

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

TUESDAY MARCH 14, 2017
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, Robert Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, and Mayor Mike LeBarre
- 3. FLAG SALUTE**
- 4. CLOSED SESSION ANNOUNCEMENTS**
- 5. SPECIAL PRESENTATIONS**
 - A. American Red Cross Month 2017 Proclamation
 - B. Officer of the Year Proclamation
 - C. Presentation on South Monterey County Joint Union High School District by Superintendent Dr. Daniel Moirao
- 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 February 28, 2017 Council Meeting
Recommendation: approve and file.
- B. City Check Register
Recommendation: approve and file.
- C. Successor Agency Check Register
Recommendation: approve and file.
- D. Public Financing Authority Check Register
Recommendation: approve and file.
- E. Consideration: King City in Bloom City Hall Landscaping Improvements
Recommendation: approve the City Hall landscaping project proposed by King City in Bloom
- F. Consideration: Approval of Lease Agreement Contract with King City Boxing Club
Recommendation: approve the lease agreement with the King City Boxing Club for Boxing Club for use of the racquetball courts.
- G. Consideration: Request to Award Contract for Pool Tile Cleaning
Recommendation: 1) award a contract for pool tile cleaning to Thomson Tile in the amount of \$2,436.00; and 2) appropriate \$3,936.00 Fund for the service of cleaning the tiles and replacing the missing and broken tiles, as needed.
- H. Consideration: Re-Classification of Investigator Position to Sergeant
Recommendation: approve the reclassification of the police investigator position to police sergeant.
- I. Consideration: City Facility Energy Efficiency Lighting Project
Recommendation: 1) approve the City facility energy efficiency (LED) lighting project through the Association of Monterey Bay Area Governments (AMBAG) Energy Watch program; and 2) authorize the City Manager to execute loan documents for the program's 0% on-bill financing of the improvements.

- J. Consideration: Immigration and Citizenship Services
Recommendation: 1) approve sponsoring a "Know Your Rights" forum to be conducted by Catholic Charities; and 2) appropriate \$7,500 to contract with Catholic Charities to provide ongoing immigration and citizenship services to King City residents for a 6-month period.
- K. Consideration: Resolution of the City Council of the City of King City Authorizing City Manager to Release City Interests to Allow the Sale of 389 and 399 San Antonio Drive
Recommendation: adopt a Resolution authorizing the City Manager to release the City's interests in the property located at 389 and 399 San Antonio Drive, subject to approval as to form by the City Attorney.

10. PUBLIC HEARINGS

None

11. REGULAR BUSINESS

- A. Consideration: Resolution Authorizing the Mayor to Execute a Joint Powers Authority Agreement Establishing the Salinas Valley Basin Groundwater Sustainability Agency
Recommendation: adopt a Resolution authorizing the Mayor to execute a Joint Powers Agreement establishing the Salinas Valley Basin Groundwater Sustainability Agency.

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.

1. Worker's Compensation Claim by Venuscia Ortega
Claims against City of King (Claim Numbers:
120200055,130900191,130900234,111200041)
Gov. Code Section: 54956.95

13. ADJOURNMENT

City of King

AMERICAN RED CROSS MONTH 2017

A Proclamation

In King City, we have a long history of helping our neighbors in need. American Red Cross Month is a special time to recognize and thank our heroes – those Red Cross volunteers and donors who give of their time and resources to help community members.

These heroes help families find shelter after a home fire. They give blood to help trauma victims and cancer patients. They deliver comfort items to military members in the hospital. They use their lifesaving skills to save someone from a heart attack, drowning or choking. They enable children around the globe to be vaccinated against measles and rubella.

The American Red Cross depends on local heroes to deliver help and hope during a disaster. We applaud our heroes here in King City who give of themselves to assist their neighbors when they need a helping hand.

Across the country and around the world, the American Red Cross responds to disasters big and small. In fact, every eight minutes the organization responds to a community disaster, providing shelter, food, emotional support and other necessities to those affected. It collects nearly 40 percent of the nation's blood supply; provides 24-hour support to military members, veterans and their families; teaches millions lifesaving skills, such as lifeguarding and CPR; and through its Restoring Family Links program, connects family members separated by crisis, conflict or migration.

We dedicate the month of March to all those who support the American Red Cross mission to prevent and alleviate human suffering in the face of emergencies. Our community depends on the American Red Cross, which relies on donations of time, money and blood to fulfill its humanitarian mission.

NOW, THEREFORE, I, Mike LeBarre, Mayor of King City, by virtue of the authority vested in me by the Constitution and laws of King City, California, do hereby proclaim March 2017 as American Red Cross Month. I encourage all Americans to support this organization and its noble humanitarian mission.

IN WITNESS, WHEREOF, I have hereunto set my hand first day of March in the year of our Lord two thousand seventeen, in King City, California.



Mike LeBarre
Mayor

City of King

*Officer of the Year
Officer Dominic Mercurio*

Whereas, Officer Dominic Mercurio was overwhelmingly selected by his fellow sworn and non-sworn Police Department staff to be Officer of the Year, and

Whereas, Officer Mercurio shows true compassion and empathy when dealing with the people he contacts; and

Whereas, Officer Mercurio rendered first aid to a gunshot victim while at the same time calming the victim enough to obtain a statement and maintained safety of the initial two officers while waiting for other units to arrive; and

Whereas, Officer Mercurio was commended on a medical aid call by a Paramedic for covering a patient with a blanket, that he purchased himself for such an incident, prior to the ambulance arriving; and

Whereas, Officer Mercurio is friendly and outgoing with members of the Police Department and especially the public; and

Whereas, these examples demonstrate the type of officer the City desires.

NOW, THEREFORE, BE IT HEREBY PROCLAIMED that the City Council of the City of King congratulates Officer Dominic Mercurio for being selected as the City of King Police Department Officer of the Year and expresses its appreciation for his dedicated, caring and professional service to the community.

*Mike LeBarre
Mayor*



BOARD OF DIRECTORS MEETING HIGHLIGHTS February 16, 2017

History of Salinas Area Transfer Station Search

Salinas Area Facilities Search

Other Due Diligence Studies

- Economic Benefits Studies (IMPLAN)
- Jobs creation (or loss)
- Economic benefits/impacts
- Trickle down effects
- Assess support of member agency
- Economic Development Goals & Objectives

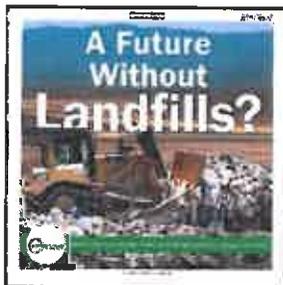
Salinas Area Facilities Search

Other Due Diligence Studies

- Long Range Fiscal Impact Studies
- Modeling and projection of rates
- Evaluates long term effects of decisions
- Considers fiscal sustainability of decision options

With the demand for waste services growing at the Sun Street Transfer Station, and 80% of the waste received coming from the City of Salinas and North Monterey County, the future decisions made by the Board are critical for the search of a long term facility, the public's needs, and the agency. To bring the new Board members up to date staff

presented the 20-year history of the search for a long term Salinas Area Facility. The overview included descriptions of the sites considered, studies, and all due diligence completed, as well as the reasons for the changing direction and seeking other potential sites.



Long Term Facility Needs Project Public Outreach Materials

The Board reviewed the Public Outreach material that included input previously provided by the Board and Monterey Regional Waste Management District and received confirmation from legal counsel that it was appropriate for the environmental review process. The Board expressed concerns with the length of the document and appointed a three-member subcommittee to meet with SVR staff to edit and reformat the material in an effort to consolidate the publication down to a version of the document that the Board feels is suitable for mass public distribution.

Preliminary Budget for Fiscal Year 2017-18

The proposed \$16,720,000 operating budget was presented to the Board. It is funded by a 3.6% increase in AB939 Service Fees, a 2.9% increase to Franchise Transportation Surcharge, and a 4.4% increase in projected solid waste which eliminates

Condensed Two-Year Budget Comparison

	FY 2016-17	Proposed FY 2017-18
Operating Revenue	17,745,600	18,364,750
Operating Expenditures	16,149,000	16,720,000
Operating Budget Surplus	1,597,600	1,644,750
CIP Allocations	(1,684,000)	(1,640,000)
Use of CIP Reserves (Loan)	763,000	-
Balance Used to Fund Reserves	277,600	(6,750)

CIP Budget

Johnson Canyon LFG System (Vertical Wells)	40,000
Johnson Canyon Equipment Replacement	50,000
Johnson Canyon LFG System (Horizontal Wells)	30,000
Johnson Canyon Litter Control Fence	50,000
Johnson Canyon Module 7/B Construction	540,000
Repayment of Expansion Fund Loan	374,000
Jolon Road Transfer Station Improvements	84,000
Jolon Road Equipment Purchase/Replacement (Repayment)	120,000
Lewis Road LFG Well Replacement	30,000
SSIS Equipment Replacement	360,000
Total Operating Surplus Allocations	1,640,000

the \$1.00 per ton increase in landfill tipping fees that was proposed in January. Revenues fully fund ongoing capital, regulatory, and operational obligations, including two new positions to help manage the increase in tonnage from construction and demolition material and the 12% increase in customers being seen at the Sun Street Transfer Station. The rate hearing and request for budget adoption will be scheduled for the March Board of Directors meeting.

Financial Report for Month Ended December 2016 (50% of the Fiscal Year)

Revenue collected	\$ 10,093,879 (58.2% of Estimated Revenue of \$17,354,800)
Expenditures for operations	\$ 7,294,062 (45.9% of Operating Budget of \$15,902,000)
Cash balance	\$ 19,485,298

REDUCE

REUSE

RECYCLE

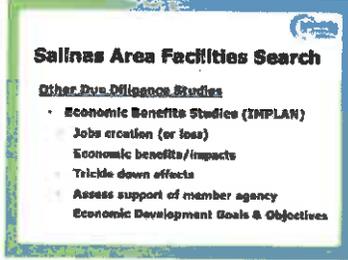
"To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer service, and education."

