

**AGENDA**  
**REGULAR MEETING OF THE**  
**CITY OF KING CITY COUNCIL**  
**AND**  
**Sitting as SUCCESSOR AGENCY OF**  
**THE RDA FOR THE CITY OF KING**

**TUESDAY SEPTEMBER 13, 2016**  
**6:00 P.M.**

**CITY HALL**  
**212 S. VANDERHURST AVENUE**  
**KING CITY, CALIFORNIA 93930**

*\*Spanish interpretation services will be available at meeting*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, Please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.*

*\* Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

- 1. CALL TO ORDER**
- 2. ROLL CALL:** Council Members Darlene Acosta, Belinda Hendrickson, Mike LeBarre, Mayor Pro Temp. Karen Jernigan, and Mayor Robert Cullen
- 3. FLAG SALUTE**
- 4. CLOSED SESSION ANNOUNCEMENTS**
- 5. SPECIAL PRESENTATIONS**

Presentation by Robin Cauntay on Veterans Resource Center at the King City Library

- 6. PUBLIC COMMENT**  
Any member of the public may address the Council for a period not to exceed *three minutes'* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.
- 7. COUNCIL COMMUNICATIONS & COMMITTEE REPORTS**  
Individual Council Members may comment on Council business, his or her Council activities, City operations, projects or other items of community interest. Council Members may also request staff to report back at a subsequent meeting on any matter or take action to direct staff to prepare a staff report for a future agenda.
- 8. STAFF COMMUNICATIONS**  
Comments presented by the City Manager, City Attorney or other staff on City business and/or announcements.

## **9. CONSENT AGENDA**

The following items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Members of the audience may speak on any item(s) listed on the Consent Agenda. Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion. The Council may approve the remainder of the Consent Agenda on one motion. Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

- A. Meeting Minutes of August 23, 2016 Council Meeting  
Recommendation: approve and file.
- B. Consideration: City Check Register – Current  
Recommendation: receive and file.
- C. Consideration: City Monthly Treasurer’s Report- July 2016  
Recommendation: approve and file.
- D. Consideration: Successor Agency Monthly Treasurer’s Report- July 2016  
Recommendation: approve and file.
- E. Consideration: Accepting Grant Offer for Updating Airport Layout Plan Including an Airport Narrative and Aeronautical Study at Mesa Del Rey Airport – FAA AIP Project No. 3-06-0113-012-2016  
Recommendation: 1) Accept grant offer for FAA AIP project No 3-06-0113-012-2016 and approve Resolution No. 2016-4541, a resolution of City Council of the City of King accepting said grant and 2) authorize City Manager, as authorized representative to execute the grant followed by the City attorney’s certification.
- F. Consideration: New Downtown Streetlight Poles  
Recommendation: 1) approve a change order to add downtown streetlight poles to the Opterra project; and 2) adopt a Resolution authorizing a modification to the master equipment lease – purchase agreement with PNC Equipment Finance, LLC.
- G. Consideration: Resolution Amending and Restating the Conflict of Interest Code for Designated City Officers and Employees  
Recommendation: adopt a Resolution Amending and Restating the Conflict of Interest Code for Designated City Officers and Employees.
- H. Consideration: Resolution Amending and Restating the Conflict of Interest Code for Designated Officers and Employees  
Recommendation: adopt a Resolution Amending and Restating the Conflict of Interest Code for Designated Officers and Employees for the Successor Agency to the Former Community Development Agency.
- I. Consideration: Agreement for Management of the Golf Course  
Recommendation: approve of an Agreement with Yolanda Frudden for management of the King City Municipal Golf Course

- J. Consideration: Standard Tow Company Agreement  
Recommendation: approve the proposed King City Police Departments' Tow Service Agreement.
- K. Consideration: Appointment to the Community Task Force to End Youth Violence  
Recommendation: replace Carlos DeLeon with Margarita Lopez on the Community Tack Force to End Youth Violence.

## **10. PUBLIC HEARINGS**

- A. Consideration: First Reading RE: Amending the King City Municipal Code - Repealing and Replacing Section 17.03; Amending Sections 17.30.020 and 17.31.020; Amending the East Ranch Business Park Specific Plan; Adoption of Related Environmental Document  
Recommendation: 1) Review and consider proposed Ordinances and Environmental Document, 2) Conduct Pubic Hearing, Including First Reading of Ordinance(s) by Title 3) Provide Staff with any comment for revision to proposed Ordinances 4) Review and consider regarding the related Environmental Document (MND) 5) Schedule Second Reading / Council Action.
- B. Consideration: Resolution Approving a Revised and Restated Franchise Agreement with USA Waste of California (DBA Waste Management) for Solid Waste, Recycling and Organics Collection Services and Approving New Customer Rates  
Recommendation: continue the public hearing to a date uncertain to provide additional time for review of the proposed rate increase submitted by Waste Management.
- C. Consideration: Introduction and First Reading of an Ordinance to Repeal and Re-enact Chapter 12 of the King City Municipal Code and Thereby Adopt the 2016 California Code of Regulations Title 24 with Local Administrative Amendments  
Recommendation: introduce the Ordinance, conduct a public hearing and first reading of the Ordinance by title only, and schedule the second reading and adoption for the next regular City Council meeting.

## **11. REGULAR BUSINESS**

- A. Consideration: Resolution in opposition of Measure Z  
Recommendation: adopt a Resolution in opposition of Measure Z.
- B. Consideration: Resolution in Support of Measure T  
Recommendation: adopt a Resolution in support of Measure T.
- C. Consideration: Positon on High Speed Rail Project.  
Recommendation: take no position on the California high-speed rail project.

D. Consideration: Memorandum of Understanding with SGH Holdings, LLC and Smith-Monterey, LLC.

Recommendation: enter in a Memorandum of Understanding ("**MOU**") with SGH Holdings, LLC and Smith-Monterey, LLC.

**12. CITY COUNCIL CLOSED SESSION**

Announcement(s) of any reportable action(s) taken in Closed Session will be made in open session, and repeated at the beginning of the next Regular City Council meeting as this portion of the meeting is not recorded.

**13. ADJOURNMENT**

**Minutes  
City Council Meeting  
August 23, 2016**

**1. CALL TO ORDER:**

Meeting was called to order at 6:03 PM by Mayor Cullen.

**2. FLAG SALUTE:**

The flag salute was led by Mayor Cullen.

RJ Rivera announced that there are translating services available.

**3. ROLL CALL:**

City Manager Adams conducted roll call.

City Council: Acosta, LeBarre, Hendrickson, Mayor Pro Tem Jernigan, Mayor Cullen.

City Staff: City Manager Steven Adams, Attorney Martin Koczanowicz

**4. CLOSED SESSION ANNOUNCEMENTS:**

**5. PRESENTATIONS:**

Mayor Cullen was ready to present the Jacob's Heart Cancer Awareness Proclamation however no one showed up.

**6. PUBLIC COMMUNICATIONS:**

**7. COUNCIL COMMUNICATIONS:**

Mayor Cullen started with the Chimney fire stating it got within a half mile of the Oak Shores gate. The fire spread to the north so none of the homes of Oak Shores have been lost. He will be attending the Salinas Valley Fair board meeting on Thursday. He will be attending the Monterey County Mayors Association meeting on September 2 which the oil fields Measure Z will be on the agenda. City Manager will be ready by the end of September to make a recommendation. Dr. Llewellyn from Hartnell contacted the City Manager and Mayor to support Measure T. Mayor would like to know if there are any council that would object to having staff do more research on Measure T. Council was in consensus and gave staff direction to look into Measure T. He attended the Salinas Valley Solid Waste Authority meeting. Jolon Rd. landfill being taken over by Salinas Valley Solid Waste Authority. Fort Hunter Liggett Community Expo is rescheduled for September 8<sup>th</sup>.

Council Member Hendrickson reported Joe Murray is making repairs to Komfort court.

Mayor Pro Tem Jernigan attended a Girls Inc. Luncheon which is a worthwhile mentoring program. She attended AMBAG meeting a couple of weeks ago., Maura Twomey is scheduled in September to come and speak to council on the workings of AMBAG. Partners attend the meetings and a Cal Trans rep told her that you can always go to the web page and put in a maintenance request in. She put in a request for the 101 Bridge be swept and for the graffiti be removed. Tomorrow morning there is a King City in Bloom project at the Library she is attending. There are a couple of bills that she is concerned about one is \$80,000 for Opterra solar project and she thought there was no out of pocket and that the savings would

pay for itself. She will be tracking it. She encourages the council to check in to these bills. The other one is Cal water which is \$9,000 for one location at Bedford and San Antonio Dr. She would like the City Manager to work with CalWater and double check this.

Council Member LeBarre stated that August 11 and 13<sup>th</sup> MST scoping held meetings on the new facility that will be here in King City. He attended the Aug. 17<sup>th</sup> Fort Hunter Liggett last celebration. August 22, attended the swearing in of a King City officer, glad the force continues to grow. Tomorrow TAMC meeting, King City will have a seat on the Rail Policy Committee along with Soledad. August 26, 27 United States Citizenship workshops in Greenfield and Soledad. He will be attending National Parks service 100-year celebration and Sol Treasures fund raiser. On September 13 he will be attending the APTA conference but will be back in time for the council meeting.

Council Member Acosta announced that one of two grants with the District Attorney's Office for Victims Services with therapist's and a place for meeting with victims that need services, will be in the Court House here in King City. She will be attending the DDVC meeting in Marina. She attended the last 4C4P meeting where the speaker was a person from transitions that was trying to re-enter after being in trouble with the law she found it quite interesting.

#### **8. CITY STAFF REPORTS AND COMMENTS:**

City Manager Adams stated a Street Scape workshop will be held here Monday, September 12<sup>th</sup> 6:30p.m to 8:30p.m. We are updating the website and it will be unveiled on September 1<sup>st</sup>. He attended an AMBAG meeting and they have a program that will help us retrofit all of our buildings with LED lights so we will be working on that.

#### **9. CONSENT AGENDA**

- A. Meeting Minutes of August 9, 2016 Council Meeting
- B. Consideration: City Check Register – Current
- C. Consideration: Successor Agency Check Register – Current
- D. Consideration: Public Financing Authority Check Register – Current
- E. City Monthly Treasurer's Report- June 2016
- F. Successor Agency Monthly Treasurer's Report- June 2016
- G. Public Financing Authority Monthly Treasurer's Report- June 2016
- H. Consideration: Side Letter of Agreement with the King City Confidential Employees Association to Modify the Salary Range of Classification of Police Captain
- I. Consideration: Creation of New Classification of Maintenance Worker/Wastewater Services
- J. Consideration: Part-time Human Resources Coordinator Position
- K. Consideration: Amendment to the City of King Job Classification Plan Worker/Wastewater Services and Part-time Human Resources Coordinator.
- L. Consideration: Successor Agency to the Community Development Agency of the City of King Senior Lien Tax Allocation Refunding Bonds, Series 2016A and Senior Lien Tax Allocation refunding Bonds 2016B (Taxable)
- M. Consideration: Creation of New Classification of Public Works Maintenance Aide

Mayor mentioned for the record the following changes to the agenda material for this evening: Item 9A modification of the minutes of items reported from closed session have been added. Item 9K modification to the proposed Classification Plan. The annual amount of the City Council was incorrect and did not match what was adopted by the City Council, which has been corrected.

Action: Motion to approve consent agenda, by Acosta and seconded by Hendrickson

AYES: Council Members: Mayor Cullen, Acosta, LeBarre and Hendrickson

NOES: Council Members: Mayor Pro Tem Jernigan

ABSENT: Council Members:

ABSTAIN: Council Members:

Mayor Pro Tem Jernigan stated she voted no because of concerns in the check register. She also feels maintenance aide position being able to strip the streets is important. Council member Acosta thanked staff for working Item L she is very appreciative of Finance Director Mike Howard and City Manager Adams.

## **10. PUBLIC HEARINGS:**

10(a) Consideration: Medical Marijuana Regulatory Ordinance and Zoning Code Amendments to Allow Manufacturing, Nurseries and Testing

City Manager Adams introduced the item.

Principal Planner Scott Bruce further introduced this item with a power point.

### **INFORMATION SESSION**

- CONTINUE SECTION 17.03 AMENDMENT and ERBPSP AMENDMENT. ALSO CONTINUE IS / MND CONSIDERATION
- INTRODUCE PROPOSED EFFORT
- DEFINE PROPOSED AMENDMENTS and PROPOSED SCHEDULE
- DEFINE "PROJECT" and ANTICIPATED IMPACTS
- PROVIDE PLANNING COMMISSION COMMENT
- DISCUSSION

### **EXISTING CODE**

- JANUARY 2016 CODE AMENDMENT: ALLOWED TYPES 2A and 3A (plant canopy of up to 10,000 or 22,000 sf using all artificial light)

He went over the 600ft. zoning map.

### **EXISTING LAND AREA**

- EAST RANCH BUSINESS PARK = 107 AC
- M-1 DISTRICT = 20 AC
- M-2 DISTRICT (adjacent to ERBP) = 40 AC

M-2 DISTRICT (First Street/Lonoak) = 20 AC

CURRENT EFFORT: Allow Expanded Uses

- ADD USE TYPES:
  - MIXED LIGHT CULTIVATION
  - NURSERIES
  - MANUFACTURING
  - TESTING
  - AMEND CODE:
    - SECTION 17.03 (Regulatory)

- SECTIONS 17.30.020, 17.31.020 (M-1 and M-2)
- EAST RANCH BUSINESS PARK SPECIFIC PLAN

**CODE AMENDMENTS: To Expand Uses**

- SECTION 17.03: Defines, Allows, Regulates
- ERBP SPA: Allows Uses in ERBP
- SECTION 17.30.020: Allows Uses in M- 1
- SECTION 17.31.020: Allows Uses in M-2
- A separate Conditional Use Permit (CUP) "Checklist" is being developed and will be Codified

**PROPOSED AMENDMENT(S): Specific Uses**

- **CODE AMENDMENT(S) WOULD ALLOW:**
  - Type 2B (10,000 sf canopy with mixed light)
  - Type 3B (22,000 sf canopy with mixed light)
  - Type 4 (Nursery up to 25,000 sf growing area)
  - Type 6 (Manufacturing)
  - Type 8 (Testing)

**PROPOSED-AMENDMENT(S):**

**Estimated Development**

- **MAXIMUM CANOPY AREA 1,350,000 (Section 17.03.230)**
- **ESTIMATED USE BY TYPE (for environmental review)**
  - 4 Type 2A Buildings                      Cultivation
  - 13 Type 2B Buildings                      Cultivation
  - 8 Type 3A Buildings                      Cultivation
  - 34 Type 3B Buildings                      Cultivation
  - 10 Type 4 Buildings                      Nursery
  - 6 Type 6 Buildings                      Manufacturing
  - 2 Type 8 Buildings                      Testing

**ESTIMATING DEVELOPMENT IMPACTS**

- **METHOD: ESTIMATED BY COMBINING INFORMATION FROM POTENTIAL APPLICANTS and FROM STAFF RESEARCH**
- **MAXIMUM ULTIMATE PROJECT: 1,350,000 sf of CANOPY AREA**
- **PRIMARY ANTICIPATED IMPACTS FROM CULTIVATION: WATER, POWER, WASTEWATER and TRAFFIC**
- **MANUFACTURING AND TESTING: MINIMAL IMPACTS**

**ENVIRONMENTAL REVIEW**

- **IS / MND PREPARED BASED ON THE ESTIMATES**
- **CAL WATER, PG&E, PW and TRAFFIC ENGINEER CONTACTED**
- **ADDITIONAL ENVIRONMENTAL REVIEW WILL BE NEEDED ON A PROJECT BY PROJECT BASIS (particularly to evaluate water and power use)**

**CODE AMENDMENT SCHEDULE**

- **August 16: Planning Commission Information Session (Complete)**
- **August 23: City Council Information Session**

- September 06: Planning Commission Action (Sections 17.03, 17.30.020; 17.31.020; ERBP SPA; IS/MND)
- September 13: City Council First Reading
- September 27: City Council Second Reading

CODE WILL ALLOW AND REGULATE ADDITIONAL MEDICAL CANNABIS RELATED USES

MND AVAILABLE FOR PUBLIC REVIEW

DRAFT REGULATORY and LAND CODE AMENDMENTS IN FINAL STAFF REVIEW

PLANNING COMMISSION TO MEET ON SEPTEMBER 06

CONTINUE: Ordinance 2016-728 (Section 17.03; ERBPSPA; Action re: IS / MND)

#### **PLANNING COMMISSION COMMENTS**

- **SEPARATION:** No definitive comment. Churches have been known to locate in the M Districts. Should be considered.
- **LIMITS ON LICENSES:** 6 appears to be appropriate. Staff comment. One Licensee may have two (2) different types of licenses.
- **USE OF ALCOHOL:** Asked for clarification regarding heat of water used to recover the alcohol (122 degrees)
- **CO2 Tanks:** Commission appears to be supportive of a 150lb per tank limit with a maximum of eight (8) tanks on-site.
- **OTHER:**
  - Water Source
  - Transport Vehicle Size and Number of Vehicles
  - Private Cultivation
  - "Branding" for King City

Doug Wood, consultant spoke to the Initial Study and Mitigated Negative Declaration.

Mayor Cullen opened the public hearing

Brandon Gesicki thanked staff for their hard work. He went on to comment on schools being in the area of cultivations facilities and he does not see it being an issue at this time. He also spoke on a handout on the alcohol used for the cleaning process. It is food grade alcohol that is used. He spoke to limits on the licenses he said less than 6 would be fine. CO2 tanks are tied together on a pallet and are safe.

RJ Rivera wanted to toss out about the hazmat license from the County he thought it may want to be added to the checklist.

John Jernigan asked about odor and it being a concern. 3-1 pg.25 in the Initial Study was read in from the consultant Doug Wood "All proposed project structures and facilities shall be subject to permit conditions that monitor and prevent the production of odors outside of the building as well as the monitoring and prevention of mold within and near the buildings by the inclusion of air filters, recirculation of internal air or other appropriate means of filtering odors that may otherwise escape from the subject facilities". Brandon Gesicki stated that they have mitigations for the odor, charcoal etc.

#### **FOUR QUESTIONS**

- PROXIMITY TO SENSITIVE USES
- LIMITS ON MANUFACTURING LICENSES
- CANNABIS EXTRACTION and MANUFACTURING (alcohol use)
- COMPRESSED GAS (CO2)

City Attorney Koczanowicz stated legally speaking the state law is 600ft separation from schools.

City Manager Adams spoke to staff's recommendations not to include restrictions at this time. These uses are restricted to a particular zone and all activities are indoors. Concern of staff is unintended consequences.

Mayor Cullen is in favor of not having on any restrictions.

Council Member Acosta disagrees with not having restrictions she is totally in favor of the 600ft. restrictions.

Council Member LeBarre he would like to comply with the state and he would be in favor of not having restrictions.

Council Member Hendrickson has mixed emotions she goes with staff recommendations.

Mayor Pro Tem Jernigan supports staff recommendations. She is not interested in more regulations.

Council Member Acosta would like to have more education for Council on problems Colorado and Washington are having.

City Attorney Koczanowicz clarified state law for 600ft of separation is for a store front (Dispensary) uses. The City is not allowing dispensary's.

City Manager clarified the 600ft. goes beyond the industrial area.

Gabe Trujillo stated that there have been explosion proof rooms being put in for volatile material in Colorado.

Mayor got consensus from City Council to have staff look into more information for restrictions of 600ft.

Consensus from City Council on 6 license limit.

Food grade alcohol for cleaning and secondary use in level 1

Brandon Gesicki spoke to an Assembly Bill 2679 that is going before the Governor provides a little more clarity on food grade alcohol.

City Council does not have any concerns about the food grade alcohol.

Consensus from City Council is no issue on 8- 150lbs. canisters on site of CO2.

Council Member Acosta would like more factual data on extraction and CO2. Scott Bruce stated that he would be willing to send out information that can be studied prior to the meeting.

Mayor Pro Tem Jernigan thanked staff for their hard work on professional documents. She finds them complex and expensive. She feels that we should not spend more money into looking into these. She would prefer using the time and money into crime prevention. She had questions on the glass roof. She also wanted to know if the power plant was taken into consideration for power. She likes that it talks about being on the way to the Pinnacles National Park. She would like to know if the water on watering the plants could be recycled on the facility. She appreciates the document talking about 24-hour security cameras.

Council Member LeBarre wanted bring to the attention of the City Attorney that there is conflict in 17.03. 250 and 17.03. 270 of the ordinance.

Mayor Cullen ask for a motion to continue the public hearing to the meeting of September 13, 2016 by the following vote.

Action: Motion by Hendrickson to continue the public hearing to September 13, 2016. Seconded by LeBarre.

AYES: Council Members: Mayor Cullen, Mayor Pro Tem Jernigan, Acosta, LeBarre, and Hendrickson

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

#### **11. REGULAR BUSINESS:**

##### **11(a) Consideration: Presentation on Monterey Bay Community Power Project**

City Manager Adams introduced this item.

Patrick Mathews further introduced this item, showing a video explaining Monterey Bay Community Power Project. The Monterey Bay Community Power project is a region-wide collaborative partnership comprised of all 21 local governments within the greater Monterey Bay area, including the Counties of Santa Cruz, Monterey, San Benito and all 18 cities located within the three counties. The purpose of the project is to investigate the viability of establishing a local community choice energy (CCE) agency. Enabled by California legislation (AB117), CCE allows cities and counties to pool their residential, business and municipal electricity loads and purchase and/or generate electricity on their behalf.

Council Member LeBarre had issue with this project. He is fine with more information. He feels it shouldn't have emanate domain and that they should not be superior or equal to the authority or powers of our council or board of supervisors. There should be strict regulations on rate increases.

City Manager Adams feels it is good project and it can be successful. He would like to continue with a couple more meetings.

Mayor Cullen is in favor of the City Manager attending more meetings.

Mayor Pro Tem Jernigan feels there are too many government agencies. She is not interested in moving ahead with this until she has more time to research the other side. She feels it is going to take up too much time for the City Manager to go to meetings and she is concerned about the startup cost. She likes that we can join later.

Council Member Hendrickson she would like to have more information and she likes the idea that we can join later.

Council Member Acosta was intrigued with this but she feels that she may not have enough information.

Mayor Cullen would be interested in the City Manager continuing attending meetings as currently PG&E charges go to a lot of overhead costs and shareholders. This process would allow us to look at this matter and to have what goes to shareholders possibly go back to our city.

City Manager Adams stated that the likelihood of this program is going to provide an opportunity for cheaper rates and cleaner energy to our customers. If the City agrees to go with this program the customers have an opportunity to choose if the City doesn't go with the program the customers do not have the choice. He feels joining later on would be a good way to go.

City Council directed staff to work on continuing discussions and give more information.

**ADJOURNMENT:**

There being no further business to come before the City Council, Mayor Cullen adjourned the meeting at 9:09 pm to closed session with the Mayor stating what would be discussed in closed session.

