" shall be applied to all golf course rounds played in which Sierra actually received revenue or compensation from golfers as a result of Sierra's operation and maintenance of the Leased Premises.

5.4. **Reporting for Per Round Rate.** Beginning as of the Effective Date of this Lease Agreement, no later than ten (10) days following the end of each month Sierra shall submit to City monthly financial reports in a form and manner satisfactory to the City showing the total gross revenues associated with Rounds of Golf played and or credited and received by Sierra during such month.

5.5. **Capital Improvement Account.** Commencing on the Effective Date and continuing through the Initial Term and Renewal Term, the City shall hold in reserves $90,000 in the Golf Course Capital Improvement Account and shall make such funds available exclusively for capital improvement projects at the Leased Premises as an emergency action in case of catastrophic failure of systems at the golf course not within the maintenance and improvement responsibilities of Sierra as set forth in this Lease Agreement, including such items as well and pump stations. The distribution of funds from this Capital Improvement Account shall be at the sole discretion of the City, in consultation with Sierra, and any repairs, improvements, modifications or additions to be made using the funds maintained in this Capital Improvement Account shall have the prior written approval of the City

5.6. **Capital Improvements.** Commencing on the Effective Date, Sierra shall make Capital Improvements to the Leased Premises in order to improve the current condition of the golf course and clubhouse facilities, consistent with the Capital Improvement Plan identified in Exhibit A. The Capital Improvement Plan will serve as a guide for improvements; however for the purposes of this agreement, Sierra shall make an annual expenditure of not less than $50,000 per calendar year for Capital Improvements to the Leased Premises throughout the Initial Term and the Renewal Term, without deduction, offset, prior notice or demand, except as otherwise specifically set forth in this Lease Agreement.

Year 1:	$50,000 per year
Year 2:	$50,000 per year
Year 3:	$50,000 per year
Year 4:	$50,000 per year
Year 5:	$50,000 per year
Renewal Year 6:	$50,000 per year
Renewal Year 7:	$50,000 per year
Renewal Year 8:	$50,000 per year
Renewal Year 9:	$50,000 per year
Renewal Year 10:	$50,000 per year

5.7. Late Charge. Base Rent and Per Round payments are due on the tenth day of each month. In the event any payment of Base Rent is not received by the City by the twentieth calendar day of the month, Sierra shall pay to City in addition to the Base Rent and Per Round Payments a late charge of ten percent (10%) of the amount then owing for each thirty day period that such Base Rent or Per Round payments remains outstanding, to which Sierra acknowledges is a fair and reasonable estimate of the cost of the late payment to the City.

5.8. Rent Payment and Per Round Payment. Delay by the parties in computing or collecting the Base Rent and Per Round Payments or the acceptance by City of the incorrect amount of Base Rent or Per Round payments shall not relieve Sierra of its obligations to pay such rent to the City. Sierra waives any applicable statute of limitations which could defeat the City's right to collect the Base Rent. All rental payments due under this Section 6 shall be made payable to the City of Madera and shall be delivered to the City of Madera Finance Department at 205 W. Fourth Street Madera, California 93637. Any failure to make Base Rent Payments and/or Per Round Payments that is more than sixty (60) days delinquent shall constitute substantial breach of this Lease Agreement.

5.9. Security Deposit. There shall be no security deposit; however, at the expiration of this Lease Agreement, or any earlier termination thereof, Sierra shall return the Leased Premises to City in a comparable or better condition and repair as it existed as of the Effective Date, normal wear and tear, damage from casualty, and condemnation excepted.

5.10. Hold Over Rent. In the event Sierra fails to surrender the Leased Premises upon the termination date of the Initial Term or the Renewal Term as described in Section 3 of this Lease Agreement, the rent during such hold over term shall be equal to one hundred twenty-five percent (125%) of the last Base Rent amount payable prior to expiration of the then current term plus the Per Round Payments at the rate in effect on the termination date. Payment of this hold over rent by Sierra shall not otherwise limit the City's rights and remedies available under the law.

6. Termination.

6.1. Termination for Cause. In addition to all other remedies available to the City under the law or in equity, this Agreement may be terminated by the City as provided herein below:

6.1.1. Impairment or Prejudice of City's Interests. The City reasonably determines that the conduct or performance of Sierra in performing the duties and obligations imposed upon it under this Lease Agreement is such that the interests of the City may be impaired or prejudiced and Sierra has not remedied such conduct within thirty (30) days after written notice thereof as directed by City; or

6.1.2. Sierra's Failure to Perform. The City reasonably determines that Sierra has failed in the performance or compliance with any of the covenants, agreements, terms or conditions contained in this Agreement and such failure continues

for a period of thirty (30) days after written notice thereof or, in the case such failure cannot with due diligence be cured within such period of thirty (30) days or such reasonable time as may be required to cure such default, but in no event to exceed sixty (60) days. Non-payment of Base Rent and/or Per Round Payments shall constitute failure to perform.

6.2. Effect of Termination. In the event that this Agreement is terminated by City, Sierra shall:

6.2.1. Cessation of Services. Upon receipt of written notice of such termination promptly cease all services performed under this Lease Agreement, unless otherwise directed by City; and

6.2.2. Delivery of Documents and Reports. Deliver to City all documents, data, reports, summaries, correspondence, photographs, computer software output, video and audiotapes, and any other materials provided to Sierra or prepared by or for Sierra or the City in connection with this Lease Agreement. Such material is to be delivered to City in completed form.

6.3. City's Assumption of Obligations. In the event that this Agreement is terminated, City is hereby expressly permitted but not required to assume the obligations required under this Lease Agreement and complete them by any means, including but not limited to, an agreement with another party. City is further hereby expressly permitted but not required to take possession of the Leased Premises, including all improvements, equipment, and inventory located thereon, and use the same for the purpose of satisfying or mitigating any damage arising from Sierra's breach or default of this Lease Agreement.

6.4. City's Failure to Perform. This Agreement may be terminated by Sierra, upon no less than one hundred-eighty (180) days prior written notice, upon the failure of City to perform any of the obligations imposed upon it under this Lease Agreement, and for no other reason.

6.5. Rights and Remedies Not Exclusive. The rights and remedies of the City and Sierra provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement

7. Responsibilities of Sierra. In addition to those duties and obligations otherwise provided for herein, throughout the entire Initial Term and any Renewal Term(s) of this Agreement, Sierra shall be responsible for the following duties and obligations:

7.1. Facility and Equipment Maintenance Services. Sierra shall, at its sole cost and expense, maintain the Leased Premises and all buildings, structures, improvements, fixtures, equipment, shop equipment, trade fixtures, banquet facilities and utility systems in good, safe, operable, useable and sanitary condition throughout the Initial Term and any Renewal Term(s) thereof, providing for such repairs, replacements, rebuilding or restoration as may be required to comply with the requirements of this Lease Agreement. Sierra understands and acknowledges that,

except as set forth at section 5.5 above, or as otherwise specifically set forth herein, the City does not have any duty nor shall the City be called upon to make any improvements, replacements or repairs whatsoever to the Leased Premises or to any structures, improvements, fixtures, equipment, shop equipment, trade fixtures, banquet facilities, equipment or utilities located thereon during the Initial Term or any Renewal Term(s) hereof.

Sierra, at its sole cost and expense, shall furnish and shall maintain all equipment, supplies, and material of good quality and of sufficient number to fulfill the requirements of this Lease Agreement. Any equipment listed on Exhibit "B" shall be returned to the City, and may be declared surplus under the guidelines and accounting standards established by the City, at such time as Sierra no longer requires the use of equipment for the following reasons:

- Unusable in present condition, no longer useful
- Having value but requiring repairs to make useable and repair cost is 50% of replacement value or more
- Having no future value as a useable commodity in its present condition
- Broken or worn-out to the point of having no saleable scrap value

7.2. Grounds, Golf Course and Custodial Maintenance. Sierra shall be solely responsible for all grounds maintenance services including, but not limited to, the obligation to mow, edge, trim, reseed, fertilize, aerate, irrigate, maintain landscaped areas, provide annual color and renovate turf areas located on the Leased Premises, as well as provide weed, disease, and pest control, turf maintenance, tree trimming, lake maintenance and maintenance of irrigation and pumping systems. Sierra shall provide the necessary maintenance of any structures and equipment associated with the Leased Premises including landscaping adjacent as part of the parking lot and clubhouse facilities, road parking lot and cart path maintenance, course cleaning and repairing. Sierra to provide all golf course facility related custodial/janitorial maintenance, including but not limited to restrooms pro shop, restaurant and banquet facility, so as to maintain and operate all concessions and golf course premises in a clean, safe, wholesome and sanitary condition free of trash, garbage or obstructions of any kind and in compliance with any and all applicable present and future laws, general rules and regulations of any governmental authority in force now or at anytime during the term of the Agreement relating to sanitation, public health, safety and welfare.

All maintenance work shall be performed at least in a manner and of a quality and in accordance with the standards of other local public golf facilities so as to maintain the aesthetic level and proper playing conditions.

Sierra at its sole expense shall coordinate an annual USGA (United States Golf Association) annual turf advisory service. The annual turf advisory service shall serve as a baseline for course conditions and will provide Sierra and the City another tool for determining and prioritizing capital improvements and maintenance delivery plans.

7.3. Scheduling and Use of the Leased Premises. Sierra shall provide full organization, administration, and supervision of a golf facility and golf course operations

as well as restaurant and banquet operations on the Leased Premises including, but not limited to, opening and closing the Leased Premises, setting and collecting fees and charges, taking of reservations and scheduling of tee times, monitoring play on the golf course, rental of equipment, sale of merchandise and equipment, instructional and professional golf services, and facilitation and organization of instructional programs, clinics, leagues, and tournament play.

Sierra shall insure that controls are in play to monitor, enforce rules and regulate pace of play and safe conditions. Sierra at its sole expense shall provide marshals and starters sufficient to cover the daily rounds played and shall regulate play and conduct of all persons on the golf course and related facilities. Sierra shall provide, maintain and make available a sufficient number golf carts available for rent at the Golf Course. Golf cart must be kept in good condition and must be replaced and maintained on a regularly scheduled program.

Sierra shall have the exclusive rights, license, duty and privilege to utilize the food and beverage concession facilities within the restaurant and banquet building and patio at the Golf Course. Sierra recognizes that Sierra shall, at its sole cost and expense, be required to furnish all equipment, appliances, supplies, and the items necessary or convenient to Sierra's operation hereunder Services provided by Sierra hereunder shall conform at least to the services, standards, and practices of the industry in the surrounding area.

7.4. Public Use and Access. Sierra shall ensure access to the Leased Facility and its programs and services to all members of the public, including those residing and/or visiting within the City of Madera and within Madera County, without regard to race, religion, color, national origin, sex or ability. Sierra shall allow access and use of by City for its Annual July 4th Celebration, including the closure of the golf course for Firework display setup. City is responsible for cleanup and security related to this event. Sierra agrees to cooperate with the City in the scheduling of air shows, public meetings, agricultural activities, tournaments and City activities that may occur on or near the Leased Facility premises.

7.5. Cooperation With City Parks and Community Services Department Sierra shall work cooperatively with the City in the promotion and support of golfing opportunities and programs through the City's Parks and Community Services Department.

7.6. Hours of Operation. Sierra shall operate and maintain the Leased Premises open from dawn to dusk every day of the year, with the exception of closures required by weather conditions and Christmas Day. Sierra shall be required to provide a minimum level of operation in compliance with standards contained herein.

7.7. Irrigation. Sierra shall be responsible for irrigating the necessary parts of the Leased Premises in a manner required to maintain the playability and usability of the Leased Premises and so as not to cause damage or destruction to any portion of the Leased Premises. Sierra shall monitor the quality of the irrigation water to ensure it

is acceptable to use for irrigation at the Leased Premises. Any deficiencies shall be immediately reported to City's representative in writing.

7.8. Quality Assurance. By executing this Lease Agreement, Sierra agrees that its management and operation of the Leased Premises pursuant to this Lease Agreement shall be performed in a fully competent manner. By executing this Lease Agreement, Sierra further agrees and represents to City that the Sierra possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Lease Agreement and that City relies upon the professional skills of Sierra to do and perform Sierra's work. Sierra further agrees and represents that Sierra shall follow the current, generally accepted practices in this area to perform the services required under this Agreement.

7.9. Representative. Sierra shall assign a single representative to have overall responsibility for the execution of this Lease Agreement for Sierra. An **Operations Director** will be designated as the representative for Sierra. Sierra shall provide the City with written notice of any changes in the designated representative.

7.10. Repair and Maintenance. Except as otherwise specifically provided in this Lease Agreement, Sierra shall be solely responsible for keeping the Leased Premises clean and in good condition and repair and for all repairs and maintenance necessary to keep the Leased Premises in good condition and repair. Sierra shall be responsible for all damage or destruction to the Leased Premises caused by any act(s) of Sierra or by Sierra's employees, agents, licensees or contractors, in addition to any invitees while such invitees are on the Leased Premises.

7.11. Utilities and Services. Sierra shall arrange to have furnished all utilities including electrical, power, gas, water, sewer, cable or satellite television, as well as janitorial services, and trash removal and shall pay to such person or entity providing such utilities and services during the term of this Lease Agreement. The City shall not be liable in any manner for any failure or interruption of any utility service furnished to the Leased Premises, and no such failure or interruption shall entitle Sierra to terminate this Lease Agreement.

7.12. Failure to Maintain or To Repair. If at any time during the Initial Term or any Renewal Term Sierra fails to maintain or to repair the Leased Premises as required under this Lease Agreement, City, upon at least ten (10) days' prior written notice (except in the case of an emergency when no such notice shall be required) may, but is not required to, perform the maintenance or make the repairs or replacements on behalf of Sierra. Any sums expended by the City in doing so shall be deemed immediately due from Sierra on demand of the City.

7.13. Restaurant and Banquet Operations. Sierra shall have the exclusive right to provide food and beverages at the Leased Facility throughout the term of this Lease Agreement. All revenue generated by the food, beverage and banquet operations Sierra shall be the property of Sierra. Sierra shall be authorized to sell food, beverages, and food products, including alcoholic beverages, or to subcontract for such

services, provided such services are provided in accordance with all applicable health and sanitation regulations and that all necessary permits and approvals are obtained in advance, including the necessary permits and approvals from the California Department of Alcohol and Beverage Control and Madera County. Sierra shall maintain a liquor license in accordance with applicable laws and regulations throughout the entire term of this Lease Agreement

Sierra shall provide a full level of service to the banquet facility which will include, without limitation, banquet booking, setup, food service, collection of fees and all services typical to the operation of a banquet facility. Unless agreed upon in writing, Sierra agrees to limit it's services under this agreement to the facilities at the Golf Course and will not under the auspices of this agreement provide catering services off of the Golf Course facility.

Sierra shall at its sole cost and expense perform all maintenance and repairs to kitchen and related facilities including but not limited to that necessary for proper functioning of stoves and refrigeration equipment as well as any/all septic tanks, grease fuels and traps, drains sinks and rodent and pest control.

Sierra shall remedy within forty-eight (48) hours any defective, dangerous or unsanitary conditions for which it has notice. City may, at any time at its option, do so at Sierra's sole cost and expense, for which City shall be reimbursed. Defective, dangerous or unsanitary conditions may include but need not be limited to kitchen maintenance, water leakage or other health and safety items upon demand.

7.14. **Collection of Fees and Revenues; Accounting.** Sierra shall have the sole authority and shall be solely responsible for collecting all fees and revenues generated by its operation and management of the Leased Premises during the term of this Lease Agreement. Sierra shall be solely responsible for the accounting for such revenues in accordance with accepted accounting methods and for the reporting of revenues to the City as more specifically provided herein.

7.15. **Accident Reports.** Sierra shall immediately report to the City, in writing, any accident causing more than ten thousand dollars ($10,000) worth of property damage or any serious injury to person or property that occurs on or in connection with the Leased Premises. This written report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses, and any other pertinent information available to Sierra.

7.16. **Americans With Disabilities Act (ADA) and Title 24 Compliance.** With respect to any capital improvements made by Sierra during the term of this Lease Agreement including, but not limited to, those capital improvements made through the use of Capital Improvement funds established pursuant to Section 5.7 of this Lease Agreement, Sierra shall ensure that all buildings, structures, and other facilities constructed or improved by it are constructed or improved in such a manner as to be in compliance with the Americans With Disabilities Act (ADA) and Title 24. With respect to all other ADA or Title 24 required improvements, City shall be responsible for making

any repairs or improvements necessary to bring the buildings, structures, and other facilities into compliance with the ADA and with Title 24.

7.17. Staffing. Sierra shall provide competent personnel necessary for such operations and shall supervise them in their work. Staff at a minimum must include a Class "A" Head Professional, Class "A" Golf Course Superintendent and assistant professionals and superintendents necessary for the operations and maintenance of the golf course. Head Professional and Golf Course Superintendent must be easily accessible by the golfing public and organized groups. Professional certifications must be current at all times through the contract term. Sierra shall provide a Food and Beverage Manager who will have day to day responsibility for the operation of food, beverage and banquet concessions covered by this agreement.

8. Responsibility of City. To the extent appropriate to the projects to be completed by Sierra pursuant to this Agreement, City shall:

8.1. Disclosure of Information. Assist Sierra by placing at its disposal all available information pertinent to the Leased Premises, including but not limited to, previous reports and any other data relative to the Leased Premises. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

8.2. Entry Upon Property. Make provisions for Sierra to enter upon public and private property as required by Sierra to perform its services.

8.3. Examination of Records. Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Sierra, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Sierra.

8.3. Project Director. The **Director of Administrative Services** shall act as City's representative with respect to the work to be performed under this Lease Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to Sierra's services. City may unilaterally change its representative upon notice to the Sierra.

8.4. Notice of Defects. Give prompt written notice to Sierra whenever City observes or otherwise becomes aware of any defect or shortcoming in the performance of any duty or obligation of Sierra under this Agreement.

9. Signs. Sierra shall not erect any permanent signs upon the Leased Premises unless the City has first given its prior written approval.

10. Advertising and Promotional Materials. Sierra shall ensure that all brochures, scorecards, and other printed advertising and marketing materials always bear the name "Madera Municipal Golf Course" with the accompanying logos of the City and the City Parks and Community Services department as provided by the City.

11. Name Change. Sierra understands and acknowledges the name of the Leased Premises is "Madera Municipal Golf Course" and Sierra shall not change, alter or otherwise misrepresent the name of the Leased Premises in any advertisement, brochure or other notice.

12. Gift Certificates or Credits. Sierra understands and acknowledges that as of the Effective Date of this Lease Agreement gift certificates or credits, including those for greens fees, merchandise, and other items of interest, have been issued by the City and remain outstanding. Sierra agrees to acknowledge and to honor and receive such gift certificates and credits at the value issued for a period of twelve (12) months following the Effective Date; however, such gift certificates and credits shall not be considered gross revenues or as rounds played as that term is defined in Section 5.4 of this Lease Agreement for purposes of calculating Sierra's rent payment obligations and the City will reimburse Sierra for all such gift certificates and credits accepted and honored by Sierra, within 30 days after presentation of a statement of the amount of such items.

13. Complaint Resolution. The representative of Sierra designated herein shall serve as the contact person for the City in the event complaints are received from the community or from members of the public. Sierra shall investigate all complaints received from the City and shall make a good faith effort to resolve such complaints. Within thirty (30) days of Sierra's receipt of such complaint, Sierra shall provide the City with a written summary of the disposition and resolution of the complaint.

14. Employees. Sierra shall maintain an adequate number of qualified staff and/or volunteers to provide the services required under this Lease Agreement and shall ensure that a manager is present at the Leased Premises during all times the Leased Premises are open to the public for business. Sierra understands and acknowledges that all its employees must act in a courteous, professional manner at all times. The City shall promptly notify Sierra of any employee who the City has determined to be incompetent, disorderly, intemperate or otherwise objectionable. Sierra shall take whatever disciplinary action is deemed appropriate with regard to such employee including termination and replacement with a satisfactory employee.

It is understood and agreed that the City shall have no authority to discipline any of Sierra's employees and any decision to terminate or otherwise discipline any employee shall be solely that of Sierra. In the event that any action is brought against the City or the City is named in any action brought against Sierra for failure to hire or terminate an employee, Sierra will indemnify, defend, and hold harmless the City for any costs, expenses, damages or liabilities incurred or alleged as a result of such action.

15. Sierra's Labor and Wage Rate. There shall be paid to each person employed by Sierra or sub-contractor in the work under this Agreement, not less than the minimum legal wage rate required by law. Sierra will comply with all applicable wage and hour laws and shall indemnify, defend, and hold the City harmless from any and all claims, demands, losses or damages made as a result, whether direct or indirect, of Sierra's employment of personnel pursuant to this Agreement.

16. Equipment and Materials. Sierra shall, at its own cost and expense, furnish, maintain, and repair all necessary equipment, supplies, and materials of good quality and in the amounts necessary to comply with this Agreement. These equipment, supplies, and materials shall include, but not be limited to:

16.1. All equipment necessary or appropriate for the performance of services under this Agreement, together with all necessary gas, oil, and spare parts for all equipment used and maintained by Sierra;

16.2. All necessary top dressing, seed, fertilizers, fungicides, insecticides, irrigation materials and supplies and herbicides;

16.3. Bunker rakes, trash receptacles, and other similar golf course equipment, which shall be maintained and/or replaced as needed, as set for the in the Technical Maintenance Specifications; and

16.4. Sand for bunkers to maintain an appropriate sand depth.

City agrees to make available for purchase by Sierra equipment owned and used by the City to maintain the Golf Course and, in the event Sierra chooses to purchase such equipment from City, agrees to enter into a separate agreement for the purchase of such equipment. In the event Sierra purchases such equipment from City, such equipment shall become the property of Sierra and Sierra shall be fully responsible for the maintenance, care, and repair of such equipment.