JUNTA DIRECTIVA

NOTAS DESTACADAS

16 de Febrero 2017

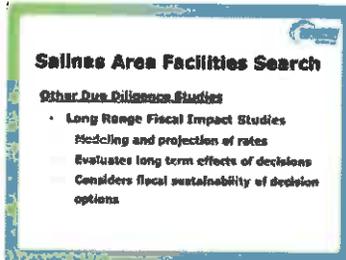
Historia de la Búsqueda del Centro de Transferencia en el Area de Salinas



Salinas Area Facilities Search

Other Due Diligence Studies

- Economic Benefits Studies (IMPLAN)
 - Jobs creation (or loss)
 - Economic benefits/impacts
 - Trickle down effects
 - Assess support of member agency
 - Economic Development Goals & Objectives



Salinas Area Facilities Search

Other Due Diligence Studies

- Long Range Fiscal Impact Studies
 - Modeling and projection of rates
 - Evaluates long term effects of decisions
 - Considers fiscal sustainability of decision options

Con la creciente demanda de servicios de residuos en la Estación de Transferencia Sun Street y el hecho de que el 80% de los residuos provienen de la ciudad de Salinas y del norte del condado de Monterey, las decisiones futuras tomadas por el Consejo serán críticas para la búsqueda de una instalación a largo plazo, las necesidades del público y la Agencia.

Para actualizar a los nuevos miembros del Consejo, el personal presentó un historial de los últimos 20 años sobre la búsqueda de una instalación de largo plazo en el área de Salinas. El resumen incluye descripciones de las áreas consideradas, estudios y toda la debida diligencia realizada, así como las razones que resultaron en el cambio de dirección y búsqueda de otras potenciales áreas.

Material de Alcance Publico del Estudio del Proyecto de Necesidades de Instalaciones a Largo Plazo



El Consejo revisó el material de alcance público que incluye comentarios y sugerencias previas del Consejo y de Monterey Regional Waste Management District, y también recibió asesoría legal que confirmó que el material era apropiado para el proceso de revisión ambiental. El Consejo expresó preocupación con lo extenso del material y nombró un subcomité de tres miembros para que se reúnan con el personal de SVR y modifiquen el material con el fin de consolidar el material a una versión que el Consejo considere adecuado para distribución al público.

Presupuesto Preliminar del Año Fiscal 2017-18

El presupuesto operativo propuesto de \$16,720,000 que fue presentado al Consejo esta fundado con un aumento de 3.6% en las tasas de servicio AB939, un aumento de 2.9% en el recargo por transporte de franquicias y un aumento del 4.4% en los residuos sólidos proyectados, lo que elimina el aumento de \$1.00 por tonelada de tarifas de residuos verdes propuesto en enero. Los ingresos completamente cubren obligaciones capitales, regulatorias y operacionales, incluyendo dos nuevas posiciones para ayudar a manejar el aumento de tonelaje de material de construcción y demolición y el aumento de 12% en clientes que se a visto en la Estación de Transferencia Sun Street. La audiencia de tarifas y la solicitud de aprobación del presupuesto se programará para la reunión del Consejo Directivo en marzo.

	FY 2016-17	Proposed FY 2017-18
Operational Revenue	17,745,030	18,564,752
Capital Expenditures	30,142,920	35,234,25
Operating Budget Surplus	1,997,120	2,844,752
CIP Allocation	(2,094,000)	(1,640,000)
Use of CIP Reserves (Loan)	763,520	
Balance Used to Fund Reserves	277,120	6,752

Johnson Canyon LFG System (Vertical Wells)	60,000
Johnson Canyon Equipment Replacement	50,000
Johnson Canyon LFG System (Horizontal Wells)	30,000
Johnson Canyon Filter Control Permit	50,000
Johnson Canyon Module 2A Construction	540,000
Repayment of Expansion Fund Loan	376,000
John Road Transfer Station Improvements	94,000
John Road Equipment Purchase/Replacement (Repayment)	120,000
Levin Road LFG Well Replacement	50,000
S375 Equipment Replacement	200,000
Total Operating Surplus Allocations	1,460,000

Informe Financiero del Mes Finalizado en Diciembre 2016 (50% del Año Fiscal)

Ingresos recaudados	\$ 10,093,879 (48.7% del Ingreso Estimado de \$17,354,800)
Gastos de operaciones	\$ 7,294,062 (45.9% del Presupuesto Operativo de \$15,902,000)
Saldo de caja	\$ 19,485,298

REDUCIR

REUTILIZAR

RECICLAR

"Manejar los residuos sólidos del Valle de Salinas como un recurso, promocionando prácticas sostenibles y ecológicamente racionales y prácticas costo eficaces a través de un sistema integrado de reducción, reutilización, reciclaje, tecnología innovadora, servicio al cliente y educación."

**City Council Meeting
February 28, 2017**

1. CALL TO ORDER:

Regular Meeting and Special Meeting was called to order at 6:00PM by Mayor LeBarre.

2. FLAG SALUTE:

The flag salute was led by Councilmember DeLeon.

3. ROLL CALL:

City Manager Adams conducted roll call.

City Council: Robert Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, Mayor Michael LeBarre.

Council Member Darlene Acosta is absent

City Staff: City Manager Steven Adams, Assistant Attorney Roy Santos

4. CLOSED SESSION ANNOUNCEMENTS:

No reportable action.

5. PRESENTATIONS:

None

6. PUBLIC COMMUNICATIONS:

None

7. COUNCIL COMMUNICATIONS:

Council Member Cullen attended Salinas Valley Fair board meeting last week, surveillance cameras were discussed. Fair Kick off dinner April 22nd. Dr. Suess read across America on Thursday inviting people to read at the school. Salinas Valley Solid Waste Authority discussion on transfer station future site. He will not be at the March 14th meeting, legislative conference to attend.

Mayor Pro Tem Victoria stated there had been no AMBAG meeting since last Council meeting. King City High School counselor went to Chalone Peaks Middle School to help plan student's classes for next year. King City High School has a student of the month represented at Rotary with 3.5 or better grade point average. Seniors are having a field trip to Cal Poly March 17. SAT/ACT preparation workshops for juniors- Placement test for higher education. Sober Grad meeting tonight at 6:00p.m. ASB Awards night April 4th for both academics and sports. Prom Saturday May 27th, Gilroy Gardens. Kudos to Public Works on a job well done at the parks. He would like King City Fire Department to come and do a presentation to City Council. A teacher at Chalone Peaks John Miller, nominated for 2017 Teacher of the Year and made it to the top 10. Mayor Pro Tem would like to get a proclamation done for Mr. Miller.

Council Member DeLeon 2018 Teacher of the Year nominees, Chris Andrews, Nicole Garcia, Ann Alvarez and Jessica Milne. He also announced the all elementary schools are conducting parent teacher conferences.

Mayor LeBarre attended Trashion show 2/16. Attended the Fort Hunter Liggett community partners meeting at Hartnell 2/21. 2/22, TAMC meeting. 2/23 Hunter Liggett ribbon cutting, new housing and track. He had an opportunity to talk with Congressmen Penetta about King City issues and needs. 2/27 attended the South County Mayors and Managers meeting discussing GSA, CCE, Ag Employee housing. 3/1 Bicycles and pedestrian facilities meeting, bike racks awarded, 3/2 will participate in read across America at the Arts Magnet School, 3/3 Monterey County Mayors Association Meeting, 3/6 MST meeting and TAMC rail policy meeting, 3/7 Cannabis industry conference and 3/11-3/14 MST legislative conference in Wash DC however he will be back for the March 14th Council meeting.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Adams stated proposal for security cameras are in. Raising money for after school program. Doing outreach to people who do youth programs. He feels Sol Treasures will have a key role and would like to make a presentation. Council concurred to schedule for March 28th.

Assistant Attorney Santos stated nothing at this time.

9. CONSENT AGENDA

- A. Meeting Minutes of February 14, 2017 Council Meeting
- B. City Monthly Treasurer's Report- January 2017
- C. Successor Agency Monthly Treasurer's Report- January 2017
- D. Public Financing Authority Monthly Treasurer's Report- January 2017
- E. City Check Register
- F. Successor Agency Check Register
- G. Consideration: Adoption of an Ordinance of the City Council of the City of King Adding Chapter 7.51 to Title 7 of the King City Municipal Code Pertaining to Nuisances
- H. Consideration: Adoption of an Ordinance of the City Council of the City of King, California Amending the General Plan Land Use Designation from Public Quasi ("PQ") to Agriculture ("AG") (CASE NO. GPA2017-001) On A Portion of Assessor Parcel No. 245-111-036-000.
- I. Consideration: Adoption of an Ordinance of the City Council of the City of King, California Approving a Zone District Change from Light Industrial ("M-1") to Agriculture ("AG") (CASE NO. ZC2017-001) On A Portion of Assessor Parcel No. 245-111-036-000
- J. Consideration: Adoption of an Ordinance of the City Council of the City of King Amending Section 4.7 (Allowable Land Uses) of the City of King Historic Corridor Revitalization Plan and Amending the Allowable Uses in the Village Core (VC) Zoning District Allowing Health and Fitness Facilities Greater than 1,500 Square Feet in Area within Existing Buildings.
- K. Consideration: Authorization Involving Positions on Legislation and Support for Grant Applications
- L. Consideration: Support for Assembly Bill 1

Council Member Cullen pulled Item J due to a conflict.

Action: Motion to approve consent agenda A-I and K-L by Cullen and seconded by Victoria.

AYES: Council Members: Mayor LeBarre, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members: Acosta

ABSTAIN: Council Members:

Council Member Cullen recused himself and left the room.

Action: Motion to approve consent agenda item J by Victoria and seconded by DeLeon.

AYES: Council Members: Mayor LeBarre, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members: Acosta, Cullen

ABSTAIN: Council Members:

Council Member Cullen came back to the meeting.

10. PUBLIC HEARINGS:

A. Consideration: Community Choice Energy Program Alternatives and Introduction of an Ordinance Authorizing Implementation of a Community Choice Aggregation Program.

City Manager Adams introduced this item going over both options.

Monterey Bay Community Power Representative Shawn Marshall presented her power point first. She went over Guiding Principles, Benefits of Regional JPA Approach, Sonoma Clean Power: Case Study, and Investments in Renewables and Jobs, MBCP Board Composition and Current Vote Status.