- A. Conference with Real Property Negotiators  
Properties: City owned property bound by San Lorenzo Street to the west, the golf course to the south, the little league baseball field to the east and the parking lot to the north  
Agency Negotiators: Steven Adams  
Negotiating Party: TJ Plew
  
- B. Conference with Real Property Negotiators

**Approved Signatures:**

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**Mayor, Robert Cullen**  
**City of King**

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**City Clerk, Steven Adams**  
**City of King**



**KING CITY**  
C A L I F O R N I A

Item No **9 (B)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**BY: PATRICIA GRAINGER, ACCOUNTANT**

**RE: CITY CHECK REGISTER**

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**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

**DISCUSSION:**

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/CITY  
CITY CHECK REGISTER  
SEPTEMBER 13, 2016  
PAGE 2 OF 2**

**Exhibit(S)**

1. Check Register Report

Submitted by: Patricia Grainger  
Patricia Grainger, Accountant

Approved by: Steven Adams  
Steven Adams, City Manager

**Check Register Report**

Date: 08/31/2016

Time: 10:07 am

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>WELLS FARGO BANK Checks</b>							
58029	08/26/2016	Printed		ADAMS	ADAMS ASHBY GROUP, LLC	2016 CDBG Application	4,500.00
58030	08/26/2016	Printed		ADAMSS	STEVEN ADAMS	City Manager's Travei	151.74
58031	08/26/2016	Printed		AGUILARF	FRANCISCA AGUILAR	Communter Meals - 9/8 -9/9/16	16.00
58032	08/26/2016	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	City Hall & PD Computer	2,435.00
58033	08/26/2016	Printed		COLEY	ANITA COLEY HEATH	Background (G Fajardo)	220.00
58034	08/26/2016	Printed		AT & T	AT & T	Monthly Telephone Service	3,356.27
58035	08/26/2016	Printed		AT&T - C	AT&T	Phone Bill -	54.64
58036	08/26/2016	Printed		ACME	BILL KORETOFF	Brooms for Sweeper.	1,288.00
58037	08/26/2016	Printed		CARMEL FIR	ART BLACK	Contract Fire - Inspection	100.00
58038	08/26/2016	Printed		BRAINARD	BRAINARD INVESTIGATIONS	Background (C Santos)	914.98
58039	08/26/2016	Printed		CASEY PRIN	CASEY PRINTING, INC.	Soccer Fliers - Acct #2025	950.67
58040	08/26/2016	Printed		CSFA	CSFA	Membership Dues(7/1-12/31/16)	37.50
58041	08/26/2016	Printed		FIRST AL	FIRST ALARM, INC	Activation & Addition Fire	1,871.84
58042	08/26/2016	Printed		GIS	GONZALES IRRIGATION SYSTEMS,	Sprinkler Heads	149.21
58043	08/26/2016	Printed		HINDERLITE	HINDERLITER, DELLAMAS & ASSOC	Contract Services - Sales Tax.	1,385.75
58044	08/26/2016	Printed		HYDRO TURF	HYDRO TURF, INC.	Rain Bird Soleniod	533.12
58045	08/26/2016	Printed		LIZAR	JOSEFINA LIZARDI	Crime Stats & UCR/NIBRS-	8.00
58046	08/26/2016	Printed		KC TRUE	KING CITY TRUE VALUE	Dust Mop - Racquetball	29.18
58047	08/26/2016	Printed		LIBERTY	LIBERTY TAX SERVICE	CC Interpretation Services	260.00
58048	08/26/2016	Printed		LINCOLN	LINCOLN AQUATICS	1/2" Ball Valves.	26.87
58049	08/26/2016	Printed		LCAH	LOS COCHES ANIMAL HOSPITAL	Vet Services - July 2016	412.91
58050	08/26/2016	Printed		MARTINEZM	MONICA MARTINEZ	Claim for Damaged Cell Phone.	630.63
58051	08/26/2016	Printed		MBAS	MBAS, INC.	Lab Work -	560.00
58052	08/26/2016	Printed		MCKNEELY	DAMARLON MCKNEELY	Communter Lunch 9/13 - 9/15/16	24.00
58053	08/26/2016	Printed		OWENE	OWEN EQUIPMENT COMPANY	Conveyer Belt for Sweeper.	1,254.41
58054	08/26/2016	Printed		PARTS & SE	PARTS & SERVICE CTR- NAPA, INC	New Battery	124.21
58055	08/26/2016	Printed		PLIC	PLIC - SBD GRAND ISLAND	New Hire - Chief Premium	128.86
58056	08/26/2016	Printed		PRIMA	PRI MANAGEMENT GROUP	Tuition - UCR/NIBRS	318.00
58057	08/26/2016	Printed		PURCHASE P	PURCHASE POWER*PITNEY BOWES	Late Fees -	36.77
58058	08/26/2016	Printed		QUILL CORP	QUILL CORPORATION	Supplies for Finance and	41.06
58059	08/26/2016	Printed		RAINBOW	RAINBOW PRINTING	Property Record Forms.	523.33
58060	08/26/2016	Printed		ROWE	ALLEN ROWE	Right Mirror Replaced -	432.33
58061	08/26/2016	Printed		SANCHEZJ	JANELLE SANCHEZ	Commuter Meals - 9/8 - 9/9/16	16.00
58062	08/26/2016	Printed		SO CO NEWS	SO CO NEWSPAPERS	National Nigh Out Ad.	557.00
58063	08/26/2016	Printed		STAND INS	STANDARD INSURANCE COMPANY	Premium Balance Owing.	7.90
58064	08/26/2016	Printed		TEMP UNIF	TEMPLETON UNIFORMS	Officer B. Jaffee Name Tag.	8.47
58065	08/26/2016	Printed		THE SALINA	THE SALINAS CALIFORNIAN	Public Notice	420.29
58066	08/26/2016	Printed		SPCA	THE SPCA FOR MONTEREY COUNTY	Services for July 2016	2,740.00
58067	08/26/2016	Printed		TIRADO	ALEX TIRADO	Crime Stats & UCR/NIBRS-	8.00
58068	08/26/2016	Printed		TIRE KING	TIRE KING & AUTO EXPRESS	Unit #106 (Rotors Replaced &	2,138.86
58069	08/26/2016	Printed		TORO	TORO PETROLEUM CORP.	City Monthly Gas -	576.12
58070	08/26/2016	Printed		TYLER TECH	TYLER TECHNOLOGIES, INC.	Contract Maint. - P/R, A/R,	4,949.75
58071	08/26/2016	Printed		U.S. BANCO	U.S. BANCORP EQUIPMENT FINANCE	City Hall Copier -	330.32
58072	08/26/2016	Printed		U.S. BAN	U.S. BANK CORP PAYMENT SYSTEM	Various Charges -	7,444.74
58073	08/26/2016	Printed		ULINE	ULINE	Evidence Cable Ties	39.88
58074	08/26/2016	Printed		VERIZON WI	VERIZON WIRELESS	Monthly Cell Phone.	142.57
58075	08/26/2016	Printed		CARMEL FIR	ART BLACK	Contract Services -	2,650.00
58076	08/26/2016	Printed		MBAS	MBAS, INC.	Lab Work - 5/1 - 5/31/16	1,400.00
58077	08/26/2016	Printed		SO CO NEWS	SO CO NEWSPAPERS	Aquatics Advertising-	862.00

**Total Checks: 49**

**Checks Total (excluding void checks):**

**47,067.18**

**Total Payments: 49**

**Bank Total (excluding void checks):**

**47,067.18**

# Check Register Report

Date: 08/31/2016

Time: 10:07 am

Page: 2

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
				<b>Total Payments: 49</b>	<b>Grand Total (excluding void checks):</b>		<b>47,067.18</b>



Item No. **9 (C)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**BY: PATRICIA GRAINGER, ACCOUNTANT**

**RE: MONTHLY TREASURER'S REPORT – JULY 2016**

---

**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

**DISCUSSION:**

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The City currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office. The City's housing rehab account is held at 1<sup>st</sup> Capital Bank, and the City's checking and payroll accounts, as well as developer deposits, are held at Well Fargo Bank, located at 506 Broadway, King City, CA 93930. A summary of investments and returns for the City is provided in the attached report.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**CITY COUNCIL  
MONTHLY TREASURER'S REPORT – JULY 2016  
SEPTEMBER 13, 2016  
PAGE 2 OF 2**

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:

  
\_\_\_\_\_  
Patricia Grainger, Accountant

Approved by:

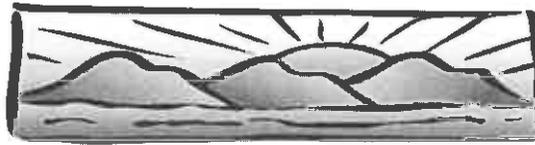
  
\_\_\_\_\_  
Steven Adams, City Manager

**City of King**  
 Investment Report  
 Schedule of Cash and Investments  
 July 31, 2016

Investment Instrument		Yield	Amount	Maturity	Value
<b>Invested by City Treasurer</b>					
<b>Institution</b>	<b>Investment Type</b>				
State of California LAIF - City	Pooled	0.55%	3,854,812.48	On Demand	N/R
1st Capital Bank	Checking Acct Housing Rehab	-	91,920.07	On Demand	N/R
Wells Fargo Bank	General Checking	-	263,506.54	On Demand	N/R
Wells Fargo Bank	Payroll Checking Account	-	7,091.48	On Demand	N/R
Petty Cash-City Hall/Change Fund	Change Cash Drawer	-	500.00	On Demand	N/R
Invested by City Treasurer (Subtotal):			4,217,830.57		
<b>Total Cash and Investments</b>			4,217,830.57		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy, approved by the City Council on 09/13/2016. Cash flow liquidity is still limited.

SIGNED:  \_\_\_\_\_  
 City Treasurer



**KING CITY**  
C A L I F O R N I A

Item No. **9 (D)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS**

**FROM: STEVEN ADAMS, CITY MANAGER**

**BY: PATRICIA GRAINGER, ACCOUNTANT**

**RE: SUCCESSOR AGENCY MONTHLY TREASURER'S REPORT – JULY 2016**

---

**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

**DISCUSSION:**

The California Government Code authorizes and regulates the investment of local agency (city and county) funds, including successor agencies. The Successor Agency invests its bond proceeds in US Treasury obligations. All bond reserve funds are held by one bond trustee, U.S. Bank, and invested in accordance with the trustee agreement. The Successor Agency has three tax allocation bonds (TABs) issued. Yield, maturity and investment amount (proceeds) are itemized on the Successor Agency Schedule of Cash and Investments for the Agency.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**CITY COUNCIL/SUCCESSOR AGENCY  
SUCCESSOR AGENCY MONTHLY TREASURER'S REPORT – JULY 2016  
SEPTEMBER 13, 2016  
PAGE 2 OF 2**

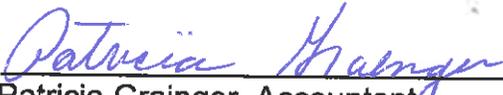
**ALTERNATIVES:**

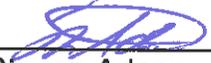
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:   
Patricia Grainger, Accountant

Approved by:   
Steven Adams, City Manager

City of King  
Investment Report  
Schedule of Cash and Investments  
July 31, 2016

Investment Instrument		Yield	Amount	Maturity	Value
<b>Invested by City Treasurer</b>					
<b>Institution</b>	<b>Investment Type</b>				
Wells Fargo Bank	SA Checking Account		2,701,050.88	On Demand	N/R
Invested by City Treasurer (Subtotal):			2,701,050.88		
<b>Invested by Trustees (as of July Statements)</b>					
<b>Bond Reserves (1)</b>					
<u>U.S. Bank - 2011 TARB</u>					
US Bank Money Market Ct	Reserve Account #8005	0.00%	481,062.50	8/1/2034	481,062.50
US Bank Money Market Ct	Special Fund #8000	0.10%	300,851.75	8/1/2016	300,851.75
US Bank Money Market Ct	Sinking Fund #8003	0.00%	0.20	8/1/2016	0.20
US Bank Money Market Ct	Special Fund #8001	0.00%	0.00	8/1/2016	0.00
US Bank Money Market Ct	Cost of Issu Fund#8009	0.00%	0.00		0.00
<u>U.S. Bank - 2016 TARB</u>					
US Bank Money Market Ct	Debt Service Fund #6000	0.10%	222.85	3/31/2025	222.85
US Bank Money Market Ct	Interest Account #6001	0.00%	12,679.04	9/30/2016	12,679.04
US Bank Money Market Ct	Sinking Account #6003	0.00%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Reserve Account #6005	0.10%	319,588.17	3/31/2025	319,588.17
US Bank Money Market Ct	Cost of Issu Fund #6009	0.10%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Escrow Fund #6050	0.39%	3,352,623.43	9/30/2016	3,352,623.43
Market Value Provided by U.S. Bank, Trustee					
Invested by Trustees (Subtotal):			4,467,027.94		
<b>Total Cash and Investments</b>			<b>7,168,078.82</b>		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy, approved by the City Council on 09/13/2016. Cash flow liquidity is still limited.

SIGNED:  \_\_\_\_\_  
City Treasurer

**Note:**  
**(1) Bonds**



Item No. **9 (E)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: OCTAVIO HURTADO, CITY ENGINEER**

**RE: CONSIDERATION OF ACCEPTING GRANT OFFER FOR UPDATING AIRPORT LAYOUT PLAN INCLUDING AN AIRPORT NARRATIVE AND AERONAUTICAL STUDY AT MESA DEL REY AIRPORT – FAA AIP PROJECT NO 3-06-0113-012-2016**

**RECOMMENDATION:**

It is recommended City Council: 1) Accept grant offer for FAA AIP project No 3-06-0113-012-2016 and approve Resolution No. 2016-4541, a resolution of the City Council of the City of King accepting said grant; and 2) authorize City Manager, as authorized representative to execute the grant followed by the City attorney's certification.

**BACKGROUND:**

The City submitted a grant application on December 17, 2015 for a grant of Federal Funds for a project associated with the Mesa Del Rey Airport in the amount of \$162,000.00. The FAA approved the project for the Mesa Del Rey Airport which consist of an Airport Layout Plan.

The primary work items for the Airport Layout Plan (ALP) include:

- Aeronautical Survey;
- Update Airport Layout Plan Narrative;
- Provide needed Topographical survey work;
- Update Airport Layout Plan to include future projects; and
- Provide Airport Layout Plan Drawing Set.

The Federal Aviation Administration required that ALP's be updated every five years. The ALP's should include all existing facilities of the airport and show future projects listed in the Capital Improvement Plan. FAA grant funds can only be used on projects listed in the Airport's current ALP.

**CITY COUNCIL  
CONSIDERATION OF ACCEPTING GRANT OFFER FOR UPDATING  
AIRPORT LAYOUT PLAN INCLUDING AN AIRPORT NARRATIVE AND  
AERONAUTICAL STUDY AT MESA DEL REY AIRPORT – FAA AIP PROJECT  
NO 3-06-0113-012-2016  
SEPTEMBER 13, 2016  
Page 2 of 2**

**DISCUSSION:**

This project has been programed as part of the Airport Administration (FAA AIP Project No 3-06-0113-012-2016). Once grant documents are executed, the City will prepare an RFP to hire a consultant to prepare the ALP.

**COST ANALYSIS:**

Funding on this project will be provided by the Federal Aviation Administration (FAA AIP Project No 3-06-0113-012-2016). The maximum obligation under this offer is \$162,000.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Accept grant offer and approve Resolution, authorizing the City Manager to execute the grant, followed by the City Attorneys certification;
2. Do not accept grant offer and not approve the Resolution authorizing the City Manager to execute the grant, followed by the City Attorneys certification; or
3. Provide other direction to staff.

**Exhibits:**

1. Resolution 2016-4541.
2. Grant Agreement

Submitted by: \_\_\_\_\_

  
Octavio Hurtado, Hanna & Brunetti, City Engineers

Approved by: \_\_\_\_\_

  
Steven Adams, City Manager

**RESOLUTION No. 2016-4541**

**ACCEPTANCE OF GRANT OFFER FOR AIRPORT IMPROVEMETN  
PROJECT (AIP) PROJECT NO 3-06-0113-012-2016**

**RESOLVED**, by the city Council of the City of King, California, that

**WHEREAS**, the City is required to update it Airport Layout Plan every five years; and

**WHEREAS**, the City has made an application to the FAA to update the Mesa Del Rey's Airport Layout Plan; and

**WHEREAS**, the City has received a Grant Offer for Airport Improvement Program (AIP) Project No. 3-06-0113-012-2016 at Mesa Del Rey Airport in King City, California with a maximum obligation of the United States of \$162,000.

**NOW, THEREFORE, IT IS ORDERED AS FOLLOWS:**

1. The City accepts the grant offer for Airport Improvement Program (AIP) Project No. 3-06-0113-012-2016.
2. That the City Manager is directed to execute the grant, followed by the City Attorney's certification, no later than September 14, 2016.

**PASSED AND ADOPTED** this 13th day of September 2016, by the following vote:

**AYES**, and in favor thereof

**NOES**,

**ABSENT**,

**ABSTAIN**,

**APPROVED:** \_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk



U.S. Department of Transportation Federal Aviation Administration

GRANT AGREEMENT

PART I – OFFER

Date of Offer August 30, 2016
Airport/Planning Area Mesa Del Rey
AIP Grant Number 3-06-0113-012-2016
DUNS Number 098538556
TO: City of King (herein called the "Sponsor")

FROM: The United States of America (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated December 17, 2015, for a grant of Federal funds for a project at or associated with the Mesa Del Rey Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Mesa Del Rey Airport (herein called the "Project") consisting of the following:

Update Airport Master Plan Study – Update Airport Layout Plan (ALP) Drawing Set with ALP Narrative and Aeronautical Survey

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated March 2014, and the Sponsor's acceptance of this Offer, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided,

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

## CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$162,000.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$162,000 for planning  
 \$0 for airport development or noise program implementation  
 \$0 for land acquisition.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the project period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR § 200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR § 200.343).

The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Indirect Costs – Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application and as accepted by the FAA to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 14, 2016, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by

settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

- 10. United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.
- 11. System for Award Management (SAM) Registration And Universal Identifier.**
- A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
- B. Requirement for Data Universal Numbering System (DUNS) Numbers
1. The Sponsor must notify potential subrecipient that it cannot receive a contract unless it has provided its DUNS number to the Sponsor. A subrecipient means a consultant, contractor, or other entity that enters into an agreement with the Sponsor to provide services or other work to further this project, and is accountable to the Sponsor for the use of the Federal funds provided by the agreement, which may be provided through any legal agreement, including a contract.
  2. The Sponsor may not make an award to a subrecipient unless the subrecipient has provided its DUNS number to the Sponsor.
  3. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5771) or on the web (currently at <http://fedgov.dnb.com/webform>).
- 12. Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi Invoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

- 13. Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of condition No. 1.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

- 14. Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality

standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this grant.

15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.
17. **Maximum Obligation Increase For Nonprimary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
  - A. May not be increased for a planning project;
  - B. May be increased by not more than 15 percent for development projects;
  - C. May be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.
18. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit in accordance with 2 CFR Part 200. The Sponsor must submit the Single Audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. The Sponsor must also provide one copy of the completed 2 CFR Part 200 audit to the Airports District Office.
19. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:
  - A. Verify the non-federal entity is eligible to participate in this Federal program by:
    1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if non-federal entity is excluded or disqualified; or
    2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
    3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
  - B. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
  - C. Immediately disclose to the FAA whenever the Sponsor: (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debar a contractor, person, or entity.
20. **Ban on Texting While Driving.**
  - A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
    1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.

2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
  - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
  - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

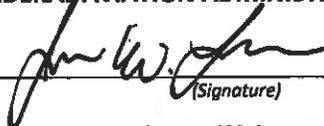
**21. Trafficking in Persons.**

- A. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) apply to any entity other than a State, local government, Indian tribe, or foreign public entity. This includes private Sponsors, public Sponsor employees, subrecipients of private or public Sponsors (private entity). Prohibitions include:
  1. Engaging in severe forms of trafficking in persons during the period of time that the agreement is in effect;
  2. Procuring a commercial sex act during the period of time that the agreement is in effect; or
  3. Using forced labor in the performance of the agreement, including subcontracts or subagreements under the agreement.
- B. In addition to all other remedies for noncompliance that are available to the FAA, Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), allows the FAA to unilaterally terminate this agreement, without penalty, if a private entity –
  1. Is determined to have violated the Prohibitions; or
  2. Has an employee who the FAA determines has violated the Prohibitions through conduct that is either:
    - a. Associated with performance under this agreement; or
    - b. Imputed to the Sponsor or subrecipient using 2 CFR part 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR part 1200.

22. **Exhibit "A" Property Map.** The Exhibit "A" Property Map dated 01/18/2010, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.
23. **Airport Layout Plan.** The Sponsor understands and agrees to update the Airport Layout Plan to reflect the construction to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Airport Layout Plan Map is an allowable cost within the scope of this project.
24. **Airports GIS Survey.** If the Airports GIS survey is not reflected on an updated ALP that meets FAA requirements within four (4) years from the date of the Phase 1 grant (regardless of whether it is generated using the AGIS/eALP system or through some other computer-aided design platform), then the sponsor may be required to repay that portion of the grant that relates to the survey work.
25. **Consultant Contract and Cost Analysis.** The Sponsor understands and agrees that no reimbursement will be made on the consultant contract portion of this grant until the FAA has received the consultant contract, the Sponsor's analysis of costs, and the independent fee estimate.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**

  
\_\_\_\_\_  
*(Signature)*

**James W. Lomen**  
\_\_\_\_\_  
*(Typed Name)*

**Manager**  
\_\_\_\_\_  
*(Title of FAA Official)*

**PART II - ACCEPTANCE**

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

Executed this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
City of King

*(Name of Sponsor)*

\_\_\_\_\_  
*(Signature of Sponsor's Authorized Official)*

**By:**

\_\_\_\_\_  
*(Typed Name of Sponsor's Authorized Official)*

**Title:**

\_\_\_\_\_  
*(Title of Sponsor's Authorized Official)*

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, \_\_\_\_\_, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of \_\_\_\_\_. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at \_\_\_\_\_ (location) this \_\_\_\_\_ day of \_\_\_\_\_.

**By:**

\_\_\_\_\_  
*(Signature of Sponsor's Attorney)*

\_\_\_\_\_

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

**ASSURANCES**  
**PLANNING AGENCY SPONSORS**

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**A. General.**

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

**B. Duration and Applicability.**

The terms, conditions and assurances of this grant agreement shall remain in full force and effect during the life of the project.

**C. Sponsor Certification.**

The sponsor hereby assures and certifies, with respect to this grant that:

**1. General Federal Requirements.**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

**FEDERAL LEGISLATION**

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- a. Title 49, U.S.C., subtitle VII, as amended.
- b. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- c. Hatch Act – 5 U.S.C. 1501, et seq.<sup>2</sup>
- d. Rehabilitation Act of 1973 - 29 U.S.C. 794
- e. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin)
- f. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability
- g. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- h. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.<sup>2</sup>
- i. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

**EXECUTIVE ORDERS**

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- a. Executive Order 12372 - Intergovernmental Review of Federal Programs

**FEDERAL REGULATIONS**

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- a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].<sup>4,5,6</sup>
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
- d. 14 CFR Part 13 - Investigative and Enforcement Procedures
- e. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- f. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- g. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.<sup>3</sup>
- h. 49 CFR Part 20 - New restrictions on lobbying.
- i. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- j. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
- k. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- l. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- m. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
- n. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- p. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
- q. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Public Law 110-252).

**SPECIFIC ASSURANCES**

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Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

**FOOTNOTES TO ASSURANCE C.1.**

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- <sup>1</sup> These laws do not apply to airport planning sponsors.
- <sup>2</sup> These laws do not apply to private sponsors.

- <sup>3</sup> 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- <sup>4</sup> On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.
- <sup>5</sup> Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- <sup>6</sup> Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

**2. Responsibility and Authority of the Sponsor.**

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

**3. Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States.

**4. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary

**5. Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies in the planning area.

**6. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any

books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

**7. Planning Projects.**

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the Sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not mean constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

**8. Reports and Inspections.**

It will submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request.

**9. Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

- a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.
- b. Applicability

- 1) **Programs and Activities.** If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
- 2) **Facilities.** Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
- 3) **Real Property.** Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. **Duration.**

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

- 4) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
- 5) So long as the sponsor retains ownership or possession of the property.

a.) Required Solicitation Language.

b.) It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

d. **Required Contract Provisions.**

- 1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
- 2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
- 3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
- 4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

- a.) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
- b.) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- e. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- f. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

**10. Engineering and Design Services.**

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

**11. Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

**12. Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary.

**13. Disadvantaged Business Enterprises.**

The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Parts 26, and as approved by DOT, is incorporated by reference in this agreement.

Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. § 3801).