17. Materials Storage. Sierra shall not store or maintain any dead, felled or trimmed plant or other vegetative waste on the Golf Course and shall remove such waste from the Golf Course in such manner and at such times as to prevent the same from becoming a fire hazard. Sierra shall be liable in all respects for any damage, liability, loss, injury or expense incurred as a result of any fire damage proximately caused by Sierra's storage of any such waste on the Golf Course and shall indemnify, defend, and hold the City harmless from any and all such damage, liability, loss, injury or expense.

18. Liens and Encumbrances. Sierra shall keep the Leased Premises free and clear of any liens or encumbrances of any kind whatsoever created by Sierra's acts or omissions.

19. Taxes. Throughout the Initial Term and any Renewal Term of this Lease Agreement, Sierra shall pay before they become delinquent all real property tax obligations of any kind assessed against the Leased Premises in addition to all taxes and assessments imposed on any personal property, equipment or trade fixtures belonging to Sierra and located on the Leased Premises. Beginning on the Effective Date and for each year thereafter, Sierra shall also be responsible for any applicable possessory interest tax assessed or levied against the Leased Premises and shall make timely payment thereof.

20. Improvements and Alterations.

20.1. Prior Consent Required. With respect to alterations or improvements proposed by Sierra, City shall allow Sierra to complete such alterations or improvements only upon prior review and written approval of the City.

20.2. Ownership of Tenant Improvement and Alterations. All structural alterations or improvements made or installed on the Leased Premises by Sierra, or any other person or entity, shall be considered part of the Leased Premises and, on expiration of this Lease Agreement or sooner termination thereof, shall remain on the Leased Premises and shall become the property of the City unless City provides written notice to Sierra at the time City gives its consent to the alterations or improvements that such alterations or improvements be removed in which case Sierra shall remove the same prior to expiration or within thirty (30) days after early termination of this Lease Agreement. Notwithstanding the above, all items of equipment, machinery, furniture, furnishings, fixtures, and other personal property placed in or installed on the Leased Premises by Sierra shall remain the personal property of Sierra regardless of the manner or mode of attachment and may be removed by Sierra at any time throughout and including expiration of the then current lease term, provided that Sierra shall repair any damage caused by said removal, reasonable wear and tear excepted. Such personal property remaining after expiration of thirty (30) days after early termination of this Lease Agreement shall be deemed abandoned by Sierra and shall become the property of the City.

20.3. Compliance with Laws. All improvements and alterations to the Leased Premises, including those with regard to landscaping and installation of additional parking, shall be done in accordance with all applicable laws, regulations, and standards including, but not limited to, the Madera Zoning Code and all applicable development standards.

20.4. Construction Management Fees. There shall be no construction management fees charged by the City to Sierra for any improvements or alterations made to the Leased Premises.

21. Liability for Damages. Sierra shall be fully responsible for any and all damage done to the Golf Course property or equipment, damage to the personal property of private individuals or other property of the public, and for any injury to any individual, including any guest, employee, agent, licensee, invitee or member of City that results from the affirmative act and/or negligence of Sierra or Sierra's agents, employees, invitees or licenses. Except as otherwise required by local ordinances or this Agreement, lost shrubs and trees shall be replaced with shrubs and trees of appropriate same size, species and horticultural variety.

22. Damage or Destruction of Leased Premises. If the Leased Premises are totally or partially damaged or destroyed by fire, earthquake or other casualty not caused by the acts or omissions of Sierra, the City shall have the right, but not the obligation, to restore the Leased premises by repair or rebuilding. In the event the Leased Premises are so damaged as to materially and adversely affect Sierra's ability to conduct its

normal business operations from the Leased Premises, as reasonably determined by the City and by Sierra, Sierra shall have the right, at its option, to terminate this Lease Agreement upon written notice to City given within sixty (60) days following the date of such damage. The City shall provide to Sierra a written notice within thirty (30) days following the date of such damage stating whether the City has elected to terminate this Lease Agreement, or to repair the Leased Premises. If the City fails to provide such timely notice, Sierra may, upon ten (10) days' prior written notice, terminate this Lease. If the City provides such timely notice and therein elects to repair or rebuild, and thereafter is able to complete such restoration within ninety (90) days from the date of such damage, subject to the terms of this paragraph, this Lease Agreement shall remain in full force and effect. If the City is unable to restore the Leased Premises within this time, or if City elects not to restore, then Sierra may terminate this Lease Agreement by giving the City written notice. Upon such election to terminate, the rent due under this Lease Agreement shall be due and payable only up until the date of damage. If this Lease Agreement is not terminated, the Base Rent or per Round Rates due and payable under this Lease Agreement shall be reduced based on the extent to which the damage interferes with Sierra's reasonable use of the Leased Premises until such portion of the Leased Premises is restored.

If the City elects to repair and to restore, City shall restore the Leased Premises to substantially its condition to that prior to the occurrence or damage provided the City shall not be obligated to repair or to restore any alterations, additions, fixtures or equipment or improvements which have been installed by Sierra, whether or not Sierra has the right or obligation to remove the same or is required to leave the same on the Leased Premises as of the expiration or earlier termination of this Lease Agreement, unless Sierra, in a manner satisfactory to the city, assures payment in full of all costs as may be incurred by City in connection therewith. If there be any such alterations, fixtures, additions, equipment or improvements installed by Sierra and Sierra does not assure or agree to assure the payment of all costs of restoration or repair as aforesaid, City shall have the right to determine the manner in which the Leased Premise shall be restored so as to be substantially as the Leased Premises existed prior to the damage occurring of this Lease Agreement, as if such alterations, fixtures, equipment or improvements installed by Sierra had not then been made or installed.

In no event shall the City be responsible for any loss or interruption of Sierra's business caused by damage or destruction of the Leased Premises or during the repair or reconstruction thereof regardless of the cause of the damage or destruction or the extent of insurance coverage. The parties agree that the rights and obligations of the parties in the event of damage or destruction of the Leased Premises shall be governed by this Lease Agreement. Sierra waives the provisions of California Civil Code sections 1932 and 1933(4).

23. Assignment and Subletting. Except as otherwise specifically set forth herein, Sierra shall not have the right to assign, sublet, hypothecate or mortgage the Leased Premises, or any portion thereof, or to lease, license or otherwise enter into management agreements with any other individual or entity for any portion of the Leased Premises. Any attempted assignment, hypothecation, mortgage, lease, license or management without the express written consent of the City shall constitute a

material breach of this Lease Agreement and shall render this Lease Agreement void and of no longer any force and effect. Notwithstanding the foregoing, Sierra shall be permitted to sublease the restaurant and banquet facilities to an operator in accordance with the specific terms of this Lease Agreement.

23.1. Merger or Consolidation. It is recognized by the parties hereto that a substantial inducement to City for entering into this Lease Agreement was, and is, the professional reputation and competence of Sierra. This Lease Agreement is personal to Sierra and shall not be assigned and no part of the Leased Premises shall be sublet by Sierra without the prior express written approval of the City, which approval and consent shall not be unreasonably withheld, conditioned or delayed. For purposes of this Lease Agreement, the term "assignment" shall include a transfer by Sierra to any related or successor entity, whether by merger, consolidation or otherwise, or to any entity or individual that purchases all or substantially all of Sierra's assets.

23.2. Recapture. City shall have the right to recapture the Leased Premises in the event of any sublease or assignment and no sublease or assignment shall constitute a release of Sierra from the obligations of performance or the terms and provisions of this Lease Agreement.

24. Insurance.

24.1. Commercial General Liability, Property Insurance and Miscellaneous Coverage. Sierra shall, throughout the duration of this Lease Agreement, maintain commercial general liability, property, and miscellaneous other insurance covering all operations of Sierra, its agents and employees, performed in connection with this Lease Agreement including but not limited to premises and automobile. The cost of such insurance shall be solely born by Sierra.

24.2. Minimum Coverage Limits. Sierra shall maintain the following limits:

General Liability

Combined Single Limit Per Occurrence.....$2 million
General Aggregate.....$5 million
(The policy shall cover on an occurrence or an accident basis, and not on a claims made basis. The coverage shall be at least as broad as Insurance Services Office Form CG 00 01)

Automobile Liability

Combined Single Limit Per Occurrence.....$1 million
(The policy shall cover on an occurrence or an accident basis, and not on a claims made basis. The coverage shall be at least as broad as Insurance Services Office Form Number CA 00 01 using Code 1, Any Auto.)

Worker's Compensation.....Statutory Limits

Employer's Liability Insurance:.....$1 million per employee and per accident for bodily injury or disease.

All Risk Property Insurance (Covering all real and personal property of the City and occupied or used by Sierra, and all real and personal property of Sierra utilized or stored on Leased Premises. Full replacement cost with no coinsurance penalty provision.)

Greens Protection.....$300,000

Facility Replacement Coverage (Covering the golf course and all buildings, equipment, and structures located thereon and all furnishings or equipment owned by the City and also located thereon, in no event less than the full replacement value, against the perils of fire and extended coverage, including demolition.)

24.3. Additional Insured By Endorsement. All insurance companies with the exception of "Worker's Compensation" affording coverage to Sierra shall be required to add the City of Madera, its officers, employees, volunteers, and agents as additional "insured" by endorsement under the insurance policy and shall stipulate that this insurance policy will operate as primary insurance for the work performed under this Agreement and that no other insurance affected by the City or other named insured will be called upon to contribute to a loss covered thereunder. The policy shall contain no special limitations on the scope of protection afforded to City, its officers, employees, volunteers or agents

24.4. Authorization to Conduct Business. All insurance companies affording coverage to Sierra shall be insurance organizations authorized by the Insurance Commissioner to transact the business of insurance in the State of California and shall have an A.M. Best Rating of no less than A- VII.

24.5. Cancellation or Reduction in Coverage. Sierra shall provide no less than thirty (30) days written notice to the City should the policy be canceled or reduced in coverage before the expiration date. For the purpose of this notice requirement, any material change prior to expiration shall be considered cancellation.

24.6. Certificate of Insurance. Sierra shall furnish the City with copies of the original certificates and endorsements, including amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms that conform to stated requirements. All certificates and endorsements are to be received and approved by the City before work commences; however, failure to do so shall not operate as a waiver of these insurance requirements. The City reserves the right to require complete, certified copies of all required insurance policies, including

endorsements effecting the coverage required by these specifications at any time. Each insurance policy required herein shall be endorsed to state that coverage shall not be cancelled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.. A statement on the insurance certificate which states that the insurance company "will endeavor" to notify the certificate holder, "but failure to mail such notice shall impose no obligation or liability of any kind upon the Sierra, its agents or representatives" does not satisfy the requirements of this subsection. The Sierra shall ensure that the authorized representative of the insurance company strikes the above quoted language from the certificate.

24.7. Substitution of Insurance. Sierra shall provide a substitute certificate of insurance no later than ten (10) days prior to the policy expiration date. In the event Sierra is unable to provide a substitute certificate of insurance within the time prescribed in this subsection, Sierra shall provide written confirmation of renewal, in a form satisfactory to the City, to act as proof of insurance only until such time as a certificate of insurance has been received by the City.

24.8. Additional Insurance Coverage. Sierra shall include all subcontractors as insured's under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to all of the requirements stated herein. Maintenance of insurance by the Sierra as specified in this Agreement shall in no way be interpreted as relieving the Sierra of any responsibility whatever and the Sierra may carry, at its own expense, such additional insurance as it deems necessary.

24.9. Applicability of Insurance. When the term "Sierra" is used, it shall be deemed to include the parent and any other subsidiaries involved in any way with this Agreement.

24.10. Deductible and Self-Insurance Limitations. Any self-insured retentions must be declared and approved by the City. Any policy of insurance provided to meet the requirements of this section which has a deductible over $25,000 shall not meet the requirements of this section unless it has first been approved by the City. Self-funding, policy fronting or other mechanisms to avoid risk transfer are not acceptable.

24.11. Periodic Review of Insurance Coverage. All insurance coverage and limits required under this section shall be subject to periodic review on every fifth anniversary of the Effective Date at which time the City may require additional or different coverage types and limits as set forth herein in order to meet changed circumstances or conditions that exist at the time of such periodic review.

24.12. Waiver of Subrogation. Sierra, to the extent and limits of insurance coverage applicable under any policy of insurance procured as required under this Lease Agreement, releases the City, its officers, employees, and agents from any claims for damage to any person or to the Leased Premises, or any part thereof including the buildings, fixtures, personal property, and other improvements or alterations located thereon, of either the City or Sierra, including loss of income, that are

caused by or result from risks insured against under any insurance policies required by this Lease Agreement and in force at the time of any such damage.

Sierra shall cause each such insurance policy obtained by it to provide that the insurance company waives all rights of recovery by way of subrogation against the City in connection with any damage covered by such policy. The City shall not be liable to Sierra or to any other party for any damage caused by fire or any other risk insured against under any property insurance policy carried under the terms of this Lease Agreement, to the extent and limits of coverage applicable under any policy of insurance procured as required under this Lease Agreement.

25. Hazardous Substances. Sierra represents and warrants that the services it will provide, the methods of application is will use, and the products it will use will not violate any federal, state or local environmental laws, statutes, ordinances, codes, rules, regulations, orders, decrees or similar authoritative pronouncements. Sierra understands and acknowledges the City is subject to a National Pollution Discharge Elimination System (NPDES) Permit. Sierra agrees to cooperate with the City in implementing best management practices and other strategies and techniques necessary to protect the quality of water runoff from the Madera Municipal Golf Course and to meet the requirements of the City's NPDES Permit including, but not limited to Integrated Pest Management (IPM) strategies.

For purposes of this Agreement "Hazardous Substances" shall have the meaning ascribed in and shall include those substances listed in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §6901 et seq., as amended from time to time, and shall include any other elements or compounds which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency ("EPA") and the list of toxic pollutants designated by Congress or the EPA or defined by any other federal, state, local or quasi-governmental statute, ordinance, law, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, now existing or at any time hereafter in effect.

Sierra shall make and maintain any and all such records or reports as may be required under any federal, state or local law or regulation, in the proper form and for the proper time periods, regarding the handling, maintenance, storage or application of any pesticides or other hazardous materials whether or not specifically described in this section.

26. Storage of Personal Property. Sierra may store on the Leased Premises only personal property that Sierra owns, leases or rent, and shall not improperly store any flammable materials, explosives or other dangerous or hazardous materials. Notwithstanding the foregoing, Sierra shall not be in breach of this provision as a result of the presence on the Leased Premises of minor amounts of hazardous or toxic materials which are in compliance with all applicable laws, ordinances and regulations, including all applicable material data safety sheets, and which are customarily used in Sierra's normal business operations conducted from the Leased Premises.

27. Right of Entry. The City and its authorized officers, employees, and representatives shall have the right to enter the Leased Premises, or any part thereof, at all reasonable times, upon reasonable prior notice (except in the case of an emergency, when no such notice shall be required) for the purpose of inspecting the same and to take all such action thereon as may be necessary or appropriate for any such purpose provided for under this Lease Agreement or any other lawful purpose to include protecting the Leased Premises. No such entry shall constitute an eviction of Sierra or a disturbance of its quiet enjoyment to use and to occupy the Leased Premises. When entering upon the Leased Premises for any reason, the City and its authorized officers, employees and representatives shall use all commercially reasonable efforts to protect Sierra's property and personnel from loss and injury and to avoid interfering with the conduct of Sierra's business.

28. Default by Sierra. Sierra shall be in default of this Lease Agreement for any of the acts or omissions specifically set forth in this section.

28.1. Abandonment. Sierra's abandonment of the Leased Premises for more than thirty (30) days.

28.2. Failure to Pay Rent. Sierra's failure to pay rent when due.

28.3. Failure to Operate. Sierra's failure to perform or observe any of the other agreements, covenants or conditions of this Lease Agreement on the part of Sierra to be performed and observed and such failure shall continue for a period of thirty (30) days after written notice thereof to Sierra, or, in the case of a failure which cannot be cured by the payment of money and cannot reasonably be cured within thirty (30) days, Sierra shall fail to commence the curing thereof within said thirty (30) day period and thereafter shall fail diligently to prosecute such cure to completion.

28.4. Failure to Maintain. Sierra's failure to maintain the Leased Premises in accordance with the standards of this Lease Agreement, including the buildings, structures, and improvements located thereon, in a clean, sanitary, safe, and satisfactory condition, where such failure continues for a period of thirty (30) days after written notice from the City for corrections, or in the case of a failure which cannot be cured by the payment of money and cannot reasonably be cured within thirty (30) days, Sierra shall commence the curing thereof within said thirty (30) days, Sierra shall fail to commence the curing within said thirty (30) day period and thereafter shall fail diligently to prosecute such cure to completion.

28.5. Insolvency. Sierra shall become unable to pay its debts generally as they become due, voluntarily file a petition or other proceeding in or for dissolution or liquidation under any law or statute of any federal, state or local government, or any subdivision of either, now or hereafter in effect, make an assignment for the benefit of its creditors or consent to or acquiescence in the appointment of a receiver of itself.

28.6. Receivership. A court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver over Sierra over the whole or any substantial part of the Leased Premises occupied by Sierra, and such order, judgment or decree

shall not be vacated, set aside or stayed within ninety (90) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside.

28.7. Bankruptcy. A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Sierra under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of any federal, state or local government, or any subdivision of either, now or hereafter in effect, and such order, judgment or decree shall not be vacated, set aside or stayed within ninety (90) days from the date of entry of such order, judgment or decree, or any stay thereof be thereafter set aside, then any such events shall constitute an event of default by Sierra.

29. City's Remedies Upon Sierra's Default. Upon the occurrence of any such event of default by Sierra and so long as the same shall not have been remedied or cured by Sierra pursuant to the provisions of this Lease Agreement, the City shall have the following rights and remedies, in addition to all other rights and remedies of City provided hereunder or by law or in equity:

29.1. Termination. The right to terminate this Lease Agreement, in which event Sierra shall immediately surrender possession of the Leased Premises and pay to City all Base Rent, Rate per Rounds and all other amounts payable to the City hereunder to the date of such termination.

29.2. Loss Recovery. The right to bring suit or action against Sierra to recover as an award in such suit the worth at the time of award of the unpaid minimum Base Rent or Rate per Round and all other sums due hereunder which had been earned at the time of termination, or such amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

29.3. Right of Reentry. If an event of default occurs, City shall also have the right, with or without terminating this Lease Agreement, to reenter the Leased Premises and to remove all persons and property from the Leased Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Sierra.

29.4. Reletting of Leased Premises. If an event of default occurs, City shall also have the right, with or without terminating this Lease Agreement, to relet the Leased Premises. If the City so elects to exercise its rights to relet the Leased Premises without terminating this Lease Agreement, then rentals received by the City from such reletting shall be applied as follows:

29.4.1. first to the payment of any indebtedness other than rent due hereunder from Sierra to City;

29.4.2. second to the payment of any cost of such reletting;

29.4.3. third to the payment of the cost of any alterations or repairs to the Leased Premises;

29.4.4. fourth to the payment of Base Rent or Rate per Round due and unpaid hereunder; and

29.4.5. fifth the residue, if any, shall be held by the City and applied in payment of future rent as the same may become due and payable hereunder.

Should the amount of rental received from such reletting during any month which is applied to the payment of rent hereunder be less than that agreed to be paid during that month by Sierra hereunder then Sierra shall pay such deficiency to City immediately upon the demand therefor by City. Such deficiency shall be calculated and paid monthly. Sierra shall also pay to City, as soon as ascertained, any costs and expenses incurred by the City in such reletting and not covered by the rentals received from such reletting. Such reletting costs shall not include decorations or alterations.

29.5. Election to Terminate. No reentry or taking possession of the Leased Premises by City pursuant to this Lease Agreement shall be construed as an election to terminate this Lease Agreement unless a written notice of such intention is given to Sierra or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Sierra because of any default by Sierra, City may at any time after such reletting elect to terminate this Lease Agreement for any such default.

29.6. Waiver. Any waiver by the City of any breach of any one or more of the covenants, condition, terms or agreement of this Lease Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of the City to require exact, full, and complete compliance with any of the covenants, terms, conditions or agreements herein contained be construed as in any manner changing the terms of this Lease Agreement or stopping the City from enforcing the provisions. No delay, failure or omission of the City to re-enter the Leased Premises or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.

29.7. No Limitation on Indemnification. Notwithstanding the foregoing, nothing contained in this section shall be construed to limit the City's right to indemnification as otherwise provided in this Lease Agreement.

29.8. City's Right to Cure. Notwithstanding anything in this Lease Agreement to the contrary, the City may at any time after Sierra's uncured default under this Lease Agreement, cure the act of default for the account of and at the expense of Sierra. If City elects to pay any sum of money or to do any act that requires the payment of sum of money, or elects to incur any expenses, the sum or sums paid by the City shall be deemed to be an additional rent under this Lease Agreement and shall be due from Sierra to the City immediately upon receipt of written demand.

30. Default by City. If the City shall fail to fulfill any covenant or provision of this Lease Agreement on its part to be performed and fail to remedy such failure within thirty (30) days after Sierra shall have given the City written notice of such failure, then the same shall be an event of default and Sierra shall have all rights, powers, and remedies available at law or equity. Without limiting the rights described above, in the event that (i) City for any reason, other than by reason of any default by Sierra, fails to fulfill any covenant or provision of this Lease Agreement on its part to be performed, and (ii) such failure materially and adversely interferes with the conduct of Sierra's business conducted from the Leased Premises, as reasonably determined by Sierra; and (iii) such failure is not remedied within five (5) business days after the City receives actual notice of such failure, then Sierra shall have the right, but not the obligation, to remedy the City's failure and to charge the City for the reasonable cost of such remedy, which charges shall be payable by the City within ten (10) days of Sierra's demand therefor, and upon the City's failure to pay the same, Sierra shall have the right to credit against any future installments of rent until such cost is fully recouped by Sierra. In addition, if such failure is not remedied within thirty (30) days after Sierra shall have given City written notice of such failure, then Sierra shall have the right to terminate this Lease Agreement by giving the City written notice.