Pilot Power Group, Kelly Foley, presented their power point. She went over the analysis that they did on King City. King City has headroom (Amount of forecast King City CCE net revenue under Baseline Scenario) which is funding that the City can use for the City. She stated that a baseline Scenario that results in a reasonable probability of positive headroom supports further investigation of a King City CCE.

Mayor LeBarre opened the public hearing to allow public testimony,

Patrick Mathews would encourage the council to go forward with introduction of the ordinance to keep active. Greenhouse gas levels ABA requirements. He commented on the CARE Program.

John Jernigan commented on the Marijuana growing, he is wondering if that usage of power going to affect either one of these programs. Kelly Foley stated that it would not have a negative impact.

Jerry Dudek chairperson of the pastoral council of the Catholic church stated King City is always known to be the last City to conform and joining the big club. He would encourage the council to continue with the JPA.

Domingo Uribe, echoed what the last gentlemen said. He feels that project of moving forward with the larger group and Council doesn't want to be in the electric business and they will be.

Daniel Nelson, Deputy Director of the Romero Institute and they feel the non-profit should be the choice. They want to see more jobs created. The Romero Institute is partnering together with the Diocese. They feel they need to work together. This will be the largest CCE in the in the State of California. They feel that rates will come down if we work together. They feel rates can come down because of the JPA. He handed out two letters of support for the JPA.

Belinda Hendrickson, she feels the best direction is the JPA.

Brennen Jensen co-chair of Monterey Bay Regional Climate Action Compact, she is delighted that there is a discussion of choice. This is an important to reduce greenhouse gas emissions. To deliver the best cost savings. Reinvest in job creation.

Juan Martinez, Gonzales CA. Ramiro Group, he is excited to see that everyone is trying to save our environment. He feels there are more potential for jobs. He feels there is safety in numbers. Large group is better.

Mayor LeBarre closed the public hearing.

Action: Motion to introduce an ordinance by Title only of Joint Powers Agreement creating the Monterey Bay Community Power Authority, to direct staff to bring additional research on Pilot Power and bring back the ordinance for adoption on the March 28th meeting by Cullen and seconded by Victoria.

AYES: Council Members: Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members: Mayor LeBarre,

ABSENT: Council Members: Acosta,

ABSTAIN: Council Members:

11. REGULAR BUSINESS:

A. Consideration: Citywide Police Security Camera Project

City Manager Adams introduced this item showing the funding plan to support the Security Camera Project.

Karen Jernigan hugely supports the camera program. One concern is ongoing maintenance and training. She feels that Lonoak Road needs a camera as well.

Peter Garin stated that they are putting in a camera system that could be used in different ways. He stated that the Chief of Police in the city of Tiburon could answer questions as they have the same system.

John Jernigan asked how long the tape would save until it recorded over. The answer was 6 months. He wanted to know who would have access to the footage. Chief stated that it is dictated by state law.

Action: Motion to 1) authorize the City Manager to execute an agreement in a form approved by the City Attorney with SurveillanceGRID Integration, Inc. for design, equipment and installation of a citywide security camera system; and 2) appropriate \$390,000, by Victoria and seconded by DeLeon.

AYES: Council Members: Mayor LeBarre, Cullen, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members: Acosta,

ABSTAIN: Council Members:

12. CLOSED SESSION:

1. Conference with Real Property Negotiators
Properties: APN 026-195-010-000, APN 026-195-018-000, 332 Broadway St.;
APN 026-195-012-000, 325 Lynn St.
Agency Negotiator: Steven Adams
Negotiating Party: Cheung Ho Ming

2. **Worker's Compensation Claim by Abraham Aguayo**
Claims against City of King (Claim Numbers:140100130 and 131000032)
Gov. Code Section: 54956.95
3. **Worker's Compensation Claim by Dominic Baldiviez**
Claims against City of King (Claim Number: 130500221)
Gov. Code Section: 54956.95

The purpose of the special meeting is to meet in closed session and consider the following:

- A. **CLOSED SESSION:**
 1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)).
Number of Cases: 1.

ADJOURNMENT:

There being no further business to come before the City Council, Mayor LeBarre adjourned the meeting at 8:36pm to closed session with the Mayor stating what would be discussed in closed session.

Council Member Cullen will be recusing himself for Closed Session item 12(1) as he has owns property within 500ft.

Approved Signatures:

Mayor, Michael LeBarre
City of King

City Clerk, Steven Adams
City of King



Item No 9(B)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: CITY CHECK REGISTER

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
MARCH 14, 2017
PAGE 2 OF 2**

Exhibit(S)

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

Date: 03/02/2017

Time: 10:39 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
WELLS FARGO BANK Checks							
58737	02/24/2017	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	Alvarez Tech Support.	124.50
58738	02/24/2017	Printed		AT & T	AT & T	Monthly Phone Service -	3,449.67
58739	02/24/2017	Printed		AVIATION S	AVIATION SPECIALTIES	H P Monitor	105.45
58740	02/24/2017	Printed		BLACKS	DEVON BLACKS	Basketball Referee -	84.00
58741	02/24/2017	Printed		BREWEN	EMILY BREWEN	Basketball Referee -	21.00
58742	02/24/2017	Printed		CALBO	CALIFORNIA BUILDING OFFICIALS	Membership Dues for 2017.	215.00
58743	02/24/2017	Printed		CNAUTO	CLARK N. CLEVENER	Repair Blower	136.18
58744	02/24/2017	Printed		COUNTY OF	COUNTY OF MONTEREY	FY-2017 NGEN Q-2	2,882.00
58745	02/24/2017	Printed		FED EXP	FEDEX	Mayor's Plaque	74.74
58746	02/24/2017	Printed		HARDEE	FRED HARDEE	Background	1,545.00
58747	02/24/2017	Printed		LIBERTY	GENESIS BUSINESS MANAGEMENT	CC Interpretation	211.75
58748	02/24/2017	Printed		GREEN'S	GREEN'S ACCOUNTING	Monthly Accounting Service	8,430.24
58750	02/24/2017	Printed		HANNA	HANNA & BRUNETTI	Airport Administration	21,453.75
58751	02/24/2017	Printed		HERNMAY	MAYRA HERNANDEZ	Refund (She is Coaching	138.00
58752	02/24/2017	Printed		HINDERLITE	HINDERLITER, DELLAMAS & ASSOC	Contract Services -	1,685.28
58753	02/24/2017	Printed		JOHNNO	NOLAN JOHNSON	Basketball Referee	52.50
58754	02/24/2017	Printed		LAFCO	LAFCO OF MONTEREY COUNTY	LAFCO Extension Collejevill	125.00
58755	02/24/2017	Printed		LINCOLN	LINCOLN AQUATICS	Pulsar Plus Briquettes	2,755.27
58756	02/24/2017	Printed		OFFICE DEP	OFFICE DEPOT	Office Supplies	237.62
58757	02/24/2017	Printed		PARTIDAJ	JOSHUE PARTIDA	Emp Purchase Program	677.45
58758	02/24/2017	Printed		PENAK	KEVIN PENA	Basketball Referee	84.00
58759	02/24/2017	Printed		PEREZE	CEDRICK PEREZ	Basketball Referee	42.00
58760	02/24/2017	Printed		PAC	PG&E	Monthly Utility Service	17,276.53
58761	02/24/2017	Printed		PURCHASE P	PURCHASE POWER*PITNEY BOWES	Meter Refill	107.10
58762	02/24/2017	Printed		QUALITY CO	QUALITY CODE PUBLISHING LLC	Website Maint & Storage Fee.	704.58
58763	02/24/2017	Printed		RAINBOW	RAINBOW PRINTING	Application for Assessment.	421.79
58764	02/24/2017	Printed		RAMAD	ADOLFO RAMIREZ	Basketball Referee	178.50
58765	02/24/2017	Printed		SENTRY	SENTRY	Monthly Alarm System	150.00
58766	02/24/2017	Printed		SILVAPA	PABLO SILVA	Basketball Referee	84.00
58767	02/24/2017	Printed		SIRCHIE AC	SIRCHIE ACQUISITION CO., LLC	Evidence Poly tubing	183.49
58768	02/24/2017	Printed		SO CO NEWS	SO CO NEWSPAPERS	Pool Advertising	711.00
58769	02/24/2017	Printed		SPCA	THE SPCA FOR MONTEREY COUNTY	Jan 2017 - Animal Services	5,700.00
58770	02/24/2017	Printed		TIRE KING	TIRE KING & AUTO EXPRESS	2014 Ford Escape -	744.22
58771	02/24/2017	Printed		U.S. BANCO	U.S. BANCORP EQUIPMENT FINANCE	City Hall Copier Contract.	612.04
58772	02/24/2017	Printed		U.S. BAN	U.S. BANK CORP PAYMENT SYSTEM	Various Charges -	3,466.60
58773	02/24/2017	Printed		VERIZON WI	VERIZON WIRELESS	Monthly Cell Phone	146.01

Total Checks: 36 **Checks Total (excluding void checks): 75,016.26**

Total Payments: 36 **Bank Total (excluding void checks): 75,016.26**

Total Payments: 36 **Grand Total (excluding void checks): 75,016.26**



Item No 9(C)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: SUCCESSOR AGENCY CHECK REGISTER

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 and invoice approval fund list.

DISCUSSION:

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

COST ANALYSIS:

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

ALTERNATIVES:

The following alternatives are provided for Council consideration:

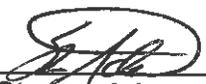
1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/SUCCESSOR AGENCY
SUCCESSOR AGENCY CHECK REGISTER
MARCH 14, 2017
PAGE 2 OF 2**

Exhibit(S)

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, City Manager

Check Register Report

Date: 03/02/2017

Time: 10:43 am

Page: 1

KING CITY CITY HALL

BANK: SUCCESSOR AGENCY OF

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
--------------	------------	--------	----------------	---------------	-------------	-------------------	--------

SUCCESSOR AGENCY OF Checks

210	02/24/2017	Printed		GREEN'S	GREEN'S ACCOUNTING	Monthly Accounting Service -	4,372.50
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Total Checks: 1

Checks Total (excluding void checks): 4,372.50

Total Payments: 1

Bank Total (excluding void checks): 4,372.50

Total Payments: 1

Grand Total (excluding void checks): 4,372.50



Item No 9(D)

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: MARCH 14, 2017
TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY
FROM: STEVEN ADAMS, SECRETARY
BY: PATRICIA GRAINGER, ACCOUNTANT
RE: PUBLIC FINANCING AUTHORITY CHECK REGISTER

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 for the Public Financing Authority are attached.