**FAA  
Airports**

## Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 12/31/2015

View the most current versions of these ACs and any associated changes at:  
<http://www.faa.gov/airports/resources/advisorycirculars>

NUMBER	TITLE
70/7460-1L	Obstruction Marking and Lighting
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Changes 1- 2	Airport Master Plans
150/5070-7 Change 1	The Airport System Planning Process
150/5100-13B	Development of State Standards for Nonprimary Airports
150/5200-28E	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30C Change 1	Airport Winter Safety And Operations
150/5200-31C Changes 1-2	Airport Emergency Plan
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Rescue and Fire Fighting Communications
150/5210-13C	Airport Water Rescue Plans and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-18A	Systems for Interactive Training of Airport Personnel

NUMBER	TITLE
150/5210-19A	Driver's Enhanced Vision System (DEVS) Ground Vehicle Operations on Airports
150/5220-10E	Guide Specification for Aircraft Rescue and Fire Fighting (ARFF) Vehicles
150/5220-16D	Automated Weather Observing Systems (AWOS) for Non-Federal Applications
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-18A	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-20A	Airport Snow and Ice Control Equipment
150/5220-21C	Aircraft Boarding Equipment
150/5220-22B	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-23	Frangible Connections
150/5220-24	Foreign Object Debris Detection Equipment
150/5220-25	Airport Avian Radar Systems
150/5220-26 Change 1	Airport Ground Vehicle Automatic Dependent Surveillance - Broadcast (ADS-B) Out Squitter Equipment
150/5300-7B	FAA Policy on Facility Relocations Occasioned by Airport Improvements of Changes
150/5300-13A Change 1	Airport Design
150/5300-14C	Design of Aircraft Deicing Facilities
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17C	Standards for Using Remote Sensing Technologies in Airport Surveys
150/5300-18C	Survey and Data Standards for Submission of Aeronautical Data Using Airports GIS
150/5300-18B Change 1	General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards
150/5320-5D	Airport Drainage Design
150/5320-6E	Airport Pavement Design and Evaluation

NUMBER	TITLE
150/5320-12C Changes 1-8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-15A	Management of Airport Industrial Waste
150/5235-4B	Runway Length Requirements for Airport Design
150/5335-5C	Standardized Method of Reporting Airport Pavement Strength - PCN
150/5340-1L	Standards for Airport Markings
150/5340-5D	Segmented Circle Airport Marker System
150/5340-18F	Standards for Airport Sign Systems
150/5340-26C	Maintenance of Airport Visual Aid Facilities
150/5340-30H	Design and Installation Details for Airport Visual Aids
150/5345-3G	Specification for L-821, Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7F	Specification for L-824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10H	Specification for Constant Current Regulators and Regulator Monitors
150/5345-12F	Specification for Airport and Heliport Beacons
150/5345-13B	Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	FAA Specification For L-823 Plug and Receptacle, Cable Connectors
150/5345-27E	Specification for Wind Cone Assemblies
150/5345-28G	Precision Approach Path Indicator (PAPI) Systems
150/5345-39D	Specification for L-853, Runway and Taxiway Retro reflective Markers
150/5345-42H	Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories
150/5345-43G	Specification for Obstruction Lighting Equipment
150/5345-44K	Specification for Runway and Taxiway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures

NUMBER	TITLE
150/5345-46D	Specification for Runway and Taxiway Light Fixtures
150/5345-47C	Specification for Series to Series Isolation Transformers for Airport Lighting Systems
150/5345-49C	Specification L-854, Radio Control Equipment
150/5345-50B	Specification for Portable Runway and Taxiway Lights
150/5345-51B	Specification for Discharge-Type Flashing Light Equipment
150/5345-52A	Generic Visual Glideslope Indicators (GVGI)
150/5345-53D	Airport Lighting Equipment Certification Program
150/5345-54B	Specification for L-884, Power and Control Unit for Land and Hold Short Lighting Systems
150/5345-55A	Specification for L-893, Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56B	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-12F	Airport Signing and Graphics
150/5360-13 Change 1	Planning and Design Guidelines for Airport Terminal Facilities
150/5360-14	Access to Airports By Individuals With Disabilities
150/5370-2F	Operational Safety on Airports During Construction
150/5370-10G	Standards for Specifying Construction of Airports
150/5370-11B	Use of Nondestructive Testing in the Evaluation of Airport Pavements
150/5370-13A	Off-Peak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5370-15B	Airside Applications for Artificial Turf
150/5370-16	Rapid Construction of Rigid (Portland Cement Concrete) Airfield Pavements
150/5370-17	Airside Use of Heated Pavement Systems
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness
150/5390-2C	Heliport Design

Sponsor 3-06-0113-012-2016

NUMBER	TITLE
150/5395-1A	Seaplane Bases

**THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY**

Updated: 12/31/2015

<b>NUMBER</b>	<b>TITLE</b>
150/5100-14E, Change 1	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-17 Changes 1 - 6	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5300-15A	Use of Value Engineering for Engineering Design of Airports Grant Projects
150/5320-17A	Airfield Pavement Surface Evaluation and Rating (PASER) Manuals
150/5370-12B	Quality Management for Federally Funded Airport Construction Projects
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-7B	Airport Pavement Management Program
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness

# Certification and Disclosure Regarding Potential Conflicts of Interest

## Airport Improvement Program Sponsor Certification

Sponsor:

Airport:

Project Number:

Description of Work:

### Application

Title 2 CFR § 200.112 and § 1201.111 require the sponsor or sub-recipient to disclose any conflict of interest. As a condition of award, the sponsor or sub-recipient must comply with FAA policy on conflicts of interest. The sponsor or sub-recipient must not have a financial or other interest in the project.

- a) The employee, officer or agent of the sponsor or sub-recipient.
- b) Any member of his immediate family, including spouse, child, or parent.
- c) His or her partner, or
- d) An organization which employs, or is about to employ, any of the above.

Selecting "yes" represents sponsor or sub-recipient acknowledgement and confirmation of the certification statement. Selecting "No" represents sponsor or sub-recipient disclosure that it cannot fully comply with the certification statement. If "No" is selected, provide support information explaining the negative response as an attachment to this form. This includes whether the sponsor has established standards for financial interest that are not substantial or unsolicited gifts are of nominal value (2 CFR § 200.318(c)). The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance.

### Certification Statements

1. The sponsor or sub-recipient maintains a written standards of conduct governing conflict of interest and the performance of their employees engaged in the award and administration of contracts (2 CFR § 200.318(c)). To the extent permitted by state or local law or regulations, such standards of conduct provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the sponsor's and sub-recipient's officers, employees, or agents, or by contractors or their agents.

Yes  No

2. The sponsor's or sub-recipient's officers, employees or agents have not and will not solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements (2 CFR § 200.318(c)).

Yes  No

3. The sponsor or sub-recipient certifies that is has disclosed and will disclose to the FAA any known potential conflict of interest (2 CFR § 1200.112).

Yes  No

Attach documentation clarifying any above item marked with "no" response.

**Sponsor's Certification**

I certify, for the project identified herein, responses to the forgoing items are accurate as marked and have the explanation for any item marked "no" is correct and complete.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_.

Name of Sponsor:

Name of Sponsor's Authorized Official:

Title of Sponsor's Authorized Official:

**Signature** of Sponsor's Authorized Official: \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.



U.S. Department  
of Transportation  
Federal Aviation  
Administration

## GRANT AGREEMENT

### PART I – OFFER

Date of Offer	<u>August 30, 2016</u>
Airport/Planning Area	<u>Mesa Del Rey</u>
AIP Grant Number	<u>3-06-0113-012-2016</u>
DUNS Number	<u>098538556</u>
TO:	<u>City of King</u>
	(herein called the "Sponsor")

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

**WHEREAS**, the Sponsor has submitted to the FAA a Project Application dated December 17, 2015, for a grant of Federal funds for a project at or associated with the Mesa Del Rey Airport, which is included as part of this Grant Agreement; and

**WHEREAS**, the FAA has approved a project for the Mesa Del Rey Airport (herein called the "Project") consisting of the following:

Update Airport Master Plan Study – Update Airport Layout Plan (ALP) Drawing Set with ALP Narrative and Aeronautical Survey

which is more fully described in the Project Application.

**NOW THEREFORE**, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated March 2014, and the Sponsor's acceptance of this Offer, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided,

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES** to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

## CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$162,000.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

- \$162,000 for planning
- \$0 for airport development or noise program implementation
- \$0 for land acquisition.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the project period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR § 200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR § 200.343).

The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Indirect Costs – Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application and as accepted by the FAA to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 14, 2016, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by

settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

- 10. United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.
- 11. System for Award Management (SAM) Registration And Universal Identifier.**
- A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
- B. Requirement for Data Universal Numbering System (DUNS) Numbers
1. The Sponsor must notify potential subrecipient that it cannot receive a contract unless it has provided its DUNS number to the Sponsor. A subrecipient means a consultant, contractor, or other entity that enters into an agreement with the Sponsor to provide services or other work to further this project, and is accountable to the Sponsor for the use of the Federal funds provided by the agreement, which may be provided through any legal agreement, including a contract.
  2. The Sponsor may not make an award to a subrecipient unless the subrecipient has provided its DUNS number to the Sponsor.
  3. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5771) or on the web (currently at <http://fedgov.dnb.com/webform>).

**12. Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi invoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

**13. Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of condition No. 1.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

**14. Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality

standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this grant.

15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.
17. **Maximum Obligation Increase For Nonprimary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
  - A. May not be increased for a planning project;
  - B. May be increased by not more than 15 percent for development projects;
  - C. May be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.
18. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit in accordance with 2 CFR Part 200. The Sponsor must submit the Single Audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. The Sponsor must also provide one copy of the completed 2 CFR Part 200 audit to the Airports District Office.
19. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:
  - A. Verify the non-federal entity is eligible to participate in this Federal program by:
    1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if non-federal entity is excluded or disqualified; or
    2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
    3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
  - B. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
  - C. Immediately disclose to the FAA whenever the Sponsor: (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debar a contractor, person, or entity.
20. **Ban on Texting While Driving.**
  - A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
    1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.

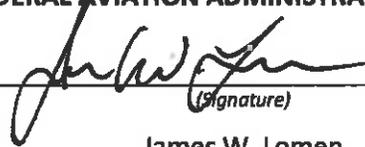
2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
  - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
  - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

## **21. Trafficking in Persons:**

- A. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) apply to any entity other than a State, local government, Indian tribe, or foreign public entity. This includes private Sponsors, public Sponsor employees, subrecipients of private or public Sponsors (private entity). Prohibitions include:
    1. Engaging in severe forms of trafficking in persons during the period of time that the agreement is in effect;
    2. Procuring a commercial sex act during the period of time that the agreement is in effect; or
    3. Using forced labor in the performance of the agreement, including subcontracts or subagreements under the agreement.
  - B. In addition to all other remedies for noncompliance that are available to the FAA, Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), allows the FAA to unilaterally terminate this agreement, without penalty, if a private entity –
    1. Is determined to have violated the Prohibitions; or
    2. Has an employee who the FAA determines has violated the Prohibitions through conduct that is either:
      - a. Associated with performance under this agreement; or
      - b. Imputed to the Sponsor or subrecipient using 2 CFR part 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR part 1200.
22. **Exhibit "A" Property Map.** The Exhibit "A" Property Map dated 01/18/2010, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.
  23. **Airport Layout Plan.** The Sponsor understands and agrees to update the Airport Layout Plan to reflect the construction to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Airport Layout Plan Map is an allowable cost within the scope of this project.
  24. **Airports GIS Survey.** If the Airports GIS survey is not reflected on an updated ALP that meets FAA requirements within four (4) years from the date of the Phase 1 grant (regardless of whether it is generated using the AGIS/eALP system or through some other computer-aided design platform), then the sponsor may be required to repay that portion of the grant that relates to the survey work.
  25. **Consultant Contract and Cost Analysis.** The Sponsor understands and agrees that no reimbursement will be made on the consultant contract portion of this grant until the FAA has received the consultant contract, the Sponsor's analysis of costs, and the independent fee estimate.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**



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*(Signature)*

**James W. Lomen**

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*(Typed Name)*

**Manager**

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*(Title of FAA Official)*

**PART II - ACCEPTANCE**

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

Executed this \_\_\_\_\_ day of \_\_\_\_\_.

City of King

*(Name of Sponsor)*

*(Signature of Sponsor's Authorized Official)*

**By:**

*(Typed Name of Sponsor's Authorized Official)*

**Title:**

*(Title of Sponsor's Authorized Official)*

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, \_\_\_\_\_, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of \_\_\_\_\_. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at \_\_\_\_\_ (location) this \_\_\_\_\_ day of \_\_\_\_\_.

**By:**

*(Signature of Sponsor's Attorney)*

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## **ASSURANCES**

### **PLANNING AGENCY SPONSORS**

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#### **A. General.**

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

#### **B. Duration and Applicability.**

The terms, conditions and assurances of this grant agreement shall remain in full force and effect during the life of the project.

#### **C. Sponsor Certification.**

The sponsor hereby assures and certifies, with respect to this grant that:

##### **1. General Federal Requirements.**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

#### **FEDERAL LEGISLATION**

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- a. Title 49, U.S.C., subtitle VII, as amended.
- b. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- c. Hatch Act – 5 U.S.C. 1501, et seq.<sup>2</sup>
- d. Rehabilitation Act of 1973 - 29 U.S.C. 794
- e. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin)
- f. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability
- g. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- h. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.<sup>2</sup>
- i. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

#### **EXECUTIVE ORDERS**

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- a. Executive Order 12372 - Intergovernmental Review of Federal Programs

**FEDERAL REGULATIONS**

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- a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].<sup>4,5,6</sup>
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
- d. 14 CFR Part 13 - Investigative and Enforcement Procedures
- e. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- f. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- g. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.<sup>3</sup>
- h. 49 CFR Part 20 - New restrictions on lobbying.
- i. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- j. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
- k. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- l. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- m. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
- n. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- p. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
- q. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Public Law 110-252).

**SPECIFIC ASSURANCES**

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Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

**FOOTNOTES TO ASSURANCE C.1.**

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- <sup>1</sup> These laws do not apply to airport planning sponsors.
- <sup>2</sup> These laws do not apply to private sponsors.

- <sup>3</sup> 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- <sup>4</sup> On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.
- <sup>5</sup> Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- <sup>6</sup> Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

**2. Responsibility and Authority of the Sponsor.**

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

**3. Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States.

**4. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary

**5. Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies in the planning area.

**6. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any

books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

#### **7. Planning Projects.**

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the Sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not mean constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

#### **8. Reports and Inspections.**

It will submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request.

#### **9. Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

- a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.
- b. Applicability

- 1) **Programs and Activities.** If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
- 2) **Facilities.** Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
- 3) **Real Property.** Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. **Duration.**

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

- 4) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
- 5) So long as the sponsor retains ownership or possession of the property.

a.) **Required Solicitation Language.**

b.) It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

**"The (Name of Sponsor), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."**

d. **Required Contract Provisions.**

- 1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
- 2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
- 3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
- 4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

- a.) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
- b.) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- e. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- f. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

**10. Engineering and Design Services.**

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

**11. Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

**12. Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary.

**13. Disadvantaged Business Enterprises.**

The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Parts 26, and as approved by DOT, is incorporated by reference in this agreement.

Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. § 3801).



**FAA  
Airports**

## Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 12/31/2015

View the most current versions of these ACs and any associated changes at:  
<http://www.faa.gov/airports/resources/advisorycirculars>

NUMBER	TITLE
70/7460-1L	Obstruction Marking and Lighting
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Changes 1- 2	Airport Master Plans
150/5070-7 Change 1	The Airport System Planning Process
150/5100-13B	Development of State Standards for Nonprimary Airports
150/5200-28E	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30C Change 1	Airport Winter Safety And Operations
150/5200-31C Changes 1-2	Airport Emergency Plan
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Rescue and Fire Fighting Communications
150/5210-13C	Airport Water Rescue Plans and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-18A	Systems for Interactive Training of Airport Personnel

NUMBER	TITLE
150/5210-19A	Driver's Enhanced Vision System (DEVS) Ground Vehicle Operations on Airports
150/5220-10E	Guide Specification for Aircraft Rescue and Fire Fighting (ARFF) Vehicles
150/5220-16D	Automated Weather Observing Systems (AWOS) for Non-Federal Applications
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-18A	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-20A	Airport Snow and Ice Control Equipment
150/5220-21C	Aircraft Boarding Equipment
150/5220-22B	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-23	Frangible Connections
150/5220-24	Foreign Object Debris Detection Equipment
150/5220-25	Airport Avian Radar Systems
150/5220-26 Change 1	Airport Ground Vehicle Automatic Dependent Surveillance - Broadcast (ADS-B) Out Squitter Equipment
150/5300-7B	FAA Policy on Facility Relocations Occasioned by Airport Improvements of Changes
150/5300-13A Change 1	Airport Design
150/5300-14C	Design of Aircraft Deicing Facilities
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17C	Standards for Using Remote Sensing Technologies in Airport Surveys
150/5300-18C	Survey and Data Standards for Submission of Aeronautical Data Using Airports GIS
150/5300-18B Change 1	General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards
150/5320-5D	Airport Drainage Design
150/5320-6E	Airport Pavement Design and Evaluation

NUMBER	TITLE
150/5320-12C Changes 1-8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-15A	Management of Airport Industrial Waste
150/5235-4B	Runway Length Requirements for Airport Design
150/5335-5C	Standardized Method of Reporting Airport Pavement Strength - PCN
150/5340-1L	Standards for Airport Markings
150/5340-5D	Segmented Circle Airport Marker System
150/5340-18F	Standards for Airport Sign Systems
150/5340-26C	Maintenance of Airport Visual Aid Facilities
150/5340-30H	Design and Installation Details for Airport Visual Aids
150/5345-3G	Specification for L-821, Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7F	Specification for L-824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10H	Specification for Constant Current Regulators and Regulator Monitors
150/5345-12F	Specification for Airport and Heliport Beacons
150/5345-13B	Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	FAA Specification For L-823 Plug and Receptacle, Cable Connectors
150/5345-27E	Specification for Wind Cone Assemblies
150/5345-28G	Precision Approach Path Indicator (PAPI) Systems
150/5345-39D	Specification for L-853, Runway and Taxiway Retro reflective Markers
150/5345-42H	Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories
150/5345-43G	Specification for Obstruction Lighting Equipment
150/5345-44K	Specification for Runway and Taxiway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures

NUMBER	TITLE
150/5345-46D	Specification for Runway and Taxiway Light Fixtures
150/5345-47C	Specification for Series to Series Isolation Transformers for Airport Lighting Systems
150/5345-49C	Specification L-854, Radio Control Equipment
150/5345-50B	Specification for Portable Runway and Taxiway Lights
150/5345-51B	Specification for Discharge-Type Flashing Light Equipment
150/5345-52A	Generic Visual Glideslope Indicators (GVGI)
150/5345-53D	Airport Lighting Equipment Certification Program
150/5345-54B	Specification for L-884, Power and Control Unit for Land and Hold Short Lighting Systems
150/5345-55A	Specification for L-893, Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56B	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-12F	Airport Signing and Graphics
150/5360-13 Change 1	Planning and Design Guidelines for Airport Terminal Facilities
150/5360-14	Access to Airports By Individuals With Disabilities
150/5370-2F	Operational Safety on Airports During Construction
150/5370-10G	Standards for Specifying Construction of Airports
150/5370-11B	Use of Nondestructive Testing in the Evaluation of Airport Pavements
150/5370-13A	Off-Peak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5370-15B	Airside Applications for Artificial Turf
150/5370-16	Rapid Construction of Rigid (Portland Cement Concrete) Airfield Pavements
150/5370-17	Airside Use of Heated Pavement Systems
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness
150/5390-2C	Heliport Design

NUMBER	TITLE
150/5395-1A	Seaplane Bases

**THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY**

Updated: 12/31/2015

<b>NUMBER</b>	<b>TITLE</b>
150/5100-14E, Change 1	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-17 Changes 1 - 6	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5300-15A	Use of Value Engineering for Engineering Design of Airports Grant Projects
150/5320-17A	Airfield Pavement Surface Evaluation and Rating (PASER) Manuals
150/5370-12B	Quality Management for Federally Funded Airport Construction Projects
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-7B	Airport Pavement Management Program
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness



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## Drug-Free Workplace Airport Improvement Program Sponsor Certification

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Sponsor:

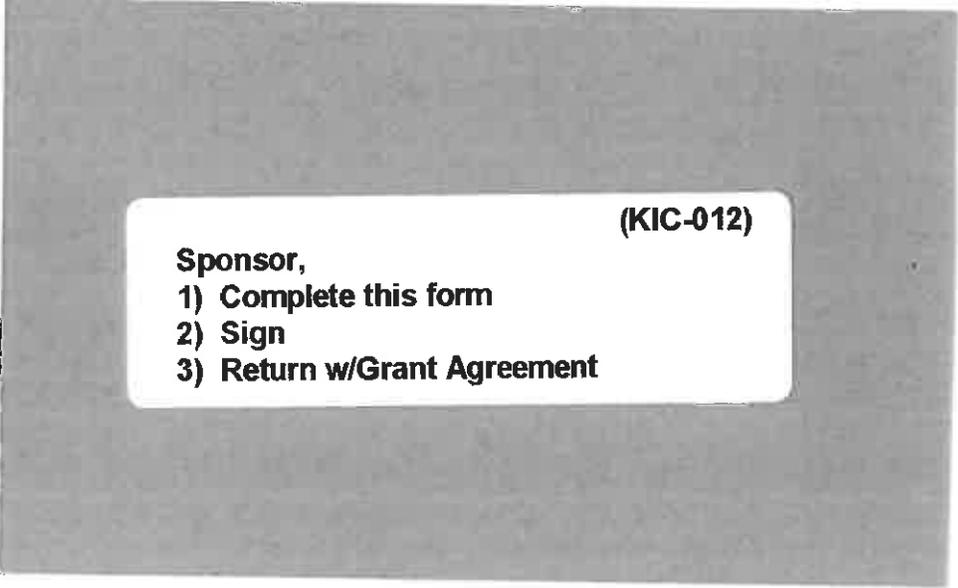
Airport:

Project Number:

Description of Work:

**Application**

49 USC § 47105(d) authorizes the Airport Improvement Program (AIP) with the statutory and administrative requirements described in 2 CFR part 182. Sponsor certifies that the sponsor will maintain a drug-free workplace in accordance with the assurances on the Drug-Free Workplace Act of 1986.



**Certification Statements**

Except for certification statements below marked as not applicable (N/A), this list includes major requirements of the construction project. Selecting "yes" represents sponsor acknowledgement and confirmation of the certification statement. The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance. This list is not comprehensive and does not relieve the sponsor from fully complying with all applicable statutory and administrative standards. The source of the requirement is referenced within parenthesis.

1. A statement has been or will be published prior to commencement of project notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the sponsor's workplace, and specifying the actions to be taken against employees for violation of such prohibition (2 CFR § 182.205).

Yes  No  N/A

2. An ongoing drug-free awareness program (2 CFR § 182.215) has been or will be established prior to commencement of project to inform employees about:

- a. The dangers of drug abuse in the workplace;
- b. The sponsor's policy of maintaining a drug-free workplace;
- c. Any available drug counseling, rehabilitation, and employee assistance programs; and
- d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

Yes  No  N/A

3. Each employee to be engaged in the performance of the work has been or will be given a copy of the statement required within item 1 above prior to commencement of project (2 CFR § 182.210).

Yes  No  N/A

4. Employees have been or will be notified in the statement required by item 1 above that, as a condition employment under the grant (2 CFR § 182.205(c)), the employee will:

- a. Abide by the terms of the statement; and  
b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

Yes  No  N/A

5. The Federal Aviation Administration (FAA) will be notified in writing within 10 calendar days after receiving notice under item 4b above from an employee or otherwise receiving actual notice of such conviction (2 CFR § 182.225). Employers of convicted employees must provide notice, including position title of the employee, to the FAA (2 CFR § 182.300).

Yes  No  N/A

6. One of the following actions (2 CFR § 182.225(b)) will be taken within 30 calendar days of receiving a notice under item 4b above with respect to any employee who is so convicted:

- a. Take appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; and  
b. Require such employee to participate satisfactorily in drug abuse assistance or rehabilitation programs approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

Yes  No  N/A

7. A good faith effort will be made, on a continuous basis, to maintain a drug-free workplace through implementation of items 1 through 6 above (2 CFR § 182.200).

Yes  No  N/A

Site(s) of performance of work (2 CFR § 182.230):

**Location 1**

Name of Location:

Address:

**Location 2 (if applicable)**

Name of Location:

Address:

**Location 3 (if applicable)**

Name of Location:

Address:

Attach documentation clarifying any above item marked with "no" response.