31. Advisory Committee. Sierra understands and acknowledges that an advisory committee (the "Madera Municipal Golf Course Advisory Committee") shall be formed to review services provided by Sierra pursuant to this Lease Agreement including, but not limited to, fees and rates charged by Sierra for the public's use of the Leased Premises, capital improvement projects, and other management and operations obligations performed by Sierra pursuant to this Lease Agreement. The powers and authority of the Madera Municipal Golf Course Advisory Committee shall solely advisory to the City and to Sierra and ultimate authority regarding the management and operation of the Leased Premises shall be with the Madera City Council and shall be as otherwise specifically set forth in this Lease Agreement. The City and Sierra shall work collaboratively to form and to manage the Madera Municipal Golf Course Advisory Committee.

32. Indemnification.

32.1 Indemnification of City. Sierra shall hold harmless, indemnify, and defend the City and its officers, employees, and agents from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life or damage to any property, or violation of any relevant federal, state or local law or ordinance, or other cause occurring on the Leased Premises or in connection with Sierra's specific use of the Leased Premises or in connection with any negligent or intentional acts or omissions of Sierra, its officers, employees, agents, contractors, subcontractors, and invitees, while such invitees are on the Leased Premises, including Sierra's default under this Lease Agreement. It is understood that the duty of Sierra to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code and that Sierra shall at its own expense, upon written request by the City, defend any such suit or action brought against the City, its officers, agents or employees. Acceptance of insurance certificates and endorsements required under this Lease Agreement does not relieve

Sierra from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined applicable to any of such damages or claims for damages. Sierra's obligations with respect to indemnification hereunder shall remain effective, notwithstanding the expiration or termination of this Lease Agreement, as to claims arising or accruing prior to the expiration or termination of this Lease Agreement. Sierra's duty to indemnify the City shall survive the expiration or other termination of this Lease Agreement.

32.2 Indemnification of Sierra. The City shall hold harmless, indemnify, and defend Sierra and its officers, employees, and agents from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life or damage to any property, or violation of any relevant federal, state or local law or ordinance, or other cause occurring on the Leased Premises prior to Sierra's specific use and occupancy of the Leased Premises under this Lease Agreement. It is understood that the duty of the City to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code and that City shall at its own expense, upon written request by Sierra, defend any such suit or action brought against the Sierra, its officers, agents or employees.

33. Sub-Contractors. Sierra shall be entitled, to the extent determined appropriate by Sierra, to subcontract any portion of the work to be performed under this Agreement. Sierra shall be responsible to the City for the actions of persons and firms performing subcontract work. The subcontracting of work by Sierra shall not relieve Sierra, in any manner, of the obligations and requirements imposed upon Sierra by this Agreement.

34. Audit and Examination of Accounts.

34.1. Use Reports. Sierra shall keep and shall maintain and shall provide to City on no less than a monthly basis, monthly activity reports showing the utilization of the Golf Course. The reports shall at a minimum include the number of rounds of golf played at the Leased Premises in detail satisfactory to the City Finance Director. Concurrent with submittal of payment of the monthly rent and rate per round, Sierra shall submit to the Finance Director a written report detailing the gross receipts related to rounds played during the preceding calendar month.

34.2. Subcontractors. Sierra shall keep and will cause any assignee or sub-contractor this Agreement to keep accurate records and reports, as provided above.

34.3. Accounting and Reporting Standards. Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing. Sierra agrees to make its books, records of account and supporting document available to City, its agents, or auditors, for inspection, audit, copying, during usual business hours, as may be requested by the City from time to time throughout the term hereof, solely for the purpose of verifying information submitted by Sierra in any report or financial statement required pursuant to this agreement, and for City's purposes in verifying Sierra's compliance with the terms of this agreement.

34.4. Availability of Records. Sierra hereby agrees to disclose and make available any and all information, reports or books of records or accounts pertaining to this Agreement to City or state or federal government which provides support funding for the services rendered under this Agreement.

34.5. Agreements With Assignees and Subcontractors. Sierra hereby agrees to include the requirements of this section in any and all contracts with assignees or subcontractors under this Agreement.

34.6. Maintenance of Records. All records provided for in this section are to be maintained and made available throughout the performance of this Agreement and for a period of not less than five (5) years, additionally any and all such records which pertain to actual disputes, litigation, appeals or claims shall be maintained and made available for a period of not less than five (5) years after final resolution of such disputes, litigation, appeals or claims.

35. Records and Reporting. In addition to any reporting or recordkeeping that may be required under this Lease Agreement, Sierra shall be responsible for making any regulatory reporting that may be required for any activities performed by it under this Lease Agreement and for performing all testing or monitoring that may be required for the proper performance of its obligations under this Lease Agreement. Sierra shall retain all records including, but not limited to, records and reports pertaining to the application and storage of pesticides, for the applicable time periods established under federal, state, and local law and regulations.

36. Access to Records. Sierra shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Lease Agreement on file for at least five (5) years. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Sierra's usual and customary business hours. Sierra shall provide proper facilities to City's representative(s) for such access and inspection.

37. Ownership of Documents. Title to all final documents, including drawings, specifications, data, reports, summaries, correspondence, photographs, computer software (if purchased on the City's behalf), video and audio tapes, software output, and any other materials with respect to work performed under this Lease Agreement shall vest with City at such time as City has compensated Sierra, as provided herein, for the services rendered by Sierra in connection with which they were prepared. Sierra acknowledges that any and all documents provided to City may become public records pursuant to California law. City agrees to hold harmless and indemnify Sierra against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications by City on any other project without written authorization of Sierra.

38. Sierra's Assumption and Waiver. Provided it is not caused by the City, its agents, employees or contractors, this Lease Agreement is made upon the express

condition that, and in consideration of City's leasing the Leased Premises as herein provided, Sierra voluntarily assumes all risk of loss, damage or injury to the person or property of Sierra, including the leasehold interest of Sierra herein, and of its officers, agents, employees, and invitees while such persons are on the Leased Premises, which during the term of this Lease Agreement may be caused by or arise in any manner from:

38.1. **Aircraft Flights**. flight of any aircraft of any and all kinds now or hereafter known in, through, across or about any portion of the airspace over the Leased Premises; or

38.2. **Proximity to Airport**. noise, vibration, currents or other effects of air, illumination or fuel consumption or fear thereof, arising or occurring from or during such flight, or from or during the use by such aircraft of Madera Municipal Airport facilities including, but not limited to, landing, storage, repair, maintenance, operation, warm-up, take-off of such aircraft, and the approach and departure of aircraft to or from said Airport; or

38.3. **Proximity to Agricultural Operations**. dust, fumes, agricultural spraying, or exposure to agricultural equipment and/or products and activities.

Sierra hereby waives and releases the City, its officers, employees, agents, and contractors from any and all claims or causes of action which it may now or hereafter have against the City, its officers, employees, agents or contractors, for any loss, damage or injury as outlined in this section.

39. **Lease Agreement Subordinate to Agreements with the U.S.A.** This Lease Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the City and the United States of American relative to the development, operation or maintenance of the Madera Municipal Airport. The City covenants that Sierra's proposed use of the Leased Premises is not in violation of any existing agreement between the City and the United States if America and that if Sierra's use and/or access to the Leased Premises is at any time materially and adversely affected by any agreement between the City and the United States of American, Sierra has the right to terminate this Lease Agreement upon prior written notice to the City.

40. **War or National Emergency**. This Lease Agreement and all the provisions hereof shall be subject to whatever right the United States Government has affecting the control, operation, regulation, and taking over of the Madera Municipal Airport or the exclusive and non-exclusive use of the Madera Municipal Airport by the United States during the time of war or national emergency only. If Sierra's use of and/or access to the Leased Premises is at any time materially and adversely affected by such rights and activities of the United States Government, Sierra has the right to terminate this Lease Agreement upon prior written notice to the City.

41. **Use to Conform with Federal Aviation Regulations**. Sierra agrees that Sierra's use of the Leased Premises, including improvements, modifications or alterations

thereon, shall comply with applicable Federal Aviation Regulations now in force or those that may hereafter be adopted by Federal authority. City covenants that Sierra's intended use of the Leased Premises is not in violation of the Madera Municipal Airport regulations and if Sierra's use permitted under this Lease Agreement is ever prohibited by the Madera Municipal Airport regulations or Federal Aviation Regulations, Sierra shall have the right to terminate this Lease Agreement upon prior written notice to City.

41.1. Protection of Aerial Approaches. City reserves the right to take any action it considers necessary to protect the aerial approaches of the Madera Municipal Airport against obstruction, together with the right to prevent Sierra from erecting, or permitting to erect, any building or other structures on the Madera Municipal Airport which, in the opinion of City, would limit the usefulness of the Madera Municipal Airport or constitute a hazard to aircraft.

41.2. Affect on Sierra. If City's actions in response to the foregoing materially and adversely affect Sierra's use and access of the Leased Premises, Sierra shall have the right to terminate this Lease Agreement upon prior written notice to City.

42. Waiver. No waivers, alterations or modifications of this Lease Agreement or any agreements in connection therewith shall be valid unless in writing duly executed by both City and Sierra.

43. Joint and Several Liability. If Sierra consists of more than one person or entity, then all members of Sierra shall be jointly and severally liable hereunder.

44. Compliance with Laws, Rules, and Regulations. Sierra's use and occupancy of the Leased Premises pursuant to this Lease Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

45. Exhibits Incorporated. All exhibits referred to in this Lease Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Lease Agreement and any of the terms of any exhibit to the Lease Agreement, the terms of the Lease Agreement shall control the respective duties and liabilities of the parties.

46. Independent Contractor. It is expressly understood and agreed by both parties that Sierra, while using and occupying the Leased Premises and complying with any of the terms and conditions of this Lease Agreement, is a tenant of the City and is not an employee or agent of the City and this Lease Agreement is not intended, and shall not be construed, to create the relationship of agent, contractor, servant, employee, partnership, joint venture or association. Sierra expressly warrants not to represent, at any time or in any manner, that Sierra is an employee or agent of the City.

47. Integration and Agreement. This Lease Agreement represents the entire understanding of City and Sierra as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. No prior oral or written understanding shall be of any force and effect

with respect to those matters covered in it. This Lease Agreement may not be modified or altered except by amendment in writing signed by both parties.

48. Jurisdiction. This Lease Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Lease Agreement shall be in the State of California, in the County of Madera, or, if in the United States District Court, within the Eastern District of California.

49. Severability. If any part of this Lease Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Lease Agreement shall continue to be in full force and effect.

50. Notices.

50.1. Notices to City. Written notices to the City hereunder shall, until further notice by City, be addressed to:

City Administrator
City of Madera
205 W Fourth Street
Madera, California 93637

With a copy to:

City Attorney
City of Madera
205 W Fourth Street
Madera, California 93637

50.2. Notices to Sierra. Written notices to Sierra shall, until further notice by Sierra, be addressed to:

Sierra Golf Management
P.O. Box 788
Chowchilla, California 93610

50.3. Authority of City Administrator. The execution of any such notices by the City Manager of City shall be effective as to Sierra as if it were by resolution or order of the City Council, and Sierra shall not question the authority of the City Administrator to execute any such notice.

50.4. Form and Manner of Notice. All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

51. Force Majeure. Neither City nor Sierra shall be deemed in breach of this Lease Agreement for failure to perform any of the obligations or duties imposed upon it under this Lease Agreement as the direct result of any reason beyond its reasonable control including, without limitation, acts of God, terrorist attacks, riots, strikes, fires, storms or any regulation of any federal, state or local government or agency thereof; however, such excuse shall continue only during the pendency of the particular occurrence or force majeure.

52. Nondiscrimination. For purposes of this Lease Agreement and for purposes of Sierra's use and occupancy of the Leased Premises, Sierra shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age or disability. Sierra shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age or disability.

53. Non-Discrimination in Employment and Hiring. During the performance of this Agreement, Sierra shall not discriminate against any employee or applicant for employment or subconsultant, including in the procurement of materials and leases of equipment, because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Sierra shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

54. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Lease Agreement.

55. Multiple Copies of Lease Agreement. Multiple copies of this Lease Agreement may be executed, but the parties agree that the Lease Agreement on file in the office of the City Clerk is the version of the Lease Agreement that shall take precedence should any difference exist among counterparts of the document provided that the City provides to Sierra within ten (10) days of the filing thereof, a certified copy of the form of the Lease Agreement which was filed with the City Clerk.

56. Attorney's Fees. In case suit shall be brought to interpret or to enforce this Lease Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover its reasonable attorneys' fees in addition to such costs as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

57. Rights and Obligations Under Lease Agreement. By entering into this Lease Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Lease Agreement shall not create any rights in any party not a signatory hereto.

58. Licenses. If a license or permit of any kind, which term is intended to include evidence of registration, is required of Sierra, its representatives, agents or subcontractors by federal, state or local law, Sierra warrants that such licenses or permits have or will be obtained, are valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

59. Counterparts. This Lease Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

60. Environmental Representations. City represents that the Leased Premises, the surrounding real property, and the existing use of the Leased Premises, and to the best of the City's knowledge, its prior uses, comply with, and the City is not in violation of, and has not violated, in connection with the ownership, use, maintenance or operation of the Leased Premises and the conduct of the business related thereto, any applicable federal, state, county, regional or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses and permits of any governmental authorities relating to environmental, health or safety matters (collectively, "Environmental Laws"). City shall, at its own expense, promptly observe and comply with all present and future Environmental Law, and all regulations or standards as are or may be promulgated thereunder. City represents that there is no fact pertaining to the physical condition of the Property or the area surrounding the Property which (i) materially and adversely affects or materially and adversely will affect the Property, or the use, enjoyment or value thereof, or Landlord's ability to perform the obligations contained in this Lease, and (ii) which Landlord has not disclosed to Tenant in writing prior to the date of this Lease. City represents that it has received no notices of any violation or claimed violation of any of the matters referred to above, or of any pending or contemplated investigation, lawsuit or other action relating thereto. The representations contained in this section shall survive the expiration or earlier termination of this Lease Agreement.

61. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Lease Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Lease Agreement for it, to enter into this Lease Agreement.

62. Legal Representation. Each party affirms that it has been represented by legal counsel of its own choosing regarding the preparation and the negotiation of this Lease Agreement and the matters and claims set forth herein, and that each of them has read this Lease Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Lease Agreement as an inducement to enter into this Lease Agreement.

63. Joint Representation. The language of all parts of this Lease Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Lease Agreement, or any part thereof, shall be applicable or invoked.

64. **Right to Reopen.** This Lease Agreement shall be subject to the right of either Party to reopen the terms and conditions of the Lease Agreement by written notice to the other Party within 180 days of the happening of one or more of the following events:

- The opening of North Fork Rancheria Casino within a two mile proximity to the Lease Premises;
- The catastrophic failure of wells and/or pump stations serving the Lease Premises;
- The opening and/or closing of public golf courses within a thirty (30) mile radius from the Lease Premises;
- The bankruptcy or insolvency of Sierra resulting from the operation of the Golf Course on the Lease Premises pursuant to this Lease Agreement; or
- A change in legal and/or regulatory requirements imposing a verifiable burden on the cost of Golf Course operations in excess of Fifty Thousand Dollars ($50,000.00) in any calendar year, or otherwise directly and substantially limiting the number of rounds of golf played per calendar year.

During such negotiations, each Party shall make available to the other Party all non-privileged records and information in each Party's possession related to each subject of negotiations. The Reopener will exclusively be negotiated between Sierra and the City. The written notice of request to reopen the Lease Agreement shall set forth with particularity the facts supporting the exercise of the right to reopen and the issues to be negotiated.

IN WITNESS WHEREOF, the undersigned as authorized representatives of the City of Madera and of SGM, Inc. have entered into this Lease Agreement as of the date first written above.

CITY OF MADERA

Sam Armentrout, Mayor City of Madera

SGM INC.

Jeffrey A. Christensen, President, SGM, Inc.

ATTEST:

Sonia Alvarez, City Clerk, City of Madera

CITY OF MADERA INCORPORATED March 27, 1907 CALIFORNIA

APPROVED AS TO FORM:

Richard K. Denhalter, City Attorney, City of Madera

10/8/09

EXHIBIT A

MADERA MUNICIPAL GOLF COURSE

RENT OPTIONS

SGM proposes a rent agreement based on a combination of the following revenue centers:

1. **Base Fee**
2. **Price Per Round**
3. **Capital Improvement and Investment**

Year	Base Fee	Per Round	Est Rounds	Est Rent To City	Capital Improvement
1	$24k	$1.00	*40,000*	$ 64k	$50k
2	$30k	$1.00	*50,000*	$ 80k	$50k
3	$36k	$1 .50	*53,000*	$ 116k	$50k
4	$36k	$2.00	*55,000*	$ 146k	$50k
5	$36k	$2.00	*56,500*	$ 149k	$50k
6	$40k	$2.00	*58,168*	$ 156k	$50k
7	$40k	$2.00	*59,913*	$ 160k	$50k
8	$40k	$2.00	*61,710*	$ 164k	$50k
9	$40k	$2.00	*63,561*	$ 167k	$50k
10	$40k	$2.00	*65,467*	$ 171k	$50k

- **Payments would be made on a monthly basis.**
- **Capital Improvements will be funded throughout the fiscal year along with a year-end report and itemizing of all improvements.**
- **Current Capital Improvement funds in account to be retained for future use**
- **Rent would include use of all current maintenance equipment**

CAPITAL IMPROVEMENT PLAN

We develop and utilize Capital Improvement Plan lists as a guide. All items listed in this report are important, however, we feel that in order to improve the current condition of the golf course the items of most importance are irrigation, equipment replacement and improvement of the greens. Note that many of these items have additional budget line item amounts already in the Operations Budget.

Maintenance Operations will be funded at a much higher level than previously, especially in the line items of irrigation repair, fertilization, herbicides, fungicides, labor and utilities (irrigation delivery).

YEAR 1:

- EQUIPMENT:
  - Repair and replace existing old and dated equipment
- GREEN IMPROVEMENT
  - Begin proper scheduling of all fertilization programs
  - Begin Integrated Pest Management Program
  - Eliminate all noxious grasses. Begin herbicide program to eliminate crab grass and promote bent grass growth
  - Improve Nursery Green
- IRRIGATION:
  - Replace or repair any and all defective heads
  - Repair or replace valves
  - Repair defective wiring to satellites
  - Replace outdated satellites
  - Perform bi-annual system checks on all pump stations
  - Identify and repair drainage where needed
- LANDSCAPING:
  - Improve front landscaping, replace certain shrubs, add annual color to flower beds in front and back
- SIGNAGE:
  - Replace all Tee Markers on golf course
  - Improve and add signage to facility
- GOLF SHOP
  - Replace current POS system with new updated cash control system
  - Replace golf carts
- PRACTICE FACILITY:
  - Top dress and overseed top of hitting area
  - Develop additional target area, overseed
  - Develop and isolate "private practice area"
- TEE BOX AREAS:
  - Level, expand and add existing teeing areas where needed
  - Overseed all teeing areas in fall

- Eradicate all crabgrass and implement herbicide program
- Develop additional teeing areas on course

❖ CLUBHOUSE:
- Paint interior of bar
- Replace outside tables and Patio furniture
- Replace current POS system with new updated cash control system

❖ BUNKERS:
- Begin repair of defective drains. Add and reshape, replace sand

YEAR 2:

❖ LAKES:
- Remove all tulles and debris from main lake. Increase capacity

❖ SURROUNDS:
- Overseed all surrounds and approach areas

❖ CLUBHOUSE
- Improve banquet facilities
- Begin replacement of furnishings in bar
- Slurry and strip parking lot

❖ TEE BOX AREAS
- Continue to enlarge existing tees and add additional teeing areas where needed

❖ CART PATH ADDITIONS
- Identify areas for cart path extension and improvement in key high traffic areas

❖ TREE MANAGEMENT
- Remove and replace dead trees
- Prune and shape
- Develop small tree nursery

❖ BUNKERS:
- Continue repair of drains, reshaping and replacement of sand

❖ PRACTICE FACILITY
- Add covered area for enhanced teaching
- Develop additional practice area in rear of range

❖ CLUBHOUSE
- Paint exterior of building
- Develop RV parking spaces

❖ EQUIPMENT
- Add or replace key major piece of maintenance equipment

YEAR 3:

- IRRIGATION
  - Add additional pump station to tie into new lake
- LAKE ADDITIONS
  - Line and cap additional lake feature
- GOLF SHOP
  - Paint exterior of shop
  - Improve wash station
- EQUIPMENT
  - Add or replace key pieces of maintenance equipment
- CART PATH ADDTIONS
  - Continue to add concrete paths in key, high traffic areas
- TEE BOX AREAS
  - Expand, enlarge and add teeing areas where needed
- PRACTICE FACILITY:
  - Add additional chipping, bunker practice areas
- CLUBHOUSE
  - Paint and refresh all restrooms

YEAR 4:

- LAKE ADDITIONS
  - Line and cap additional lake feature
- GOLF SHOP
  - Replace carpet
  - Paint interior
  - Replace golf carts
- CART PATH ADDITIONS
  - Continue to add concrete paths in key, high traffic areas
- EQUIPMENT
  - Add or replace key pieces of maintenance equipment
- CLUBHOUSE
  - Replace flooring where needed
  - Paint interior of banquet rooms

YEAR 5:

- CLUBHOUSE:
  - Create "Outside Arbor" for special events
- GREENS:

- Expand square footage on all smaller greens

- **LAKE ADDITIONS**
  - Line and cap additional lake features
- **TEE BOX AREAS**
  - Expand, enlarge and add teeing areas where needed

EXHIBIT 'B'

INVENTORY OF EQUIPMENT

QUANTITY	ITEM
1	John Deere 1000 Tractor Mounted Aerators
1	Planet Air Tow Behind Aerator
2	John Deere Diesel Utility Vehicle
1	Cushman Truckster Utility Vehicle
3	Suzuki Quad Runner
1	Super Star 2WD Trap Rake
1	Smithco Trap Rake
1	Turfco Topdressor Pull Behind Models
1	Spray Star Greens Sprayer
1	Smithco Fairway Boom Sprayer
1	3-Yard Dump Trailer
2	Kubota L3250-TS Tractor (a with front end loader)
1	Golf Equipment Lift
1	Grinder for Reel Mowers
1	Bed Knife Grinder
3	Spare Rollers, pull behind mower
3	Spare Verticut rollers
3	Spare Cutting Units
4	Shop Work Benches 3-wood, 1-metal
1	250 Amp Welder
Misc	Spare Tires
Misc	Equipment repairs parts and supplies
1	Air Compressor
1	Bench Grinder
2	Vise's-Bench Mount
2	Metal Racks and Shelves
Misc	Cup Cutters
Misc	Water Squeegee
Misc	Spare Flag Poles
Misc	Spare Cups
1	Ice Machine
1	Drag Mat
3	Sod Cutters
1	Trash Pump
2	Drop Spreaders
1	Power Washer
1	Flammable Storage Container

Misc	Fuel Cans
1	Oil Drum
2	Desk and Chairs, misc. office supplies
Misc	Irrigation Supplies
Misc	Concrete Tools
1	Motorized sod cutter
Misc	Hand Tools
2	Storage Sheds
1	Parts Washer
1	Core Harvester Unit
1	300 Gallon Diesel Tank
3	Spreaders
2	Hand Pumps
2	Edger's
1	Pull Behind Blower
2	Hand Held Blower
1	Back Pack Sprayer
1	24' Cargo Trailer
1	Lilly Spreader
1	Gannon Box Scrapper
1	12' Trailer
2	Ladders

SECOND AMENDMENT TO
MADERA MUNICIPAL GOLF COURSE
OPERATION AND MANAGEMENT LEASE AGREEMENT

This Amendment (the "Amendment") to the previous agreement titled "Madera Municipal Golf Course Operation and Management Lease Agreement" dated October 7, 2009, as amended from time to time, (the "Agreement") is made and entered into this 3rd day of July, 2013 by and between the City of Madera, hereinafter called "City," and SGM Inc. dba Sierra Golf Management, hereinafter referred to as "Sierra."