COST ANALYSIS:

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

ALTERNATIVES:

The following alternatives are provided for Council consideration:

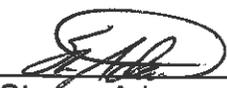
1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
PUBLIC FINANCING AUTHORITY CHECK REGISTER
MARCH 14, 2017
PAGE 2 OF 2**

Exhibit (s)

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, Secretary

Check Register Report

Date: 03/02/2017

Time: 10:48 am

Page: 1

KING CITY CITY HALL

BANK: KING CITY FINANCE AUTHORITY

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
--------------	------------	--------	----------------	---------------	-------------	-------------------	--------

KING CITY FINANCE AUTHORITY Checks

317	02/24/2017	Printed		HANNA	HANNA & BRUNETTI	Infrastructure-First St, So of	7,802.25
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Total Checks: 1

Checks Total (excluding void checks): 7,802.25

Total Payments: 1

Bank Total (excluding void checks): 7,802.25

Total Payments: 1

Grand Total (excluding void checks): 7,802.25



Item No. 9(E)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF KING CITY IN BLOOM CITY HALL LANDSCAPING IMPROVEMENTS

RECOMMENDATION:

It is recommended the City Council approve the City Hall landscaping project proposed by King City in Bloom.

BACKGROUND:

King City in Bloom is a volunteer organization that coordinates community beautification projects and efforts. They have proposed as their next project landscaping improvements to the City Hall entrance.

DISCUSSION:

The proposed project consists of two 8' by 8' by 12' quarter round flower planter areas at each side of the entrance to City Hall adjacent to the sidewalk on Vanderhurst Avenue, including lighted signage. The planters will consist of 18" to 3' beige stucco walls topped with red brick. They have provided two options for the signage. Staff is recommending Option #2, which would incorporate the metal logo and sign on the face of the wall. The other option would be a traditional monument sign in one of the two planters.

The only City responsibility will be to install electrical and irrigation access to the site of the project. The irrigation work can be performed by in-house staff. The electrical work will need to be performed by a contractor.

COST ANALYSIS:

The total cost of the work is estimated to be approximately \$5,000. It is proposed to fund the cost from the City Council community promotion funds. Therefore, if approved by the City Council, no appropriation would be necessary.

**CITY COUNCIL
CONSIDERATION OF KING CITY IN BLOOM CITY HALL LANDSCAPING
IMPROVEMENTS
MARCH 14, 2017
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Approve the project with Option #1 for the signage;
3. Do not approve the project;
4. Provide staff other direction.

Exhibits:

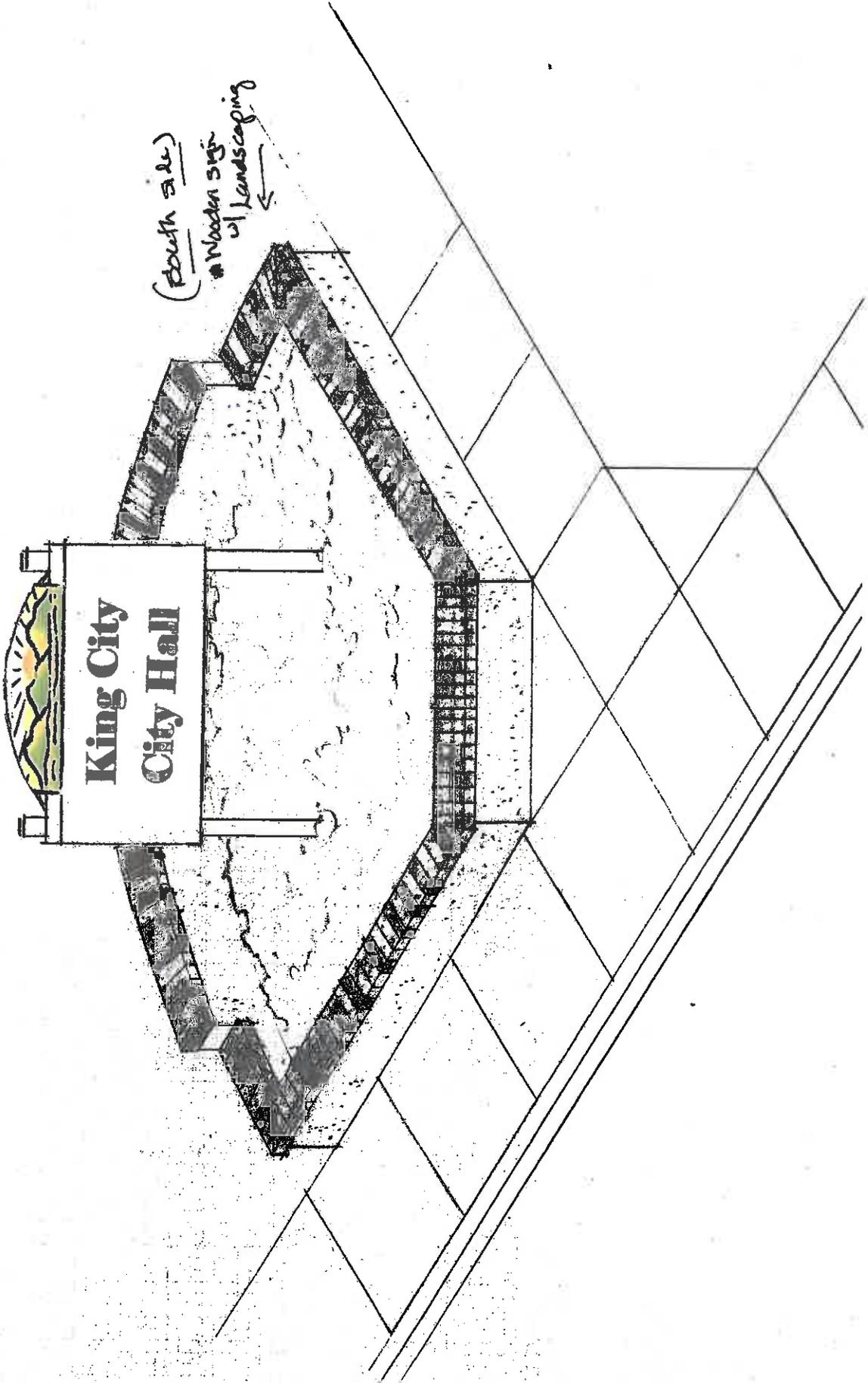
1. Option 1 – Traditional monument sign
2. Option 2 – Metal signage on the face of the wall

Approved by:

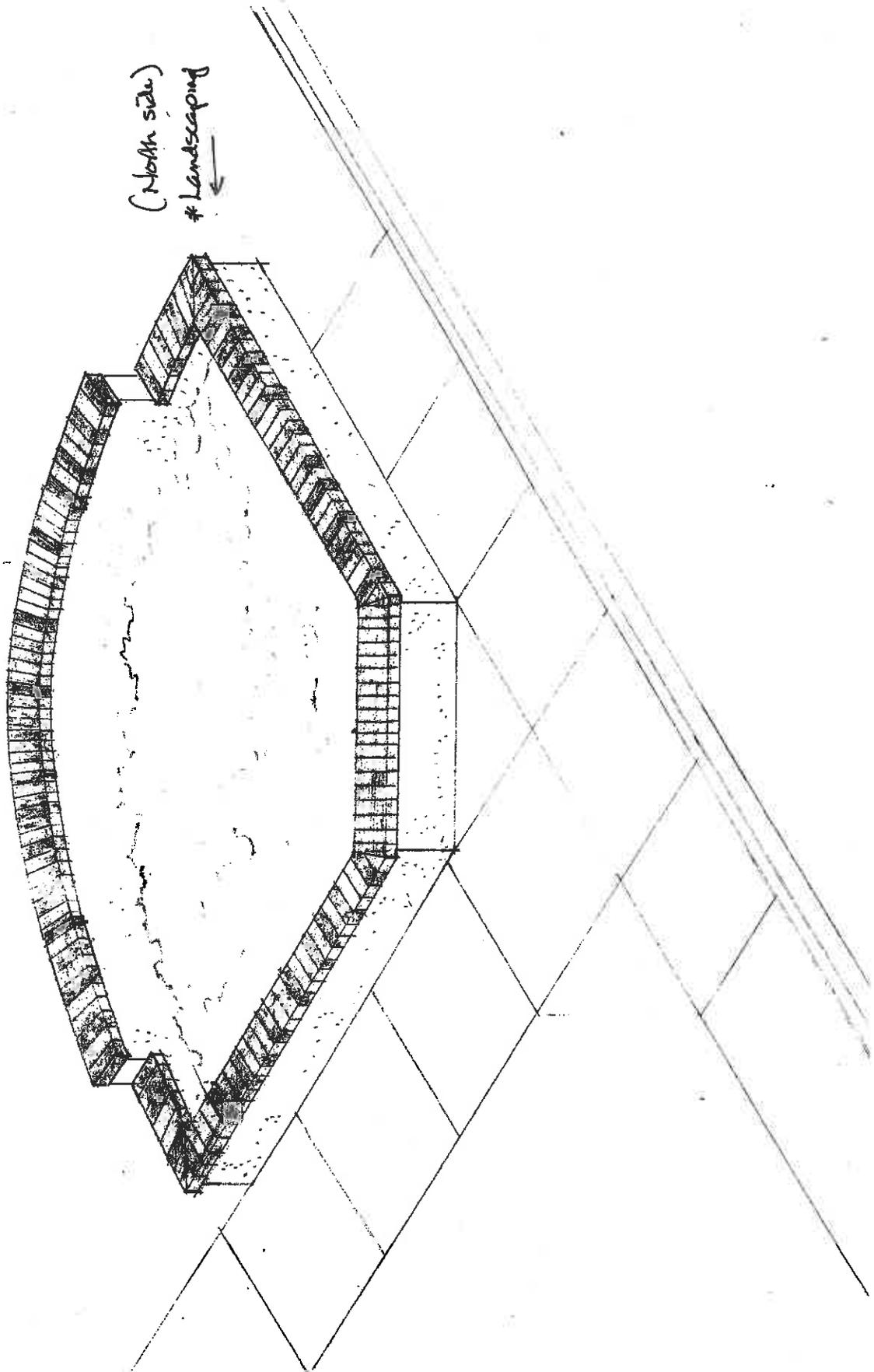


Steven Adams, City Manager

Spheri #1



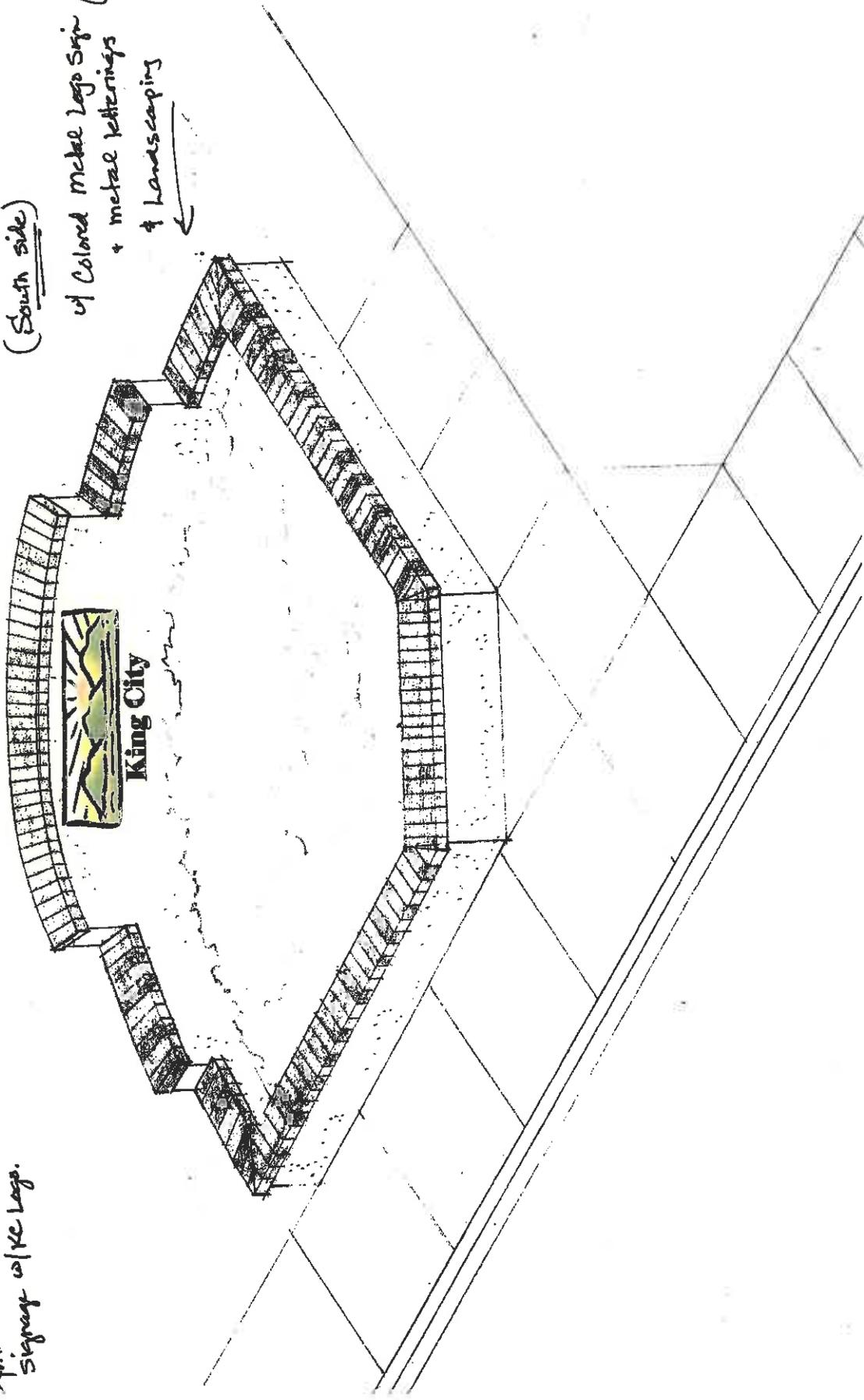
(North side)
* Landscaping



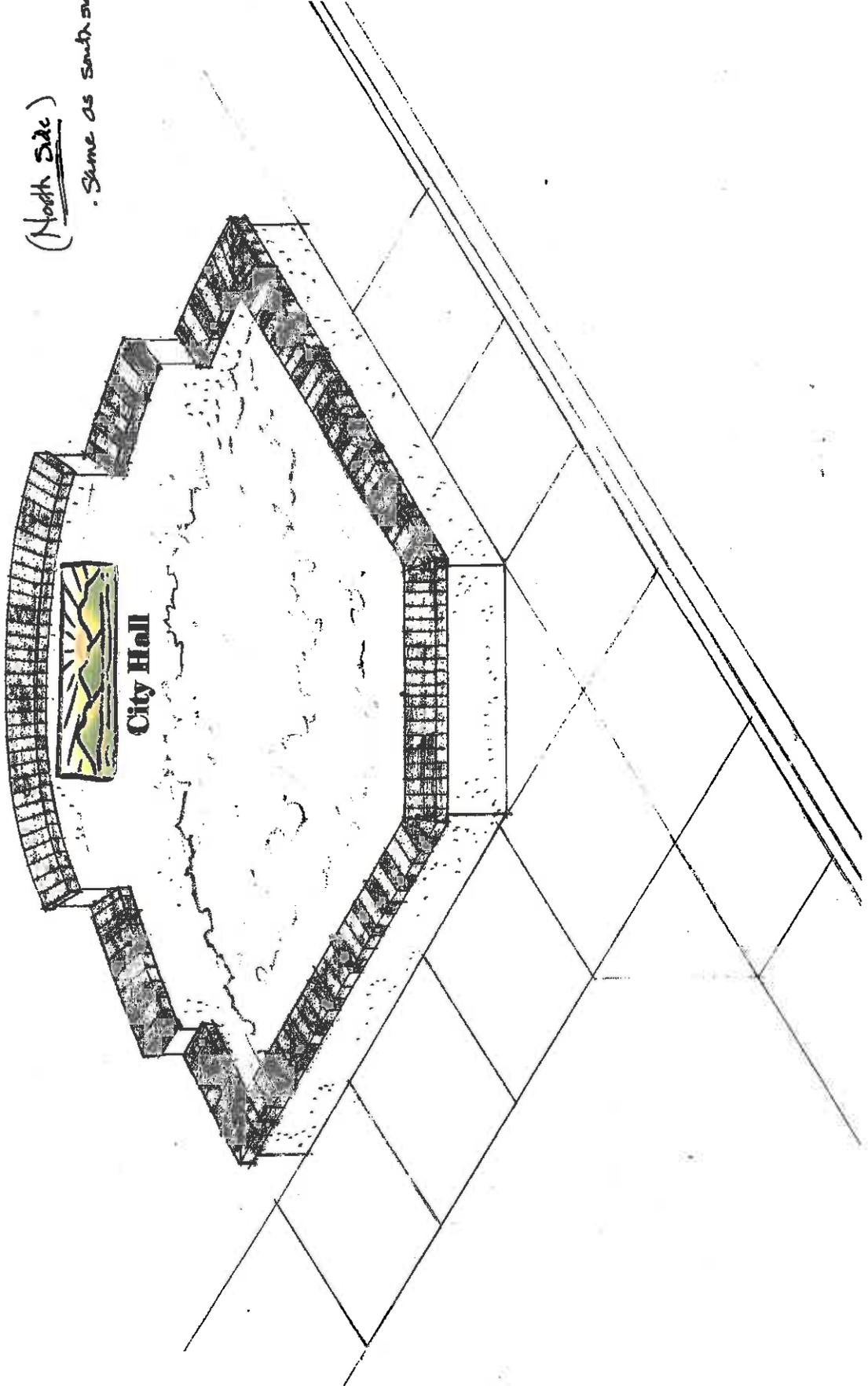
Option #2

Symmetrical metal
signage w/ KC Logo.

(South side)
w/ Colored metal Logo Sign ^{strip} (w/ lighting)
+ metal letterings
+ Landscaping



(North Side)
- Same as south side





Item No. 9(F)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: ANDREA WASSON, RECREATION COORDINATOR
RE: CONSIDERATION OF APPROVAL OF LEASE AGREEMENT
CONTRACT WITH KING CITY BOXING CLUB

RECOMMENDATION:

It is recommended City Council approve the lease agreement with the King City Boxing Club for use of the racquetball courts.

BACKGROUND:

The renovation of the racquetball courts for use by the King City Boxing Club was approved by the City Council in the September 27, 2016 meeting. Construction is completed on the project and the lease agreement has been drafted by the City Attorney.

DISCUSSION:

The King City Boxing Club offers a positive opportunity for over 40 King City youth. The proposed agreement would allow the Club to rent the remodeled racquetball facility and provide space for the program, which has been without a space since July of 2016.

COST ANALYSIS:

The rent of the building by the King City Boxing Club will be \$250 for six months, and increase to \$350 per month after that. This would give the City \$3,600 in revenue in a one year period. Paid racquetball memberships for the 2016 – 2017 year totaled \$373.00.

**CITY COUNCIL
CONSIDERATION OF REQUEST TO AWARD CONTRACT FOR POOL TILE
CLEANING
FEBRUARY 28, 2017
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve the proposed contract;
2. Do not approve the proposed contract; or
3. Provide other direction to staff.