**Sponsor's Certification**

I certify, for the project identified herein, responses to the forgoing items are accurate as marked and additional documentation for any item marked "no" is correct and complete.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Name of Sponsor:

Name of Sponsor's Authorized Official:

Title of Sponsor's Authorized Official:

**Signature** of Sponsor's Authorized Official: \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.



Item No. **9 (F)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF NEW DOWNTOWN STREETLIGHT POLES**

**RECOMMENDATION:**

It is recommended the City Council 1) approve a change order to add downtown streetlight poles to the OpTerra project; and 2) adopt a Resolution authorizing a new master equipment lease – purchase agreement with PNC Equipment Finance, LLC.

**BACKGROUND:**

The City Council recently approved a financing agreement with PNC Equipment Finance, LLC and a contract with OpTerra for a project that will install solar panels and convert City-owned streetlights to LED. Exhibit 1 provides an overview of the project. It includes the conversion of 132 poles, 47 of which are decorative lights in the downtown. The project is being financed, which will be repaid from energy cost savings.

**DISCUSSION:**

When planning efforts began to implement the project, it was identified that the proposed light fixtures will not match the existing poles. As a result, staff recommends replacement of the poles as part of the project. This will also serve as an important first step in the City's efforts to make streetscape enhancements to the downtown area. A copy of the streetlight fixture model and pole is presented in Exhibit 2.

**CITY COUNCIL  
CONSIDERATION OF NEW DOWNTOWN STREETLIGHT POLES  
SEPTEMBER 13, 2016  
PAGE 2 OF 2**

**COST ANALYSIS:**

The overall project cost is \$2,682,633. The streetlight poles represent an increase of approximately \$275,000. Exhibit 3 includes the original cash flow model. Exhibit 4 is the new cash flow model. As you can see, the net savings during the initial 14-year period is reduced from approximately \$55,000 to about \$30,000 annually. Therefore, there is a cost to purchase the equipment, but no overall cost to the City's budget. Exhibit 5 is the project financing proposal.

**ALTERNATIVES:**

The following alternatives have been identified for City Council consideration:

1. Approve staff's recommendations;
2. Direct staff to research lower cost poles;
3. Do not approve purchase of the poles and pursue painting the existing poles; or
4. Provide staff other direction.

**Exhibits:**

1. Project Summary
2. Streetlight Fixture and Pole Model
3. Original Cash Flow Model
4. Updated Cash Flow Model
5. Project Financing Proposal

Prepared and Approved by:

  
\_\_\_\_\_  
Steven Adams, City Manager

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE GOVERNING BODY OF CITY OF KING CITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH PNC EQUIPMENT FINANCE, LLC, AS LESSOR, AND SEPARATE LEASE SCHEDULES THERETO AND ESCROW AGREEMENT FOR THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT WITHIN THE TERMS HEREIN PROVIDED; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION**

**WHEREAS**, City of King City (the "*Lessee*"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of California is authorized by the laws of the State of California to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

**WHEREAS**, the governing body of the Lessee (the "*Board*") has determined that a true and very real need exists for the acquisition, purchase and financing of certain property consisting of 47 streetlight poles\_(collectively, the "*Equipment*") on the terms herein provided; and

**WHEREAS**, in order to acquire such Equipment, the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (the "*Master Lease*") with PNC Equipment Finance, LLC, as lessor (the "*Lessor*"), substantially in the proposed form presented to the Board at this meeting, and separate Lease Schedules thereto substantially in the form attached to the Master Lease and a separate Escrow Agreement substantially in the proposed form presented to the Board at this meeting; and

**WHEREAS**, the Board deems it for the benefit of the Lessee and the efficient and effective administration thereof to enter into the Master Lease and the separate Lease Schedules relating thereto from time to time as provided in the Master Lease and an Escrow Agreement for the purchase, acquisition, financing and leasing of the Equipment to be therein more specifically described on the terms and conditions provided therein and herein;

**NOW, THEREFORE, BE IT AND IT IS HERBY RESOLVED BY THE GOVERNING BODY OF THE LESSEE AS FOLLOWS:**

*Section 1.* It is hereby found and determined that the terms of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto), in the form presented to this meeting, are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment.

**Section 2.** The form, terms and provisions of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto) are hereby approved in the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the City Manager of the Lessee (the "Authorized Officers") executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officers of the Lessee are each hereby authorized and directed to sign and deliver the Master Lease, each Lease Schedule thereto, each Payment Schedule relating thereto, each Escrow Agreement relating thereto and any related exhibits attached thereto if and when required; *provided, however*, that, without further authorization from the governing body of the Lessee, (a) the aggregate principal component of Rent Payments under all Leases entered into pursuant to the Master Lease shall not exceed \$275,000.00; (b) the maximum term under any Lease entered into pursuant to the Master Lease shall not exceed 14 years; and (c) the maximum interest rate used to determine the interest component of Rent Payments under each Lease shall not exceed the lesser of the maximum rate permitted by law or [ten percent (10%)] per annum. The Authorized Officers may sign and deliver Leases to the Lessor on behalf of the Lessee pursuant to the Master Lease on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate principal component, maximum term and maximum interest rate provided above. The foregoing authorization shall remain in effect for a period of two years from the date hereof during which the Authorized Officers are authorized to sign and deliver Leases pursuant to the Master Lease and related Escrow Agreements on the terms and conditions herein provided and to be provided in each such Lease.

**Section 3.** The Authorized Officers and other officers and employees of the Lessee shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Master Lease and each Lease Schedule (including, but not limited to, the execution and delivery of the certificates contemplated therein, including appropriate arbitrage certifications) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease, each Lease Schedule and each Escrow Agreement.

**Section 4.** If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

**Section 5. Effective Date.** This Resolution shall be effective immediately upon its approval and adoption.

This resolution was passed and adopted this 13<sup>th</sup> day of **September, 2016** by the following vote:

**AYES**, Council Members:

**NAYS**, Council Members:

**ABSENT**, Council Members:

**ABSTAIN**, Council Members:

**APPROVED:**

\_\_\_\_\_  
Robert Cullen, Mayor

**ATTEST:**

\_\_\_\_\_  
Steven Adams, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Martin Koczanowicz, City Attorney



# King City



Ground-mount solar photovoltaic system installed at the Wastewater Treatment Plant in the City of Gonzales, representative of the system in progress in King City.

## The Opportunity

King City is a strong agricultural community of more than 13,000 residents, located in Monterey County, California, on the Salinas River. From strong roots to the land and commitment to building stronger services for residents, City leaders began assessing new ways to save money and reduce facilities' environmental impact. In 2013, City staff and leadership began consulting with OpTerra Energy Services to map out energy program possibilities, goals, and next steps. OpTerra worked with the City Council to co-develop a customized project scope based on King City's resource needs, and coupled the plan with a strong financing plan to ensure the project could be enacted quickly with no financial burden to taxpayers.

## The Partnership

In summer of 2016, OpTerra will install a total of 546 kilowatts of solar PV power at the King City Pool and the Wastewater Treatment Plant. At the Pool, a solar array will be mounted on part of the main building roof structure, with an additional solar shade structure to be constructed over an open grass area to provide needed shade and respite from the hot summer sun for community pool-goers. Additionally, high efficiency LED lighting will be attached to the underside of the PV canopy at the Pool. Four ground-mounted solar arrays at the Wastewater Treatment Plant are slated for installation on open areas, which will provide electricity to power the plant on site, creating a vital opportunity for self-generation that immediately reduces the City's costs to power the plant full-time. Also included in OpTerra's program, OpTerra will provide ongoing, preventative maintenance and repair services, including regular inspection, testing, monitoring, and cleaning of the PV modules, which will ensure maximum energy production and efficiency of the systems.

Another key component of the program scope is retrofitting the existing, City-owned streetlights to LED fixtures to improve efficiency and reduce maintenance costs. OpTerra will retrofit 132 existing City-owned streetlights with both decorative and cobrahead fixtures. Energy-efficient LED technology will help provide whiter and brighter light throughout the City.

OpTerra helped the City explore many different solutions to fund this comprehensive project before finding the best-fit package that met the City's needs. As a result of

## Program Highlights

- Will capture more than \$5.5MM in net savings over the life of the program
- Will offset 627 metric tons of CO<sub>2</sub> annually, equivalent to removing 132 cars from the road
- Will create 13 local jobs as a result of program implementation

## The Technical Scope

- Will install a total of 546 kW of solar PV power on six arrays across two City sites:
  - 476 kW on four ground-mounted arrays at the Wastewater Treatment Plant
  - 70 kW on a roof-mounted and solar shade structure at the King City Pool
- Will retrofit 132 existing high pressure sodium (HPS) and induction streetlights City-owned streetlights to high efficiency LED across the City:
  - 47 decorative lights
  - 85 cobrahead lights



comparing multiple funding streams, the project required no capital outlay and the City is taking advantage of a tax-exempt lease purchase at a favorable interest rate. The City will capture more than \$7,000 in lighting incentives in addition to a substantial reduction in energy costs.

### The Impact

By entering into this partnership with OpTerra, King City is exemplifying economic and environmental leadership. For a city of its size, King City is truly setting new standards for how a small community can still make big waves in the sustainability landscape.

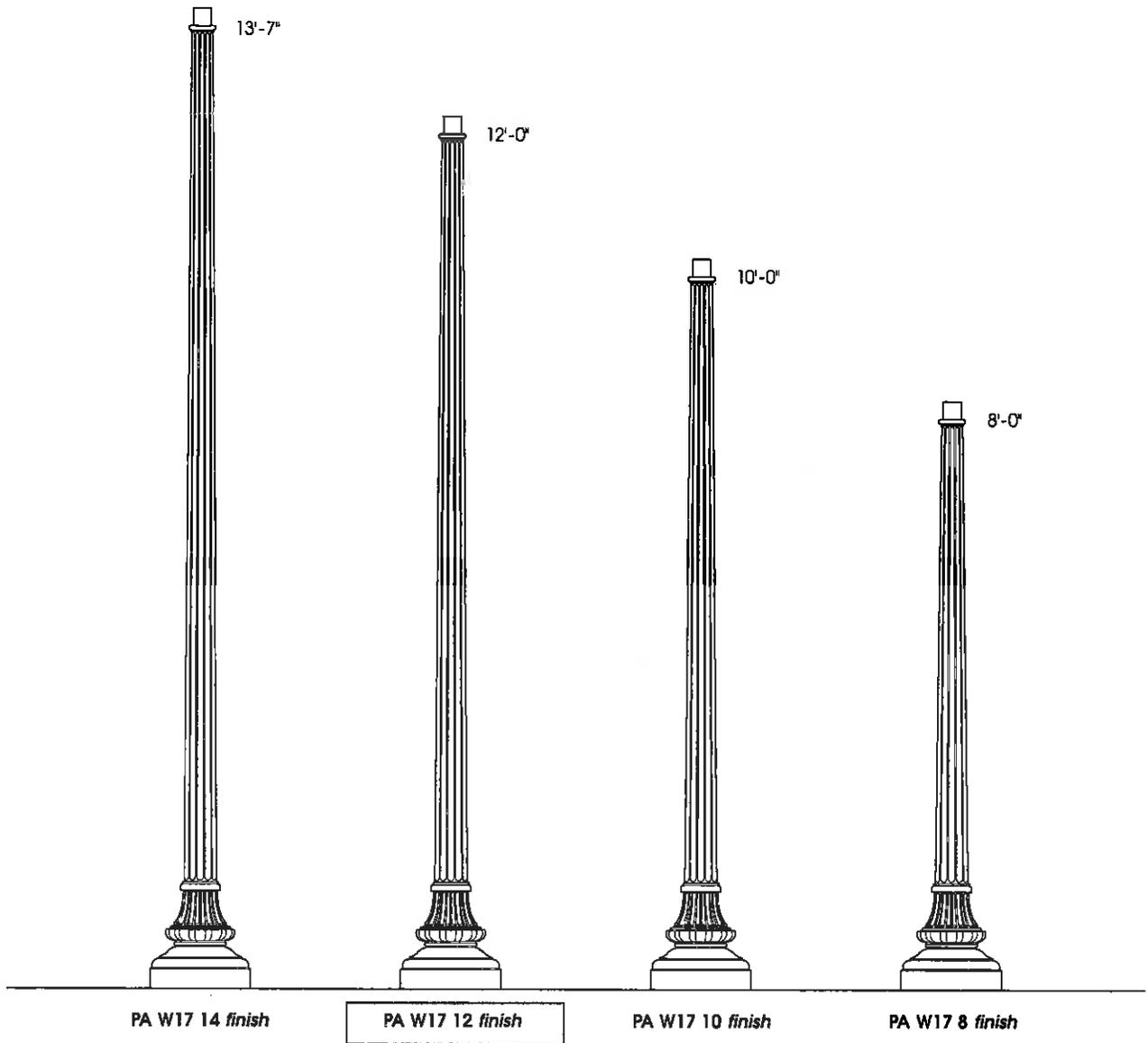
By prioritizing fiscal responsibility, the City will capture more than \$5.5 million in net savings over the 30-year life of the energy program. As a result of the City opting in to receive a monitoring and verification services guarantee, OpTerra promises to manage the systems to produce a specified amount each year or the City will receive a check for the difference. Over the program lifetime, the City will avoid using over 18,000,000 kilowatt-hours of electricity.

By converting City-owned streetlight fixtures to LED, citizens will benefit from brighter, more evenly distributed light than the conventional HPS and induction fixtures, while using half of the energy. Community members can look forward to additional positive benefits from the upgraded streetlights including improved nighttime visibility on City streets. By producing clean, renewable energy from solar power, the City will effectively reduce greenhouse gas emissions. With the project breaking ground in July of 2016, the King City community can look forward to a more sustainable, brighter future with a reduced carbon footprint.

To learn more about OpTerra, visit [www.opterraenergy.com](http://www.opterraenergy.com)

Cast Aluminum Posts  
tapered fluted shafts

WASHINGTON Series  
17" dia. base



**SPECIFICATIONS**

**DESCRIPTION** The post shall be all cast aluminum construction with a classic double-tapered, fluted base and a gracefully, tapered 12-flute cast shaft. The post shall be Antique Street Lamps' catalog number PA W17 *XX* finish.

**MATERIALS** The post shall be heavy wall, copper free, cast aluminum produced from certified ASTM 356.1 Ingot per ASTM B179-95a or ASTM B26-95. The castings shall be formed true to the pattern with complete detail. All hardware shall be tamper resistant stainless steel. Anchor bolts to be completely hot-dip galvanized.

**CONSTRUCTION** The cast shaft shall be circumferentially welded to the base casting and shipped as one piece for maximum structural integrity. All exposed welds below 8" shall be ground smooth. All welding shall be per ANSI/AWS D1.2-90. All welders shall be certified per Section 5 of ANSI/AWS D1.2-90.

**DIMENSIONS** The post shall be *X'* - *XX'* in height with a 17" diameter base. The shaft diameter shall taper from 5.5" above the base to 3.5" at the top. An integral 3" O.D. x 3" tenon shall be provided at the top for luminaire mounting. The post top shall include a transitional donut between the fluted shaft and the tenon.

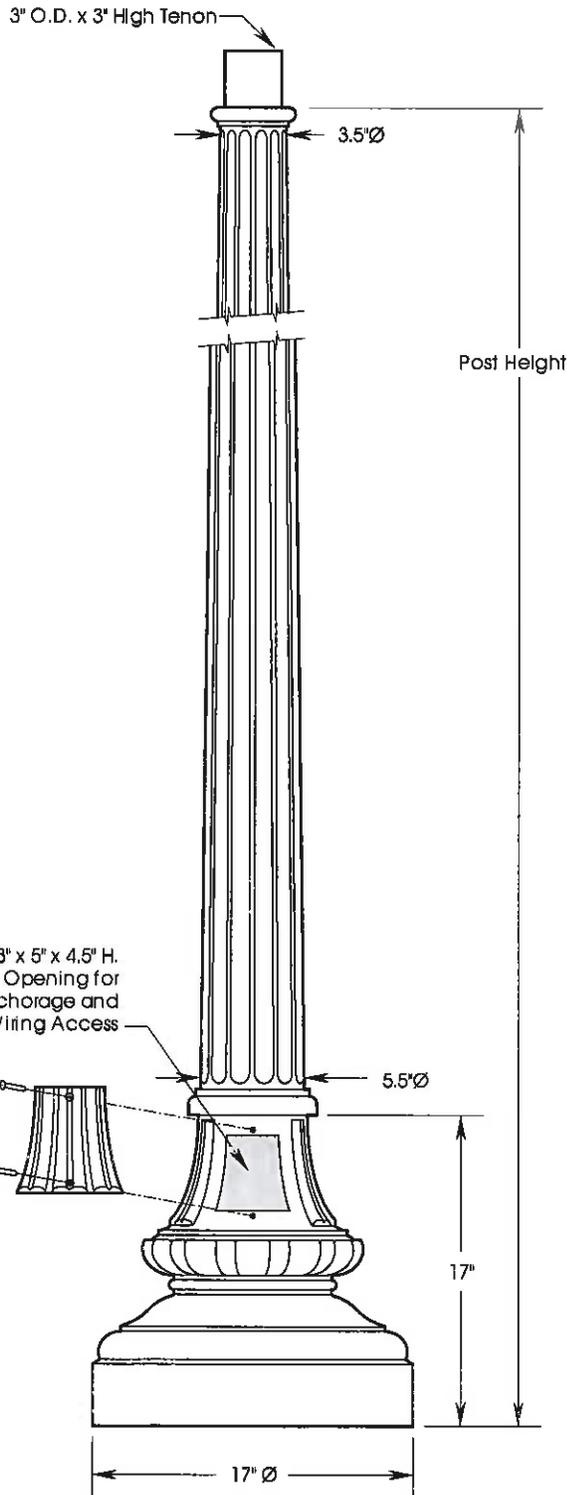
**INSTALLATION** The post shall be provided with four, hot-dip galvanized L-type anchor bolts to be installed on a 12" bolt circle. A door shall be provided in the base for anchorage and wiring access. A grounding screw shall be provided inside the base opposite the door.

For finish specifications and color options, see "Finish" section in catalog.

**ANTIQUE Street Lamps**

2011-B W. Rundberg Ln. • Austin, TX 78758 • ph(512) 977-8444 • fax(512) 977-9622

# WASHINGTON Series Cast Aluminum Posts



## ANTIQUA Street Lamps

2011-B W. Rundberg Ln. • Austin, TX 78758 • ph(512) 977-8444 • fax(512) 977-9622

## ORDERING INFORMATION

Choose the **boldface** catalog nomenclature that best suits your needs and write it on the appropriate line.

Example: **PA W17 12 ANBK** Options

Post Series	Height	Finish*
<b>PA W17</b>	<b>8</b>	<b>ANBK</b> Black
<b>Post, Cast Aluminum</b>	<b>10</b>	<b>ANDB</b> Dark Bronze
<b>WASHINGTON</b>	<b>12</b>	<b>ANDG</b> Dark Green
<b>17" base</b>	<b>14</b>	<b>ANVG</b> Verde Green
		<b>ANPP</b> Prime Painted
		<b>CM</b> Custom Match
		<b>CS</b> Custom Select
		RAL colors

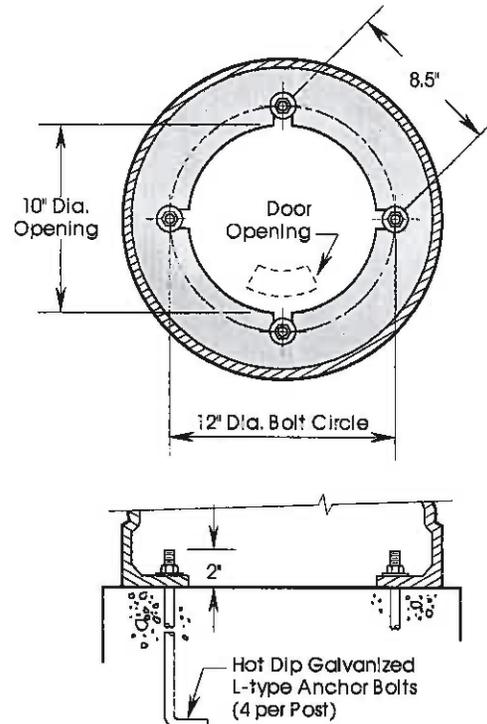
### Options

- Receptacles
  - Banner Arms
  - Flagpole Holders
  - Custom Logos
  - Signage
- (see Signage & Accessories section in the catalog or contact Antique Street Lamps)

#### NOTES:

1. For finish specifications and color options, see Finish section in catalog or contact Antique Street Lamps.

## ANCHORAGE GUIDE



Catalog: **PA W17 12 L/AB 3T3 ANBK**

# Product Description

Philips Hadco's Optical Rib Technology (ORT) is the ideal way to achieve the wide dispersion of light needed for most outdoor applications. This highly efficient technology evenly disperses light for more uniform coverage while virtually eliminating glare. Our Optical Rib globe is designed to shed water and dirt, lowering maintenance costs, while obscuring the luminaire's internal components to help maintain the aesthetics of your project.

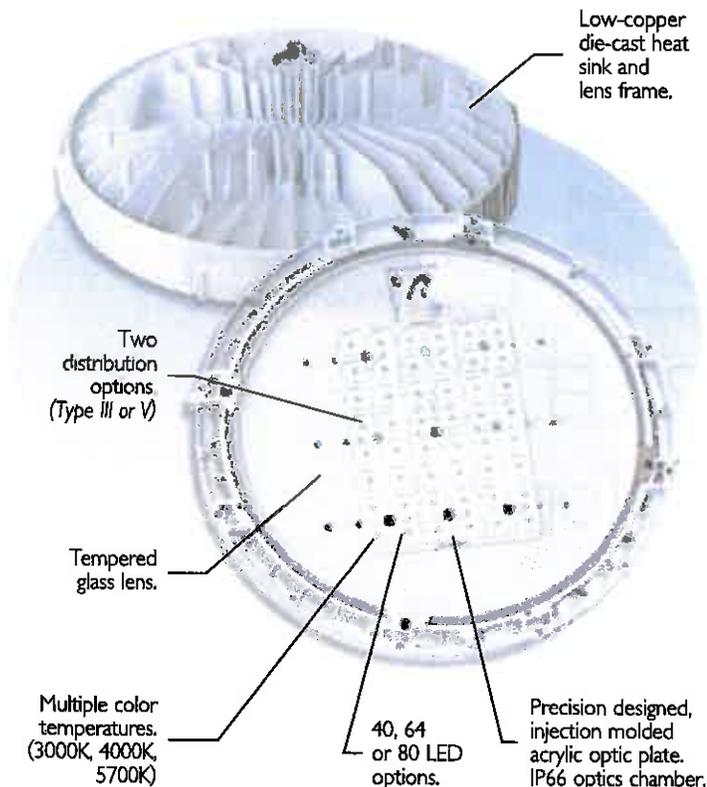
## Optical Rib Technology

"ORT"  
Optical Rib Technology,  
advanced light control

Distributes light for more uniform coverage with significantly less glare.  
Highly efficient.



## Internal Features and Benefits



## TX03 Specifications



**TX03** shown: (B) Pod  
(A) Finial

Weight - 37 lbs  
EPA - 17 sq ft.



**PHILIPS**  
**HADCO**

Full specification sheets and ordering guide information can be found at [www.hadco.com](http://www.hadco.com).