WITNESSETH:

WHEREAS, the City owns and operates the Madera Municipal Golf Course for the use and benefit of the public; and

WHEREAS, the City and Sierra entered into a Lease Agreement dated October 7, 2009 for Operation and Management of the Madera Municipal Golf Course; and

WHEREAS, said Lease Agreement was amended November 18, 2009 by mutual consent of City and Sierra; and

WHEREAS, the City and Sierra desire to further amend said Lease Agreement to clarify each parties responsibilities regarding payment of Proposition 218 Benefit Assessments due annually to the Madera Irrigation District (MID).

NOW THEREFORE, it is hereby agreed that the Agreement between the parties is amended in the following particulars only:

Amendment 1. Section 19 of the Agreement is amended to read as follows:

19. Taxes. Throughout the Initial Term and Renewal Term of this Lease Agreement, Sierra shall pay before they become delinquent all real property tax obligations of any kind assessed against the Leased Premises in addition to all taxes and assessments imposed on any personal property, equipment or trade fixtures belonging to Sierra and located on the Leased Premises. Except as otherwise stipulated in Section 19.1, beginning on the Effective Date and for each year thereafter, Sierra shall be responsible for any applicable possessory interest tax assessed or levied against the Leased Premises and shall make timely payment thereof.

19.1 Madera Irrigation District (MID) Proposition 218 Benefit Assessments. City shall pay annual Proposition 218 Benefit Assessment as determined and invoiced by the Madera Irrigation District (MID) for Golf Course property including but not limited to that described by Madera County Assessor's Parcel # 013-010-039.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective officers duly authorized on the date first written above.

City of Madera

By:_____
Robert L. Poythress, Mayor

SGM Inc. dba Sierra Golf Management

By:_____
Jeffrey A. Christensen, President

ATTEST:

By:_____
Sonia Alvarez, City Clerk

CITY OF MADERA INCORPORATED March 27, 1907 CALIFORNIA

APPROVED AS TO FORM:

By:_____
Brent Richardson, City Attorney

THIRD AMENDMENT TO MADERA MUNICIPAL GOLF COURSE OPERATION AND MANAGEMENT LEASE AGREEMENT BETWEEN THE CITY OF MADERA AND SIERRA GOLF MANAGEMENT, INC.

This 3rd Amendment to the previous Agreement titled "**MADERA MUNICIPAL GOLF COURSE OPERATION AND MANAGEMENT LEASE AGREEMENT**", dated **October 7, 2009** is made and entered into this **15th** day of **October** 2014, by and between the CITY OF MADERA, a California municipal corporation, (hereinafter referred to as "CITY"), and SGM Inc. dba Sierra Golf Management Inc., Post Office Box 788 Chowchilla, California 93610, hereinafter referred to as "Sierra" both hereinafter collectively referred to as "the parties."

WITNESSETH:

WHEREAS, CITY and SIERRA entered into an agreement on October 7, 2009, to contract with Sierra to provide services related to the operation and management of the Madera Municipal Golf Course (the "Agreement"); and

WHEREAS, CITY and Sierra desire to modify said Agreement by changing certain terms and conditions as detailed below.

NOW THEREFORE, it is hereby agreed that the Agreement between the parties is amended in the following particulars only:

1. Section 2. Term is amended to read as follows:

2. Term. This Lease Agreement shall commence on November 1, 2009 (the "Effective Date") and shall continue in full force and effect for a period of ten (10) years ("Initial Term"), thereafter terminating on October 31, 2019 ("Termination Date"), unless extended sooner or otherwise terminated sooner as provided herein, save and except, Sierra's lease of the clubhouse and banquet facilities and food and beverage operation shall not commence until March 15, 2010, unless the current tenant agrees to terminate its tenancy and vacate earlier than March 15, 2010, and which shall terminate on October 31, 2019.

The City may, in its sole discretion, grant one (1) option to Sierra to extend this Lease Agreement ("Renewal Option"), for an additional five (5) year period ("Renewal Term"), which Renewal Option will only take effect upon the mutual written consent of the parties. The City shall give Sierra no less than 180 days written notice of its intent to extend the Lease for an additional five (5) year period, at which point the City shall enter into negotiations with Sierra to extend this Lease Agreement beyond the Renewal Term. The parties agree to negotiate in good faith. In the event City and Sierra are unable during such 180-day period to reach agreement on the lease terms, this Lease Agreement shall terminate and shall be of no further force and effect and except as may specifically be provided for elsewhere in this Lease Agreement, neither City not Sierra shall have any further obligations hereunder.

2. Section 5.1 Base Rent is amended to read as follows:

5.1. Base Rent. Commencing on the Effective Date, Sierra shall pay to City monthly Base Rent for the use and occupancy of the Leased Premises, on the tenth day of each calendar month throughout the Initial Term and the Renewal Term, without deduction, offset, prior notice or demand, except as otherwise specifically set forth in this Lease Agreement. Base rent through the entire Initial Term and through the Renewal Term shall be as follows:

Year 1:	$24,000 per year
Year 2:	$30,000 per year
Year 3:	$36,000 per year
Year 4:	$36,000 per year
Year 5:	$36,000 per year
Year 6:	$40,000 per year
Year 7:	$40,000 per year
Year 8:	$40,000 per year
Year 9:	$40,000 per year
Year 10:	$40,000 per year
Renewal Year 11:	$40,000 per year
Renewal Year 12:	$40,000 per year
Renewal Year 13:	$40,000 per year
Renewal Year 14:	$40,000 per year
Renewal Year 15:	$40,000 per year

NOV 2009 - OCT 31 2010
2010 2011
2011 2012
2012 2013
2013 2014
NOV 2014 OCT 31 2015

3. Section 5.2 Per Round Rate is amended to read as follows:

5.2. Per Round Rate. In addition to Base Rent, Sierra agrees to pay to the City a "per round" rate that establishes an initial rate of $1.00 per round but increases in later years as set forth below. Sierra agrees to pay to the City a "per round" rate of $1.00 per round for footgolf for the term of the Agreement. The rate per round will be paid on the tenth day of each calendar month throughout the Initial Term and the Renewal Term, without deduction, offset, prior notice or demand, except as otherwise specifically set forth in this Lease.

Year 1:	$1.00 per round
Year 2:	$1.00 per round
Year 3:	$1.50 per round
Year 4:	$2.00 per round
Year 5:	$2.00 per round
Year 6:	$2.00 per round
Year 7:	$2.00 per round
Year 8:	$2.00 per round
Year 9:	$2.00 per round
Year 10:	$2.00 per round
Renewal Year 11:	$2.00 per round
Renewal Year 12:	$2.00 per round

Renewal Year 13:	$2.00 per round
Renewal Year 14:	$2.00 per round
Renewal Year 15:	$2.00 per round

4. Section 5.6 Capital Improvements is amended to read as follows:

5.6 Capital Improvements. Commencing on the Effective Date, Sierra shall make Capital Improvements to the Leased Premises in order to improve the current condition of the golf course and clubhouse facilities, consistent with the Capital Improvement Plan identified in Exhibits A. The Capital Improvement Plan will serve as a guide for improvements; however for the purposes of this agreement, Sierra shall make an annual expenditure of not less than $50,000 per calendar year for Capital Improvements to the Leased Premises throughout the Initial Term and the Renewal Term, without deduction, offset, prior notice or demand, except as otherwise specifically set forth in this Lease Agreement.

Year 1:	$50,000 per year
Year 2:	$50,000 per year
Year 3:	$50,000 per year
Year 4:	$50,000 per year
Year 5:	$50,000 per year
Year 6:	$50,000 per year
Year 7:	$50,000 per year
Year 8:	$50,000 per year
Year 9:	$50,000 per year
Year 10:	$50,000 per year
Renewal Year 11:	$50,000 per year
Renewal Year 12:	$50,000 per year
Renewal Year 13:	$50,000 per year
Renewal Year 14:	$50,000 per year
Renewal Year 15:	$50,000 per year

5. Section 5.8 Rent Payment and Per Round Payment is amended to read as follows:

5.8 Rent Payment and Per Round Payment. Delay by the parties in computing or collecting the Base Rent and Per Round Payments or the acceptance by City of the incorrect amount of Base Rent or Per Round payments shall not relieve Sierra of its obligations to pay such rent to the City. Sierra waives any applicable statute of limitations which could defeat the City's right to collect the Base Rent. All rental payments due under this Section 5 shall be made payable to the City of Madera and shall be delivered to the City of Madera Finance Department at 205 W. Fourth Street Madera, California 93637. Any failure to make Base Rent Payments and/or Per Round Payments that is more than sixty (60) days delinquent shall constitute substantial breach of this Lease Agreement.

6. Section 7.16 Americans With Disabilities Act (ADA) and Title 24 Compliance is amended to read as follows:

7.16 Americans With Disabilities Act (ADA) and Title 24 Compliance. With respect to any capital improvements made by Sierra during the term of this Lease Agreement including, but not limited to, those capital improvements made through the use of Capital Improvement funds established pursuant to Section 5.5 of this Lease Agreement, Sierra shall ensure that all buildings, structures, and other facilities constructed or improved by it are constructed or improved in such a manner as to be in compliance with the Americans With Disabilities Act (ADA) and Title 24. With respect to all other ADA or Title 24 required improvements, City shall be responsible for making any repairs or improvements necessary to bring the buildings, structures, and other facilities into compliance with the ADA and with Title 24.

7. Section 8.3 Project Director is amended to read as follows:

8.3. Project Director. The Director of Parks & Community Services shall act as City's representative with respect to the work to be performed under this Lease Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to Sierra's services. City may unilaterally change its representative upon notice to the Sierra.

8. Exhibit "A" is replaced with new Exhibit "A" attached hereto.

9. All other terms and conditions that are not hereby amended are to remain in full force and effect.

* * * * * * * * * * * *

IN WITNESS WHEREOF, the parties authorized agents have executed this Agreement as set forth below.

CITY OF MADERA

By: _____
Robert L. Poythress, Mayor

ATTEST:

By: _____
Sonia Alvarez, City Clerk

APPROVED AS TO FORM:

By: _____
Brent Richardson,
City Attorney

CITY OF MADERA INCORPORATED March 27, 1907 CALIFORNIA

SIERRA GOLF MANAGEMENT, INC.

By: _____
Jeff Christensen, President

Exhibit A

MADERA MUNICIPAL GOLF COURSE

RENT OPTIONS

SGM proposes a rent agreement based on a combination of the following revenue centers:

1. Base Rent
2. Price per Round
3. Capital Improvement and Investment

YEAR	Base Fee	Per Round Golf	Estimated Rounds	Per Round Foot Golf	Estimated Rounds	Est. Rent to City	Capital Improvement
*6.	40k	$2.00	46,000	$1.00	1,200	$133,200	$50,000
7.	40k	$2.00	47,858	$1.00	1,400	$137,116	$50,000
8.	40k	$2.00	49,791	$1.00	1,600	$141,182	$50,000
9.	40k	$2.00	50,787	$1.00	1,800	$143,374	$50,000
10.	40k	$2.00	51,803	$1.00	2,000	$145,606	$50,000
11.	40k	$2.00	52,839	$1.00	2,000	$147,673	$50,000
12.	40k	$2.00	53,896	$1.00	2,000	$149,792	$50,000
13.	40k	$2.00	54,000	$1.00	2,000	$150,000	$50,000
14.	40k	$2.00	54,000	$1.00	2,000	$150,000	$50,000
15.	40k	$2.00	54,000	$1.00	2,000	$150,000	$50,000

*Year 6 represents the 6th year of the Amended Lease Agreement to commence November 1, 2014.

- Payments would be made on a monthly basis.
- Capital Improvements will be funded throughout the fiscal year along with a year-end report and itemizing of all improvements.
- Current Capital Improvement funds in account to be retained for future use
- Rent would include use of all current maintenance equipment

MADERA GOLF COURSE

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

We develop and utilize Capital Improvement Plan lists as a guide. Items listed in this report are important, however, we (SGM) feel that in order to improve the current condition of the golf course the items of most importance are irrigation, equipment replacement and improvement of the greens. Note that many of these items have additional budget line item amounts already in the Operations Budget.

Maintenance Operations will be funded at a much higher level than previously, especially the line items of irrigation repair, fertilization, herbicides, fungicides, labor and utilities (irrigation delivery).

2014-15

- Add "Target areas" and Target greens" on driving range.
- Replace old carpet in Clubhouse.
- Continue irrigation improvement plan on perimeters.
- Parking lot improvement.

2015-16

- Paint exterior of clubhouse
- Replace Golf Shop carpet
- Mower replacement
- Irrigation improvement

2016-17

- Replace foggy windows
- Well upgrade
- Irrigation pump station upgrade
- Equipment addition

2017-18

- Remodel ladies bathroom
- Enhance Clubhouse bathrooms
- Add liners to greenside bunkers
- Purchase utility maintenance vehicles
-

2018-19

- Landscape improvement around building
- Purchase Fairway mower
- Tree maintenance

RETURN TO AGENDA

REPORT TO CITY COUNCIL AND
REPORT TO THE MADERA PUBLIC FINANCING AUTHORITY

Approved by:

Department Director

City Administrator

Council Meeting of: October 2, 2019

Agenda Number: C-3

SUBJECT:

Consideration of a Joint Resolution of the City Council of the City of Madera and the Madera Public Financing Authority Approving an Agreement with Del Rio Advisors, LLC, for Municipal Advisor Services Related to the Water Revenue Refunding Bonds, Series 2019 and Authorizing the Mayor to Execute the Agreement.

RECOMMENDATION:

Staff recommends that the City Council adopt a joint resolution approving an agreement with Del Rio Advisors, LLC ("Municipal Advisor") for professional services on behalf of the City as Municipal Advisor related to the potential refunding (refinancing) of the Water Revenue Bonds issued in 2010 and authorizing the Mayor to execute the agreement.

DISCUSSION:

Water Revenue Refunding Bonds, Series 2010 ("2010 Bonds") were issued in 2010 for the purpose of financing various capital improvements to the City's water system. Under current market conditions, there are significant savings to be realized by refunding the 2010 Bonds. Based on current market interest rates as of August 2019, the estimated annual savings to the water fund would be approximately $170,000 per year. Rule changes passed as part of the Tax Cuts and Jobs Act of 2017 dictate when these types of bonds can be refunded. The 2010 Bonds cannot be called until within 90 days of March 1, 2020 meaning any bonds issued to refund the 2010 Bonds cannot close before December 1, 2019. The first important step in pursuing potential financing is the selection of a Municipal Advisor. The Municipal Advisor provides professional services assisting staff in evaluating financing alternatives taking into consideration current bond market conditions and assists staff in soliciting services from other necessary team members

including placement agent and bond counsel. Mr. Ken Dieker of Del Rio Advisors, LLC has served as Municipal Advisor for the City on several recent financial transactions. Based on the City's prior positive experiences with Mr. Dieker, staff is recommending engaging Mr. Dieker to pursue financing options for the refinancing of the 2010 Bonds. Per the proposed agreement, Mr. Dieker would provide professional services as follows:

- Seek fee proposals from qualified firms to act as Bond Counsel, Disclosure Counsel or both
- Seek an Underwriting and Placement Agent proposal from Hilltop Securities as the preferred Underwriter/Placement Agent
- Review the various fee proposals and make recommendations
- Either create or actively participate in the development of a sound financial plan
- Determine the most cost-effective way to carry out the plan that is being considered including recommending alternatives
- If requested, take primary responsibility for all quantitative analysis related to the project including: sources and uses of funds, debt service schedules, yield calculations, savings calculations, etc.
- Develop a detailed financing schedule and interested parties list
- Coordinate the efforts of bond counsel, disclosure counsel, underwriter/placement agent, trustee, etc. with respect to the preparation and approval of the financing documents
- Review and comment on all documents (1)
- Attend all meetings and present materials as needed
- Coordinate and review comprehensive presentations to the rating agencies and bond issuers
- Prepare detailed costs of issuance and, if public sale, recommend a gross spread level
- If public sale, undertake pre-pricing analysis prior to sale; advise the issuer and help in the negotiation with respect to pricing on the day of sale
- Coordinate the approval, delivery and printing of all legal documents, closing certificates and, if required, the final official statement (1)
- Perform any other tasks or projects, as required

The Municipal Advisor's fees are done on a "per deal" basis and are contingent upon the successful completion of a bond transaction. So, if no financing takes place, the Municipal Advisor does not charge the City for his services. The Municipal Advisor's fee ranges from $27,500 for a Direct Placement or $42,500 for a Public Offering as well as reimbursable expenses not to exceed $750.00. The type of transaction will be decided as data is analyzed, and it is determined which placement type is in the best interest of the City/Authority.

FINANCIAL IMPACT:

Based on market interest rates of August 28, 2019, the estimated annual savings to the water fund are approximately $170,000 per year. In addition, the net present value savings percentage is estimated at over 28% far exceeding the normal guideline for savings needing to exceed 3-5% to make a refinancing worthwhile. In addition, the fees and expenses of the Municipal Advisor are fully contingent upon successful closing of the transaction.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The presentation of this item is consistent with Strategy 115 of the Vision Plan - Economic Resource Provision: Ensure sufficient economic resources to provide adequate City services and prepare for future growth. It is also in line with funding core services as articulated by the Vision Madera 2025 Plan.

ALTERNATIVES:

1) Council could direct staff to seek a difference provider for the role of Municipal Advisor;
2) Council could decide not to proceed with refinancing the 2010 Bonds.

ATTACHMENTS:

1) Resolution
2) Exhibit 1 to Resolution: Proposed agreement for services

RESOLUTION NO. _____

MPFA RESOLUTION NO._____

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AND THE MADERA PUBLIC FINANCING AUTHORITY APPROVING AN AGREEMENT WITH DEL RIO ADVISORS, LLC FOR MUNICIPAL ADVISOR SERVICES RELATED TO THE WATER REVENUE REFUNDING BONDS, SERIES 2019 AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, staff is always seeking opportunities to generate savings by refunding outstanding bonds; and

WHEREAS, the City has identified an outstanding bond issue that could potentially be refunded for significant savings; and

WHEREAS, Del Rio Advisors, LLC has completed several successful transactions with the City, the Madera Public Financing Authority and the Successor Agency as Municipal Advisor; and

WHEREAS, the City of Madera and the Madera Public Financing Authority would like to retain Municipal Advisor services to refund the Madera Public Financing Authority, Water Revenue Bond, Series 2010; and

WHEREAS, Del Rio Advisors, LLC has agreed to provide Municipal Advisor services for a capped fee of $42,500, if the preferred sale type is a public offering, and $27,500, if the preferred sale type is a direct placement as well as standard expenses not the exceed $750.00. All the fees and expenses are contingent upon successful closing of the transaction; and

WHEREAS, City staff and the Municipal Advisor will bring agreements for the services of other financing professionals and the financing alternatives back to the City Council for review and possible approval;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA AND THE MADERA PUBLIC FINANCING AUTHORITY do hereby resolve, find and order as follows:

1. The above recitals are true and correct.
2. The agreement with Del Rio Advisors, LLC, attached hereto as Exhibit 1, is approved.
3. The Mayor is authorized to execute the agreement on behalf of the City.
4. The resolution is effective immediately upon adoption.