Exhibits:

1. Proposed Contract

Submitted by: 
Andrea Wasson, Department Director

Approved by: 
Steven Adams, City Manager

REAL PROPERTY USE AGREEMENT

This Real Property Use Agreement ("Agreement") is made and entered into _____ ("Agreement Date") between the CITY OF KING ("City") and King City Boxing Club, a non-profit organization ("Authorized User"), pursuant to the following recitals, which are a substantive part of this Agreement:

RECITALS

- A. City owns real property located at 401 Division Street in the City of King, as more particularly described and depicted in **Exhibit A** ("Premises").
- B. Authorized User wishes to use the Premises owned by the City in order to operate a boxing club and training area for the residents of the City of King.
- C. City and Authorized User desire to enter into a use agreement granting Authorized User access to the Premises in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, City and Authorized User agree as follows:

AGREEMENT

1. Access. City hereby grants to Authorized User access to the Premises on a month-to-month basis beginning on the Agreement Date.
2. Use of Premises AS IS. Authorized User acknowledges it has and shall accept the Premises from City in its "AS IS" condition without representation or warranty. Authorized User acknowledges it has inspected the Premises and is aware of its condition. Pursuant to California Civil Code Section 1938, Authorized User is advised that the Premises have not undergone an inspection by a Certified Access Specialist, and, therefore, City is not aware if the Premises comply with the applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.
3. Access Fee. As consideration for the use and occupancy of the Premises, Authorized User shall pay an access fee to City as follows: Authorized User shall pay to City a monthly access fee in the amount of Two Hundred Fifty Dollars (\$250.00) for the first six (6) months of access and then Three Hundred Fifty Dollars (\$350.00) for every month thereafter, unless increased by a majority vote of the City Council. The access fee shall be due and payable monthly to City on the 1st day of each month. The full access fee shall be paid by Authorized User and be personally delivered or mailed to the City at 212 S. Vanderhurst Avenue, King City, CA 93930 or any other place or places that City may designate by written notice to Authorized User. Authorized User shall pay City a late fee in the amount of Fifty Dollars (\$50.00) for its failure to pay the access fee in full by the 5th day of each month.
4. Taxes, Assessments, and Fees. Authorized User acknowledges that, pursuant to California Revenue and Taxation Code section 107.6, Authorized User's possessory interest in the Premises created by this Agreement may be subject to property taxation. Authorized User shall be solely responsible for any property taxes arising out of Authorized User's possessory interest in the Premises. Authorized User shall pay before delinquency any and all possessory interest taxes and assessments levied against it. On demand by City, Authorized User shall furnish City with satisfactory evidence of these payments.

Authorized User shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed against Authorized User or Authorized User's personal property installed or located in or on the Premises. On demand by City, Authorized User shall furnish City with satisfactory evidence of these payments.

5. Use of Premises.
 - a. Purpose. Authorized User shall have access to use the Premises for the operation of a boxing club and related activities ("Program"). No other uses shall be permitted on the Premises without the prior written consent of City, which may be granted or withheld in its sole discretion. Authorized User shall have access to and use of the parking lot and access way to the Premises, but such access and use shall only concurrent with the City's and public's right of use of the same and not for Authorized User's exclusive use. All staffing, equipment and supplies for the Program activities conducted by Authorized User shall be the sole

responsibility of Authorized User. The supervision of all participants in the activities conducted by Authorized User shall be the sole and exclusive responsibility of Authorized User and its personnel. Authorized User shall ensure that all its employees, staff, volunteers, agents or similar persons using the Premises submit to, and pass, a background check and fingerprinting conducted by the City using the California Department of Justice (DOJ) Live Scan System or equivalent system approved by the City, prior to allowing contact with minors on the Premises.

b. No Alterations or Improvements. No alterations or improvements shall be made to the Premises without the advance and express written consent of City, and upon such terms and conditions as City may require.

c. Removal. Upon termination of this Agreement, unless otherwise agreed, Authorized User shall remove Authorized User owned structures and/or improvements and restore the Premises to substantially the same condition at the time Authorized User took possession of the Premises. Upon Authorized User's failure to remove structures and/or improvements, the property shall, at the option of City, become the sole property of City; or, at the expense of Authorized User, City may remove said structures and/or improvements to restore the Premises to substantially the same condition in which it existed at the time Authorized User took possession of the Premises.

d. Compliance with Laws. Authorized User shall comply with all statutes, ordinances, regulations, and requirements of all governmental entities (including the City of King), relating to Authorized User's use and occupancy of the Premises, whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. Authorized User shall comply with all applicable requirements of the Americans with Disabilities Act of 1990, California Disabled Persons Act and the California Building Code.

e. License. Authorized User shall procure and maintain all required licenses and/or permits governing the operation of the boxing club throughout the term of this Agreement.

f. Waste and Nuisance. Authorized User shall not use the Premises, or allow the Premises to be used, in any manner that will constitute a waste, nuisance, or unreasonable annoyance to the neighborhood adjacent to the Premises. The Premises shall not be used for displaying signs and notices other than those connected with the Program. Such notices and signs shall be neat and properly maintained, and shall be in compliance with the King City Municipal Code and all applicable laws and regulations.

g. Maintenance. Authorized User, at its sole cost and expense, shall keep and maintain the Premises in good order and condition, and free from rubbish, to the satisfaction of City.

6. Utilities. City shall make all arrangements for and pay for any applicable utilities and services furnished to or used by Authorized User, including but not limited to water and electric services.

7. Indemnification. Authorized User shall indemnify, protect, defend and hold harmless the Premises, City and its managers, officers, directors, members, employees, agents, contractors, partners and lenders, from and against any and all claims, and/or damages, costs, liens, judgments, penalties, permits, reasonable attorneys' and consultant's fees, expenses and/or liabilities arising out of, involving, or in dealing with (1) the use or occupancy of the Premises by Authorized User and use of the parking lot and access way, the conduct of Authorized User's business or Program, any act, omission or neglect of Authorized User, its officers, directors, members, employees, agents or contractors; (2) out of any breach by Authorized User in the performance in a timely manner of any obligation on Authorized User's part to be performed under this Agreement; (3) any acts, omissions or negligence of Authorized User or any person or entity claiming through or under Authorized User, or Authorized User's agents, employees, contractors, invitees or visitors; (4) any claim arising under the Americans With Disabilities Act of 1990, California Disabled Persons Act and/or similar laws; or (5) any claims and/or liability arising or governed by Workers Compensation law. The foregoing shall include, but not be limited to, all costs of the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against City) litigated and/or reduced to judgment. In case any action or proceeding is brought against City by reason of any of the foregoing matters, Authorized User upon notice from City shall defend the same at Authorized User's expense by counsel reasonably satisfactory to City and City shall cooperate with Authorized User in such defense. City need not have first paid any such claim in order to be so indemnified. In addition, City may require Authorized User to pay City's attorneys' fees and costs

in defending against or participating in such claim, action or proceeding if City shall decide, in its exercise of reasonable judgment, it is unsatisfied with the representation of its interest by Authorized User or its counsel.

City shall not be liable for security, injury or damage to the person or goods, wares, merchandise or other property of Authorized User, Authorized User's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, earthquake, flood, terrorism, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other any other cause, whether the said injury or damage results from conditions arising upon the Premises or from other source or places except if such injury or damage is the result of the gross negligence or willful misconduct of City or City's employees, contractors or agents.

Authorized User shall require all individuals participating in its programs to sign liability waivers releasing, indemnifying and holding harmless the City from any and all injuries arising from their participation in the Program or use of the Premises being offered by Authorized User.

The provisions of this section shall survive the expiration or termination of this Agreement.

8. Insurance Requirements.

a. Commercial General Liability Insurance. Authorized User shall obtain, pay for and maintain in effect during the life of this Agreement, a policy of commercial general liability insurance issued by an insurance company rated not less than "A-VII" in Best Insurance Rating Guide and admitted to do business in California with combined single limits of liability of not less than \$1,000,000.00 per occurrence. The policy shall contain an endorsement naming the City as an additional insured insofar as this Agreement is concerned, and provide that written notice shall be given to the City at least 10 days prior to cancellation or material change in the form of the policy or reduction in coverage.

b. Workers Compensation Insurance. Authorized User acknowledges and agrees City shall not be responsible for any workers compensation claims and/or liability.

c. Employer's Liability Insurance: Authorized User shall also maintain \$1,000,000.00 per accident for bodily injury or disease.

d. General Provisions. All of the policies of insurance required to be procured by Authorized User pursuant to this Section shall be primary insurance and shall name City, its employees and agents as additional insureds. Any insurance or self-insurance maintained by City, its officers, officials, employees, agents, or volunteers shall be in excess of Authorized User's insurance and shall not contribute with it. All policies shall waive all rights of subrogation and provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to City. Within ten (10) business days of execution of this Agreement by the last Party to sign, and at least thirty (30) days prior to the expiration of any insurance policy, Authorized User shall provide City with certificates of insurance and full copies of the insurance policies evidencing the mandatory insurance coverages written by insurance companies acceptable to City, licensed to do business in California and rated A:VII or better by Best's Insurance Guide.

9. Liens and Claims. Authorized User shall not suffer any mechanics' or materialmen's liens of any kind to be enforced against the Premises for any work done or materials furnished at Authorized User's request. Should Authorized User fail, neglect, or refuse to remove said lien, City shall have the right to pay any amount required to release any such liens, or to defend any action brought thereon, and to pay any judgment entered therein; and Authorized User shall be liable to City for all costs, damages, reasonable attorneys' fees, and any amounts expended in defending any proceedings or in the payment of any of said liens or any judgment obtained therefor.

10. Encumbrances. Authorized User shall not encumber by deed of trust, mortgage or other security instrument, all or a part of Authorized User's interest under this Agreement without the advance and express written consent of City, and upon such terms and conditions as City may require.

11. Condemnation. In the event of the taking or condemnation of all or any part of the Premises, Authorized User may receive compensation only for any taking of or damage to Authorized User-owned improvements. Any compensation awarded and interest thereon, including the compensation for the land value and interest

thereon, shall belong to City. Authorized User shall not receive any value related to the leasehold value of the property which shall be paid solely to the City. In the event a condemnation or transfer in lieu thereof results in a taking of any substantial and/or material portion of the Premises, the City or Authorized User may, upon written notice given to the other Party within thirty (30) days after such taking or transfer in lieu thereof, terminate this Agreement

12. Default.

a. Authorized User's Default. The occurrence of any of the following shall constitute a default by Authorized User: (1) failure to pay in full the access fee, insurance premiums or taxes, or any other sums due hereunder as a result of Authorized User's use of the Premises; (2) abandonment of the Premises; and (3) failure to perform any other provision of this Agreement.

b. Termination. City may terminate this Agreement immediately upon written notice to Authorized User if Authorized User defaults on any obligation under this Agreement. In the event of termination, City may regain possession of the Premises in the manner provided by the laws of the State of California. At City's option, if Authorized User has breached this Agreement and/or abandoned the Premises, this Agreement shall continue in effect for so long as City does not terminate Authorized User's access, and City may enforce all rights and remedies under this Agreement, including the right to recover the access fee as it becomes due. Further, City shall be entitled to recover from Authorized User damages and to exercise such other rights and remedies as provided to City under the laws of the State of California.