[www.hadco.com](http://www.hadco.com)  
100 Craftway Drive, P.O. Box 128, Littlestown, PA 17340  
Phone: 1-866-423-2658 • Fax: 717-359-0618  
Printed in U.S.A. PH-1117-1203-15H

King City  
 Preliminary Customer Cash Flow Model  
 04/21/2015

ECM Cost	\$ 218,487
Self Generation Cost	\$ 2,150,700
<b>Total Project Fee</b>	<b>\$ 2,369,187</b>
Construction Period Savings	\$ -
Customer Buydown	\$ -
<b>Cash Contribution to Project</b>	<b>\$ -</b>
<b>Net Cost of Project</b>	<b>\$ 2,369,187</b>
Construction Period Interest	\$ 38,274
Financing Fees	\$ -
<b>Total Financing Costs</b>	<b>\$ 38,274</b>
<b>Total Amount Financed</b>	<b>\$ 2,407,461</b>

Year	Avoided kWh	Self Generation Savings				ECM Savings				Combined Self Generation Savings	Financing Costs & Savings	
		Avoided Rate (\$/kWh)	Self Generation Savings	O&M & M&V Cost	Net Self Generation Savings	Electricity Savings	O&M Savings	Lighting Incentives	Net ECM Savings		Finance Payment	Net Savings
1	821,225	\$ 0.277	\$ 227,567	\$ (16,794)	\$ 210,773	\$ 2,654	\$ -	\$ 7,050	\$ 9,704	\$ 220,477	\$ (165,734)	\$ 54,743
2	815,476	\$ 0.290	\$ 236,143	\$ (17,274)	\$ 218,869	\$ 2,774	\$ -	\$ -	\$ 2,774	\$ 221,642	\$ (166,899)	\$ 54,743
3	809,768	\$ 0.303	\$ 245,042	\$ (17,768)	\$ 227,274	\$ 2,899	\$ -	\$ -	\$ 2,899	\$ 230,172	\$ (175,429)	\$ 54,743
4	804,100	\$ 0.316	\$ 254,276	\$ (18,277)	\$ 236,000	\$ 3,029	\$ -	\$ -	\$ 3,029	\$ 239,029	\$ (184,286)	\$ 54,743
5	798,471	\$ 0.330	\$ 263,859	\$ (18,799)	\$ 245,060	\$ 3,165	\$ -	\$ -	\$ 3,165	\$ 248,225	\$ (193,482)	\$ 54,743
6	792,882	\$ 0.345	\$ 273,802	\$ (19,337)	\$ 254,466	\$ 3,308	\$ -	\$ -	\$ 3,308	\$ 257,775	\$ (203,050)	\$ 54,743
7	787,332	\$ 0.361	\$ 284,121	\$ (19,890)	\$ 264,231	\$ 3,457	\$ -	\$ -	\$ 3,457	\$ 267,687	\$ (212,944)	\$ 54,743
8	781,820	\$ 0.377	\$ 294,828	\$ (20,459)	\$ 274,369	\$ 3,612	\$ -	\$ -	\$ 3,612	\$ 277,981	\$ (223,238)	\$ 54,743
9	776,347	\$ 0.394	\$ 305,938	\$ (21,044)	\$ 284,894	\$ 3,775	\$ -	\$ -	\$ 3,775	\$ 288,669	\$ (233,926)	\$ 54,743
10	770,913	\$ 0.412	\$ 317,468	\$ (21,646)	\$ 295,822	\$ 3,945	\$ -	\$ -	\$ 3,945	\$ 299,766	\$ (245,023)	\$ 54,743
11	765,517	\$ 0.430	\$ 329,431	\$ (22,265)	\$ 307,167	\$ 4,122	\$ -	\$ -	\$ 4,122	\$ 311,289	\$ (256,545)	\$ 54,743
12	760,158	\$ 0.450	\$ 341,846	\$ (22,902)	\$ 318,944	\$ 4,308	\$ -	\$ -	\$ 4,308	\$ 323,252	\$ (268,509)	\$ 54,743
13	754,837	\$ 0.470	\$ 354,728	\$ (23,557)	\$ 331,172	\$ 4,501	\$ -	\$ -	\$ 4,501	\$ 335,673	\$ (280,930)	\$ 54,743
14	749,553	\$ 0.491	\$ 368,096	\$ (24,230)	\$ 343,866	\$ 4,704	\$ -	\$ -	\$ 4,704	\$ 348,570	\$ (293,827)	\$ 54,743
15	744,306	\$ 0.513	\$ 381,968	\$ (24,923)	\$ 357,045	\$ 4,916	\$ -	\$ -	\$ 4,916	\$ 361,961	\$ -	\$ 361,961
16	739,096	\$ 0.536	\$ 396,363	\$ (25,636)	\$ 370,727	\$ -	\$ -	\$ -	\$ -	\$ 370,727	\$ -	\$ 370,727
17	733,922	\$ 0.560	\$ 411,300	\$ (26,369)	\$ 384,930	\$ -	\$ -	\$ -	\$ -	\$ 384,930	\$ -	\$ 384,930
18	728,785	\$ 0.586	\$ 426,799	\$ (27,123)	\$ 399,676	\$ -	\$ -	\$ -	\$ -	\$ 399,676	\$ -	\$ 399,676
19	723,683	\$ 0.612	\$ 442,883	\$ (27,899)	\$ 414,984	\$ -	\$ -	\$ -	\$ -	\$ 414,984	\$ -	\$ 414,984
20	718,618	\$ 0.640	\$ 459,573	\$ (28,697)	\$ 430,876	\$ -	\$ -	\$ -	\$ -	\$ 430,876	\$ -	\$ 430,876
21	713,587	\$ 0.668	\$ 476,892	\$ (29,518)	\$ 447,375	\$ -	\$ -	\$ -	\$ -	\$ 447,375	\$ -	\$ 447,375
22	708,592	\$ 0.698	\$ 494,864	\$ (30,362)	\$ 464,502	\$ -	\$ -	\$ -	\$ -	\$ 464,502	\$ -	\$ 464,502
23	703,632	\$ 0.730	\$ 513,513	\$ (31,230)	\$ 482,283	\$ -	\$ -	\$ -	\$ -	\$ 482,283	\$ -	\$ 482,283
24	698,707	\$ 0.763	\$ 532,865	\$ (32,124)	\$ 500,741	\$ -	\$ -	\$ -	\$ -	\$ 500,741	\$ -	\$ 500,741
25	693,816	\$ 0.797	\$ 552,946	\$ (33,042)	\$ 519,903	\$ -	\$ -	\$ -	\$ -	\$ 519,903	\$ -	\$ 519,903
<b>Totals</b>	<b>22,292,048</b>		<b>\$ 12,280,565</b>	<b>\$ (781,105)</b>	<b>\$ 11,499,460</b>	<b>\$ 55,167</b>	<b>\$ -</b>	<b>\$ 7,050</b>	<b>\$ 62,217</b>	<b>\$ 8,648,165</b>	<b>\$ (3,103,803)</b>	<b>\$ 5,544,362</b>

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King City  
Preliminary Customer Cash Flow Model  
08/24/2016

ECM Cost	\$ 489,284
Self Generation Cost	\$ 2,150,700
<b>Total Project Fee</b>	<b>\$ 2,639,984</b>
Construction Period Savings	\$ -
Customer Buydown	\$ -
Cash Contribution to Project	\$ -
<b>Net Cost of Project</b>	<b>\$ 2,639,984</b>
Construction Period Interest	\$ 42,649
Financing Fees	\$ -
<b>Total Financing Costs</b>	<b>\$ 42,649</b>
<b>Total Amount Financed</b>	<b>\$ 2,682,633</b>

Year	Self Generation Savings										ECM Savings			Combined		Financing Costs & Savings	
	Avoided kWh	Avoided Rate (\$/kWh)	Self Generation Savings	O&M & M&V Cost	Net Self Generation Savings	Electricity Savings	O&M Savings	Lighting Incentives	Net ECM Savings	Combined Self Generation Savings	Finance Payment	Net Savings	Net Savings				
1	821,225	\$ 0.277	\$ 227,567	\$ (16,794)	\$ 210,773	\$ 2,654	\$ -	\$ 7,050	\$ 9,704	\$ 220,477	\$ (190,479)	\$ 29,998	\$ 29,998				
2	815,476	\$ 0.290	\$ 236,143	\$ (17,274)	\$ 218,869	\$ 2,774	\$ -	\$ -	\$ 2,774	\$ 221,642	\$ (191,644)	\$ 29,998	\$ 29,998				
3	809,788	\$ 0.303	\$ 245,042	\$ (17,768)	\$ 227,274	\$ 2,899	\$ -	\$ -	\$ 2,899	\$ 230,172	\$ (200,174)	\$ 29,998	\$ 29,998				
4	804,100	\$ 0.316	\$ 254,276	\$ (18,271)	\$ 236,000	\$ 3,029	\$ -	\$ -	\$ 3,029	\$ 239,029	\$ (209,031)	\$ 29,998	\$ 29,998				
5	798,471	\$ 0.330	\$ 263,859	\$ (18,799)	\$ 245,060	\$ 3,165	\$ -	\$ -	\$ 3,165	\$ 248,225	\$ (218,227)	\$ 29,998	\$ 29,998				
6	792,882	\$ 0.345	\$ 273,802	\$ (19,337)	\$ 254,466	\$ 3,308	\$ -	\$ -	\$ 3,308	\$ 257,773	\$ (227,775)	\$ 29,998	\$ 29,998				
7	787,332	\$ 0.361	\$ 284,121	\$ (19,890)	\$ 264,231	\$ 3,457	\$ -	\$ -	\$ 3,457	\$ 267,687	\$ (237,689)	\$ 29,998	\$ 29,998				
8	781,820	\$ 0.377	\$ 294,828	\$ (20,459)	\$ 274,369	\$ 3,612	\$ -	\$ -	\$ 3,612	\$ 277,981	\$ (247,983)	\$ 29,998	\$ 29,998				
9	776,347	\$ 0.394	\$ 305,938	\$ (21,044)	\$ 284,894	\$ 3,775	\$ -	\$ -	\$ 3,775	\$ 288,669	\$ (258,671)	\$ 29,998	\$ 29,998				
10	770,913	\$ 0.412	\$ 317,468	\$ (21,646)	\$ 295,822	\$ 3,945	\$ -	\$ -	\$ 3,945	\$ 299,766	\$ (269,768)	\$ 29,998	\$ 29,998				
11	765,517	\$ 0.430	\$ 329,431	\$ (22,265)	\$ 307,167	\$ 4,122	\$ -	\$ -	\$ 4,122	\$ 311,289	\$ (281,291)	\$ 29,998	\$ 29,998				
12	760,158	\$ 0.450	\$ 341,846	\$ (22,902)	\$ 318,944	\$ 4,308	\$ -	\$ -	\$ 4,308	\$ 323,252	\$ (293,254)	\$ 29,998	\$ 29,998				
13	754,837	\$ 0.470	\$ 354,728	\$ (23,557)	\$ 331,172	\$ 4,501	\$ -	\$ -	\$ 4,501	\$ 335,673	\$ (305,675)	\$ 29,998	\$ 29,998				
14	749,553	\$ 0.491	\$ 368,096	\$ (24,230)	\$ 343,866	\$ 4,704	\$ -	\$ -	\$ 4,704	\$ 348,570	\$ (318,572)	\$ 29,998	\$ 29,998				
15	744,306	\$ 0.513	\$ 381,968	\$ (24,923)	\$ 357,045	\$ 4,916	\$ -	\$ -	\$ 4,916	\$ 361,961	\$ -	\$ 361,961	\$ 361,961				
16	739,096	\$ 0.536	\$ 396,563	\$ (25,636)	\$ 370,727	\$ 5,136	\$ -	\$ -	\$ 5,136	\$ 370,727	\$ -	\$ 370,727	\$ 370,727				
17	733,922	\$ 0.560	\$ 411,300	\$ (26,369)	\$ 384,950	\$ 5,366	\$ -	\$ -	\$ 5,366	\$ 384,950	\$ -	\$ 384,950	\$ 384,950				
18	728,785	\$ 0.586	\$ 426,799	\$ (27,123)	\$ 399,676	\$ 5,606	\$ -	\$ -	\$ 5,606	\$ 399,676	\$ -	\$ 399,676	\$ 399,676				
19	723,683	\$ 0.612	\$ 442,883	\$ (27,899)	\$ 414,984	\$ 5,856	\$ -	\$ -	\$ 5,856	\$ 414,984	\$ -	\$ 414,984	\$ 414,984				
20	718,618	\$ 0.640	\$ 459,573	\$ (28,697)	\$ 430,876	\$ 6,116	\$ -	\$ -	\$ 6,116	\$ 430,876	\$ -	\$ 430,876	\$ 430,876				
21	713,587	\$ 0.668	\$ 476,892	\$ (29,518)	\$ 447,375	\$ 6,386	\$ -	\$ -	\$ 6,386	\$ 447,375	\$ -	\$ 447,375	\$ 447,375				
22	708,592	\$ 0.698	\$ 494,864	\$ (30,362)	\$ 464,502	\$ 6,666	\$ -	\$ -	\$ 6,666	\$ 464,502	\$ -	\$ 464,502	\$ 464,502				
23	703,632	\$ 0.730	\$ 513,513	\$ (31,230)	\$ 482,283	\$ 6,956	\$ -	\$ -	\$ 6,956	\$ 482,283	\$ -	\$ 482,283	\$ 482,283				
24	698,707	\$ 0.763	\$ 532,865	\$ (32,124)	\$ 500,741	\$ 7,256	\$ -	\$ -	\$ 7,256	\$ 500,741	\$ -	\$ 500,741	\$ 500,741				
25	693,816	\$ 0.797	\$ 552,946	\$ (33,042)	\$ 519,903	\$ 7,566	\$ -	\$ -	\$ 7,566	\$ 519,903	\$ -	\$ 519,903	\$ 519,903				
<b>Totals</b>	<b>22,292,048</b>		<b>\$ 12,280,565</b>	<b>\$ (781,105)</b>	<b>\$ 11,499,460</b>	<b>\$ 55,167</b>	<b>\$ -</b>	<b>\$ 7,050</b>	<b>\$ 62,217</b>	<b>\$ 8,648,165</b>	<b>\$ (8,450,235)</b>	<b>\$ 5,197,930</b>	<b>\$ 5,197,930</b>				

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September 1, 2016

Mr. Steve Adams  
 City Manager  
 City of King City  
 212 So. Vanderhurst Avenue  
 King City, CA 93930

Via Email: [aseitz@opterraenergy.com](mailto:aseitz@opterraenergy.com)  
[sadams@kingcity.com](mailto:sadams@kingcity.com)  
[mdk@yosemitelaw.com](mailto:mdk@yosemitelaw.com)  
[met@yosemitelaw.com](mailto:met@yosemitelaw.com)

RE: Request for Proposals – Lease Purchase Financing (the “RFP”)

Dear Mr. Adams,

PNC Equipment Finance, LLC for itself, its successors and assigns, is pleased to submit this tax-exempt Lease Purchase Agreement Proposal (the “Proposal”) to the City of King City for the purchase, acquisition and installation of an Energy Efficiency Project (further described below). Our Proposal is as follows:

<b>LESSEE:</b>	City of King City
<b>LESSOR:</b>	PNC Equipment Finance, LLC
<b>VENDOR:</b>	OpTerra Energy Services
<b>TYPE OF FINANCING:</b>	Tax-exempt Lease Purchase Agreement (the “Agreement”) with \$1.00 buyout option at end of lease term. Said Agreement shall be a net lease arrangement whereby Lessee is responsible for all costs of operation, maintenance, insurance and taxes.

The lease purchase agreement presented herein is not a registered security and will be an agreement directly between the Lessee and Lessor. Lessor does not believe that the financing proposed here is a Municipal Product or Municipal Security as defined in Section 15B(e)(5) or Section 3(a)(29) of the Exchange Act.

<b>BANK QUALIFICATION:</b>	This Proposal assumes that the Lessee will be issuing less than \$10 million in tax-exempt debt during calendar year 2016. Furthermore, it is assumed that the Lessee will designate this issue as a qualified tax-exempt obligation pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). A portion of each Lease Payment allocated as “interest” will be excludable from the gross income for federal income tax purposes pursuant to Section 103(a) of the Code.
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**TYPE OF EQUIPMENT/PROJECT:** Lighting (Streetlights)  
All prices, terms, conditions and selection are solely by Lessee.

**PROJECT AMOUNT:** \$275,000.00

**FINANCED AMOUNT:** \$275,000.00

**PAYMENT MODE/FREQUENCY:** Semi-Annually in Arrears

**LEASE TERM:** Thirteen (13) Years and Four (4) months construction.

**LEASE RATE:** 3.231%

**LEASE PAYMENTS:** See Attached Amortization Schedule

**ESCROW FUNDING OPTION:** At lease closing, Lessor shall fund the entire Financed Amount into an escrow account from which disbursements will be made to the existing Lessor and to equipment provider(s) as directed. Escrow agent will either be Lessor or third-party provider selected by Lessor and approved by Lessee. All escrow earnings will be for the benefit of Lessee. A set-up fee for Lessor's escrow arrangement will be \$250.00, due at lease closing.

**INSURANCE:** The Lessee shall furnish confirmation of all risk physical damage insurance coverage for the full cost of the property. In addition, Lessee shall provide \$2 million combined single limit property damage and bodily injury insurance covering the property. Lessor shall be named as loss payee and additional insured on such coverage.

**AUTHORIZED SIGNORS:** The Lessee's governing board shall provide Lessor with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute the Agreement used therein.

**INDEXED FINANCING RATE:** *After September 15, 2016*, Lessor reserves the right to adjust the Lease Rate to market conditions prior to documentation and funding. The Lease Rates offered herein shall be indexed to the 10-year interest rate swap as published at <http://www.federalreserve.gov/releases>. On August 31, 2016, the H.15 10-year interest rate swap is 1.43%. The lease rate used to establish the periodic lease payments shall be adjusted, up or down, by the change in the interest rate swap times 0.65 and then added or subtracted to the base Lease Rate indicated above to determine the lease rate for the lease schedule, three business days prior to lease funding.

**LEGAL OPINION:** The Lessee's counsel shall furnish Lessor with an opinion covering this Agreement. This opinion shall be in a form and substance satisfactory to Lessor at Lessee's cost.

**PERFORMANCE CONTRACT:** The Lessee shall furnish a copy of the executed Performance Contract from the Vendor prior to funding.

**SAVINGS GUARANTEE:** Vendor shall provide a copy of the Savings Guarantee to Lessor prior to funding.

**PERFORMANCE AND PAYMENT BOND:** Vendor shall provide a Performance and Payment Bond (the "Bond") listing Lessor as dual obligee prior to lease funding.

**LEGAL PROPERTY DESCRIPTIONS:** Lessee will provide Lessor with Legal Property Descriptions (metes and bounds) of all properties in which the Project will be installed.

**LEGAL TITLE:** Legal title to the equipment during the lease term shall vest in the Lessee, with Lessor perfecting a first security interest through uniform commercial code filing or any other such instruments as may be required by law. Upon performance of the terms and conditions of the Agreement, the Lessee shall have the option to purchase all equipment for \$1.00.

**DOCUMENTATION:** Lessor shall provide the Agreement. The Agreement will be in a form as previously negotiated between the Lessee and Lessor.

**PREPAYMENT OPTION:** So long as Lessee is not in default of the Agreement, Lessee shall have the option of paying off this transaction according to the Termination Values listed on the Amortization Schedules as provided in this Proposal. Partial prepayments will not be permitted under this Agreement.

**PROPOSAL EXPIRATION:** This Proposal will automatically expire at the end of business on October 15, 2016 unless accepted in writing by Lessee or extended in writing by Lessor. The Agreement must be fully executed and to the satisfaction of Lessor by such date. After September 15, 2016, Lessor reserves the right to adjust the interest rate according to the Indexed Financing Rate.

**This Proposal is subject to final credit approval by Lessor and approval of Agreement in Lessor's sole discretion. To render a credit decision, Lessee shall provide Lessor with its two most recently audited financial statements and a copy of its most current year's budget.**

I trust that you will find the contents of this Proposal to your satisfaction. If you should have any questions please contact me at 614-463-6580 or toll free at 866-215-9619 ext. 2.

Sincerely,  
PNC Equipment Finance, LLC

Alan Zuelke  
Vice President

City of King City  
 Request for Proposal - Lease Purchase Financing  
 September 1, 2016

ACCEPTED BY: City of King City

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Compound Period: Semiannual  
 Nominal Annual Rate: 3.231%

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance	Termination Value
Loan	9/15/2016				275,000.00	Non-Callable
1	7/10/2017	13,174.16	7,376.98	5,797.18	269,202.82	Non-Callable
2	1/10/2018	13,174.16	4,348.97	8,825.19	260,377.63	Non-Callable
3	7/10/2018	13,174.16	4,206.40	8,967.76	251,409.87	Non-Callable
4	1/10/2019	13,174.16	4,061.53	9,112.63	242,297.24	Non-Callable
5	7/10/2019	13,174.16	3,914.31	9,259.85	233,037.39	Non-Callable
6	1/10/2020	13,174.16	3,764.72	9,409.44	223,627.95	Non-Callable
7	7/10/2020	13,174.16	3,612.71	9,561.45	214,066.50	Non-Callable
8	1/10/2021	13,174.16	3,458.24	9,715.92	204,350.58	Non-Callable
9	7/10/2021	13,174.16	3,301.28	9,872.88	194,477.70	200,312.03
10	1/10/2022	13,174.16	3,141.79	10,032.37	184,445.33	189,978.69
11	7/10/2022	13,174.16	2,979.71	10,194.45	174,250.88	179,478.41
12	1/10/2023	13,174.16	2,815.02	10,359.14	163,891.74	168,808.49
13	7/10/2023	13,174.16	2,647.67	10,526.49	153,365.25	157,966.21
14	1/10/2024	13,174.16	2,477.62	10,696.54	142,668.71	146,948.77
15	7/10/2024	13,174.16	2,304.81	10,869.35	131,799.36	135,753.34
16	1/10/2025	13,174.16	2,129.22	11,044.94	120,754.42	124,377.05
17	7/10/2025	13,174.16	1,950.79	11,223.37	109,531.05	112,816.98
18	1/10/2026	13,174.16	1,769.47	11,404.69	98,126.36	101,070.15
19	7/10/2026	13,174.16	1,585.23	11,588.93	86,537.43	89,133.55
20	1/10/2027	13,174.16	1,398.01	11,776.15	74,761.28	77,004.12
21	7/10/2027	13,174.16	1,207.77	11,966.39	62,794.89	64,678.74
22	1/10/2028	13,174.16	1,014.45	12,159.71	50,635.18	52,154.24
23	7/10/2028	13,174.16	818.01	12,356.15	38,279.03	39,427.40
24	1/10/2029	13,174.16	618.40	12,555.76	25,723.27	26,494.97
25	7/10/2029	13,174.16	415.56	12,758.60	12,964.67	13,353.61
26	1/10/2030	13,174.16	209.49	12,964.67	0.00	1.00
Grand Totals		342,528.16	67,528.16	275,000.00		



Item No. **9 (G)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF RESOLUTION AMENDING AND RESTATING THE CONFLICT OF INTEREST CODE FOR DESIGNATED CITY OFFICERS AND EMPLOYEES**

**RECOMMENDATION:**

It is recommended the City Council adopt a Resolution Amending and Restating the Conflict of Interest Code for Designated City Officers and Employees.

**BACKGROUND:**

The Political Reform Act requires each city to review its conflict of interest code biennially and notify the City Council as to whether or not the code needs to be amended. The completed biennial notice must be submitted to the City Council no later than October 3, 2016. The code was last amended in 2012.

Local governmental entities are required to include within the provisions of the conflict of interest code employees, commissioners, and committee members who make or participate in the making of decisions which may foreseeably have a material effect on financial interests. Those positions that are identified are required to submit annual statements of economic interests.

**DISCUSSION:**

Statements are required in all jurisdictions to be submitted by Council Members, Planning Commission Members, the City Manager, the City Attorney, and the City Treasurer/Finance Director. The designation of other employees and officers is discretionary. Traditionally, the City of King has limited their requirements to the minimal positions established by State law. Staff is recommending the list be expanded at this time to include all positions that potentially influence decisions that may impact financial interests.

**CITY COUNCIL  
CONSIDERATION OF RESOLUTION AMENDING AND RESTATING THE  
CONFLICT OF INTEREST CODE FOR DESIGNATED CITY OFFICERS AND  
EMPLOYEES  
SEPTEMBER 13, 2016  
PAGE 2 OF 2**

**COST ANALYSIS:**

There is no direct cost impact to the City from this item.

**ALTERNATIVES:**

The following alternatives have been identified for City Council consideration:

1. Adopt the Resolution modifying the City's Conflict of Interest Code;
2. Modify the Resolution to limit the positions covered to only those expressly required by State law;
3. Make other changes to the positions listed; or
4. Provide staff other direction.