****

AGREEMENT FOR MUNICIPAL ADVISORY SERVICES

This contract ("AGREEMENT") is between the City of Madera and any joint powers agency used to assist the city in the issuance of obligations (“CITY/AUTHORITY”) and Del Rio Advisors, LLC ("CONSULTANT").

RECITALS

A. CLIENT requires the services of CONSULTANT to act as Municipal Advisor related to the following:

City of Madera / Madera Public Financing Authority
Water Revenue Refunding Bonds, Series 2019

B. CONSULTANT possesses distinct professional skills necessary to perform the services described in AGREEMENT

C. CONSULTANT will work with other members of the Finance Team to facilitate and complete the assignment contemplated herein.

NOW, THEREFORE, CLIENT and CONSULTANT agree as follows:

CONSULTANT shall make all reasonable efforts to complete the tasks described under Scope of Services, below, in a timely manner.

CONSULTANT shall be ready and able to begin to perform services required by AGREEMENT immediately upon its execution and shall perform such services diligently until AGREEMENT.

CONSULTANT shall maintain records and documents related to the performance of AGREEMENT, and shall allow CLIENT access to such records, upon request, for a period of five (5) years from the date of AGREEMENT's termination. CONSULTANT shall provide copies of these records and documents when requested by CLIENT.

CONSULTANT'S charges will not include reimbursement to other agents, representatives or consultants.

1. Scope of Services:

CONSULTANT shall:

- Seek fee proposals from qualified firms to act as Bond Counsel, Disclosure Counsel or both
- Seek an Underwriting and Placement Agent proposal from Hilltop Securities as the preferred Underwriter/Placement Agent
- Review the various fee proposals and make recommendations

- Either create or actively participate in the development of a sound financial plan
- Determine the most cost-effective way to carry out the plan that is being considered including recommending alternatives
- If requested, take primary responsibility for all quantitative analysis related to the project including: sources and uses of funds, debt service schedules, yield calculations, savings calculations, etc.
- Develop a detailed financing schedule and interested parties list
- Coordinate the efforts of bond counsel, disclosure counsel, underwriter/placement agent, trustee, etc. with respect to the preparation and approval of the financing documents
- Review and comment on all documents (1)
- Attend all meetings and present materials as needed
- Coordinate and review comprehensive presentations to the rating agencies and bond issuers
- Prepare detailed costs of issuance and, if public sale, recommend a gross spread level
- If public sale, undertake pre-pricing analysis prior to sale; advise the issuer and help in the negotiation with respect to pricing on the day of sale
- Coordinate the approval, delivery and printing of all legal documents, closing certificates and, if required, the final official statement (1)
- Perform any other tasks or projects, as required

This list may be amended at any time as agreed to in writing between the Consultant and the City/Authority.

Note:

(1) Del Rio Advisors will review and comment on all documents and assist in preparing any documents necessary for the sale of a new issue or reoffering of municipal securities, including the official statement, offering memorandum or similar disclosure documents. However, besides tables or charts specifically prepared by Del Rio Advisors, LLC and footnoted as such, Del Rio Advisors, LLC takes no responsibility for the accuracy or completeness of any of the data contained therein as provided by others including the City/Authority. Del Rio Advisors, LLC may rely upon data provided by others in the preparation of tables and charts and takes no responsibility for the accuracy or completeness of the data provided.

2. Assignment:

CONSULTANT shall not assign AGREEMENT or any portion of it without the express written approval of the CLIENT.

3. Term:

The commencement date of the AGREEMENT is the execution date as indicated on the signature page of this AGREEMENT and the end date is the earlier of termination by either party or December 31, 2021.

4. Termination:

This AGREEMENT may be terminated by either party with 30-days written notice delivered by registered mail to the other party. If terminated, City/Authority will pay any standard reimbursable expenses accrued to date.

5. Confidentiality:

CONSULTANT shall not disclose or make use of confidential or proprietary information or knowledge that may be disclosed to him, directly or indirectly, in the course of any performance under AGREEMENT. This Section survives termination of AGREEMENT.

6. Payment and Expenses:

CONSULTANT proposes a fee schedule for one of two issuance options: Public Offering or Direct Placement. As listed in each section below, both sale type options are contingent upon successful closing of the transaction and are based upon a range of final issue size. If one or more series are offered simultaneously, the sum of all series issue sizes will be used to determine the fee. Normal reimbursable expenses will be capped at $750.00

Option One-Public Offering

Public Offering

Low	High	Fee (*)
$0	$5,000,000	$32,500
$5,000,001	$10,000,000	$42,500
$10,000,001	$20,000,000	$52,500
$20,000,001	$50,000,000	$62,500
>50,000,000		$72,500

Option Two – Direct Placement

Direct Placement

Low	High	Fee (*)
$0	$5,000,000	$17,500
$5,000,001	$10,000,000	$27,500
$10,000,001	$20,000,000	$37,500
$20,000,001	$50,000,000	$47,500
>$50,000,000		$57,500

(*) Add to this figure up to a "not-to-exceed" $750 for normal reimbursable expenses.

Reimbursable expenses would include normal items such as mileage, hotels, conference calls, photocopying, etc.

Payments prescribed in AGREEMENT shall constitute all compensation to CONSULTANT for all costs of its services. CONSULANT shall be solely responsible for any payment of its insurance, taxes and all other expenses incurred in connection with the project.

CONSULTANT shall invoice CLIENT upon the successful closing of the financing. CLIENT shall pay CONSULTANT, from costs of issuance, in an expedient manner in accordance with normal payment procedures.

7. CONSULTANT'S Responsibility:

It is understood and agreed that CONSULTANT has the professional skills necessary to perform the work agreed and that CLIENT relies upon the professional skills of the CONSULTANT to do and perform its work in a skillful and professional manner.

It is further understood and agreed that the CONSULTANT has reviewed the scope of work to be performed and that the CONSULTANT agrees in their professional judgment said work can and shall be completed at the rate set forth in AGREEMENT.

8. Insurance Requirements:

Without limiting CONSULTANT's indemnification of CLIENT, and prior to commencement of Work, Consultant shall obtain, provide, and continuously maintain at its own expense during the term of the Agreement, and shall require any and all Subcontractors and Subconsultants of every Tier to obtain and maintain, policies of insurance of the type and amounts described below and in form satisfactory to the City.

Minimum Scope and Limits of Insurance

Consultant shall maintain limits no less than:

- $2,000,000 **General Liability** (including operations, products and completed operations) per occurrence, $4,000,000 general aggregate, for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability. Coverage shall be at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage form CG 00 01. General liability policies shall be endorsed using ISO form CG 20 10 that the CLIENT and its officers, officials, employees and agents shall be additional insureds under such policies.
- $1,000,000 **Automobile Liability** combined single limit per accident for bodily injury or property damage at least as broad as ISO Form CA 00 01 for all activities of Consultant arising out of or in connection with work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles. Automobile Liability policies shall be endorsed to provide that the CLIENT and its officers, officials, employees and agents shall be additional insureds under such policies.
- **Worker's Compensation** as required by the State of California and $1,000,000 **Employer's Liability** per accident for bodily injury or disease. Consultant shall submit to the CLIENT, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the CLIENT, it's officers, agents, employees, and volunteers.
- $1,000,000 **Professional Liability (Errors & Omissions)** per claim and in the aggregate. Consultant shall maintain professional liability insurance that insures against professional errors and omission that may be made in performing the Services to be rendered in connection with this Agreement. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement. The cost of such insurance shall be included in Consultant's bid.

Maintenance of Coverage

Consultant shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by Consultant, its agents, representatives, employees, subcontractors or subconsultants as specified in this Agreement.

Proof of Insurance

Consultant shall provide to the CLIENT certificates of insurance and endorsements, as required, as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by the CLIENT prior to commencement of performance. Current evidence of insurance shall be kept on file with the CLIENT at all times during the term of this Agreement. Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

Acceptable Insurers

All insurance policies shall be issued by an insurance company currently authorized by the Insurance commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and a Financial Size Category Class VII (or

larger), in accordance with the latest edition of Best's Key Rating Guide.

Waiver of Subrogation

All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against the CLIENT, its elected or appointed officers, agents, officials, employees, and volunteers, or shall specifically allow Consultant, or others providing insurance evidence in compliance with these specifications, to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against the CLIENT and shall require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

Enforcement of Contract Provisions (non estoppel)

Consultant acknowledges and agrees that any actual or alleged failure on the part of the Agency to inform Consultant of non-compliance with any requirement imposes no additional obligations on the CLIENT, nor does it waive any rights hereunder.

Specifications not Limiting

Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If Consultant maintains higher limits than the minimums required above, the entity shall be entitled to coverage at the higher limits maintained by Consultant.

Notice of Cancellation

Consultant agrees to oblige its insurance agent or broker and insurers to provide to the CLIENT with thirty (30) calendar days notice of cancellation (except for nonpayment for which ten (10) calendar days notice is required) or nonrenewal of coverage for each required coverage.

Self-insured Retentions

Any self-insured retentions must be declared to and approved by the CLIENT. The CLIENT reserves the right to require that self-insured retentions be eliminated, lowered or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the CLIENT's Risk Manager.

Timely Notice of Claims

Consultant shall give the CLIENT prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional Insurance

Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgement may be necessary for its proper protection and prosecution of the Work.

9. Indemnity:

Contractor shall indemnify, defend, and hold harmless the City, and its officers, employees, and agents ("City indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Contractor's performance of its obligations under this agreement or out of the operations conducted by Contractor, including the City's active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event the City indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Contractor's performance of this agreement, the Contractor shall provide a defense to the City indemnitees, or at the City's option, reimburse the City indemnitees their costs of defense, including reasonable legal counsels' fees, incurred in defense of such claims.

10. Notices:

Any notice required or permitted under the terms of AGREEMENT shall be effective upon receipt in writing either by personal service upon the authorized agent of CLIENT or upon CONSULTANT, respectively, or by mailing the notice via U.S. Mail to:

To CLIENT at:

CITY OF MADERA
CITY MANAGER
205 W. 4th STREET
MADERA, CA 93637

To CONSULTANT at:

DEL RIO ADVISORS, LLC
KENNETH L. DIEKER
PRINCIPAL
1325 COUNTRY CLUB DRIVE
MODESTO, CA 95356

11. Non Waiver:

The failure of CITY or CONSULTANT to seek redress for violation of, or to insist upon, the strict performance of any term or condition of this Agreement shall not be deemed a waiver by that party of such term or condition or prevent a subsequent similar act from again constituting a violation of such term or condition.

12. Severability:

If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

13. Attorney Fees/Costs:

Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs, and attorney's fees.

14. Governing Law:

The terms and conditions of this Agreement shall be governed by the laws of the State of California with venue in Madera County, California.

15. Entire Agreement/Amendment:

This Agreement and any exhibits attached hereto constitute the entire agreement among the parties to it and supersedes any prior contemporaneous understanding or agreement with respect to the services contemplated and may be amended only by a written amendment executed by both parties to the Agreement.

This agreement is entered into as of _____, 2019

DEL RIO ADVISORS, LLC

By:_____
Kenneth L. Dieker, Principal

CITY OF MADERA

By:_____
Andrew J. Medellin, Mayor

Attest:

By:_____
Alicia Gonzales, City Clerk

Approved as to form:

By:_____
Hilda Montoy, City Attorney

RETURN TO REPORT

REPORT TO CITY COUNCIL

Approved by:

Department Director

City Manager

Council Meeting of: October 2, 2019

Agenda Number: E-1

SUBJECT:

Consideration of a Request to Designate a Voting Delegate and Alternates with Direction on How to Vote on Conference Resolutions for the League of California Cities Annual Conference and Direct the City Clerk to Submit the Voting Delegate Form to the League

RECOMMENDATION:

Staff recommends that the City Council (Council) designate a voting delegate and two alternates for the 2019 League of California Cities' (League) Annual Business Meeting and direct how to vote on conference resolutions.

SUMMARY:

This year's League Annual Conference is scheduled for Wednesday, October 16, through Friday, October 18, 2019 in Long Beach. One very important aspect of the Annual Conference is the annual Business Meeting when the membership acts on conference resolutions.

To expedite the conduct of business, every City is being requested to designate a voting representative and up to two alternates from the City who will be present at the Business Meeting. League bylaws provide that each city is entitled to one vote and to determine a city position in matters affecting municipal or League policy matters.

DISCUSSION:

As of the writing of this report, Council Members Garcia and Robinson are registered to attend the conference. Besides other business which takes place at the meeting, several resolutions are voted on which reflect policy issues facing the State. The resolutions adopted are forwarded to the State and action is encouraged.

Each City that is a member of the League of California Cities is encouraged to designate a voting delegate to represent them at the League. The delegate will have the authority to vote on the resolutions at the meeting. The attached report from the League outlines the procedures for the meeting and describes each resolution that has been submitted for consideration.

This year there are two resolutions for consideration:

1. Amendment to Rule 20A - Calls upon the California Public Utilities Commission (CPUC) to expand its Rule 20A program for undergrounding overhead utilities to included projects in high fire hazard severity zones.

2. International Transboundary Pollution Flows – Calls upon the state and the federal governments of the U.S. and Mexico to address water quality issues resulting from transboundary flows from Mexico's Tijuana River into the United States.

The attached report contains copies of the resolutions, as well as a description of and reasons for each resolution. The conference takes place from October 16-18, 2019, with the business meeting taking place on the 18th.

The attached correspondence from the League (Attachment 1) requests that the Council designate a voting delegate and up to two alternates to represent the City at the League's Annual Business Meeting. Also attached is the League's 2019 Annual Conference Resolutions Packet (Attachment 2) with additional background on the proposed resolutions.

FINANCIAL IMPACT:

There is no direct fiscal impact associated with designating a voting delegate and two alternates for the 2019 League of California Cities' (League) Annual Business Meeting, sans preparation of this staff report.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

Designation of a voting delegate is not addressed in the vision or action plans; the requested action is also not in conflict with any of the actions or goals contained in that plan.

ALTERNATIVES:

The Council may elect not to designate a voting delegate and alternates and forfeit the City's voting ability at this year's League of CA Cities Annual Business Meeting.

ATTACHMENTS:

1. Letter from the League of CA Cities
2. League's 2019 Annual Conference Resolutions Packet

LEAGUE OF CALIFORNIA CITIES

Council Action Advised by August 30, 2019

June 10, 2019

TO: Mayors, City Managers and City Clerks

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – October 16 - 18, Long Beach

The League's 2019 Annual Conference is scheduled for October 16 – 18 in Long Beach. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly), scheduled for 12:30 p.m. on Friday, October 18, at the Long Beach Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, October 4. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

  Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.

- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, October 16, 8:00 a.m. – 6:00 p.m.; Thursday, October 17, 7:00 a.m. – 4:00 p.m.; and Friday, October 18, 7:30 a.m.–11:30 a.m.. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League's office by Friday, October 4. If you have questions, please call Darla Yacub at (916) 658-8254.

Attachments:
- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

LEAGUE OF CALIFORNIA CITIES

Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.

2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.

6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.

7. **Resolving Disputes**. In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

LEAGUE OF CALIFORNIA CITIES

CITY:_____

2019 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Friday, October 4, 2019. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name:_____

Title:_____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ Email _____

Mayor or City Clerk_____ Date_____ Phone_____
(circle one) (signature)

Please complete and return by Friday, October 4, 2019

League of California Cities
ATTN: Darla Yacub
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: dyacub@cacities.org
(916) 658-8254

Annual Conference Resolutions Packet

2019 Annual Conference Resolutions

Long Beach, California

October 16 – 18, 2019

INFORMATION AND PROCEDURES

RESOLUTIONS CONTAINED IN THIS PACKET: The League bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, two resolutions have been introduced for consideration at the Annual Conference and referred to League policy committees.

POLICY COMMITTEES: Two policy committees will meet at the Annual Conference to consider and take action on the resolutions referred to them. The committees are: Environmental Quality and Transportation, Communication & Public Works. The committees will meet from 9:00 – 11:00 a.m. on Wednesday, October 16, at the Hyatt Regency Long Beach. The sponsors of the resolutions have been notified of the time and location of the meeting.

GENERAL RESOLUTIONS COMMITTEE: This committee will meet at 1:00 p.m. on Thursday, October 17, at the Hyatt Regency Long Beach, to consider the reports of the policy committees regarding the resolutions. This committee includes one representative from each of the League's regional divisions, functional departments and standing policy committees, as well as other individuals appointed by the League president. Please check in at the registration desk for room location.

ANNUAL LUNCHEON/BUSINESS MEETING/GENERAL ASSEMBLY: This meeting will be held at 12:30 p.m. on Friday, October 18, at the Long Beach Convention Center.

PETITIONED RESOLUTIONS: For those issues that develop after the normal 60-day deadline, a resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (48 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Annual Business Meeting of the General Assembly. This year, that deadline is 12:30 p.m., Thursday, October 17. Resolutions can be viewed on the League's Web site: www.cacities.org/resolutions.

Any questions concerning the resolutions procedures may be directed to Carly Shelby cshelby@cacities.org 916-658-8279 or Nick Romo nromo@cacities.org 916-658-8232 at the League office.

GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS

Policy development is a vital and ongoing process within the League. The principal means for deciding policy on the important issues facing cities is through the League's seven standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop League policy. Resolutions should adhere to the following criteria.

Guidelines for Annual Conference Resolutions

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.

2. The issue is not of a purely local or regional concern.

3. The recommended policy should not simply restate existing League policy.

4. The resolution should be directed at achieving one of the following objectives:

    (a) Focus public or media attention on an issue of major importance to cities.

    (b) Establish a new direction for League policy by establishing general principles around which more detailed policies may be developed by policy committees and the board of directors.

    (c) Consider important issues not adequately addressed by the policy committees and board of directors.

    (d) Amend the League bylaws (requires 2/3 vote at General Assembly).

LOCATION OF MEETINGS

Policy Committee Meetings
Wednesday, October 16, 9:00 – 11:00 a.m.
Hyatt Regency Long Beach
200 South Pine Avenue, Long Beach

The following committees will be meeting:

1. Environmental Quality 10:00 - 11:00 a.m.
2. Transportation, Communication & Public Works 9:00 - 10:00 a.m.

General Resolutions Committee
Thursday, October 17, 1:00 p.m.
Hyatt Regency Long Beach
200 South Pine Avenue, Long Beach

Annual Business Meeting and General Assembly Luncheon
Friday, October 18, 12:30 p.m.
Long Beach Convention Center
300 East Ocean Boulevard, Long Beach

KEY TO ACTIONS TAKEN ON RESOLUTIONS

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3

1 - Policy Committee Recommendation
to General Resolutions Committee
2 – General
Resolutions Committee
3 - General Assembly

ENVIRONMENTAL QUALITY POLICY COMMITTEE

		1	2	3
1	Amendment to Rule 20A			
2	International Transboundary Pollution Flows			

TRANSPORTATION, COMMUNICATION & PUBLIC WORKS POLICY COMMITTEE

		1	2	3
1	Amendment to Rule 20A			

Information pertaining to the Annual Conference Resolutions will also be posted on each committee's page on the League website: www.cacities.org. The entire Resolutions Packet is posted at: www.cacities.org/resolutions.

KEY TO ACTIONS TAKEN ON RESOLUTIONS *(Continued)*

Resolutions have been grouped by policy committees to which they have been assigned.

KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

ACTION FOOTNOTES

* Subject matter covered in another resolution

** Existing League policy

*** Local authority presently exists

KEY TO ACTIONS TAKEN

A	Approve
D	Disapprove
N	No Action
R	Refer to appropriate policy committee for study
a	Amend+
Aa	Approve as amended+
Aaa	Approve with additional amendment(s)+
Ra	Refer as amended to appropriate policy committee for study+
Raa	Additional amendments and refer+
Da	Amend (for clarity or brevity) and Disapprove+
Na	Amend (for clarity or brevity) and take No Action+
W	Withdrawn by Sponsor

Procedural Note:
The League of California Cities resolution process at the Annual Conference is guided by League Bylaws. A helpful explanation of this process can be found on the League's website by clicking on this link: Guidelines for the Annual Conference Resolutions Process.

League of California Cities Resolution Process

REGULAR RESOLUTIONS

Policy Committee Action	General Resolutions Committee Action	Calendar
Approve	Approve	Consent Calendar[1]
Approve	Disapprove or Refer	Regular Calendar[2]
Disapprove or Refer	Approve	Regular Calendar
Disapprove or Refer	Disapprove or Refer	Does not proceed to General Assembly

PETITION RESOLUTIONS

Policy Committee Action	General Resolutions Committee Action	Calendar
Not Heard in Policy Committee	Approve	Consent Calendar
Not Heard in Policy Committee	Disapprove or Refer	Regular Calendar
Not Heard in Policy Committee	Disqualified per Bylaws Art. VI	Does not proceed to General Assembly

Resolutions

- Submitted 60 days prior to conference *Bylaws Article VI, Sec. 4(a)*
- Signatures of at least 5 supporting cities or city officials submitted with the proposed resolution *Bylaws Article VI, Sec. 2*
- Assigned to policy committee(s) by League president *Bylaws Article VI, Sec. 4(b)(i)*
- Heard in policy committee(s) and report recommendation, if any, to GRC *Bylaws Article VI, Sec. 4(b)(ii)*
- Heard in GRC
    - Approved by policy committee(s) and GRC, goes on to General Assembly on consent calendar *2006 General Assembly Resolution Sec. 2(C)*
    - If amended/approved by all policy committee(s) to which it has been referred and disapproved by GRC, then goes on to General Assembly on the regular calendar. If not all policy committees to which it has been referred recommend amendment or approval, and the GRC disapproves or refers the resolution, the resolution does not move to the General Assembly *2006 General Assembly Resolution Sec. 2(A),(C); 1998 General Assembly Resolution, 1st Resolved Clause*
    - If disapproved by all policy committees to which it has been referred and disapproved by the GRC, resolution does not move to the General Assembly *2006 General Assembly Resolution Sec. 2(C)*
- Heard in General Assembly

[1] The consent calendar should only be used for resolutions where there is unanimity between the policy committees and the GRC that a resolution should be approved by the General Assembly, and therefore, it can be concluded that there will be less desire to debate the resolution on the floor.