The City or Authorized User may terminate this Agreement without cause upon thirty (30) days written notice.

13. Waiver. No delay or omission in the exercise of any right or remedy of City on any default by Authorized User shall impair such right or remedy or be construed as a waiver. Any waiver by City of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

14. Entry and Inspection of Premises. City and its authorized representatives shall have the right to enter and inspect the Premises at all reasonable times to determine whether the Premises is in good condition and whether Authorized User is complying with its obligations under this Agreement.

15. Relationship of Parties. City is not, nor shall it become or be deemed to be, a partner or a joint venturer with Authorized User by reason of the provisions of this Agreement nor shall this Agreement be construed to authorize either party to act as the agent for the other.

16. Notice. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid registered mail at the address of such party as provided below, or to any such address as such party shall notify the other in writing. Notice shall be deemed communicated when received if personally served or three (3) days after mailing if mailed.

17. Effect of Termination of Agreement. Termination of this Agreement shall not release any party hereto from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to such termination or expiration, or thereafter in case by the terms of this Agreement it is provided that anything shall or may be done after termination or expiration hereof.

18. Amendments. This Agreement shall not be modified or amended in any way except in writing signed by the parties hereto.

19. Interpretation. This Agreement shall be construed and interpreted in accordance with the laws of the State of California. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it.

20. Entire Agreement. This Agreement contains all the agreements of the parties concerning the subject matter of it and cannot be amended or modified except by a subsequent written agreement.

21. Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid, or illegal.

22. Attorney's Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the party prevailing in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

23. Voluntary Agreement; Authority to Execute. Authorized User and City each represent that they have read this Agreement in full and understand and voluntarily agree to all provisions herein. The parties further declare that prior to signing this Agreement they each had the opportunity to apprise themselves of relevant information, through sources of their own selection, including consultation with counsel of their choosing if desired, in deciding whether to execute this Agreement. The signatories to this Agreement represent that they have the proper authority to execute this Agreement on behalf of the respective party.

24. Binding Effect; Choice of Law. This Agreement shall be binding upon the Parties, their successors and assigns and be governed by the laws of the State of California. Any litigation between the Parties hereto concerning this Agreement shall be initiated in the Superior Court of the State of California for the County of Monterey.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the day and year first above written.

CITY:

CITY OF KING CITY,
a municipal corporation

By: _____
Steve Adams, City Manager

_____, 2016

ATTEST:

, City Clerk

AUTHORIZED USER:

KING CITY BOXING CLUB, a non-profit
organization

By: _____

Name: Rodolfo Tapia

Title: Director

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Shannon Chaffin, City Attorney

EXHIBIT A

DESCRIPTION AND DEPICTION OF THE "PREMISES"



Item No. 9(G)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ANDREA WASSON, RECREATION COORDINATOR

**RE: CONSIDERATION OF REQUEST TO AWARD CONTRACT FOR
POOL TILE CLEANING**

RECOMMENDATION:

It is recommended City Council: 1) award a contract for pool tile cleaning to Thomson Tile in the amount of \$2,436.00; and 2) appropriate \$3,936.00 Fund for the service of cleaning the tiles and replacing the missing and broken tiles, as needed.

BACKGROUND:

The King City Pools are in need of tile cleaning and repair. Pool staff manually clean the pool tiles each summer with pumice, but the tiles have not been professionally cleaned, repaired or replaced in many years, causing the facility to look run down. Professional cleaning and repair of broken and missing tiles are needed to keep the facility looking good and in good condition.

DISCUSSION:

All four pools' tiles are stained with calcium deposits, and all have missing and broken tiles in need of replacing. Pool and Public Works staff have limited time to clean the tiles with pumice and repair broken and missing tiles. Staff received three bids for the tile cleaning work and Public Works staff will be replacing broken tiles after the cleaning is finished.

**CITY COUNCIL
CONSIDERATION OF REQUEST TO AWARD CONTRACT FOR POOL TILE
CLEANING
FEBRUARY 28, 2017
PAGE 2 OF 2**

Pool tiling cleaning went out to bid and the following three bids were received:

Thomson Tile 16936 Anaconda Road, Madera 93637	\$2,436.00
South Valley Pool Service 205 Toomey Street, Lemoore 93245	\$3,053.75
Elite Pool Tile Cleaning 9200 Camden Lake Way, Elk Grove 95624	\$6,940.00

Staff has determined that the low bidder is qualified to conduct the cleaning.

COST ANALYSIS:

The cost of the tile cleaning would be \$2,436.00. Cost to repair and replace missing or broken tiles will be \$1500.00 and be completed by Public Works staff.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve the proposed contract;
2. Approve funding for cleaning only;
3. Do not approve the proposed contract; or
4. Provide other direction to staff.

Exhibits:

1. Three bids for work
2. Pictures of pool tiles

Submitted by: Andrea Wasson
Andrea Wasson, Department Director

Approved by: Steven Adams
Steven Adams, City Manager

Elite Pool Tile Cleaning
9200 Camden Lake Way
Elk Grove, CA 95624
(916)714-Pool (7665)
Estimates@ElitePoolTileCleaning.com
<http://www.ElitePoolTileCleaning.com>

ESTIMATE

ADDRESS

Andrea Wasson
King City
212 S. Vanderhurst Ave
King City, CA 93930

ESTIMATE # 1163

DATE 01/26/2017

EXPIRATION DATE 04/01/2017

ACTIVITY	QTY	RATE	AMOUNT
Clean Pool Tile Clean pool tile around perimeter of the pool (Pool 1)(75ft X 35ft)	220	10.00	2,200.00
Clean Pool Tile Clean pool tile around perimeter of the pool (Pool 2)(75ft X 35ft)	220	10.00	2,200.00
Clean Pool Tile Clean pool tile around perimeter of the pool. (Pool 3)(36ft X 36ft)	144	10.00	1,440.00
Clean Pool Tile Clean pool tile around perimeter of the pool. (Pool 4)(35ft X 20ft)	110	10.00	1,100.00

TOTAL

\$6,940.00

Accepted By

Accepted Date

South Valley Pool Service

205 Toomey Street
 Lemoore, CA 93245
 559-213-4021
 southvalleypoolservice@gmail.com

Estimate

Date	Estimate #
2/9/2017	411

Name / Address
City of King 212 S. Vanderhurst Avenue King City, CA 93930

				Project
Description	Qty	U/M	Rate	Total
Tile Cleaning - 220' - 35'x75' Pool	220	ft	4.25	935.00
Tile Cleaning - 222' - 36'x75' Pool	222	ft	4.25	943.50
Tile Cleaning - 144' - 36'x36' Pool	144	ft	4.25	612.00
Tile Cleaning - 109' - 34.5'x20' Pool	109	ft	4.25	463.25
City Permit	1		100.00	100.00
			Subtotal	\$3,053.75
			Sales Tax (7.5%)	\$0.00
			Total	\$3,053.75

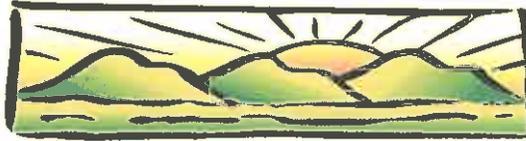
Signature _____











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

Item No. 9(H)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ROBERT MASTERSON, CHIEF OF POLICE

BY: ROBERT MASTERSON, CHIEF OF POLICE

RE: CONSIDERATION OF RE-CLASSIFICATION OF INVESTIGATOR POSITION TO SERGEANT

RECOMMENDATION:

It is recommended the City Council approve the reclassification of the police investigator position to police sergeant.

BACKGROUND:

The King City Police Department has been allocated a police investigator position (detective), which is currently being filled with a PERS annuitant with extensive background in homicide and major case investigation. This person will soon reach his maximum cap of 960 hours he is available to work during a fiscal year.

DISCUSSION:

Although the Police Department currently has an investigator position allocated, this position is and has been filled by a PERS annuitant in order to obtain the services of an experienced and skilled investigator. The annuitant, although well versed in homicide and major case investigations, is limited to a total of 960 hours which he can work per fiscal year. This greatly limits the amount of time in which he can dedicate to a case.

The original intent was to promote a patrol officer from patrol to the detective position. However, in the process of rebuilding the agency, it has been determined that existing officers lack the experience to fill the investigator position on a permanent basis. However, it will be very difficult to recruit an officer from another department to make a lateral transfer to the King City Police Department with the experience that is needed for the investigator position.

**CITY COUNCIL
CONSIDERATION OF RE-CLASSIFICATION OF INVESTIGATOR POSITION
TO SERGEANT
MARCH 14, 2017
PAGE 2 OF 3**

The current PERS annuitant has been tasked with the process of teaching the current police sergeant and officers the basics of investigations. However, with his limited time allotment, it has been difficult for him to do both investigations and training given the level of shootings the City has experienced.

The long term plans of the Department, in conjunction with the Youth Violence Plan, create the necessity of a gang detective to be hired. In addition, the current effort to expand code enforcement involving nuisance complaints to assist in reduction of youth violence and troublesome areas will increase the Code Enforcement Officer's responsibilities. Both these positions would require direct supervision.

It is recommended that the currently funded investigator position be re-classified to a police sergeant position, which will be assigned to both conduct investigations of major crimes and oversee other areas of investigations for the Department.

There are four basic reasons for this recommendation:

1. In an effort to fill this position, the re-classification would allow the department to recruit the position as a sergeant, which will allow the City to attract more qualified candidates.
2. This position will be a supervisory position in the future as the Department grows to include a gang detective, code enforcement/marijuana regulation staffing, and the potential for an additional detective.
3. This position could become a rotational position with other sergeant positions within the Department, allowing for the increase in exposure and cross training of all sergeants.
4. This position could be used as a relief position to assure that a sergeant is always covering a shift, which increases supervision in the field and allows for more visible patrol.

This re-classification would be able to continue training current officers to enable them to better themselves and the Department and possibly be ready for investigative positions in the future.