Prepared and Approved by:

  
\_\_\_\_\_  
Steven Adams, City Manager

**RESOLUTION NO. 2016-4539**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF KING, CALIFORNIA AMENDING AND RESTATING THE  
CONFLICT OF INTEREST CODE FOR DESIGNATED CITY OFFICERS AND EMPLOYEES  
AND RESCINDING RESOLUTION NO. 2012-4394**

**WHEREAS**, the Political Reform Act of 1974, California Government Code Sections 87300 et. seq., requires that governmental entities in the State of California adopt and promulgate Conflict of Interest Codes; and

**WHEREAS**, said Act requires that local governmental entities include within the provisions of Conflict of Interest Codes certain employees, commissioners, and committee members who make or participate in the making of decisions which may foreseeably have a material effect on financial interests; and

**WHEREAS**, a Conflict of Interest Code adopted pursuant to the Political Reform Act consists of two basic parts, which are: (1) the body of the code which contains the basic provisions including the manner of reporting financial interests and the procedure for filing Statements of Economic Interests, and (2) the Appendix of the Code which lists the positions of designated filers of the agency and the corresponding disclosure categories for each position; and

**WHEREAS**, California Code of Regulations, Section 18730 et. seq., contains provisions for the body of the Conflict of Interest Code which are applicable to all agencies; and

**WHEREAS**, incorporating Section 18730 et. seq., by reference as the body of the City of King's Conflict of Interest Code would mean that all changes to the financial disclosure provisions of the Political Reform Act and Section 18730 et. seq., would automatically be a part of the City's Code; and

**WHEREAS**, the City's Code would always be up-to-date and in compliance with the law; and

**WHEREAS**, the Fair Political Practices Commission gives notice of all changes to Section 18730 et. seq., and the City would be given an opportunity to comment on the changes before adoption by the Commission; and

**WHEREAS**, certain job classifications within the City of King have been added and others deleted which require the Conflict of Interest Code to be amended; and

**WHEREAS**, the City Council has determined that the attached Appendix, contained in "Exhibit A" and "Exhibit B", accurately sets forth those classifications which should be designated and categories of financial interest which should be disclosed.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of King as follows:

1. The terms of 2 California Code of Regulations, Section 18730 et. seq., duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and with the attached Appendix shall constitute the Conflict of Interest Code of the City of King.

2. Persons holding designated job classifications as set forth in "Exhibit A" and disclosure categories as set forth in "Exhibit B" shall file Statements of Economic Interests (Form 700) with the City Clerk of the City of King pursuant to 2 California Code of Regulations, Section 18730(a), Section 4.

3. Resolution No. 2012-4394 is hereby rescinded.

This resolution was passed and adopted this 13<sup>th</sup> day of **September, 2016** by the following vote:

**AYES**, Council Members:

**NAYS**, Council Members:

**ABSENT**, Council Members:

**ABSTAIN**, Council Members:

**APPROVED:**

\_\_\_\_\_  
Robert Cullen, Mayor

**ATTEST:**

\_\_\_\_\_  
Steven Adams, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Martin Koczanowicz, City Attorney

**CITY OF KING  
CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code Section 81000 et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulations, Section 18730) which contains the terms of a standard conflict of interest code, and which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of Title 2, Division 6, California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and along with the attached Appendix in which members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the City of King.

Designated employees shall file statements of economic interests with the City of King who will make the statements available for public inspection and reproduction (Gov. Code Section 81008). Upon receipt of the statements of the City Council, Planning Commission, City Manager, City Attorney, and City Treasurer/Finance Director, the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements of all other designated employees will be retained by the City Clerk.

**APPENDIX**

**EXHIBIT A**

**LIST OF DESIGNATED EMPLOYEES PER POSITION**

<b><u>Designated Employee / Board or Committee Member of the City</u></b>	<b><u>Disclosure Category</u></b>
1. Accountant	A, B, C
2. Administrative Assistant/Deputy City Clerk	A, B, C
3. Assistant Planner	A, B, C
4. Chief Building Official	A, B, C
5. Chief of Police	A, B, C
6. City Engineer (Consultant)	A, B, C
7. Director of Community Development (Consultant)	A, B, C
8. Finance Director (Consultant)	A, B, C
9. Fire Chief	A, B, C
10. Human Resources Coordinator	A, B, C
11. Police Captain	A, B, C
12. Public Works Superintendent	A, B, C
13. Recreation Coordinator	A, B, C

**EXHIBIT B**  
**CATEGORIES OF DISCLOSURE FOR**  
**DESIGNATED EMPLOYEES**

**The following shall be the categories of disclosure covered by this Policy;**

- A. Investments**  
Schedules A-1 and A-2
- B. Interests in Real Property**  
Schedule B
- C. Income & Business Positions**  
Schedule C, D, and E

**The officials and employees covered by this policy shall each disclose the categories A, B, and C as designated herein above set forth.**





Item No. **9 (H)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: SUCCESSOR AGENCY TO THE FORMER COMMUNITY DEVELOPMENT AGENCY**

**FROM: STEVEN ADAMS, CITY MANAGER/EXECUTIVE DIRECTOR**

**RE: CONSIDERATION OF RESOLUTION AMENDING AND RESTATING THE CONFLICT OF INTEREST CODE FOR DESIGNATED CITY OFFICERS AND EMPLOYEES**

**RECOMMENDATION:**

It is recommended the City Council as the Successor Agency to the Former Community Development Agency adopt a Resolution Amending and Restating the Conflict of Interest Code for Designated City Officers and Employees for the Successor Agency to the Former Community Development Agency.

**BACKGROUND:**

The Political Reform Act requires each city and successor agency to review its conflict of interest code biennially and notify the City Council as to whether or not the code needs to be amended. The completed biennial notice must be submitted to the City Council no later than October 3, 2016. The code was last amended in 2012.

Local governmental entities are required to include within the provisions of the conflict of interest code employees, commissioners, and committee members who make or participate in the making of decisions which may foreseeably have a material effect on financial interests. Those positions that are identified are required to submit annual statements of economic interests.

**DISCUSSION:**

Statements are required in all jurisdictions to be submitted by the Successor Agency. Staff is recommending the list be expanded at this time to include all positions that potentially influence decisions that may impact financial interests.

**SUCCESSOR AGENCY TO THE FORMER COMMUNITY DEVELOPMENT  
AGENCY  
CONSIDERATION OF RESOLUTION AMENDING AND RESTATING THE  
CONFLICT OF INTEREST CODE FOR DESIGNATED CITY OFFICERS AND  
EMPLOYEES  
SEPTEMBER 13, 2016  
PAGE 2 OF 2**

**COST ANALYSIS:**

There is no direct cost impact to the City from this item.

**ALTERNATIVES:**

The following alternatives have been identified for City Council consideration:

1. Adopt the Resolution modifying the Successor Agency's Conflict of Interest Code;
2. Modify the Resolution to limit the positions covered to only those expressly required by State law;
3. Make other changes to the positions listed; or
4. Provide staff other direction.

Prepared and Approved by:

  
\_\_\_\_\_  
Steven Adams, City Manager/Executive Director

**RESOLUTION No. 2016-4540**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING ACTING AS  
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY  
FOR THE CITY OF KING CITY ADOPTING THE CONFLICT OF INTEREST  
CODE FOR DESIGNATED OFFICERS AND EMPLOYEES AND RESCINDING  
RESOLUTION NO. 2012-4391**

**WHEREAS**, the Political Reform Act of 1974, California Government Code Sections 87300 et. seq., requires that governmental entities in the State of California adopt and promulgate Conflict of Interest Codes; and

**WHEREAS**, said Act requires that local governmental entities include within the provisions of Conflict of Interest Codes certain employees, commissioners, and committee members who make or participate in the making of decisions which may foreseeably have a material effect on financial interests; and

**WHEREAS**, a Conflict of Interest Code adopted pursuant to the Political Reform Act consists of two basic parts, which are: (1) the body of the code which contains the basic provisions including the manner of reporting financial interests and the procedure for filing Statements of Economic Interests, and (2) the Appendix of the Code which lists the positions of designated filers of the agency and the corresponding disclosure categories for each position; and

**WHEREAS**, California Code of Regulations, Section 18730 et. seq., contains provisions for the body of the Conflict of Interest Code which are applicable to all agencies; and

**WHEREAS**, incorporating Section 18730 et. seq., by reference as the body of the City of King's Conflict of Interest Code would mean that all changes to the financial disclosure provisions of the Political Reform Act and Section 18730 et. seq., would automatically be a part of the City's Code; and

**WHEREAS**, the City's Code would always be up-to-date and in compliance with the law; and

**WHEREAS**, the Fair Political Practices Commission gives notice of all changes to Section 18730 et. seq., and the City would be given an opportunity to comment on the changes before adoption by the Commission; and

**WHEREAS**, certain job classifications within the City of King Successor Agency to the Community Development Agency have been added and others deleted which require the Conflict of Interest Code to be amended; and

**WHEREAS**, the City Council has determined that the attached Appendix, contained in "Exhibit A" and "Exhibit B", accurately sets forth those classifications which should be designated and categories of financial interest which should be disclosed.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of King acting as the Successor Agency to the Community Development Agency as follows:

1. The terms of 2 California Code of Regulations, Section 18730 et. seq., duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and with the attached Appendix shall constitute the Conflict of Interest Code of the City of King.

2. Persons holding designated job classifications as set forth in "Exhibit A" and disclosure categories as set forth in "Exhibit B" shall file Statements of Economic Interests (Form 700) with the City Clerk of the City of King pursuant to 2 California Code of Regulations, Section 18730(a), Section 4.

3. Resolution No. 2012-4391 is hereby rescinded.

This resolution was passed and adopted this 13<sup>th</sup> day of **September, 2016** by the following vote:

**AYES**, Council Members:  
**NAYS**, Council Members:  
**ABSENT**, Council Members:  
**ABSTAIN**, Council Members:

**APPROVED:**

\_\_\_\_\_  
Robert Cullen, Mayor

**ATTEST:**

\_\_\_\_\_  
Steven Adams, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Martin Koczanowicz, City Attorney

**CITY OF KING  
CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code Section 81000 et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulations, Section 18730) which contains the terms of a standard conflict of interest code, and which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of Title 2, Division 6, California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and along with the attached Appendix in which members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the City of King Successor Agency to the Community Development Agency.

Designated employees shall file statements of economic interests with the City of King who will make the statements available for public inspection and reproduction (Gov. Code Section 81008). Upon receipt of the statements of the City Council, Planning Commission, City Manager, City Attorney, and City Treasurer/Finance Director, the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements of all other designated employees will be retained by the City Clerk.

**APPENDIX**

**EXHIBIT A**

**LIST OF DESIGNATED EMPLOYEES PER POSITION**

<b><u>Designated Employee / Board or Committee Member of the City</u></b>	<b><u>Disclosure Category</u></b>
1. Accountant	A, B, C
2. Administrative Assistant/Deputy City Clerk	A, B, C
3. City Manager	A, B, C
4. Finance Director (Consultant)	A, B, C

**EXHIBIT B**  
**CATEGORIES OF DISCLOSURE FOR**  
**DESIGNATED EMPLOYEES**

**The following shall be the categories of disclosure covered by this Policy;**

- A. Investments**  
Schedules A-1 and A-2
- B. Interests in Real Property**  
Schedule B
- C. Income & Business Positions**  
Schedule C, D, and E

**The officials and employees covered by this policy shall each disclose the categories A, B, and C as designated herein above set forth.**





Item No. **9 (I)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF AGREEMENT FOR MANAGEMENT OF  
THE KING CITY MUNICIPAL GOLF COURSE**

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**RECOMMENDATION:**

It is recommended the City Council approve an Agreement with Yolanda Frudden for management of the King City Municipal Golf Course.

**BACKGROUND:**

In 2012, the City entered into a five-year Agreement with PS Golf Management for ongoing management and maintenance of the King City Municipal Golf Course. Yolanda Frudden was one of the managing partners at that time. Since then, she has taken over sole management of the golf course.

The Agreement provided the option of renegotiating the Agreement for an additional five year period if exercised 60 days prior to the end of the first term. Ms. Frudden has requested consideration of an additional two-year term. She has requested early consideration of the extension because some minor capital improvements are needed at this time to the golf shop building.

**DISCUSSION:**

The original agreement called for the Manager to develop a capital improvement program, although it did not establish how capital improvements would be paid for. The following are improvements the Manager has made during the term of the current Agreement:

**CITY COUNCIL  
CONSIDERATION OF AGREEMENT FOR MANAGEMENT OF THE GOLF  
COURSE  
SEPTEMBER 13, 2016  
PAGE 2 OF 3**

- Painted the inside and outside of the golf shop to improve appearance
- Upgraded cart barn
- New food counter
- New point of sale
- Replaced old ceiling
- Replace the entrance door to golf shop
- Updated patio furniture
- New timers for irrigation systems
- New bbq pit
- Redone tee boxes
- Replaced old valves

Improvements the Manager has identified are still needed include the following:

- Update the outdated irrigation systems (valves; wiring; valve boxes)
- Repair window looking towards 1st tee (bullet holes)
- New door to the cart barn and back room
- Maintain the area around the golf course (by the road)
- Tree trimming (remove willows that are 30ft from greens - the roots come up on the greens and turn them brown)
- Remove old tree stumps
- Pump area valves need replacing, cleaned up and painted
- Replace sink and flooring in kitchen area due to Health Department complaints

The proposed Agreement sets forth that the Manager and City will consult and agree on how to share costs to fund all projects beyond the normal maintenance of the course. The primary immediate improvement needed is the replacement of flooring in the kitchen area. The cost of that is proposed to be shared between the City and the Manager.

The Agreement has been revised given that the ownership has changed. Since the Manager only wants to commit to a two-year extension at this time, the revised Agreement now includes an option to extend for another three-year period in the future.

Under the current Agreement, the City committed to providing one day of labor per week for maintenance for the first 24-month period. Since that period has past, that provision is no longer included in the proposed Agreement.

**CITY COUNCIL  
CONSIDERATION OF AGREEMENT FOR MANAGEMENT OF THE GOLF  
COURSE  
SEPTEMBER 13, 2016  
PAGE 3 OF 3**

The current Agreement also sets forth that the City will be responsible for maintenance of trees and will provide irrigation water for the first five years. Under the proposed Agreement, it is recommended the City continue to provide irrigation water, but no longer be responsible for maintaining trees. Given the lack of City staffing available, the Manager has been successfully making arrangements for maintenance of the trees.

**COST ANALYSIS:**

Taking a position on the California High-Speed Rail Project would have no immediate budget impact.

**ALTERNATIVES:**

The following alternatives have been identified for City Council consideration:

1. Approve the Agreement;
2. Request the City Manager to negotiate modified terms of the Agreement;
3. Do not approve the new Agreement and direct the City Manager to solicit proposals;
4. Provide staff other direction.

**Exhibits:**

1. Proposed Agreement with Yolanda Frudden for Management of the King City Municipal Golf Course

Prepared and Approved by:

  
\_\_\_\_\_  
Steven Adams, City Manager

**MANAGEMENT AGREEMENT BETWEEN  
THE CITY OF KING AND YOLANDA FRUDDEN**

THIS AGREEMENT is made this \_\_\_\_\_ day of September, 2016, between **YOLANDA FRUDDEN**, a sole proprietor ("MANAGER") and the **CITY OF KING**, a municipal corporation, organized and existing under and by virtue of the laws of the State of California ("CITY").

**RECITALS**

- A. The CITY owns a municipal golf course (*i.e.*, King City Municipal Golf Course) located at 613 S. Vanderhurst Ave., King City, California 93930.
- B. The CITY has previously contracted with MANAGER to manage and operate the golf course. Said Agreement was entered into in May 2012 with PS Golf Management for a period of five (5) years and is due to expire in May 2017. Section 6 of the Agreement provides a mutual option to renegotiate this Agreement for one (1) additional five (5) year period which must be exercised in the sixty (60) day period prior to the end of the first term. Both parties desire to extend said Agreement for a two-year period. PS Golf Management was a partnership, which has been dissolved, and Yolanda Frudden is now the sole proprietor.
- C. CITY is in need of a professional manager of the complete operation of the Golf Course, including, but not limited to, administration of all concessions, and maintenance of the course, facilities and equipment. The Golf Course site and improvements require regular maintenance to preserve the CITY's existing investment in the course because the CITY's fiscal condition, and the depleted ranks of CITY employees, particularly public works staff, the CITY is at present unable to itself provide the management, crews, or resources to adequately maintain, repair, and operate the course. CITY also requires a golf course manager to develop and implement a Capital Improvement Program to make improvements to the Golf Course.
- D. MANAGER is a sole proprietor in business for the purpose of providing management services for the Golf Course. Manager is knowledgeable of the needs and desires of CITY for a professional manager, is familiar with the overhead expense of operating the Golf Course, the uses to which the Golf Course lands were put and are committed, and the concessions. MANAGER assures CITY that MANAGER has the expertise with respect to successful and efficient management and operation of golf facilities and has inspected and is familiar with the CITY's facilities and Golf Course.
- E. MANAGER is aware that golf courses pose significant issues in regards to compliance with Federal, State and local environmental laws. MANAGER is aware of the fact that this is a management contract and not a lease. MANAGER understands that CITY retains all rights to access its own property to inspect the Golf Course for compliance with all environmental laws.
- F. CITY desires that MANAGER provide the management and other services which are immediately necessary to ensure the professional operations of the Golf Course. MANAGER has agreed to provide such services on the terms and conditions herein contained. MANAGER hereby commits to providing marketing of the Golf Course.

**NOW, THEREFORE THE PARTIES HEREBY AGREE AND STIPULATE AS FOLLOWS:**

**1. REPRESENTATIONS AND RESPONSIBILITIES OF CITY**

CITY hereby warrants and represents that it has full authority to enter into this Agreement and to perform hereunder. CITY agrees to cooperate fully with MANAGER and MANAGER's officers, employees, agents and contractors in connection with MANAGER's performance of its obligations hereunder.

Except as so agreed, CITY has no further liability or financial obligation to MANAGER or for Course expense.

MANAGER and CITY shall consult and agree on how to share costs to fund all projects beyond the normal maintenance of the course (e.g. irrigation repairs, building repairs, carpentry, roofing, etc.).

City will be responsible for the maintenance of the bridges.

City shall provide irrigation water from the City well at the City's expense.

**2. DUTIES AND RESPONSIBILITIES OF MANAGER**

- A. CITY hereby appoints MANAGER to manage the Golf Course within the contractual and legal restraints applicable to CITY, and MANAGER hereby accepts such appointment on the terms and conditions herein contained. Without limiting the generality of the foregoing, MANAGER shall provide to CITY the services more particularly set out below so as to enable and provide for the proper and efficient management of the Golf Course, including the day-to-day operations of the Golf Course, maintenance including irrigation of Golf Course, and to the fullest extent. MANAGER shall maintain said Golf Course inclusive of all appurtenances and every part thereof in a good and sanitary order, condition and repair. MANAGER shall be responsible for the security of all or such parts of the Golf Course that is under its management. In exercising its management responsibilities, MANAGER shall use its best efforts not to permit any material waste to be committed on the Golf Course premises which include all improvements thereon. Subject to adjustment for the condition of the course, the quality of services and programs will be commensurate with the fees charged to Golf Course patrons and comparable to similarly developed golf courses in California.

- B. Manager shall:
1. Provide ongoing marketing of the Golf Course; and shall
  2. Identify capital improvements necessary for effective maintenance and future improvement of the Golf Course. City and Manager shall work cooperatively on said improvements.
- C. Operating program of MANAGER at Golf Course shall include to the extent feasible:
1. Teaching professional on site.
  2. A friendly, competent and helpful staff, well cared for buildings and grounds, and a well-conditioned golf course.
  3. Implementation of youth and adult programs to introduce golf to non-golfers.
- D. MANAGER shall:
1. Carry out its duties hereunder in a proper and business-like manner, it being the intent of the parties that MANAGER ensure that there are sufficient qualified and competent staff to enable the efficient operation of the Golf Course and such other incidental and related services and that MANAGER ensure the implementation and maintenance with respect to the Golf Course of such quality services as are associated with the operation of other comparable golf courses.
  2. Be responsible for the following:
    - a. Pay all course operating expenses including, but not limited to utilities, insurance, maintenance, staff;
    - b. Employment and training of all Golf Course management and personnel;
  3. Carry out its duties and responsibilities under this Agreement in compliance with all applicable local, state and federal laws and regulations and ordinances and consistent with the contractual restraints on CITY including but not limited to compliance with all Federal, State and local laws concerning hazardous materials and other environmental regulations.
  4. Become, and remain, during the term of the Agreement, members in the King City Chamber of Commerce.

E. MANAGER warrants that in providing the Operating Services, as set out herein it will not infringe the copyright or trade name or mark of CITY or any third person. The parties agree that the names "King City Golf Course" and "King City Municipal Golf Course" may be used by MANAGER to identify the course but remain at all times the exclusive property of CITY.

F. For the term of this Agreement and any extension thereof, MANAGER shall carry a policy or policies of comprehensive general liability insurance, naming CITY and MANAGER as insureds, with coverage of not less than one million dollars (\$1,000,000.00) combined single limit for personal injury and property damage. Insurance provided shall be primary coverage for CITY. If there is a deductible amount, it shall not exceed ten thousand dollars (\$10,000.00) without the written consent of CITY.

CITY and its members, councilors, officers and employees will be named as co-insured on all insurance policies which shall provide them with primary insurance coverage as to any other insurance held by such co-insureds. MANAGER shall hold CITY and its members, councilors, officers, and employees harmless and indemnify them from any and all liability claims arising from acts or omissions of MANAGER or any person under its control so long as such acts or omissions relate to or arise from the operations of Golf Course and such liability claims are not due in part or in whole to acts or omissions constituting gross negligence or recklessness of CITY and its members, councilors, officers and employees.

For the term of this Agreement, MANAGER will carry insurance insuring all Golf Course assets, including improvements now or hereafter located on the Golf Course real estate, against loss or damage by fire and other casualty, including theft, vandalism and malicious mischief, and such other risks (but for time being excluding earthquake and flood) in an amount not less than 80% of the replacement costs of such assets with reasonable deductibles unless and until CITY indicates otherwise.

MANAGER will also provide other insurance coverage as it considers necessary and normal for the operation of the Golf Course, including but not limited to worker's compensation and automobile liability.

MANAGER shall provide CITY, at a place from time to time prescribed by CITY, with evidence satisfactory to CITY of all insurance policies and endorsements setting forth the coverages provided by MANAGER under this section. There shall be an endorsement on each policy that the insurance shall not be canceled without thirty (30) days notice to CITY.

G. Neither party makes or gives the other any general or specific guarantee as to the profitability of the Golf Course, the attendance there at, or the probable revenues therefrom.

- H. Upon expiration of the term of this Agreement, or upon the prior termination of this Agreement, MANAGER agrees and covenants to cooperate fully with CITY or CITY's designated successor manager in the smooth and businesslike transfer of the operations of Golf Course including but not limited to assignment of accounts, contracts, policies, licenses, permits and improvements in connection with the Golf Course to CITY or CITY's designee, and MANAGER agrees and covenants to execute all documents required or convenient to accomplish any such transfer in a timely, effective and efficient manner. On the expiration or on the termination of this Agreement for any reason, all Golf Course property and interests therein will be promptly turned over to CITY. MANAGER shall execute and deliver to CITY all documents necessary to legally effectuate each of the transactions.
- I. MANAGER shall not make, or suffer to be made, any material alterations of the Golf Course or any part thereof without the prior written consent of CITY. MANAGER shall keep the Golf Course premises and CITY's property in and on which such premises are situated free from any liens arising out of any work performed, material furnished, or obligations incurred by MANAGER.
- J. MANAGER shall not discriminate against any employee or applicant for employment because of race, color, creed, sex, age, national origin or non-disqualifying handicap. MANAGER shall not discriminate because of race, religion, color, ancestry, sex, national origin or non-disqualifying handicap against any person by refusing to furnish such person any service or privilege offered to or enjoyed by the general public, nor shall MANAGER differentially reflect on the acceptability of the patronage of any person because of race, religion, color, ancestry, sex, national origin or non-disqualifying handicap, nor shall the Golf Course be soured.