[2] The regular calendar is for resolutions for which there is a difference in recommendations between the policy committees and the GRC.

Petitioned Resolutions

- Submitted by voting delegate *Bylaws Article VI, Sec. 5 (a)*
- Must be signed by voting delegates representing 10% of the member cities *Bylaws Article VI, Sec. 5 (c)*
- Signatures confirmed by League staff
- Submitted to the League president for confirmation 24 hours before the beginning of the General Assembly. *Bylaws Article VI, Sec. 5 (d)*
- Petition to be reviewed by Parliamentarian for required signatures of voting delegates and for form and substance *Bylaws Article VI, Sec. 5(e)*
- Parliamentarian's report is presented to chair of GRC
- Will be heard at GRC for action (GRC cannot amend but may recommend by a majority vote to the GA technical or clarifying amendments) *2006 General Assembly Resolution sec. 6(A), (B)*
- GRC may disqualify if:
    - Non-germane to city issues
    - Identical or substantially similar in substance to a resolution already under consideration *Bylaws Article VI, Sec. 5(e),* (f)
- Heard in General Assembly
    - General Assembly will consider the resolution following the other resolutions[3] *Bylaws Article VI, Sec. 5(g)*
    - Substantive amendments that change the intent of the petitioned resolution may only be adopted by the GA *2006 General Assembly Resolution sec. 6(C)*

Voting Procedure in the General Assembly

Consent Calendar: Resolution approved by Policy Committee(s) and GRC. Petitioned resolution approved by GRC)

- GRC Chair will be asked to give the report from the GRC and will ask for adoption of the GRC's recommendations
- Ask delegates if there is a desire to call out a resolution for discussion
- A voting delegate may make a motion to remove a resolution from the consent calendar for discussion
- If a motion is made to pull a resolution, the General Assembly votes on whether to pull the resolution from the consent calendar.
- If a majority of the General Assembly votes to pull the resolution, set "called out" reso(s) aside. If the motion fails, the resolution remains on the consent calendar.
- If reso(s) not called out, or after 'called out" reso is set aside, then ask for vote on remaining resos left on consent
- Move on to debate on reso(s) called out
- After debate, a vote is taken
- Voting delegates vote on resolutions by raising their voting cards.[4]

[3] Petitioned Resolutions on the Consent Calendar will be placed after all General Resolutions on the Consent Calendar. Petitioned Resolutions on the Regular Calendar will be placed after all General Resolutions on the Regular Calendar.

[4] Amendments to League bylaws require 2/3 vote

Regular Calendar: Regular resolutions approved by Policy Committee(s)[5], and GRC recommends disapproval or referral; Regular resolutions disapproved or referred by Policy Committee(s)[6] and GRC approves; Petitioned resolutions disapproved or referred by the GRC.

- Open the floor to determine if a voting delegate wishes to debate a resolution on the regular calendar.
- If no voting delegate requests a debate on the resolution, a vote to ratify the recommendation of the GRC on the resolution is taken.
- Upon a motion by a voting delegate to debate a resolution, a debate shall be held if approved by a majority vote of the General Assembly. If a majority of the General Assembly to debate the resolution is not achieved, then a vote shall be taken on whether to ratify the GRC's recommendation. If a majority of the General Assembly approves of the motion to debate the resolution, debate will occur. After debate on the resolution, a vote is taken based upon the substitute motion that was made, if any, or on the question of ratifying the GRC's recommendation.
- Voting delegates vote by raising their voting cards.

[5] Applies in the instance where the GRC recommendation of disapproval or refer is counter to the recommendations of the policy committees.

[6] Applies in the instance where the GRC recommendation to approve is counter to the recommendations of the policy committees.

1. **RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES CALLING ON THE CALIFORNIA PUBLIC UTILITIES COMMISSION TO AMEND RULE 20A TO ADD PROJECTS IN VERY HIGH FIRE HAZARD SEVERITY ZONES TO THE LIST OF ELIGIBILITY CRITERIA AND TO INCREASE FUNDING ALLOCATIONS FOR RULE 20A PROJECTS**

Source: City of Rancho Palos Verdes
Concurrence of five or more cities/city officials
Cities: City of Hidden Hills, City of La Cañada Flintridge, City of Laguna Beach, City of Lakeport, City of Malibu, City of Moorpark, City of Nevada City, City of Palos Verdes Estates, City of Rolling Hills Estates, City of Rolling Hills, City of Ventura
Referred to: Environmental Quality Policy Committee; Transportation, Communications, and Public Works Policy Committee

WHEREAS, the California Public Utilities Commission regulates the undergrounding conversion of overhead utilities under Electric Tariff Rule 20 and;

WHEREAS, conversion projects deemed to have a public benefit are eligible to be funded by ratepayers under Rule 20A; and

WHEREAS, the criteria under Rule 20A largely restricts eligible projects to those along streets with high volumes of public traffic; and

WHEREAS, the cost of undergrounding projects that do not meet Rule 20A criteria is left mostly or entirely to property owners under other parts of Rule 20; and

WHEREAS, California is experiencing fire seasons of worsening severity; and

WHEREAS, undergrounding overhead utilities that can spark brush fires is an important tool in preventing them and offers a public benefit; and

WHEREAS, brush fires are not restricted to starting near streets with high volumes of public traffic; and

WHEREAS, expanding Rule 20A criteria to include Very High Fire Hazard Severity Zones would facilitate undergrounding projects that would help prevent fires; and

WHEREAS, expanding Rule 20A criteria as described above and increasing funding allocations for Rule 20A projects would lead to more undergrounding in Very High Fire Hazard Severity Zones; and now therefore let it be,

RESOLVED that the League of California Cities calls on the California Public Utilities Commission to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility and to increase funding allocations for Rule 20A projects.

Background Information on Resolution No. 1

Source: City of Rancho Palos Verdes

Background:
Rancho Palos Verdes is the most populated California city to have 90 percent or more of residents living in a Cal Fire-designated Very High Fire Hazard Severity Zone. Over the years, the Palos Verdes Peninsula has seen numerous brush fires that were determined to be caused by electrical utility equipment.

Across the state, some of the most destructive and deadly wildfires were sparked by power equipment. But when it comes to undergrounding overhead utilities, fire safety is not taken into account when considering using ratepayer funds to pay for these projects under California's Electric Tariff Rule 20 program. The program was largely intended to address visual blight when it was implemented in 1967. Under Rule 20A, utilities must allocate ratepayer funds to undergrounding conversion projects chosen by local governments that have a public benefit and meet one or more of the following criteria:

- Eliminate an unusually heavy concentration of overhead lines;
- Involve a street or road with a high volume of public traffic;
- Benefit a civic or public recreation area or area of unusual scenic interest; and,
- Be listed as an arterial street or major collector as defined in the Governor's Office of Planning and Research (OPR) Guidelines.

As we know, brush fires are not restricted to erupting in these limited areas. California's fire season has worsened in severity in recent years, claiming dozens of lives and destroying tens of thousands of structures in 2018 alone.

Excluding fire safety from Rule 20A eligibility criteria puts the task of undergrounding power lines in Very High Fire Hazard Severity Zones squarely on property owners who are proactive, willing and able to foot the bill.

The proposed resolution calls on the California Public Utilities Commission to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the proposed resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

If adopted, utilities will be incentivized to prioritize undergrounding projects that could potentially save millions of dollars and many lives.

League of California Cities Staff Analysis on Resolution No. 1

Staff: Rony Berdugo, Legislative Representative, Derek Dolfie, Legislative Representative, Caroline Cirrincione, Legislative Policy Analyst
Committees: Environmental Quality; Transportation, Communications, and Public Works

Summary:
This Resolution, in response to intensifying fire seasons and hazards associated with exposed energized utility lines, proposes that the League of California Cities (League) call upon the California Public Utilities Commission (CPUC) to amend the Rule 20A program by expanding the criteria for undergrounding overhead utilities to include projects in Very High Fire Hazard Severity Zones (VHFHSZ). This Resolution also proposes that the League call upon the CPUC to increase utilities' funding allocations for Rule 20A projects.

Background

California Wildfires and Utilities

Over the last several years, the increasing severity and frequency of California's wildfires have prompted state and local governments to seek urgent prevention and mitigation actions. Record breaking wildfires in Northern and Southern California in both 2017 and 2018 have caused destruction and loss of life. This severe fire trend has local officials seeking solutions to combat what is now a year-round fire season exacerbated by years of drought, intense weather patterns, untamed vegetation and global warming.

These conditions create a dangerous catalyst for wildfires caused by utilities as extreme wind and weather events make downed power lines more of a risk. In response to recent catastrophic wildfires, Governor Newsom established a Strike Force tasked with developing a "comprehensive roadmap" to address issues related to wildfires, climate change, and utilities. The Strike Force report acknowledges that measures to harden the electrical grid are critical to wildfire risk management. A key utility hardening strategy: undergrounding lines in extreme high-fire areas.

Governor Newsom's Wildfire Strike Force program report concludes, "It's not a question of "if" wildfire will strike, but "when."

Very High Fire Hazard Severity Zones

This Resolution seeks to expand the undergrounding of overhead utility lines in VHFHSZ. California Government Code Section 51178 requires the Director of the California Department of Forestry and Fire Protection (CalFIRE) to identify areas in the state as VHFHSZ based on the potential fire hazard in those areas. VHFHSZ are determined based on fuel loading, slope, fire weather, and other relevant factors. These zones are in both local responsibility areas and state responsibility areas. Maps of the statewide and county by county VHFHSZ can be found here.[1]

[1] https://osfm.fire.ca.gov/divisions/wildfire-prevention-planning-engineering/wildland-hazards-building-codes/fire-hazard-severity-zones-maps/

More than 25 million acres of California wildlands are classified under very high or extreme fire threat. Approximately 25 percent of the state's population, 11 million people, live in those high-risk areas. Additionally, over 350,000 Californians live in cities that are nearly encompassed within Cal Fire's maps of VHFHSZ. Similar to the proponents of this Resolution, City of Rancho Palos Verdes, over 75 communities have 90 percent or more of residents living in a VHFHSZ.

CPUC Rule 20 Program

The CPUC's Rule 20 program lays out the guidelines and procedures for converting overhead electric and telecommunication facilities to underground electric facilities. Rule 20 funding and criteria is provided at four levels. Levels A, B, and C, reflect progressively diminishing ratepayer funding for undergrounding projects. Recently added Rule 20D is a relatively new program that is specific to San Diego Gas and Electric (SDG&E), which was created in response to the destructive 2007 wildfires. Each of these levels will be discussed below:

Rule 20A

The first California overhead conversion program, Rule 20A, was created in 1967 under then Governor Ronald Reagan. The program was created to provide a consistent and structured means of undergrounding utility lines throughout the state with costs covered broadly by utility ratepayers.

Each year, Investor Owned Utilities (IOUs) propose their Rule 20A allocation amounts to the CPUC during annual general rate case proceedings. In this process, IOUs propose revised utility customer rates based on expected service costs, new energy procurement and projects for the following year, including Rule 20 allocations. The CPUC then reviews, amends, and approves IOU rates. Currently, the cumulative budgeted amount for Rule 20A for Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas and Electric (SDG&E) totals around $95.7 million.

The funding set aside by IOUs for Rule 20A is allocated to local governments through a credit system, with each credit holding a value to be used solely for the costs of an undergrounding project. The credit system was created so that local governments and IOUs can complete undergrounding projects without municipal financing. Through Rule 20A, municipalities that have developed and received city council approval for an undergrounding plan receive annual credits from the IOU in their service area. At the last count by the CPUC, over 500 local governments (cities and counties) participate in the credit system.

While these credits have no inherent monetary value, they can be traded in or banked for the conversion of overhead lines. Municipalities can choose to accumulate their credits until their credit balance is sufficient to cover these conversion projects, or choose to borrow future undergrounding allocations for a period of up to five years. Once the cumulative balance of credits is sufficient to cover the cost of a conversion project, the municipality and the utility can move forward with the undergrounding. All of the planning, design, and construction is performed by the participating utility. Upon the completion of an undergrounding project, the utility is compensated through the local government's Rule 20A credits.

At the outset of the program, the amount of allocated credits were determined by a formula which factored in the number of utility meters within a municipality in comparison to the utilities' service territory. However, in recent years the formula has changed. Credit allocations for IOUs, except for PG&E, are now determined based on the allocation a city or county received in 1990 and is then adjusted for the following factors:

- 50% of the *change from the 1990* total budgeted amount is allocated for the ratio of the number of overhead meters in any city or unincorporated area to the total system overhead meters; and
- 50% of the *change from the 1990* total budgeted amount is allocated for the ratio of the number of meters (which includes older homes that have overhead services, and newer homes with completely underground services) in any city or the unincorporated area to the total system meters.

As noted, PG&E has a different funding formula for their Rule 20A credit allocations as they are not tied to the 1990 base allocation. Prior to 2011, PG&E was allocating approximately five to six percent of its revenue to the Rule 20A program. The CPUC decided in 2011 that PG&E's Rule 20A allocations should be reduced by almost half in an effort to decrease the growing accumulation of credits amongst local governments. Since 2011, PG&E's annual allocations for Rule 20A have been around $41.3 million annually, which is between two and three percent of their total revenue.

Criteria for Rule 20A Projects

For an undergrounding project to qualify for the Rule 20A program, there are several criteria that need to be met. The project must have a public benefit and:

1. Eliminate an unusually heavy concentration of overhead lines
2. Involve a street or road with a high volume of public traffic
3. Benefit a civic or public recreation area or area of unusual scenic interest,
4. Be listed as an arterial street or major collector as defined in the Governor's Office of Planning and Research (OPR) Guidelines

Notably, fire safety is excluded from the list of criteria that favors aesthetic and other public safety projects.

Rule 20A Credit System Imbalance Threatens Program Effectiveness

Allocations are made by utilities each year for Rule 20A credits. These current budget allocations total $95.7 million a year. Currently, the cumulative balance of credits throughout the state totals over $1 billion dollars. The Rule 20A cumulative balances aggregated by region can be found here.[2]

[2] Program Review, California Overhead Conversion Program, Rule 20A for Years 2011-2015, "The Billion Dollar Risk," California Public Utilities Commission.
https://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About_Us/Organization/Divisions/Policy_and_Planning/PPD_Work_Products_(2014_forward)(1)/PPD_Rule_20-A.pdf

Note: The existing credit allocation formulas do not consider a municipality's need or plans for overhead conversion projects, resulting in large credit balances in some jurisdictions.

Cities and counties are, however, able to trade or sell unallocated Rule 20A credits if they will not be used to fund local undergrounding projects. There have been several cases where one agency has sold their unused credits, often for less than the full dollar value of the credits themselves to another agency.

Rule 20B
Rule 20B projects are those that do not fit the Rule 20A criteria, but do, however, involve both sides of the street for at least 600 feet. These projects are typically done in conjunction with larger developments and are mostly paid for by the developer or applicant. Additionally, the applicant is responsible for the installation.

Rule 20C
Rule 20C projects are usually small projects that involve property owners. The majority of the cost is usually borne by the applicants. Rule 20C applies when the project does not qualify for either Rule 20A or Rule 20B.

Rule 20D--Wildfire Mitigation Undergrounding Program
Rule 20D was approved by the CPUC in January of 2014 and only applies to SDG&E. The Rule 20D program was established largely in response to the destructive wildfires that occurred in San Diego in 2007 as a wildfire mitigation undergrounding program. According to SDG&E, the objective of the Rule 20D undergrounding is exclusively for fire hardening as opposed to aesthetics. The program is limited in scope and is restricted to communities in SDG&E's Fire Threat Zone (now referred to as the High Fire Threat District or HFTD). As of this time, the program has yet to yield any projects and no projects are currently planned.

For an undergrounding project to qualify for the Rule 20D program, a minimum of three of the following criteria must be met. The project must be near, within, or impactful to:

- Critical electric infrastructure
- Remaining useful life of electric infrastructure
- Exposure to vegetation or tree contact
- Density and proximity of fuel
- Critical surrounding non-electric assets (including structures and sensitive environmental areas)
- Service to public agencies
- Accessibility for firefighters

Similar to Rule 20A, SDG&E must allocate funding each year through their general rate case proceedings to Rule 20D to be approved by the CPUC. This funding is separate from the allocations SDG&E makes for Rule 20A. However, the process of distributing this funding to localities is different. The amount of funding allocated to each city and county for Rule 20D is based on the ratio of the number of miles of overhead lines in SDG&E Fire Threat Zones in a city or county to the total miles of SDG&E overhead lines in the entire SDG&E fire zone. The

Rule 20D program is administered by the utility consistent with the existing reporting, engineering, accounting, and management practices for Rule 20A.

The Committee may want to consider whether Rule 20D should instead be expanded, adapted, or further utilized to support funding for overhead conversions within VHFHSZ throughout the state.

Fiscal Impact:

The costs to the State associated with this Resolution will be related to the staff and programmatic costs to the CPUC to take the necessary measures to consider and adopt changes to Rule 20A to include projects in VHFHSZ to the list of criteria for eligibility.

This Resolution calls for an unspecified increase in funding for Rule 20A projects, inferring that portions of increased funds will go towards newly eligible high fire hazard zones. While the Resolution does not request a specific amount be allocated, it can be assumed that these increased costs will be supported by utility ratepayers. According to the CPUC, the annual allocations towards Rule 20A are $95.7 million.

The CPUC currently reports a cumulative credit surplus valued at roughly $1 billion that in various regions, given the approval of expanded eligibility called for by this Resolution, could be used to supplement and reduce the level of new dollars needed to make a significant impact in VHFHSZ. The CPUC follows that overhead conversion projects range from $93,000 per mile for rural construction to $5 million per mile for urban construction.

The Resolution states that "California is experiencing fire seasons of worsening severity" which is supported by not only the tremendous loss of property and life from recent wildfires, but also in the rising costs associated with clean up, recovery, and other economic losses with high estimates in the hundreds of billions of dollars.

The Committee may wish to consider the costs associated with undergrounding utility lines in relation to the costs associated with past wildfires and wildfires to come.

Comments:

CPUC Currently Exploring Revisions to Rule 20

In May 2017, the CPUC issued an Order Instituting Rulemaking to Consider Revisions to Electric Rule 20 and Related Matters. The CPUC will primarily focus on revisions to Rule 20A but may make conforming changes to other parts of Rule 20. The League is a party in these proceedings will provide comments.

Beyond Rule 20A: Additional Options for Funding Undergrounding Projects

There are various ways in which cities can generate funding for undergrounding projects that fall outside of the scope of Rule 20A. At the local level, cities can choose to forgo the Rule 20A process and opt to use their own General Fund money for undergrounding. Other options are also discussed below:

Rule 20D Expansion
The City of Berkley in a 2018 study titled "Conceptual Study for Undergrounding Utility Wires in Berkley," found that the city could possibly qualify for Rule 20D funding if they actively pursued this opportunity in partnership with PG&E and the CPUC.

One of the study's recommendations is to advocate for release of 20D funds (now earmarked exclusively for SDG&E) to be used for more aggressive fire hardening techniques for above-ground utility poles and equipment, for undergrounding power lines, and for more aggressive utility pole and vegetation management practices in the Very High Hazard Fire Zone within Berkeley's city limits.

As an alternative to changing the criteria for Rule 20A, the Committee may wish to consider whether there is the opportunity to advocate for the expansion of Rule 20D funding more broadly, expanding its reach to all IOU territories.

Franchise Surcharge Fees
Aside from Rule 20 allocations, cities can generate funding for undergrounding through franchise fee surcharges. For example, SDG&E currently operates under a 50-year City franchise that was granted in 1970. Under the franchises approved by the San Diego City Council in December 1970, SDG&E agreed to pay a franchise fee to the City equivalent to 3% of its gross receipts from the sales of both natural gas and electricity for 30 years.

These fees were renegotiated in 2000 and in 2001 an agreement was between the City of San Diego, SDG&E, and the CPUC to extend the existing franchise fee to include revenues collected from surcharges. SDG&E requested an increase of 3.88% to its existing electric franchise fee surcharge. The bulk, 3.53% of this increase is to be used for underground conversion of overhead electric wires.

Based on SDG&E's revenue projections, the increase would result in an additional surcharge revenue amount of approximately $36.5 million per year. SDG&E estimates that this would create a monthly increase of approximately $3.00 to a typical residential customer's electric bill. These surcharge revenues would pay for additional undergrounding projects including those that do not meet the Rule 20A criteria. The City of Santa Barbara has also adopted a similar franchise surcharge fee.

Having this funding source allows the City of San Diego to underground significantly more miles of above ground utility lines than other municipalities. However, the surcharge is currently being challenged in court, as it is argued that the City had SDG&E impose a tax without a ballot measure.

Utility Bankruptcy and Undergrounding Funding
In considering this Resolution, it is important to understand that Rule 20A allocations have been more substantial in the past. As mentioned earlier, prior to 2011, PG&E was allocating approximately 5% to 6% of its revenue to the Rule 20A program. Therefore, it is not unreasonable to encourage an increase in Rule 20A allocations as history shows that utilities had the capacity to do so in the past.

However, in a time where IOUs such as PG&E are facing bankruptcy as the result of utility caused wildfires, there is the possibility that expanding rule 20A funding will generate more costs for the ratepayers.

Questions to Consider:

1) Is Rule 20A or Rule 20D the more appropriate program to advocate for such an expansion?
2) Are there any wildfire risks outside of VHFHSZ that could be mitigated by undergrounding projects?

Existing League Policy:

Public Safety:
The League supports additional funding for local agencies to recoup the costs associated with fire safety in the community and timely mutual aid reimbursement for disaster response services in other jurisdictions. (pg. 43)

The League supports the fire service mission of saving lives and protecting property through fire prevention, disaster preparedness, hazardous-materials mitigation, specialized rescue, etc., as well as cities' authority and discretion to provide all emergency services to their communities. (pg. 43)

Transportation, Communication, and Public Works:
Existing telecommunications providers and new entrants shall adhere to local city policies on public utility undergrounding. (pg. 54)

The League supports protecting the additional funding for local transportation and other critical unmet infrastructure needs. (pg. 51)

The League supports innovative strategies including public private partnerships at the state and local levels to enhance public works funding. (pg. 52)

Environmental Quality
The League opposes any legislation that interferes with local utility rate setting authority and opposes any legislation that restricts the ability of a city to transfer revenue from a utility (or other enterprise activity) to the city's general fund. (pg. 9)

Cities should continue to have the authority to issue franchises and any program should be at least revenue neutral relative to revenue currently received from franchises. (pg. 9)

The League is concerned about the impacts of escalating energy prices on low income residents and small businesses. The League supports energy pricing structures and other mechanisms to soften the impacts on this segment of our community. (pg. 10)

2019 Strategic Goals

Improve Disaster Preparedness, Recovery and Climate Resiliency.

- Provide resources to cities and expand partnerships to better prepare for and recover from wildfires, seismic events, erosion, mudslides and other disasters.
- Improve community preparedness and resiliency to respond to climate-related, natural and man-made disasters.

Support:

The following letters of concurrence were received:
The City of Hidden Hills
The City of La Cañada Flintridge
The City of Laguna Beach
The City of Lakeport
The City of Malibu
The City of Moorpark
The City of Nevada City
The City of Palos Verdes Estates
The City of Rolling Hills Estates
The City of Rolling Hills
The City of Ventura

LETTERS OF CONCURRENCE

Resolution No. 1

Amendment to Rule 20A

City of Hidden Hills

6165 Spring Valley Road * Hidden Hills, California 91302
(818) 888-9281 * Fax (818) 719-0083

August 14, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

Dear President Arbuckle:

The City of Hidden Hills supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Larry G. Weber
Mayor

City Council
Leonard Pieroni, Mayor
Gregory C. Brown, Mayor Pro Tem
Jonathan C. Curtis
Michael T. Davitt
Terry M. Walker

August 14, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear President Arbuckle:

The City of La Cañada Flintridge supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The City of La Cañada Flintridge is one of the few Southern California cities in which 100% of the community within a Very High Fire Hazard Severity Zone. The City, in 1987, committed 100% of its 20A allocation for forty-five years from this year for a major downtown undergrounding project. Therefore, the only way our City can directly benefit from this Resolution is if there is an additional annual increased allocation for this purpose. Due to the extreme threat the City experienced at the time of the Station Fire, the City is keenly aware of the damage a fire may potentially cause, whether from utility issues or from natural causes. The City strongly supports any effort, including this Resolution, to reduce fire danger for the City's residents.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly with the City of La Cañada Flintridge in support.

Sincerely,

Leonard Pieroni
Mayor

July 25, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear President Arbuckle:

The City of Laguna Beach supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. Ten to the Top 20 most destructive fires in California were caused by electrical sources. The California's Rule 20A program, which allows local governments to pay for undergrounding of utilities costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it. We also believe that this program should redirect unused Rule 20A allocations from cities who have no undergrounding projects planned to the cities in Very High Fire Hazard Severity zones.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects. The City of Laguna Beach recommends that the resolution also be amended to call on the CPUC to redirect unused Rule 20A allocations from cities who have no undergrounding projects planned to the cities in Very High Fire Hazard Severity zones.

Nearly 90% of the City of Laguna Beach land area is designated under State Law and local ordinance as Very High Fire Hazard Severity Zone. While the City has used Rule 20A and 20B funding in the past to underground more than half of its overhead utilities, sufficient funding is not available to underground the remaining parts of the City.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Bob Whalen
Mayor

CITY OF LAKEPORT

Over 125 years of community pride, progress and service

August 7, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear President Arbuckle:

The City of Lakeport supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Tim Barnes
Mayor
City of Lakeport

City of Malibu

Jefferson Wagner, Mayor

23825 Stuart Ranch Road · Malibu, California · 90265-4861
Phone (310) 456-2489 · Fax (310) 456-3356 · www.malibucity.org

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

RE: City of Rancho Palos Verdes Proposed Resolution to Amend California Public Utilities Commission Rule 20A – SUPPORT

Dear Ms. Arbuckle:

At its Regular meeting on August 12, 2019, the Malibu City Council unanimously voted to support the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state, but California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, as well as willing and able to foot the bill. The City of Malibu agrees with Rancho Palos Verdes that Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission (CPUC) should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects. As a recent series of news stories on wildfire preparedness in California pointed out, there are more than 75 communities across the state with populations over 1,000, including Rancho Palos Verdes and Malibu, where at least 90 percent of residents live in a Cal Fire-designated Very High Fire Hazard Severity Zone.

It is well-known that electric utility equipment is a common fire source, and has sparked some of the most destructive blazes in our state's history. Moving power lines underground is, therefore, a critical tool in preventing them. Currently, Rule 20A primarily addresses visual blight, but with fire seasons worsening, it is key that fire safety also be considered when local governments pursue Rule 20A projects, and that annual funding allocations for the program be expanded.

It is worth noting that the State does have a program, Rule 20D, that factors in fire safety for funding undergrounding projects. However, this is limited to San Diego Gas & Electric Company projects in certain areas only. This needs to be expanded to include projects in all projects within designated Very High Fire Hazard Severity Zones.

Recycled Paper

The proposed resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, the City of Malibu strongly concurs that the resolution should go before the General Assembly.

Sincerely,

Jefferson Wagner
Mayor

Cc: Honorable Members of the Malibu City Council
Reva Feldman, City Manager
Megan Barnes, City of Rancho Palos Verdes, mbarnes@rpvca.gov

Recycled Paper

CITY OF MOORPARK

799 Moorpark Avenue, Moorpark, California 93021
Main City Phone Number (805) 517-6200 | Fax (805) 532-2205 | moorpark@moorparkca.gov

July 24, 2019 **SUBMITTED ELECTRONICALLY**

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

RE: SUPPORT FOR RANCHO PALOS VERDES RESOLUTION RE: POWER LINE UNDERGROUNDING

Dear President Arbuckle:

The City of Moorpark supports the City of Rancho Palos Verdes effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

All cities in Ventura County, including Moorpark, have wildfire prevention fresh in our memories following the highly destructive 2017-2018 Thomas Fire, which was caused by above-ground power lines. The 2018 Woolsey Fire similarly affected Ventura County, and lawsuits have been filed alleging it was also caused by above-ground power lines. Each of these fires caused billions of dollars in damages and highlight the importance of undergrounding power lines.

JANICE S. PARVIN, Mayor | CHRIS ENEGREN, Councilmember | ROSEANN MIKOS, Ph.D., Councilmember | DAVID POLLOCK, Councilmember | KEN SIMONS, Councilmember

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,



Janice Parvin
Mayor

cc: City Council
City Manager

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear President Arbuckle:

The City of Nevada City supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission (CPUC) should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The City of Nevada City would also like to add that the local agency be given the power to use private firms to do design, inspect and construct Rule 20A projects in local jurisdiction rather than be required to use the designated local utility. In addition, the City of Nevada City wants the CPUC to allow local jurisdictions to transfer excess funds between agencies to better serve projects in high fire hazard severity zones.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Reinette Senum

Reinette Senum
Mayor
City of Nevada City

CITY OF
Palos Verdes Estates

July 25, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear President Arbuckle:

The City of Palos Verdes Estates supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's current Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Mayor Kenneth J. Kao
City of Palos Verdes Estates

cc: PVE City Council
PVE Interim City Manager Petru
RPV City Manager Willmore

340 Palos Verdes Drive West, Palos Verdes Estates, California 90274 310-378-0383

City of
Rolling Hills Estates

Judith Mitchell
Mayor

Velveth Schmitz
Mayor Pro Tem

Britt Huff
Council Member

Frank V. Zerunyan
Council Member

Steven Zuckerman
Council Member

August 14, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear President Arbuckle:

The City of Rolling Hills Estates supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Judith Mitchell
Mayor

City of Rolling Hills INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CALIF. 90274
(310) 377-1521
FAX: (310) 377-7288

August 14, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear Board of Directors:

The City of Rolling Hills supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Leah Mirsch
Mayor

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CITY OF VENTURA

July 29, 2019

Jan Arbuckle, President
League of California Cities
1400 K St., Ste. 400
Sacramento, CA 95814

Dear President Arbuckle:

The City of Ventura supports the City of Rancho Palos Verdes' effort to bring a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

Undergrounding power lines is an important tool in preventing destructive wildfires that have devastated communities across our state. But California's Rule 20A program, which allows local governments to pay for these costly projects with ratepayer funds, does not factor in fire safety for eligibility. Unless projects meet the program's limited eligibility criteria, they are left to be funded by property owners who are proactive, willing and able to foot the bill. We believe Rule 20A offers an important opportunity for fire prevention and that the California Public Utilities Commission should expand this program so more communities can utilize it.

The resolution calls on the CPUC to amend Rule 20A to include projects in Very High Fire Hazard Severity Zones to the list of criteria for eligibility. To facilitate more undergrounding projects in these high-risk zones, the resolution also calls on the CPUC to increase funding allocations for Rule 20A projects.

The resolution is also in line with one of the League's 2019 Strategic Goals of improving disaster preparedness, recovery and climate resiliency.

For these reasons, we concur that the resolution should go before the General Assembly.

Sincerely,

Alex D. McIntyre
City Manager

2. A RESOLUTION CALLING UPON THE FEDERAL AND STATE GOVERNMENTS TO ADDRESS THE DEVASTATING IMPACTS OF INTERNATIONAL TRANSBOUNDARY POLLUTION FLOWS INTO THE SOUTHERNMOST REGIONS OF CALIFORNIA AND THE PACIFIC OCEAN

Source: San Diego County Division
Concurrence of five or more cities/city officials
Cities: Calexico; Coronado; Imperial Beach; San Diego
Individual City Officials: City of Brawley: Mayor Pro Tem Norma Kastner-Jauregui; Council Members Sam Couchman, Luke Hamby, and George Nava. City of Escondido: Deputy Mayor Consuelo Martinez. City of La Mesa: Council Member Bill Baber. City of Santee: Mayor John Minto, City of Vista: Mayor Judy Ritter and Council Member Amanda Young Rigby
Referred to: Environmental Quality Policy Committee

WHEREAS, international transboundary rivers that carry water across the border from Mexico into Southern California are a major source of sewage, trash, chemicals, heavy metals and toxins; and

WHEREAS, transboundary flows threaten the health of residents in the United States and Mexico, harm important estuarine land and water of international significance, force closure of beaches, damage farmland, adversely impact the South San Diego County and Imperial County economy; compromise border security, and directly affect U.S. military readiness; and

WHEREAS, a significant amount of untreated sewage, sediment, hazardous chemicals and trash have been entering southern California through both the Tijuana River Watershed (75 percent of which is within Mexico) and New River flowing into southern California's coastal waterways and residential and agricultural communities in Imperial County eventually draining into the Salton Sea since the 1930s; and

WHEREAS, in February 2017, an estimated 143 million gallons of raw sewage flowed into the Tijuana River and ran downstream into the Pacific Ocean and similar cross border flows have caused beach closures at Border Field State Park that include 211 days in 2015; 162 days in 2016; 168 days in 2017; 101 days in 2018; and 187 days to date for 2019 as well as closure of a number of other beaches along the Pacific coastline each of those years; and

WHEREAS, approximately 132 million gallons of raw sewage has discharged into the New River flowing into California through communities in Imperial County, with 122 million gallons of it discharged in a 6-day period in early 2017; and

WHEREAS, the presence of pollution on state and federal public lands is creating unsafe conditions for visitors; these lands are taxpayer supported and intended to be managed for recreation, resource conservation and the enjoyment by the public, and

WHEREAS, the current insufficient and degrading infrastructure in the border zone poses a significant risk to the public health and safety of residents and the environment on both

sides of the border, and places the economic stress on cities that are struggling to mitigate the negative impacts of pollution; and

WHEREAS, the 1944 treaty between the United States and Mexico regarding *Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande* allocates flows on trans-border rivers between Mexico and the United States, and provides that the nations, through their respective sections of the International Boundary Water Commission shall give control of sanitation in cross border flows the highest priority; and

WHEREAS, in 1993, the United States and Mexico entered into the *Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a North American Development Bank* which created the North American Development Bank (NADB) to certify and fund environmental infrastructure projects in border-area communities; and

WHEREAS, public concerns in response to widespread threats to public health and safety, damage to fish and wildlife resources and degradation to California's environment resulting from transboundary river flow pollution in the southernmost regions of the state requires urgent action by the Federal and State governments, and

WHEREAS, Congress authorized funding under the U.S. Environmental Protection Agency's (EPA) Safe Drinking Water Act and established the State and Tribal Assistance Grants (STAG) program for the U.S.-Mexico Border Water Infrastructure Program (BWIP) in 1996 to provide grants for high-priority water, wastewater, and storm-water infrastructure projects within 100 kilometers of the southern border; and

WHEREAS, the EPA administers the STAG and BWIP programs, and coordinates with the North American Development Bank (NADB) to allocate BWIP grant funds to projects in the border zone; and

WHEREAS, since its inception, the BWIP program has provided funding for projects in California, Arizona, New Mexico and Texas that would not have been constructed without the grant program; and

WHEREAS, the BWIP program was initially funded at $100 million per year, but, over the last 20 years, has been continuously reduced to its current level of $10 million; and

WHEREAS, in its FY 2020 Budget Request, the Administration proposed to eliminate the BWIP program; and

WHEREAS, officials from EPA Region 9, covering California, have identified a multitude of BWIP-eligible projects along the southern border totaling over $300 million; and

WHEREAS, without federal partnership through the BWIP program and state support to address pollution, cities that are impacted by transboundary sewage and toxic waste flows are

left with limited resources to address a critical pollution and public health issue and limited legal remedies to address the problem; and

WHEREAS, the National Association of Counties, (NACo) at their Annual Conference on July 15, 2019 and the U.S. Conference of Mayors at their Annual Conference on in July 1, 2019 both enacted resolutions calling on the federal and state governments to work together to fund and address this environmental crisis; and

WHEREAS, local governments and the public support the State's primary objectives in complying with environmental laws including the Clean Water Act, Porter-Cologne Water Quality Control Act, and Endangered Species Act and are supported by substantial public investments at all levels of government to maintain a healthy and sustainable environment for future residents of California, and

WHEREAS, League of California Cities policy has long supported efforts to ensure water quality and oppose contamination of water resources; and

NOW, THEREFORE, BE IT RESOLVED at the League General Assembly, assembled at the League Annual Conference on October 18, 2019 in Long Beach, that the League calls upon the Federal and State governments to restore and ensure proper funding to the U.S- Mexico Border Water Infrastructure Program (BWIP) and recommit to working bi-nationally to develop and implement long-term solutions to address serious water quality and contamination issues, such as discharges of untreated sewage and polluted sediment and trash-laden transboundary flows originating from Mexico, that result in significant health, environmental, and safety concerns in communities along California's southern border impacting the state.

Background Information on Resolution No. 2

Source: San Diego County Division

Background:
Along California's southern border with Mexico, the New River in Imperial County and the Tijuana River in San Diego County are a major sources of raw sewage, trash, chemicals, heavy metals, and toxins that pollute local communities. Sewage contaminated flows in the Tijuana River have resulted in significant impacts to beach recreation that includes the closure of Border Field State Beach for more than 800 days over the last 5-years. Similarly, contaminated flows in the New River presents comparable hazards, impacts farm land, and contributes to the ongoing crisis in the Salton Sea. These transboundary flows threaten the health of residents in California and Mexico, harms the ecosystem, force closures at beaches, damage farm land, makes people sick, and adversely affects the economy of border communities. The root cause of this cross border pollution is from insufficient or failing water and wastewater infrastructure in the border zone and inadequate federal action to address the problem through existing border programs.

The severity of cross border pollution has continued to increase, due in part to the rapid growth of urban centers since the passage of the North American Free Trade Agreement (NAFTA). While economic growth has contributed to greater employment, the environmental infrastructure of the region has not kept pace, which is why Congress authorized the Border Water Infrastructure Program (BWIP) in 1996. The U.S. Environmental Protection Agency (EPA) administers the BWIP and coordinates with the North American Development Bank (NADB) to provide financing and technical support for projects on both sides of the U.S./Mexico border. Unfortunately, the current BWIP funding at $10 million per year is only a fraction of the initial program budget that shares funding with the entire 2,000 mile Mexican border with California, Arizona, New Mexico and Texas. EPA officials from Region 9 have identified an immediate need for BWIP projects totaling over $300 million just for California. Without federal partnerships through the BWIP and state support to address cross border pollution, cities that are impacted by transboundary sewage and toxic waste flows are left with limited resources to address a critical pollution and public health issue.

The International Boundary and Water Commission (IBWC) is another important federal stakeholder that, under the Treaty of 1944 with Mexico, must address border sanitation problems. While IBWC currently captures and treats some of the pollution generated in Mexico, it also redirects cross border flows without treatment directly into California.

Improving environmental and public health conditions for communities along the border is essential for maintaining strong border economy with Mexico. The IBWC, EPA, and NADB are the important federal partners with existing bi-national programs that are able to immediately implement solutions on cross border pollution. California is in a unique position to take the lead and work with local and federal partners to implement real solutions that will addresses the long standing and escalating water quality crisis along the border.

For those reasons, the cities of Imperial Beach and Coronado requested the San Diego County Division to propose a resolution at the 2019 League Annual Conference calling upon the federal

and state governments to address the devastating impacts of international transboundary pollution flows into the waterways of the southernmost regions of California, San Diego and Imperial Counties and the Pacific Ocean.

On August 12, 2019 at the regularly scheduled meeting of the San Diego County Division, the membership unanimously endorsed submittal of the resolution, with close to 75% membership present and voting.

The Imperial County Division does not have a schedule meeting until after the deadline to submit proposed resolutions. However, the City of Calexico, which is most directly impacted by initial pollution flow of the New River from Mexicali, sent a letter in concurrence of this resolution as well as numerous city official from cities within Imperial County and the Imperial County Board of Supervisors. The League Imperial County Division will place a vote to support this resolution on the agenda of their September 26, 2019 meeting.

League of California Cities Staff Analysis on Resolution No. 2

Staff: Derek Dolfie, Legislative Representative
Carly Shelby, Legislative and Policy Development Assistant
Committees: Environmental Quality

Summary:
This Resolution states that the League of California Cities should call upon the State and Federal governments to restore and ensure proper funding for the U.S. – Mexico Border Water Infrastructure Program (BWIP) and work bi-nationally to address water quality issues resulting from transboundary flows from Mexico's Tijuana River into the United States containing untreated sewage, polluted sediment, and trash.

Background:
The League of California Cities' San Diego County Division is sponsoring this resolution to address their concerns over the contaminated flows from the Tijuana River into California that have resulted in the degradation of water quality and water recreational areas in Southern California.

The Tijuana River flows north through highly urbanized areas in Mexico before it enters the Tijuana River Estuary and eventually the Pacific Ocean via waterways in San Diego County in California. Urban growth in Tijuana has contributed to a rise in rates of upstream flows from water treatment facilities in Mexico. These treatment facilities have raised the amount of untreated sewage and waste in the Tijuana River due to faulty infrastructure and improper maintenance. The federal government refers to the river as an "impaired water body" because of the presence of pollutants in excess, which pose significant health risks to residents and visitors in communities on both sides of the border.

Federal Efforts to Address Pollution Crisis
To remedy the Tijuana River's low water quality, the United States and Mexico entered into a Treaty in 1944 entitled: *Utilization of Waters of the Colorado River and Tijuana Rivers and of the Rio Grande – the International Boundary and Water Commission* (IBWC). The IBWC was designed to consist of a United States section and a Mexico section. Both sections were tasked with negotiating and implementing resolutions to address water pollution in the area, which includes overseeing the development of water treatment and diversion infrastructure.

After the formation of the IBWC, the U.S. and Mexico entered into a treaty in 1993 entitled: *Agreement Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank.* This agreement established the North American Development Bank (NADB), which certifies and funds infrastructure projects located within 100 kilometers (62 miles) of the border line. The NADB supports federal programs like the Border Water Infrastructure Program (BWIP), which was initially funded at $100 million, annually.

The degradation of existing water treatment infrastructure along the border coincides with the federal government's defunding of the BWIP, which has steadily decreased from $100 million in 1996 to $10 million today. The Federal FY 2020 Budget proposes eliminating BWIP funding

altogether. EPA's regions 6 and 9 (includes U.S. states that border Mexico) have identified a number of eligible projects that address public health and environmental conditions along the border totaling $340 million.