### 3. REMUNERATION OF MANAGER AND CITY

- A. In lieu of management fees or other compensation to MANAGER, and in consideration of both its performance under this Agreement and the existing condition of the course, MANAGER shall be entitled to receive and retain during the first five years of this Agreement, all revenue received during the term of this Agreement for goods and services sold at the Golf Course, including but not limited to greens fees, cart fees, driving range, pro shop, fees charged for golf lessons and instruction, club member fees, sales of food, beverages, merchandise or services and any other course related concession.
- B. CITY shall in no event be obligated to or pay MANAGER any amounts in excess of golf course revenues for the term of this Agreement.
- C. MANAGER hereby relinquishes any claim to reimbursement for capital expenses.

**4. RECORDS, ACCOUNTS AND REPORTS**

- A. MANAGER shall cause to be kept at the Golf Course or in its vicinity, in all material respects, full, true and accurate books, accounts and records of the operations of Golf Course and of all transactions relating to the Golf Course consistent with periodic and June 30 Fiscal Year reporting of the CITY.
- B. The books, accounts and records shall be kept in accordance with generally accepted accounting principles and practices consistently applied.
- C. MANAGER, when directed by CITY, shall provide monthly financial statements including a balance sheet, statement of Operations and other financial data reasonably requested by CITY no later than twenty (20) calendar days following the end of each month. In addition, MANAGER shall cause to be prepared such other management and financial reports concerning the Golf Course or operations as CITY may reasonably direct from time to time.
- D. CITY will have the right to inspect and to audit the books and records of the Golf Course or operations for the duration of this Agreement and for one (1) year after the termination or expiration of this Agreement.

**5. TERM AND TERMINATION**

- A. This Agreement shall commence upon execution and shall continue for a term of two (2) years unless otherwise terminated or extended upon the mutual consent of the parties.
- B. There shall be a mutual option to renegotiate this Agreement for one (1) additional three (3) year period, which must be exercised in the sixty (60) day period prior to the end of the first term. Additional terms may be included in the renegotiation including, but not limited to, compensation to the City.
- C. The CITY or the MANAGER may terminate the Agreement with proper notice of not less than 60 (sixty) days.

**6. FORCE MAJEURE**

- A. For the purposes of this Section 7, "force majeure" shall mean an act of God, strike, lockout or other industrial disturbance, act of a public enemy, war blockade, public riot, lightning, fire, storm, earthquake, flood, explosion, governmental restraint, breakage or accidents to equipment and any other cause, whether of the kind specifically enumerated above or otherwise, which shall not reasonably be within the control of the party claiming suspension.

- B. If MANAGER or CITY is unable, wholly or in part, by reason of force majeure (as herein defined) to carry out an obligation under this Agreement, such obligation shall be suspended so far as it is affected by such force majeure during the continuance thereof. The party unable to perform shall give the other party prompt notice of such force majeure with reasonably full particulars thereof and, insofar as is known, the probable extent to which it will be unable to perform or be delayed in performing such obligation. The party unable to perform shall use all possible diligence to remove such force majeure as quickly as possible.
- C. In the event that MANAGER is unable to complete the contract, MANAGER waives any claim to compensation for capital expenditures made pursuant to this contract.
- D. In the event of a flood CITY will pay MANAGER two thousand dollars (\$2,000.00) per month for five (5) months and shall assist in the cleanup.

**7. NO WAIVER**

No delay or failure on the part of any party in exercising any right hereunder shall impair any such right or any remedy of the party so delaying or failing, nor shall it be construed to be a waiver of any continuing breach or default hereunder or any acquiescence therein or of any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default hereunder be deemed a waiver of any other breach or default theretofore or thereafter occurring.

**8. AMENDMENTS**

This Agreement can be changed, waived, released or discharged only by written amendment executed by the parties hereto.

**9. SEVERABILITY**

A. If it is held by a court of competent jurisdiction that:

- 1. any part of this Agreement is void, voidable, illegal or unenforceable; or
- 2. this Agreement would be void, voidable, illegal or unenforceable unless any part of this Agreement were severed from this Agreement;

that part shall be severable from and shall not affect the continued operation of the rest of this Agreement.

B. The provisions of section 10(A) shall not apply if the part of the Agreement affected is a substantive part in which event the parties shall in good faith renegotiate the provisions of the part so affected.

**10. ASSIGNMENT**

- A. This Agreement shall be binding on all parties hereto and their respective successors and assigns.
- B. A party shall not assign its rights and shall not be (except as provided herein) released from its obligations in, to, or under, this Agreement.

**11. NOTICES**

Any notice, document or other item to be given, delivered, furnished or received under this Agreement shall be deemed given, delivered, furnished or received when given in writing and personally delivered to an officer of the applicable party, or, after same is deposited with the United States Postal Service, postage prepaid, registered or certified first class mail, return receipt requested, addressed to such applicable party at the address or addresses as such party may from time to time designate by written notice to the other, at the time of delivery shown on such return receipt:

CITY:

City of King  
Attention: City Manager  
212 S. Vanderhurst Avenue  
King City, CA 93930

MANAGER:

King City Golf Course  
Attention: Yolanda Frudden  
613 S. Vanderhurst Avenue  
King City, CA 93930

**12. MISCELLANEOUS**

- A. MANAGER shall obtain all licenses, including but not limited to a City business license, required by law.
- B. MANAGER shall obtain such grading and/or building permits as required by law in connection with improvements and repairs at the course.
- C. The relationship between CITY and MANAGER is that of independent contractors, and, except as herein expressly provided, neither party is granted any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of the other or to bind the other in any manner or thing whatsoever.

- D. This Agreement constitutes the entire agreement between the parties as to the management of the Golf Course and all prior or contemporaneous, oral or written agreements or instruments are merged herein.
- E. The remedies provided herein for breach of this Agreement are not exclusive; and, in event of breach, the parties hereto have all the remedies provided by law.
- F. This Agreement is not intended and does not create any rights or interests in persons not a party hereto.
- G. In those circumstances provided herein in which approval by a party is required, such approval shall not unreasonably be withheld.
- H. MANAGER will recommend all rates charged at the Golf Course (including but not limited to golf green fees, cart fees, driving range) which rates will be effective only upon the prior written approval of CITY. CITY will not unreasonably withhold the approval of rates recommended by MANAGER.
- I. CITY is not liable or obligated to contribute any sum as and for capital expense during the term of this agreement nor is MANAGER so obligated except insofar as it is required to use its best efforts to repair the course and restore some level of operation and play to the course.

**13. APPLICABLE LAW**

This Agreement is subject to the law of or applicable to the State of California and the parties submit to the jurisdiction of the courts of that State.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first hereinbefore written.

CITY OF KING, a Municipal Corporation

\_\_\_\_\_  
ROBERT CULLEN  
Mayor

\_\_\_\_\_  
STEVEN ADAMS  
City Manager

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
ERICA SONNE  
Deputy City Clerk

\_\_\_\_\_  
MARTIN KOCZANOWICZ  
City Attorney

YOLANDA FRUDDEN, a Sole Proprietorship

By: \_\_\_\_\_  
YOLANDA FRUDDEN  
Manager



Item No. **9 (J)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: ROBERT MASTERSON, CHIEF OF POLICE**

**BY: DARIUS ENGLER, INTERIM POLICE CAPTAIN**

**RE: CONSIDERATION OF STANDARD TOW SERVICE AGREEMENT**

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**RECOMMENDATION:**

It is recommended the City Council approve the proposed King City Police Department's standard Tow Service Agreement.

**BACKGROUND:**

In order to maintain a rotational program for tow companies, the City enters into agreements with multiple companies for tow services rather than issuing a Request for Proposals and selecting one business to contract with. By doing this, the City is able to rotate tows that occur to eliminate reliance on a single business. Currently, the City has two tow companies and an application for a third. However, while the Police Department reviews applications and applies certain standards, the City has not had written established criteria in the past to utilize in evaluating the applications and determining whether to award a contract.

In order to adopt effective standards and to simplify the process, staff is recommending the City adopt the California Highway Patrol (CHP) requirements. Therefore, the attached standardized agreement will require any applicants to be registered as a tow operator with the CHP.

**DISCUSSION:**

The CHP maintains extensive requirements for companies that provide vehicle tow service when requested by law enforcement. These requirements are based on law and best practice. Each area commander for the CHP maintains a list of tow companies that have applied and met the requirements as stated in the CHP Tow Service Agreement. The list of approved tow companies is also known as the "rotational tow program." CHP has a station in King City and an area

**CITY COUNCIL  
CONSIDERATION OF A TOW SERVICE AGREEMENT  
SEPTMEBER 13, 2016  
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commander assigned to it. They maintain a rotational tow program for the South County area of operation for CHP.

Attached is the proposed King City Police Department's Tow Service Agreement (TSA). The agreement details the qualifications and requirements of a tow company to be used by the King City Police Department in the course of their duties.

It is the intent of the King City Police Department (KCPD) to use only those tow companies who have met the stringent requirements as set forth in the CHP TSA and who have qualified for the rotational tow program. The attached KCPD TSA states in part *"....All owners or operator applying to participate in the rotational tow program with the King City Police Department must currently be registered as a tow operator with the State of California Highway Patrol (CHP) rotational tow program and must provide documentation of such."*

The KCPD TSA document largely restates and reinforces the CHP TSA. It details the responsibilities, expectation, and requirements of the tow companies who desire to be on King City Police Departments rotational tow program.

**COST ANALYSIS:**

The is no additional cost to the City of King

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Make changes to the Standard Agreement and approve;
3. Direct staff to develop the City's own independent criteria;
4. Direct staff to modify the tow company selection process; or
5. Provide staff other direction

**Attachments:**

1. King City Police Department Tow Service Agreement

Submitted by:



Robert Masterson, Chief of Police

Approved by:



Steven Adams, City Manager



## **KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT**

This Tow Service Agreement (“TSA”) contains terms and conditions that a company or individual operator agrees to comply with in order to receive and maintain a rotation tow listing with the King City Police Department. Participation in the King City Police Department Rotation Tow Program is voluntary. An owner or operator (herein sometimes referred to as “operator”), by agreeing to participate in the program, does not establish a contractual relationship with the King City Police Department and is not acting as an agent for the King City Police Department or the City of King when performing services under the TSA. Exceptions to compliance with the TSA, shall not be authorized by verbal agreement. Any exceptions shall be documented by the King City Chief of Police as a written addendum to the TSA.

All owners or operator applying to participate in the rotational tow program with the King City Police Department must currently be registered as a tow operator with the State of California Highway Patrol (CHP) rotational tow program and must provide documentation of such.

Participation in the King City Police Department’s TSA is valid for one year from the date of signing and tow operators must reapply annually.

### **1. TOW AREA OF RESPONSIBILITY**

- A. The tow area of responsibility shall be the jurisdictional boundaries of the City of King and within those areas over which the King City Police Department exercises contractual jurisdictional rights.
- B. Within its jurisdictional areas, the King City Police Department shall determine the maximum response time, reasonable rates, minimum number of trucks and any other service-related provisions.
- C. An owner or operator shall have a business office, storage facility or response location within twenty (20) minutes of City limits, unless this requirement is waived by addendum from the Chief of Police.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

### 2. ROTATION LISTS

- A. A call to an operator shall constitute one turn on the list and the operator shall be moved to the bottom of the list.
  - i. This includes when an operator fails to answer the phone, is unable to respond, is unable to perform the required service, refuses to respond or provide service, or is cancelled due to excessive response time.
- B. If it is determined the operator is not needed and is cancelled by the King City Police Department, up to and including arrival on scene and standby time which does not result in a tow, there shall be no charges and the operator shall be placed back at the top of the rotation list.
- C. If the operator responds to a King City Police Department call and is cancelled by the vehicle's registered owner or agent, prior to the operator taking possession of the vehicle, there shall be no charge to the registered owner and the operator shall be placed back at the top of the rotation list.
  - i. Possession is deemed to arise when the vehicle is removed and is in transit, or when vehicle recovery operations or load salvage operations have begun (Section 3068.1(a) of the Civil Code).
- D. Nothing in the TSA shall prohibit the King City Police Department, including, but limited to the watch commander, or supervising officer, from requesting a specific tow company when, in their opinion, the necessary resources to clear a hazard are not available from the tow company currently at the top of the rotation list.
  - i. In such an instance, the selected company would then go to the bottom of the rotation list and those companies, which were bypassed, would remain in the same rotation list order.
- E. A Salvage and Recovery Rotation List should be established for the City.
  - i. This list should be utilized whenever a large commercial vehicle is overturned and/or down an embankment.
  - ii. This list should not be utilized for a large commercial vehicle which is upright and on all wheels.
- F. Those operators on the Salvage and Recovery Rotation List shall respond with the following:



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- i. At least one (1) driver with five (5) verifiable years for-hire salvage and recovery experience.
- ii. A minimum of two (2) tow trucks, which shall be one (1) Class D tow truck and one (1) Class C tow truck.
- iii. Depending on the Department's needs and a tow operator's equipment availability, King City Police Department may allow an operator to respond one of the following to meet the minimum two (2) tow truck response criteria:
  1. Two (2) Class C tow trucks.
  2. The operator assigned the initial call, subject to prior agreement with the King City Police Department, request a specific operator for assistance to meet the one (1) Class D tow truck and one (1) Class C tow truck or two (2) Class C tow trucks.

### 3. TOW OPERATORS

- A. Operators applying for the rotational tow program shall have current valid status as a tow operator with the State of California Highway Patrol (CHP) and provide all documentation of such.
  - i. Operators, in order to maintain participation in the King City Police Department tow program, must remain in good standing with the CHP rotational towing program.
  - ii. Operators who fail to remain valid participants in the CHP rotational tow (TSA) will be removed from the King City Police Department rotational tow list until such time they are reinstated with the CHP.

### 4. TOW OPERATOR'S BUSINESS

- A. An operator's place of business shall have a sign which clearly identifies it to the public as a tow service.
  - i. The sign must conform to provisions of the City of King Zoning Ordinance and adopted guidelines and standards.
- B. Business hours shall be posted in plain view to the public.
- C. An operator's place of business shall be sufficiently staffed to allow customers to talk face-to-face with a tow company's owner, manager, or employee during normal business hours.





## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- B. The sale or transfer of the controlling interest in a tow company shall immediately terminate the TSA; a new owner may apply for the rotational tow program at any time during the remainder of the current TSA term.
  - i. A tow company who has begun the process of sale or transfer of the business must notify the King City Police Department.
  - ii. Two (2) weeks prior to the completion of the sale and or transfer, a new operator of a tow company shall have completed and have a signed and approved TSA with the King City Police Department effective on the first day of business under the new operator.
  - iii. New operator shall, within one (1) month of having obtained ownership, present to the King City Chief of Police proof of having been accepted as a CHP rotational to company.
- C. No operator or applicant shall share equipment with any other operator or applicant involved with the King City Police Department rotation tow list (excluding equipment which may be unavailable due to repairs, equipment replacement, or the operator is involved in the Salvage and Recovery Rotation List).

### 6. RESPONSE TO CALLS

- A. The operator shall respond to calls twenty-four (24) hours a day, seven (7) days a week, within the twenty (20) minute response time established by the King City Police Department.
- B. An appropriate licensed operator or tow truck driver shall respond properly equipped tow truck of the class required to tow the vehicle and be in possession of the appropriate class of license and applicable endorsements.
  - i. Any applicable permits (e.g., load variance, oversize, etc.) shall be valid and maintained in the tow truck.
- C. The operator shall advise the Monterey County Emergency Communication Center (MCECC), at the time of notification, if they are either unable to respond or unable to meet the maximum response time.
  - i. If, after accepting the call, the operator is unable to respond or will be delayed in responding, the operator shall immediately notify the MCECC.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- D. A failure to respond to towing or service calls, and/or repeated failures to meet maximum response time requirements shall result in disciplinary action.
- E. If service, other than towing, recovery, and load salvage, is cancelled by the registered owner or agent, no lien shall arise for the service unless the operator has presented a written statement to the vehicle's registered owner or agent for the signed authorization of services to be performed pursuant to Section 3068(a) of the Civil Code.
  - i. The operator shall not attempt to take possession of a vehicle in order to establish a lien for any non-towing services performed, or begun and subsequently cancelled.
- F. Nothing shall prohibit a Class B, C, or D operator from maintaining a place on the rotation list, provided the tow truck meets the equipment specifications for that class of operation.
  - i. Regardless of the class of tow truck utilized or responding to the call, charges shall not be more than for the class of the vehicle towed or serviced.
- G. The King City Police Department may establish policy which allows an operator to dispatch more than one tow truck to a multiple vehicle collision scene in response to a rotation call.
- H. If two or more operators are called to the same incident, distribution of the vehicles shall be at the discretion of the watch commander or officer in charge on scene.
- I. When an operator will be temporarily unavailable to provide services due to a pre-planned or scheduled activity, the operator shall notify the King City Police Department watch commander at least 24- hours prior to the date that services will be unavailable, noting the times and dates of the unavailability.
- J. Only tow truck personnel and equipment requested shall respond to a King City Police Department call (e.g., tow driver bringing girlfriend, children, or their dog(s), is not allowed).
  - i. Exception would be responding a tow truck driver trainee with an approved rotation truck driver only if an approved CHP 234F, Tow Operator/Driver Information, and documentation of tow truck driver training has already been submitted for the trainee to the CHP Area office. A certified copy of said CHP 234F must in possession of the tow truck driver trainer.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- K. An operator/employee shall not respond to a King City Police Department call assigned to another operator or re-assigned a call to another tow operator, unless requested to do so by the King City Police Department.
  - i. Nothing would preclude the assigned operator/employee from responding to an incident to ascertain if additional assistance or equipment is required.
  - ii. There shall be no additional charge for any personnel or equipment which is not necessary to perform the required service.
- L. There may be times when an operator/employee assigned to the initial call may require assistance from an additional operator/employee.
  - i. The assigned operator/employee may, with the concurrence of the officer in charge of the scene, request a specific operator for additional assistance.
  - ii. The operator/employee's request shall be routed through the King City Police Department.
- M. There may be times when an operator/employee, who was not called to the scene, comes upon a collision scene where a vehicle or vehicles are blocking a roadway and the on-scene officer requests assistance in clearing the roadway.
  - i. In such cases, the operator/employee may be requested by the officer to move the vehicle(s) to a safe location and leave it.
  - ii. There shall be no charge for this assistance and the assistance provided shall not change the operator's place in the rotation.

### 7. STORAGE FACILITY

- A. The operator shall be responsible for the safe keeping and prevention of vandalism of all vehicles and contents thereof which are stored or impounded by the King City Police Department.
  - i. If said storage facility is located within the City of King, said facility shall conform to provisions of the City of King Zoning Ordinance and adopted guidelines and standards.
  - ii. Out- of- City facilities, at minimum, shall be securely fenced, or enclosed storage area shall be provided.
- B. The primary storage facility shall be at the same location as the business address.





## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- I. Personal property and/or the vehicle shall be released at the primary storage facility.
  - i. Personal property or a vehicle release from a secondary storage facility shall only be granted if it's acceptable to the vehicle's registered owner or agent.
- J. No fee shall be charged for the release of personal property during normal business hours pursuant to Section 22581(b) VC.
  - i. The maximum charge for a non-business hours release shall be one-half the hourly tow rate charge, or less, for initially towing the vehicle pursuant to Section 22851(b) VC.
  - ii. No lien shall attach to any personal property in or on the vehicle pursuant to Section 22851(b) VC.
- K. The operator shall keep a written record of every vehicle stored for a period longer than twelve (12) hours pursuant to Section 10650(a) VC.
  - i. The record shall contain the name and address of the person storing or requesting the tow, the names of the owner and driver of the vehicle (if ascertainable), and a brief vehicle description (make, model, license plate number, and any vehicle damage) pursuant to Section 10650(b) VC.

### 8. TOW TRUCK DRIVERS

- A. The operator shall ensure tow truck drivers responding to calls initiated by the King City Police Department are competent and have completed a CHP Tow Service Agreement Advisory Committee (TSAAC) approved tow truck driver training program within the past five (5) years.
  - i. The TSAAC approved tow truck driver training course list can be obtained via the CHP.
  - ii. Documentation of a successfully completed tow truck driver training program shall be submitted to the King City Police Department for all tow truck drivers.
- B. Completion and/or documentation of a tow truck driver's training does not indicate a sufficient level of competence.
- C. Tow truck drivers shall perform all towing and recovery operations in the safest and most expedient manner possible.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- D. Tow truck drivers shall be at least eighteen (18) years of age and shall possess the proper class of license and endorsements for the towed and towing vehicles.
- E. All tow truck drivers and owner/operators shall be enrolled in the Employee Pull Notice (EPN) Program.
  - i. The operator shall provide a current list of drivers and a copy of the current EPN report, or in the case of a newly hired tow truck driver, proof of enrollment in the EPN program, for all drivers to the King City Police Department during enrollment.
  - ii. Upon the addition of new drivers, an operator shall be granted a maximum of thirty (30) days to enroll drivers in the EPN.
  - iii. The EPN shall be kept on file, signed, and dated by the operator.
- F. The operator shall maintain a current list of drivers.
- G. Uniforms: King City Police Department rotation tow drivers shall wear an identifiable uniform (either shirt and pants, or coveralls) displaying the company and driver's names while engaged in King City Police Department rotation tow operations.
- H. Personal Appearance: King City Police Department rotation tow drivers shall represent a professional image. An unacceptable representation would include: un-bathed, excessively dirty/torn uniform, body art, visible body piercings, et cetera.
- I. Safety Vests: King City Police Department rotation tow drivers shall wear appropriate warning garments (e.g., vests, jackets, shirts, retroreflective clothing) for daylight and hours of darkness in accordance with California Code of Regulations, title 8, Section 1598.

### 9. TOW TRUCK CLASSIFICATIONS

- A. An operator shall equip and maintain tow trucks covered under the TSA in accordance with the provisions set forth in the California Vehicle Code (VC), Title 13 of the California Code of Regulations (Title 13), the specifications contained in this TSA, and in a manner consistent with industry standards and practices.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

B. All tow trucks shall have recovery and wheel lift capabilities meeting the specifications contained in this TSA and the most recent electronic version of the CHP 234B, Tow Truck Inspection Guide.

- i. Class D tow trucks used exclusively for salvage and recovery operations are not required to possess wheel lift capabilities.
- ii. An operator who has a car carrier is exempted from the recovery, wheel lift, and boom requirements. However, the car carrier must be an additional unit and shall not be used for recovery.

C. A violation of the gross vehicle weight rating (GVWR) and/or safe loading requirement of a tow truck should be cause for immediate suspension. This includes exceeding the tow truck's GVWR, front axle weight rating, rear axle weight rating, maximum tire weight ratings, or not maintaining 50 percent of the tow truck's unlined front axle weight on the front axle when towing.

D. There are four (4) classes of tow trucks covered under this TSA.

i. Class A – Light Duty

1. An operator utilizing light duty tow truck(s) should maintain a minimum of one tow truck which has a manufacturer's GVWR of at least 14,000 pounds.
  - a. After June 30, 2006, Class A 4-wheel drive tow truck with a GVWR of less than 14,000 pounds shall be used only for recoveries requiring the use of 4-wheel drive.

ii. Class B – Medium Duty

1. An operator utilizing medium duty tow truck(s) should maintain a minimum of one tow truck with a GVWR of at least 26,001 pounds. The truck shall be equipped with air brakes and a tractor protection valve or device, and be capable of providing and maintaining continuous air to the towed vehicle.
  - a. All Class B tow trucks with a GVWR of less than 26,001 pounds currently approved for the CHP Class B rotation list will be allowed to remain on the rotation list until June 30, 2010.
  - b. Tow companies continuously used on rotation for the CHP, whose equipment was previously approved and owned by



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

the same operator but lacks air brakes, and/or a tractor protection valve or device, may apply with CHP for and receive a Class B rotation tow listing of the tow truck is capable of supplying service brakes air to the towed vehicle and has a single control for application.