The NADB has funded the development of water infrastructure in both the U.S. and Mexico. Water diversion and treatment infrastructure along the U.S – Mexico border includes, but is not limited to, the following facilities:

- *The South Bay International Wastewater Treatment Plant (SBIWTP).* This facility was constructed by the U.S. in 1990 and is located on the California side of the border and is operated under the jurisdiction of the IBWC. The SBIWTP serves as a diversion and treatment sewage plant to address the flow of untreated sewage from Mexico into the United States.
- *Pump Station CILA.* CILA was constructed by Mexico in 1991 and is located along the border in Mexico. This facility serves as the SBIWTP's Mexican counterpart.

Both the SBIWTP and CILA facilities have had a multitude of overflows containing untreated sewage and toxic waste that spills into the Tijuana River. The cause of overflows can be attributed to flows exceeding the maximum capacity that the infrastructure can accommodate (this is exacerbated during wet and rainy seasons) and failure to properly operate and maintain the facilities. Much of the existing infrastructure has not had updates or repairs for decades, causing overflows to become more frequent and severe. The most notable overflow occurred in February 2017, wherein 143 million gallons of polluting waste discharged into the Tijuana River; affecting the Tijuana Estuary, the Pacific Ocean, and Southern California's waterways.

State Actions

In response to the February 2017 overflow, the San Diego Water Board's Executive Officer sent a letter to the U.S. and Mexican IBWC Commissioners which included recommendations on how to improve existing infrastructure and communications methods between both nations.

In September of 2018, California Attorney General Xavier Becerra submitted a lawsuit against IBWC for Violating the Clean Water Act by allowing flows containing sewage and toxic waste to flow into California's waterways, posing a public health and ecological crisis. The cities of Imperial Beach, San Diego, Chula Vista, the Port of San Diego, and the San Diego Regional Water Quality Board have also filed suit against the IBWC. The suit is awaiting its first settlement conference on October 19, 2019. If parties are unable to reach a settlement, the case will go to trial.

Fiscal Impact:

California's economy is currently the sixth largest in the world, with tourism spending topping $140.6 billion in 2018. In the past five years, San Diego's Border Field State Park has been closed for over 800 days because of pollution from the Tijuana River. A decline in the State's beach quality and reputation could carry macroeconomic effects that could ripple outside of the San Diego County region and affect coastal communities throughout California.

Existing League Policy

The League of California Cities has extensive language on water in its Summary of Existing Policy and Guiding Principles. Fundamentally, the League recognizes that beneficial water quality is essential to the health and welfare of California and all of its citizens. Additionally, the League advocates for local, state and federal governments to work cooperatively to ensure that water quality is maintained.

The following policy relates to the issue of water quality:

- Surface and groundwater should be protected from contamination.
- Requirements for wastewater discharge into surface water and groundwater to safeguard public health and protect beneficial uses should be supported.
- When addressing contamination in a water body, water boards should place priority emphasis on clean-up strategies targeting sources of pollution, rather than in stream or end-of-pipe treatment.
- Water development projects must be economically, environmentally and scientifically sound.
- The viability of rivers and streams for instream uses such as fishery habitat, recreation and aesthetics must be protected.
- Protection, maintenance, and restoration of fish and wildlife habitat and resources.

Click here to view the **Summary of Existing Policy and Guiding Principles 2018**.

Comments:

1. Water quality issues are prevalent across California and have been a constant priority of the State's legislature and residents. In 2014, California's voters approved Proposition 1, which authorized $7.5 billion in general obligation bonds to fund water quality improvement projects. In 2019, the Legislature reached an agreement to allocate $130 million from the State's Greenhouse Gas Reduction Fund (GGRF) to address failing water infrastructure and bad water qualities for over one million of California's residents in rural communities. Water quality is not an issue unique to the County of San Diego and communities along the border.

2. Tijuana River cross-border pollution has caught national attention. Members of Congress have proposed recent funding solutions to address the pollution crisis, including:
   - In February of 2019, California Congressional Representatives Vargas, Peters, and Davis helped secure $15 million for the EPA to use as part of its BWIP.
   - *H.R. 3895 (Vargas, Peters, 2019), The North American Development Bank Pollution Solution Act.* This bill seeks to support pollution mitigation efforts along the border by increasing the NADB's capital by $1.5 billion.
   - *H.R. 4039 (Levin, 2019), The Border Water Infrastructure Improvement Act.* This bill proposes increasing funding to the BWIP from the existing $10 million to $150 million as a continuous appropriation until 2025.

   Additionally, the National Association of Counties (NACo) and the U.S. Conference of Mayors enacted resolutions in support of increased funding for U.S. – Mexico border water infrastructure to address the environmental crisis in 2019.

3. The border pollution problem has sparked action from local, state, and federal actors. Should this resolution be adopted, League membership should be aware that future action will be adapted by what is explicitly stated in the resolution's language. In current form, the resolution's resolve clause cites the BWIP as the only program that should receive reinstated and proper funding. League staff recommends the language be modified to state:

   > **"NOW, THEREFORE, BE IT RESOLVED** at the League General Assembly, assembled at the League Annual Conference on October 18, 2019 in Long Beach, that the League calls upon the Federal and State governments to restore and ensure proper funding *for environmental infrastructure on the U.S. – Mexico Border, including* ~~to~~ the ~~U.S- Mexico~~ Border Water Infrastructure Program (BWIP), and recommit to working bi-nationally to develop and implement long-term solutions to address serious water quality and contamination issues, such as discharges of untreated sewage and polluted sediment and trash-laden transboundary flows originating from Mexico, that result in significant health, environmental, and safety concerns in communities along California's southern border impacting the state."

   Modifying the language would ensure enough flexibility for the League to support funding mechanisms outside of the prescribed federally-operated BWIP.

4. It remains unclear if there is an appetite in Washington to fund border-related infrastructure projects that address environmental quality. Given the high probability of another overflow containing waste and sewage from the existing infrastructure operated by the IBWC, League membership should consider the outcome if no resolution is reached to address the issue.

Support:

The following letters of concurrence were received:

Cities:

The City of Calexico
The City of Coronado
The City of Imperial Beach
The City of San Diego

In their individual capacity:

Amanda Young Rigby, City of Vista Council Member
Bill Baber, City of La Mesa Council Member
Consuelo Martinez, City of Escondido Deputy Mayor
George A. Nava, City of Brawley Council Member
John Minto, City of Santee Mayor
Judy Ritter, City of Vista Mayor
Luke Hamby, City of Brawley Council Member
Norma Kastner-Jauregui, City of Brawley Mayor Pro-Tempore
Sam Couchman, City of Brawley Council Member

LETTERS OF CONCURRENCE

Resolution No. 2

International Transboundary
Pollution Flows

CITY OF CALEXICO

608 Heber Ave.
Calexico, CA 92231-2840
Tel: 760.768.2110
Fax: 760.768.2103
www.calexico.ca.gov

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: **Environmental and Water Quality Impacts Of International Transboundary River Pollution Flow Resolution**

President Arbuckle:

The city of Calexico strongly supports the San Diego County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

The Division's resolution calls upon the Federal and State governments to restore and ensure proper funding of the Border Water Infrastructure Program (BWIP) to address the devastating impacts of international transboundary pollution flows into the waterways of the southernmost regions of California (San Diego and Imperial Counties) and the Pacific Ocean.

Local government and the public support the State's water and environmental quality objectives and League policy has long supported efforts to ensure water quality and oppose contamination of water resources. This resolution addresses the critical need for the federal and state governments to recommit to work bi-nationally to develop and implement long-term solutions to address serious water quality and contamination issues, such as discharges of untreated sewage and polluted sediment and trash-laden transboundary flows originating from Mexico, that result in significant heath, environmental and safety concerns in communities along California's southern border impacting the state.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue.

If you have any questions or require additional information, please do not hesitate to contact me at 760/768-2110.

Sincerely,

CITY OF CALEXICO



David Dale
City Manager

Cc: Honorable Mayor Bill Hodge

CITY OF CORONADO

1825 STRAND WAY
CORONADO, CA 92118

OFFICE OF THE CITY MANAGER
(619) 522-7335
FAX (619) 522-7846

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Water Quality Impacts of International Transboundary River Pollution Flows Resolution

This letter is written on behalf of and with the support of the Coronado City Council. The City of Coronado wholeheartedly supports the resolution adopted by the San Diego County and Imperial County Division of the California League of Cities.

The San Diego County Division's resolution calls upon the federal and state governments to restore and ensure proper funding of the U.S.-Mexico Border Water Infrastructure Program (BWIP) to address the devastating impacts of international transboundary pollution flows into the waterways of the southernmost regions of California (San Diego and Imperial Counties) and the Pacific Ocean.

The City has been working closely with the Environmental Protection Agency and other federal partners on the matter since early 2018. City leaders are committed to finding long-term, sustainable solutions to this problem. Through its advocacy and education efforts, the City of Coronado has raised national awareness of the problem among legislators, political appointees and career staff at federal agencies. These efforts have been successful. However, the City along with our coalition partners, look forward to more action to swiftly resolve this issue.

Local government and the public support the state's water and environmental quality objectives and League policy has long supported efforts to ensure water quality and oppose contamination of water resources. This resolution addresses the critical need for the federal and state governments to recommit to work bi-nationally to develop and implement long-term solutions to address serious water quality and contamination issues, such as discharges of untreated sewage and polluted sediment and trash-laden transboundary flows originating from Mexico, that result in significant health, environmental and safety concerns in communities along California's southern border impacting the state.

As members of the League, Coronado values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact me if you have any questions.

Sincerely,

Blair King
Coronado City Manager

cc: Coronado Mayor and City Council
Bill Baber, President, San Diego County Division
c/o Catherine Hill, Regional Public Affairs Manager, San Diego County Division chill@cacities.org

City of Imperial Beach, California
OFFICE OF THE CITY MANAGER
825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K St. Suite 400
Sacramento, CA 95814

RE: Environmental and Water Quality Impacts Of International Transboundary River Pollution Flow Resolution

President Arbuckle:

The city of Imperial Beach appreciates and supports the San Diego County Division's effort to submit a resolution for consideration by the full membership of the League of California Cities.

The Division's resolution calls on Federal and State government to address the impacts of transboundary pollution flows into the Southwestern regions of California. The pollution in these areas is an environmental disaster that threatens the health and general welfare of residents near the Mexican border in Imperial and San Diego Counties.

I encourage all voting delegates and elected officials in attendance at the 2019 Annual League of California Cities Conference in Long Beach to support this important resolution as it addresses the critical need for the federal and state government to recommit to work bi-nationally to address the serious contamination issues and to develop and implement long-term solutions.

I am available for any questions or additional information related to this letter of support.

Sincerely,

Andy Hall
City Manger

Cc: Honorable Mayor Serge Dedina
Honorable Mayor Pro Tem Robert Patton
Honorable Councilmember Paloma Aguirre
Honorable Councilmember Ed Spriggs
Honorable Councilmember Mark West

City of Imperial Beach, California
OFFICE OF THE MAYOR
825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

August 16, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Water Quality Impacts Of International Transboundary River Pollution Flow Resolution

President Arbuckle:

The city of Imperial Beach strongly supports the San Diego County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

The Division's resolution calls upon the Federal and State governments to restore and ensure proper funding of the Border Water Infrastructure Program (BWIP) to address the devastating impacts of international transboundary pollution flows into the waterways of the southernmost regions of California (San Diego and Imperial Counties) and the Pacific Ocean.

Local government and the public support the State's water and environmental quality objectives and League policy has long supported efforts to ensure water quality and oppose contamination of water resources. This resolution addresses the critical need for the federal and state governments to recommit to work bi-nationally to develop and implement long-term solutions to address serious water quality and contamination issues, such as discharges of untreated sewage and polluted sediment and trash-laden transboundary flows originating from Mexico, that result in significant heath, environmental and safety concerns in communities along California's southern border impacting the state.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. If you have any questions or require additional information, please do not hesitate to contact me at 619-423-8303.

Sincerely,

Serge Dedina
Mayor

THE CITY OF SAN DIEGO

KEVIN L. FAULCONER
Mayor

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: **Environmental and Water Quality Impacts of International Transboundary River Pollution Flow Resolution**

President Arbuckle:

The City of San Diego supports the San Diego County Division in their effort to submit a resolution to the General Assembly at the League of California Cities' 2019 Annual Conference in Long Beach.

To suppress the flow of pollution between the Mexico and Southern California's water channels, the Division requests for the Federal and State governments to give proper funding to the Border Water Infrastructure Program (BWIP).

The City of San Diego and its citizens have expressed their concerns about untreated sewage, polluted sediment and trash flowing from Mexico, into California, causing health, environmental and safety concerns. The State's water and environmental quality objectives and League policy has long supported efforts to ensure water quality and oppose contamination of water resources. With the Division's resolution, the great need for federal and state governments to reconsider working together, will help in developing a long-term solution to address serious water quality and contamination issues.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue.

Please contact me at (619)453-9946 if you have any questions.

Sincerely,

Denice Garcia
Director of International Affairs

Cc: Honorable Mayor Kevin L. Faulconer

202 C STREET, 11TH FLOOR • SAN DIEGO, CA 92101

AMANDA YOUNG RIGBY
CITY COUNCILWOMAN

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Re: Border Sewage Issues

Dear President Arbuckle;

As a Council Member in the City of Vista, and solely in my individual capacity as such, I write in ***support*** of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the constant sewage pollution issues at the international border with Mexico.

This Resolution requests that the federal and state governments recognize the paramount importance of this issue and address the devastating impacts that this constant contamination has on the southernmost regions of California and the Pacific coastline by requesting the necessary funding to develop and implement effective and long term solutions to the raw sewage contamination coming into San Diego and Imperial Counties from Mexico.

Although I have lived in Vista for 27 years now, I grew up in Imperial Beach and know well the severe health and environmental impact that this situation has had on our border communities for the ***decades***.

As a member of the League, I value the League's ability to effectively advocate on behalf of not only our cities but in effect, our citizens, and this is an important issue for our entire state. Should you have any questions or comments, please contact me at the number below. Thank you for your consideration.

Most Sincerely,

Amanda Young Rigby
Council Member, City of Vista

cc: Vista City Council
Vista City Manager
Vista City Attorney
City of Imperial Beach
City of Coronado
City of Calexico
City of San Diego

200 Civic Center Drive, Vista, California 92084-6275 I T: (760) 643-5213 I F: (760) 639-6132 I E: arigby@cityofvista.com I cityofvista.com

CITY OF
LA MESA
JEWEL of the HILLS

August 16, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Environmental and Water Quality Impacts Of International Transboundary River Pollution Flows Resolution

President Arbuckle:

As a Council Member for the City of La Mesa and in my individual capacity, not on behalf of the full La Mesa City Council as a body or the City, I am writing you in support of the San Diego County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2019 Annual Conference in Long Beach.

The Division's resolution calls upon the Federal and State governments to restore and ensure proper funding of the Border Water Infrastructure Program (BWIP) to address the devastating impacts of international transboundary pollution flows into the waterways of the southernmost regions of California (San Diego and Imperial Counties) and the Pacific Ocean.

As San Diego County Division President and a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at 619-667-1106, should you have any questions.

Sincerely,

Bill Baber

BILL BABER
COUNCIL MEMBER CITY OF LA MESA
PRESIDENT, LEAGUE SAN DIEGO COUNTY DIVISION

8130 ALLISON AVENUE • LA MESA, CA 91941 • TEL: 619.667.1105 FAX: 619.462.7528

ESCONDIDO
City of Choice

Consuelo Martinez, Deputy Mayor
201 North Broadway, Escondido, CA 92025
Phone: 760-839-4638

August 16, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Dear President Arbuckle:

As one Council Member of the city of Escondido, and in my individual capacity and not on behalf of the Council as a body or the City, I write in support of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the transboundary river flow pollution impacting cities in San Diego and Imperial Counties.

This resolution calls upon the federal and state governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean by requesting the necessary funding to develop solutions for pollution coming into San Diego County and Imperial County waterways through the Tijuana River and New River, respectively.

The passage of the proposed resolution by the San Diego County Division would provide support for the restoration of much needed funding and development and implementation of long-term solutions to address serious water quality and contamination issues, such as discharge of untreated sewage and polluted sediment and trash-laden transboundary flows that result in significant health, environmental, and safety concerns in communities along California's southern border impacting the state.

As a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at cmartinez@escondido.org if you have any questions.

Sincerely,

Consuelo Martinez
Deputy Mayor

cc: Honorable Mayor and City Council Members
Jeffrey R. Epp, City Manager

CITY OF BRAWLEY

ADMINISTRATIVE OFFICES
383 Main Street
Brawley, CA 92227
Phone: (760) 351-3048
FAX: (760) 351-3088

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Dear President Arbuckle:

As one Council Member of the City of Brawley, and in my individual capacity and not on behalf of the Council as a body or the City, I write in support of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the transboundary river flow pollution impacting cities in San Diego and Imperial Counties.

This resolution calls upon the federal and state governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean by requesting the necessary funding to develop solutions for pollution coming into San Diego County and Imperial County waterways through the Tijuana River and New River, respectively.

The passage of the proposed resolution by the San Diego County Division would provide support for the restoration of much needed funding and development and implementation of long-term solutions to address serious water quality and contamination issues, such as discharge of untreated sewage and polluted sediment and trash-laden transboundary flows that result in significant health, environmental, and safety concerns in communities along California's southern border impacting the state.

As a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at (City email) if you have any questions.

Sincerely,

George A. Nava
City Council Member
City of Brawley

MAYOR
John W. Minto

CITY COUNCIL
Ronn Hall
Stephen Houlahan
Laura Koval
Rob McNelis

CITY OF SANTEE

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Dear President Arbuckle:

As Mayor of the city of Santee, and in my individual capacity and not on behalf of the Council as a body or the City, I write in support of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the transboundary river flow pollution impacting cities in San Diego and Imperial Counties.

This resolution calls upon the federal and state governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean by requesting the necessary funding to develop solutions for pollution coming into San Diego County and Imperial County waterways through the Tijuana River and New River, respectively.

The passage of the proposed resolution by the San Diego County Division would provide support for the restoration of much needed funding and development and implementation of long-term solutions to address serious water quality and contamination issues, such as discharge of untreated sewage and polluted sediment and trash-laden transboundary flows that result in significant health, environmental, and safety concerns in communities along California's southern border impacting the state.

As a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at (JMinto@cityofsanteeca.gov) if you have any questions.

Sincerely,

JOHN W. MINTO
Mayor
City of Santee

10601 Magnolia Avenue • Santee, California 92071 • (619) 258-4100 • www.cityofsanteeca.gov

Printed on recycled paper

JUDY RITTER

MAYOR

August 16, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Dear President Arbuckle:

As Mayor of the city of Vista, and in my individual capacity and not on behalf of the Council as a body or the City, I write in support of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the transboundary river flow pollution impacting cities in San Diego and Imperial Counties.

This resolution calls upon the federal and state governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean by requesting the necessary funding to develop solutions for pollution coming into San Diego County and Imperial County waterways through the Tijuana River and New River, respectively.

The passage of the proposed resolution by the San Diego County Division would provide support for the restoration of much needed funding and development and implementation of long-term solutions to address serious water quality and contamination issues, such as discharge of untreated sewage and polluted sediment and trash-laden transboundary flows that result in significant health, environmental, and safety concerns in communities along California's southern border impacting the state.

As a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at jritter@cityofvista.com if you have any questions.

Sincerely,

Judy Ritter
Mayor
City of Vista

200 Civic Center Drive, Vista, California 92084-6275 I P: (760) 639-6130 I F: (760) 639-6132 I E: jritter@cityofvista.com I cityofvista.com

CITY OF BRAWLEY

ADMINISTRATIVE OFFICES
383 Main Street
Brawley, CA 92227
Phone: (760) 351-3048
FAX: (760) 351-3088

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Dear President Arbuckle:

As one Council Member of the City of Brawley, and in my individual capacity and not on behalf of the Council as a body or the City, I write in support of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the transboundary river flow pollution impacting cities in San Diego and Imperial Counties.

This resolution calls upon the federal and state governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean by requesting the necessary funding to develop solutions for pollution coming into San Diego County and Imperial County waterways through the Tijuana River and New River, respectively.

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As a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at (City email) if you have any questions.

Sincerely,

Luke Hamby
City Council Member
City of Brawley

CITY OF BRAWLEY

ADMINISTRATIVE OFFICES
383 Main Street
Brawley, CA 92227
Phone: (760) 351-3048
FAX: (760) 351-3088

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Dear President Arbuckle:

As one Council Member of the City of Brawley, and in my individual capacity and not on behalf of the Council as a body or the City, I write in support of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the transboundary river flow pollution impacting cities in San Diego and Imperial Counties.

This resolution calls upon the federal and state governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean by requesting the necessary funding to develop solutions for pollution coming into San Diego County and Imperial County waterways through the Tijuana River and New River, respectively.

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As a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at (City email) if you have any questions.

Sincerely,

Norma Kastner-Jauregui
Mayor Pro-Tempore
City of Brawley

CITY OF BRAWLEY

ADMINISTRATIVE OFFICES
383 Main Street
Brawley, CA 92227
Phone: (760) 351-3048
FAX: (760) 351-3088

August 15, 2019

Jan Arbuckle, President
League of California Cities
1400 K Street, 4th Floor
Sacramento, CA 95814

Dear President Arbuckle:

As one Council Member of the City of Brawley, and in my individual capacity and not on behalf of the Council as a body or the City, I write in support of the League of California Cities 2019 Annual Conference Resolution proposed by the San Diego County Division to address the transboundary river flow pollution impacting cities in San Diego and Imperial Counties.

This resolution calls upon the federal and state governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean by requesting the necessary funding to develop solutions for pollution coming into San Diego County and Imperial County waterways through the Tijuana River and New River, respectively.

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As a member of the League, I value the policy development process provided to the General Assembly. I appreciate your time on this issue. Please feel free to contact me at (City email) if you have any questions.

Sincerely,

Sam Couchman
City Council Member
City of Brawley