### iii. Class C – Heavy Duty

1. An operator utilizing heavy duty tow truck(s) should maintain at least one three-axle tow truck with a GVWR of at least 48,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.
  - a. All Class C tow trucks with a GVWR of less than 48,000 pounds currently approved for the CHP Class C rotation tow list will be allowed to remain on the tow list until June 30, 2010

### iv. Class D – Super heavy Duty

1. An operator should maintain at least one three-axel tow truck with a GVWR of at least 52,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.
  - a. All Class D tow trucks with a GVWR of less than 52,000 pounds currently approved for the CHP Class D rotation list will be allowed to remain on the rotation list until June 30, 2010.
  - b. If this class of tow truck is used exclusively for salvage and recovery operations, there is no requirement for providing and maintaining continuous air to the towed vehicle.

## 10. GENERAL EQUIPMENT SPECIFICATIONS

- A. **Tow truck and Car Carrier Classifications:** Tow truck and car carrier classifications are based on the truck chassis GVRW and the classification system used by the American Trucking Association (ATA) and truck manufacturers. Tow truck and car carrier classifications shall meet all the applicable state and/or federal standards.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- B. **Identification labels:** Each piece of towing equipment shall have a label or identification tag permanently affixed to the equipment in a prominent location to identify the manufacturer, serial number, model, and rated capacity.
- C. **Recovery Equipment Rating:** The basic performance rating of the recovery equipment is the weight the equipment can lift in a winching mode, when the boom is static at a 30 degree elevation with the load lines vertical and the lifting cables sharing the load equally, measured with a live load (weight or load cell).
  - i. The structural design of the recovery equipment must have a higher capacity than the performance ratings.
  - ii. Winches shall conform to or exceed the specifications set forth by the Recovery Equipment Rating, Society of Automotive Engineers (SAE) Handbook, SAE J706.
  - iii. All ratings for cable and chain assemblies are for the undamaged assembly condition. All cables and chain assemblies should be the same type, construction, and rating as specified by the original equipment manufacturer (OEM) for the equipment.
- D. **Control/Safety Labels:** All controls shall be clearly marked to indicate proper operation, as well as any special warnings or caution.

### 11. INSPECTIONS

- A. Tow Operators applying for the rotational tow program shall have current valid status as a tow operator with the State of California Highway Patrol (CHP) and provide all documentation of such.
- B. The CHP, as part of their rotation tow program provides for not less than one annual inspection of all tow trucks at no charge to the operator.
- C. The operator shall not dispatch a tow truck which has not been inspected by and approved by the CHP. Upon successful completion of a Level One CHP inspection the CHP issues a Commercial Vehicle Safety Alliance (CVSA) decal.
- D. If 80 percent of the operator's tow trucks fail the initial annual inspection, the operator's application shall be denied and the operator may reapply during the next CHP rotation tow program enrollment period.
- E. The King City Police Department recognizes, requires and accepts the CHP annual inspection documentation and compliance with CHP inspection



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

requirements is a requirement of participation in the TSA with the King City Police Department.

### F. Special Equipment

- i. To properly and safely tow, service, or recover the wide variety of vehicles being operated on the highway, a towing procedure may require the use of special equipment specifically designed for the purpose. This special equipment shall be listed on the operator's CHP 234A, Rotation Tow Listing Application, and should be used when appropriate.
- ii. All special equipment listed on the CHP 234A shall be accounted for during the annual CHP inspection or when additional equipment is added.
- iii. Any special equipment which requires certification/inspection of the equipment and /or operator (e.g., cranes, forklifts, etc.) shall be provided to the CHP at the time of enrollment with them or as equipment is added by the operator.

## 12. RATES

- A. Fees charged for calls originating from the King City Police Department shall be reasonable, valid, and not in excess of those rates charged for similar services provided in response to requests initiated by a public agency or private person.
  - i. Reasonableness shall be determined as compared to other rates charged within the cities of Gonzales, Soledad and Greenfield.
  - ii. Validity shall be based upon the following: telephone quotes, invoices, posted rates, charges to retail customers, et cetera. NOTE: element 12.A shall not apply if the operator responds to a King City Police Department call in a location where tow rates for all tow companies are established by an Official Police Garage (OPG) or city/county ordinance pursuant to Section 21100(g) VC.
- B. Based upon the average of the proposed fees submitted, the King City Chief of Police shall determine the reasonableness and validity of all submitted rates (i.e., storage, non-skilled labor, special equipment, etc.).
- C. An operator who submits a rate, which is determined by the Chief of Police to be unreasonable and/or invalid, shall be allowed to re-submit rates only once.
  - i. If the re-submittal rate is unreasonable and /or invalid, the operator shall be disqualified for a period of one year.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- ii. An operator shall be provided with written notification regarding the disqualification within thirty (30) days.
- D. Rate requirements represent the maximum an operator may charge on a King City Police Department call.
  - i. An operator is not precluded from charging less when deemed appropriate by the operator.
  - ii. These requirements shall not be construed as requiring a charge if an operator would not normally charge for such a service.
- E. Any operator who charges rates above the submitted rates for a King City Police Department call shall be subject to disciplinary action.
- F. In an effort to remain competitive in the open market, the operator may lower retail rates at any time by notifying the Chief of Police.
  - i. When an operator lowers the retail rate, that retail rate becomes the operator's new approved rate.
- G. A valid bank credit card or cash payment shall be accepted for payment of storage and/or towing when a vehicle is stored pursuant to Section 22651 VC (Section 22651.1 VC).
- H. NO operator or employee shall refer to any rate as a required or "King City Police Department rate."
- I. The approved schedule of rates charged by the operator shall be available in the tow truck, and shall be presented upon demand to the vehicle's owner/agent for whom the tow service was provided or any King City Police Department officer at the scene.
- J. There shall be no additional charge for moving (i.e., driving, towing, pushing, utilizing a forklift, etc.) a stored vehicle from inside an operator's storage yard to the front of the business establishment.
- K. Operators may only raise rates after approval from the Chief of Police, who shall poll all other tow operators on the rotation list prior to approving a rise in rates.
- L. Tow Rates



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- i. The rate for towing should be from portal to portal when a vehicle is towed to the operator's storage yard.
  1. Portal to portal is defined as follows: Time shall start from either the point of dispatch or upon time of departure from the place of business, whichever is closer to the location of the call, and shall end at the estimated time of return to the place of business or completion of the call, if another call is pending, whichever is shorter.
- ii. The time expended, for towing a vehicle back to the operator's storage yard, should be charged at a rate not to exceed the hourly rate.
  1. Time expended in excess of the hourly rate shall be calculated in no more than one minute increments.
  2. There shall be no additional charges for mileage, et cetera.
- iii. The operator may submit two retail hourly tow rates to the Chief of Police: One rate for calls originating during normal business hours and one rate for calls originating after business hours.
- iv. The operator shall base towing charges upon the class of vehicle being towed, regardless of the class of truck used.

### M. Service Calls

- i. The operator may charge up to a thirty (30) minute minimum per call for any service which is performed when the vehicle operator or agent is present and the vehicle is not stored at the direction of an officer or returned to the operator's storage yard.
- ii. Rates for a service call (out-of-gas, lockouts, tire changes, etc.) should be from portal to end of service.
- iii. Charges, in excess of a thirty (30) minute service call, may be charged in no more than one-minute increments.
- iv. Fuel charges for gasoline dispensed on out-of-gas service calls shall be the prevailing market rate.

### N. Fees for Special Operations



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- i. Fees shall be reasonable and consistent with the industry standards for similar operations.
- ii. Operators involved in Salvage and Recovery operation may charge a minimum two hour rate.
  1. Time expended in excess of the two hour minimum shall be at the hourly rate in no more than one minute increments.
  2. If it is determine that only one truck is required, the second truck may claim portal to portal and time expended on scene until determination was made that it was not required.
- iii. Hourly rates shall be established for the following:
  1. Auxiliary and contracted equipment, e.g., airbags, converter gear/dolly, additional trailers, fork lift, front loaders.
  2. Contract labor.
- iv. Operators shall submit a mark-up rate (percentage of the cost to the operator) for rental equipment and specialized labor not otherwise listed within the operator's CHP 234A, Rotational Tow Listing Application (Copy of CHP 234A to be attached to this agreement.)
- v. If an operator performs a service for which a required rate was not submitted and approved by the Chief of Police, the operator shall only be entitled to charge for the actual cost of that service plus ten (10) percent.

### O. Storage Fee

- i. A vehicle stored twenty-four (24) hours or less shall be charged no more than one day storage pursuant to Section 3068.1(a) of the Civil Code (CC).
  1. If the vehicle is released from storage after 24 hours has elapsed, charges may be allowed on a full, calendar-day basis for each day of storage, or part hereof pursuant to Section 3068.1(a) CC.
- ii. Storage of vehicles in combination should be charged as per vehicle rate except for dollies, con-gear, vehicle on a car carrier/trailer, et cetera.
  1. Dollies, con-gear, not in combination, may be charged a storage rate not to exceed Class A storage fees.



**KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT**

- iii. Inside storage fees shall only be charged when inside storage is requested by the King City Police Department, registered owner, legal owner, insurance company, or when the inside storage can be justified by the tow operator.
- iv. The operator shall display in plain view at all cashiers stations, a sign as described in Section 3070(d)(2)(E) CC, disclosing all storage fees and charges in force, including the maximum storage rate.

**13. COLLUSION**

- A. An operator and/or applicant shall not conspire, attempt to conspire, or commit any other act of collusion with any other operator or applicant for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the TSA that would bring about any unfair condition which could be prejudicial to the King City Police Department, the motoring public, or other operators.
- B. A finding by the King City Police Department that any operator or applicant has been involved in collusion shall be cause for denial of an application or shall nullify the TSA. Any operator or applicant found to be involved in any act, or attempted act of collusion, shall be disqualified from participation on the King City Police Department rotation tow for three (3) years.

**14. INSURANCE**

- A. The operator shall maintain the following minimum levels of insurance from an insurance carrier admitted in California, or admitted in the state in which the operator’s business is located, and is authorized to do business in California.
  - i. Minimum Level of Financial Responsibility (as required by Section 34631.5 of the California Vehicle Code) – Bodily injury and property damage with a combined single limit of not less than \$750,000 for Class A tow trucks. The combined limits for Class B, C, and D shall not be less than \$1,000,000. These minimum standards are to include non-owned and hired auto coverage.
  - ii. Uninsured Motorist – Legal minimum combined single limit.
  - iii. On-Hook Coverage/Cargo – Insuring the vehicle in tow with limits based on size of the tow truck.

1. Class A tow truck.....\$50,000



**KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT**

- 2. Class B tow truck..... \$100,000
- 3. Class C tow truck.....\$200,000
- 4. Class D tow truck.....\$250,000
- iv. Garage Liability – Includes premises and operations. Coverage for bodily injury and property damage with a combined single limit of not less than \$500,000.
- v. Garage Keeper’s Liability – Shall be the same minimum as on-hook coverage for vehicles in the care, custody, and control of the operator in the storage yard.
- vi. Worker’s Compensation as required by law.
- B. An operator shall provide proof of insurance for all storage facilities listed on the CHP 234A Rotation Tow Listing Application (Copy of CHP 234A to be provided to King City Police Department upon application.).
- C. Proof of insurance shall be in a form of a certificate of insurance. The operator’s insurance policy shall provide for not less than thirty (30) days written notice to the King City Police Department in the event the insurance policy is canceled or due to expire.
- D. Failure of the operator to maintain the minimum insurance requirements set forth in the TSA shall immediately nullify the TSA, remove the operator from the rotation to list, and subject operator to disciplinary action by the Chief of Police.

**15. DEMEANOR AND CONDUCT**

- A. While involved in King City Police Department rotation tow operations or related business, the tow operator and/or employee(s) shall refrain from any acts of misconduct including, but not limited to, any of the following:
  - i. Rude or discourteous behavior.
  - ii. Lack of service, selective service, or refusal to provide service which the operator is capable of performing.
  - iii. Any act of sexual harassment or sexual impropriety.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

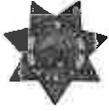
- iv. Unsafe driving practices.
- v. Exhibiting any objective symptoms of alcoholic beverage(s) or drug use.
  - 1. The operator/tow truck driver shall submit to a preliminary alcohol screening test upon demand of the King City Police Department if an odor of an alcoholic beverage is detected upon their person.

### 16. TOW COMPLAINTS

- A. All King City Police Department tow service complaints received or initiated by the King City Police Department against a tow operator or tow operator's employee(s), shall be accepted and investigated in a fair and impartial manner. Notice to the operator shall be provided concerning complaints received from member of the public or the King City Police Department.
  - i. The tow operator and their employee(s) shall cooperate with the King City Police Department investigator(s) during the course of an investigation.
- B. The operator shall be notified in writing of the findings within thirty (30) days of the conclusion of any investigation.
- C. Should the filing of criminal charges be a possibility, the King City Police Department shall conduct the investigation and may seek prosecution.
- D. Complaints for violations of the law that occur in another law enforcement jurisdiction shall be referred to that law enforcement agency with jurisdiction.

### 17. COMPLIANCE WITH LAW

- A. The tow operator and employees shall, at all times, comply with federal, state and local laws and ordinances.
  - i. Tow operators, in order to operate legally within the City of King, must obtain a City of King business license whether or not the tow operator bases his business within the City, has a secondary office and or storage yard.
  - ii. If said office and or storage facility is located within the City of King, said facility shall conform to provisions of the City of King Zoning Ordinance and adopted guidelines and standards.
- B. Any conviction of the operator or employee(s) involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

crime of violence, a drug related offense, felony driving while under the influence of alcohol or drugs, misdemeanor driving while under the influence of alcohol or drugs, or moral turpitude should be cause for suspension or removal of an operator/employee, or denial of an operator/employee's application, or termination of the TSA.

- C. King City Police Department personnel, as well as tow operators and their employees, shall not be offered nor accept gratuities pursuant to Section 12110(a) VC.
- D. No tow operator or their employee shall accept any gratuities from a repair shop for the delivery of a vehicle, not owned by the repair shop or tow company, for the purpose of storage or repairs pursuant to Section 12110(c) VC.
- E. Failure of an operator to satisfy a court order mandating reimbursement to the vehicle or property owner for the damage or loss which occurred while the vehicle was in the operator's custody may be cause for termination of the TSA.
- F. An operator or employee arrested/charged for a violation involving any of the above crimes should be suspended until the case is adjudicated.

### 18. COMPLIANCE WITH TSA

- A. The operator agrees, as a condition of inclusion in the rotational tow program, to comply with the terms and conditions of the TSA. Furthermore, the operator or operator's agent agrees that failure to comply with these terms and conditions shall be cause for disciplinary action (i.e., written reprimand, suspension, termination, or denial of an application).
- B. A violation of the equipment requirements, related to safety, shall be cause for immediate suspension.
  - i. The suspension shall remain in effect until the suspension period is completed and the King City Police Department has inspected the equipment and concluded the operator is in compliance.
- C. A violation of the GVWR and/or safe loading requirements of a tow truck may be cause for disciplinary action.
  - i. This includes exceeding the tow truck's GVWR, FAWR, RAWR, maximum tire weight ratings, or not maintaining 50 percent of the tow truck's laden front axle weight on the front axle when in tow.
- D. A violation of intentionally overcharging or a pattern of overcharging shall be cause for suspension.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- i. The suspension shall remain in effect until the suspension period is completed and proof of reimbursement to the aggrieved customer has been provided to the Chief of Police.
- E. Any unsatisfactory terminal evaluation rating issued by the CHP Motor Carrier Safety Unit (MCSU) shall be cause for suspension.
  - i. The suspension shall remain in effect until proof of a satisfactory compliance rating from the MCSU has been provided to the Chief of Police.
- F. Allowing an incompetent tow truck driver to respond to a King City Police Department call shall be cause for disciplinary action of the operator.
- G. An operator responding a tow truck driver to a King City Police Department call (e.g., those drivers dispatched by the tow operator's business) for whom the following information has not been submitted and approved by the King City Police Department, shall be cause for disciplinary action of the operator.
  - i. Copy of CHP 234F, Tow Operator/Driver Information.
  - ii. Documentation indicating completion of a TSAAC approved tow truck driver training program within the past five (5) years.
  - iii. Enrollment in an annual random drug testing program and Employee Pull Notice program.

### 19. DISCIPLINARY ACTION

- A. The Chief of Police shall take disciplinary action against an owner or operator for violations investigated and sustained. Furthermore, the operator agrees that failure by the operator, or their agent, to comply with these terms and conditions shall be cause for disciplinary action (i.e., written reprimand, suspension, denial of an application, or termination from the King City Police Department Rotation Tow Program).
  - i. The Chief of Police shall retain discretion regarding the length of any suspension imposed pursuant to the terms and conditions of the TSA.
- B. Nothing shall preclude the King City Police Department from taking appropriate enforcement or administrative action for any violations of the law.



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- C. Nothing herein shall be deemed to prohibit the King City Police Department from immediately suspending, terminating, or denying an application of any operator or employee whose conduct, in the opinion of the Chief of Police, is deemed a danger to the motoring public, or who has engaged in conduct constituting a flagrant violation of the TSA (e.g., registered sex offender).
- D. Records of violations shall be retained by the King City Police Department for Thirty-six (36) months.

### 20. TERMS OF DISCIPLINARY ACTION

- A. Violations of the terms and conditions of the TSA may be cause for disciplinary action in the following manner:
  - i. First violation within a 12 month period – letter of reprimand.
  - ii. Second violation within a 12 month period – 1 to 30 day suspension.
  - iii. Third violation within a 12 month period – 60 to 90 day suspension.
  - iv. Fourth violation within a 12 month period – termination of the TSA.
- B. Violations of the terms and conditions of the TSA which warrant suspension are categorized as major violations. Any subsequent or continuing major violation may be cause for termination.
  - i. When considering disciplinary action for a major violation of the TSA, the Chief of Police should take into consideration all violations which have occurred within thirty-six (36) months prior to the date of the violation.
- C. A terminated or suspended operator, and/or the tow business owner at the time of the suspension or termination, shall be removed from the rotational tow list for the duration of the suspension or termination.
  - i. This provision applies to the operator working in any capacity within any tow business or operating any tow business, even if operated under new ownership.
- D. If the operator is serving a suspension for one year or more, the operator shall be required to have complied with all terms and conditions of the current TSA at the time of the reinstatement.

### 21. HEARING/APPEAL



## KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT

- A. A hearing shall be granted, upon an owner's or operator's request, within ten (10) calendar days, for the following circumstances:
  - i. Operator is served with disciplinary action.
  - ii. Denials of an operator's rotation tow application or an operator/driver application.
- B. A hearing shall be held as soon as practical.
- C. The hearing shall be conducted by the Chief of Police or designee, and the operator shall be entitled to present all relevant facts and circumstances in support of the operator's position.
  - i. The operator shall be entitled to present testimony of at least one qualified person.
- D. The operator shall be notified in writing of the Chief of Police's decision(s) within ten (10) business days of the date of the completion of the hearing.
- E. Following a hearing, if the operator is dissatisfied with the Chief of Police's decision(s), the operator may appeal by submitting a written request to the Chief of Police within ten (10) calendar days.
- F. The appeal shall be conducted by the Chief of Police or designee and shall be held as soon as practical.
  - i. The operator shall have the same rights as afforded at the Chief of Police level.
  - ii. The operator shall be notified in writing of the Chief of Police's decision within ten (10) days of the appeal.
  - iii. The Chief of Police's decision(s) shall be subject to no further administrative appeal.
- G. Disciplinary action shall not take effect until the hearing and appeal process has been exhausted, with the exception of operator's whose conduct is deemed to be a danger to the motoring public or who continue to violate the terms and conditions of this TSA.
- H. If an operator fails to request a hearing or appeal within the specified time or fails to appear at a scheduled hearing or appeal, the action taken by the Chief of Police



## **KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT**

shall be final and the disciplinary action shall take effect upon written notification by the Chief of Police.

### **22. TSA YEARLY REVIEW**

- A. The purpose of this section is to provide a process for a yearly review of the terms and conditions of the TSA in the event there is legitimate and substantial change in conditions or law affecting the majority of the operators within the City of King.
- B. A yearly review will not automatically authorize a change in the terms and conditions of the TSA.

### **23. ADVERTISING**

- A. The operator shall not display any sign or engage in any advertisement indicating an official or unofficial connection with the King City Police Department.

### **24. CANCELLATION**

- A. This TSA may be cancelled by either party by giving written notice to the other party.

### **25. OWNER/OPERATOR APPROVAL**

- A. I certify that all tow drivers operating under this Tow Service Agreement (TSA) are qualified and competent. I further certify that I have read and understand this TSA and agree to abide by all the provisions.

### **26. INDEPENDENT CONTRACTOR**

- A. The parties agree that the owner or operator shall be an independent contractor with regard to the providing of services under this TSA and that owner's or operator's employees or agents shall not be considered to be employees or agents of the City for any purpose and will not be entitled to any of the benefits City provides for its employees.

### **27. CONFLICT OF INTEREST**

No owner, operator or employee of an owner or operator shall offer or provide to any City of King City Police Department Police Officer, employee, volunteer or



**KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT**

their immediate family any special consideration due to that person’s employment and or standing with the City of King.

As such no owner or operator, or employee of any owner or operator shall offer to any City of King Police Officer, employee, volunteer or their immediate family any special consideration in regards to the sale of, gifting of, trading of, or offering a gratuity to, or in any way provide or offer special consideration to any King City Police Officer, employee, volunteer or their immediate family any vehicle, vehicle part or parts, items found within a vehicle; or any other form of consideration due to their position or standing with the City of King.

Violation of this section shall result in the termination of this agreement and removal from the City of King rotational tow list. Owners or operators may request a hearing as per Section 21 “Hearing/Appeal” of this agreement.

**28. INDEMNIFICATION AND LITIGATION COSTS**

- A. The undersigned owner or operator agrees to indemnify, defend and hold harmless the City of King and the King City Police Department, their elected and appointed officials, officers, employees, agents, and volunteers, from and against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation, court costs and reasonable attorney’s fees (“Claims”) arising out of or in any way connected with owner’s or operator’s performance of work hereunder or by the failure of the owner or operator to comply with any obligation contained in this TSA and from any and all Claims accruing or resulting to any person firm or corporation who may be injured or damaged by the owner or operator in the performance of this TSA, except such loss or damage caused by the sole negligence or willful misconduct of the City of King or the King City Police Department.

The terms of this TSA will become effective: \_\_\_\_\_ and end \_\_\_\_\_.



**KING CITY POLICE DEPARTMENT TOW SERVICE AGREEMENT**

**OWNER/OPERATOR APPROVAL**

Type or legibly print all information except signature box.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Company: \_\_\_\_\_

Business Address: \_\_\_\_\_  
No. Street City Zip Code

Business Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Motor Carrier Permit Number: \_\_\_\_\_

King City Police Department – Chief of Police

\_\_\_\_\_ Date \_\_\_\_\_





Item No. **9 (K)**

**REPORT TO THE CITY COUNCIL**

**DATE: SEPTEMBER 13, 2016**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF APPOINTMENT TO THE COMMUNITY TASK FORCE TO END YOUTH VIOLENCE**

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**RECOMMENDATION:**

It is recommended the City Council replace Carlos DeLeon with Margarita Lopez on the Community Task Force to End Youth Violence.

**BACKGROUND:**

At the August 9<sup>TH</sup> meeting, the City Council approved appointments to the Community Task Force to End Youth Violence. The membership included representatives from a wide range of stakeholder groups.

**DISCUSSION:**

One of the seats established on the Committee was a representative from the City Manager's Latino advisory group, which was Carlos DeLeon. Since then, Mr. DeLeon has become the presumptive Council Member-elect from District 3 since he is running unopposed. Mr. DeLeon inquired, and the City Attorney confirmed, that his participation may result in a Brown Act issue since there are already two council members participating on the Committee. As a result, Mr. DeLeon has advised the City he regretfully will not be able to participate. Therefore, it is recommended that Margarita Lopez be appointed in his place.

**COST ANALYSIS:**

There are no costs associated with the appointment.

**CITY COUNCIL  
CONSIDERATION OF APPOINTMENT TO THE COMMUNITY TASK FORCE  
TO END YOUTH VIOLENCE  
SEPTEMBER 13, 2016  
PAGE 2 OF 2**

**ALTERNATIVES:**

The following alternatives are provided for City Council consideration:

1. Approve staff's recommendation;
2. Appoint someone else;
3. Do not make the additional appointment; or
4. Provide staff other direction.

Prepared and Approved by:



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Steven Adams, City Manager