COST ANALYSIS:

The cost impact will be approximately \$20,000 annually.

**CITY COUNCIL
CONSIDERATION OF RE-CLASSIFICATION OF INVESTIGATOR POSITION
TO SERGEANT
MARCH 14, 2017
PAGE 3 OF 3**

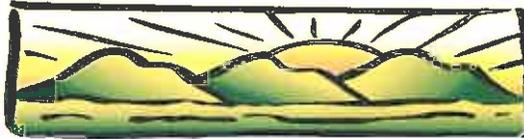
ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Don't approve staff's recommendation;
3. Provide staff other direction.

Submitted by: 
Robert Masterson, Chief of Police

Approved by: 
Steven Adams, City Manager



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

Item No. 9(1)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF CITY FACILITY ENERGY EFFICIENCY LIGHTING PROJECT

RECOMMENDATION:

It is recommended the City Council 1) approve the City facility energy efficiency (LED) lighting project through the Association of Monterey Bay Area Governments (AMBAG) Energy Watch program; and 2) authorize the City Manager to execute loan documents for the program's 0% on-bill financing of the improvements.

BACKGROUND:

The AMBAG Energy Watch Program has been assisting AMBAG jurisdictions, businesses, non-profits, school districts, special districts, and residents since 2006 with implementing and financing energy efficiency improvements. The AMBAG Energy Watch program receives funding under the auspices of the California Public Utilities Commission to provide this support to the region. The majority of this funding goes into rebate incentives to offset the cost of completing energy efficiency project for stakeholders in the region. The rebate incentives provided by the AMBAG Energy Watch program will fund 24% of the City of King energy efficiency projects discussed in this proposal.

Under the direction of the California Public Utilities Commission, PG&E developed a financing program to provide incentives for jurisdictions to undertake energy efficiency projects. This financing program provides 0% loan financing that is paid back through the monthly PG&E bill at a rate that equals the new monthly energy savings, so operational costs do not increase for the jurisdiction. This 0% financing is a funding mechanism that has been highly utilized by many of the jurisdictions in the AMBAG region successfully.

**CITY COUNCIL
CONSIDERATION OF CITY FACILITY ENERGY EFFICIENCY LIGHTING
PROJECT
MARCH 14, 2017
PAGE 2 OF 3**

DISCUSSION:

The AMBAG Energy Watch program completed an energy audit of the City of King facilities and identified energy efficiency opportunities at ten locations. The AMBAG Energy Watch program also assists in coordinating all the documentation to execute the financing and contracting for the work to be completed. When installed, this energy efficiency retrofit is projected to saving 185,622 kWh annually. A representative from the AMBAG Energy Watch program will attend the City Council meeting to be available to answer any questions regarding the proposal.

The following facilities are included in the scope of work:

1. Recreation Center
2. City Hall
3. Police Department
4. Corp. Yard
5. Fire Station
6. Creekbridge Baseball/Softball Park
7. Creekbridge Soccer Park
8. San Antonio Park (Skateboard Park)
9. King City Airport (Mesa Del Rey Airport)
10. Waste Water Treatment Plant

The facilities are set up in three different loans. The loans are structured so the payments equal the projected savings. The program is established with PG&E so the City continues to pay PG&E its normal electric bill and the loan payment is a line item on the bill. Once the loan is repaid, the City will begin to experience the savings on its ongoing bills. The repayment period varies for the three loans, but they run from 2.45 to 3.71 years. In addition to future savings, the City benefits by receiving upgrading lighting systems in all its facilities at no cost.

COST ANALYSIS:

The total cost for this project is projected to be \$147,121. The AMBAG Energy Watch rebate will provide \$36,947 toward these costs. PG&E 0% on-bill financing is the most cost effective method to fund the remaining \$110,174 of project costs. There will be no net cost to the City and once the financing costs are repaid, the projected annual savings will be \$36,944.

**CITY COUNCIL
CONSIDERATION OF CITY FACILITY ENERGY EFFICIENCY LIGHTING
PROJECT
MARCH 14, 2017
PAGE 3 OF 3**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Direct staff to reduce the project size by eliminating some of the facilities;
3. Direct staff to pursue administering an LED project directly with a contractor, but this approach would increase both costs and staff time;
4. Do not approve the proposed City facility energy lighting project;
5. Provide staff other direction.

Exhibits:

1. Draft Loan Documents
2. PG&E On-Bill Financing Informational Flyer

Approved by:



Steven Adams, City Manager



Pacific Gas and
Electric Company

GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

The undersigned customer ("Customer") has contracted for the provision of energy efficiency/demand response equipment and services (the "Work") which qualify for one or more of PG&E's applicable rebate or incentive programs. Subject to the conditions (including the process for Adjustment and preconditions to funding) set forth below, Pacific Gas and Electric Company ("PG&E") shall extend a loan (the "Loan") to Customer in the amount of the loan balance (the "Loan Balance") pursuant to the terms of this On-Bill Financing Loan Agreement ("Loan Agreement") and PG&E's rate schedules E-OBF and/or G-OBF, as applicable (the "Schedule").

To request the Loan, Customer has submitted a completed On-Bill Financing Application and associated documentation as required by PG&E (the "Application"). Collectively the Application and this Loan Agreement (including any Adjustment hereunder) comprise the "Agreement".

1. Customer shall arrange for its Contractor, as identified at the end of this Agreement ("Contractor"), to provide the Work as described in the Application.
2. The estimated Loan Balance is set forth below. The total cost of the Work as installed, rebate/incentive for qualifying energy efficiency measures, Loan Balance, monthly payment, and loan term specified in this Loan Agreement may be adjusted, if necessary, after the Work and the post-installation inspection described in the Application and/or herein are completed (the "Adjustment"). The Adjustment will be calculated using the actual total cost of the Work, as installed, and the estimated energy savings (as described in the Application) of such Work. In no event will the Loan Balance be increased without Customer's written consent, even if Customer is eligible for such increased Loan Balance. Moreover, in no event will the Loan Balance exceed the maximum loan amount stipulated in the Application. Customer understands that in order to be eligible for the Loan, the initial Loan Balance for Work may not fall below the minimum loan amount, nor may the payback period exceed the maximum payback period. Accordingly, if after the Adjustment, the Loan Balance falls below the minimum loan amount or if the simple payback period exceeds the program maximum payback period, each as described in the Application, PG&E shall have no obligation to extend the Loan, as the Work would not meet program requirements. The Adjustment described in this paragraph will be communicated to the Customer in writing and will automatically become part of this Loan Agreement, except that any proposed increase in the Loan Balance will only become part of this Loan Agreement upon Customer's written consent to such increase.
3. PG&E shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work. Customer shall indemnify and hold harmless PG&E, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a) any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.
4. Customer represents and warrants that (a) Customer is receiving this Loan solely for Work obtained in connection with Customer's business, and not for personal, family or household purposes; (b) Customer, if not an individual or a government agency, is duly organized, validly existing and in good standing under the laws of its state of formation, and has full power and authority to enter into this Agreement and to carry out the provisions of this Agreement. Customer is duly qualified and in good standing to do business in all jurisdictions where such qualification is required; (c) this Loan Agreement has been duly authorized by all necessary proceedings, has been duly executed and delivered by Customer and is a valid and legally binding agreement of Customer duly enforceable in accordance with its terms; (d) no consent, approval, authorization, order, registration or qualification of or with any court or regulatory authority or other governmental body having jurisdiction over Customer is required for, and the absence of which would adversely affect, the legal and valid execution and delivery of this Loan Agreement, and the performance of the transactions contemplated by this Loan Agreement; (e) the execution and delivery of this Loan Agreement by Customer hereunder and the compliance by Customer with all provisions of this Loan Agreement: (i) will not conflict with or violate any Applicable Law; and (ii) will not conflict with or result in a breach of or default under any of the terms or provisions of any loan agreement or other contract or agreement under which Customer is an obligor or by which its property is bound; and (f) all factual information furnished by Customer to PG&E in the Application and pursuant to this Agreement is true and accurate.

5. The Application must include the Federal Tax Identification Number or Social Security Number of the party who will be the recipient of the checks for the rebate/incentive or any Loan proceeds. Checks may be issued directly to the Customer or its designated Contractor or both, for the benefit of the Customer, as specified below. Customer acknowledges that PG&E will not be responsible for any tax liability imposed on the Customer or its contractor in connection with the transactions contemplated under the Agreement, whether by virtue of the Loan contemplated under the Agreement, or otherwise, and Customer shall indemnify PG&E for any tax liability imposed upon PG&E as a result of the transactions contemplated under the Agreement.
6. Upon completion of the Work, Customer shall send a written confirmation of completion to PG&E's On-Bill Financing Program Administrator at the address listed in Section 15. Within 60 days after receiving the confirmation, PG&E (a) will conduct a post installation inspection and project verification, including review of invoices, receipts and other documents as required by PG&E to verify the correctness of any amounts claimed by Customer; (b) will adjust, if necessary, the total cost, incentive, Loan Balance, monthly payment, and loan term as stated above; and (c) if PG&E deems necessary, obtain updated financial information to verify that Customer has good credit standing (as determined by PG&E) prior to making the Loan. Customer shall give PG&E reasonable access to its premises and the Work and shall provide such updated financial information to PG&E upon request. PG&E may decline to make the Loan if PG&E determines, in its sole discretion, that Customer does not have good credit standing at that time. If the Work conforms to all requirements of the Agreement and all amounts claimed by Customer as Work costs are substantiated to PG&E's reasonable satisfaction, and PG&E is satisfied that Customer has good credit standing, PG&E will issue a check ("Check") to Customer or Contractor (as designated by Customer in Section 15) for all amounts PG&E approves for payment in accordance with the Agreement. The date of such issuance is the "Issuance Date". If the Check is issued to Customer, Customer shall be responsible for paying any outstanding fees due to Contractor for the Work. If the Check is less than the amount due from Customer to Contractor, Customer shall be responsible for the excess due to the Contractor.
7. Customer shall repay the Loan Balance to PG&E as provided in this Loan Agreement irrespective of whether or when the Work is completed, or whether the Work is in any way defective or deficient, and whether or not the Work delivers energy efficiency savings to Customer.
8. The monthly payments will be included by PG&E on the Account's regular energy service bills, or by separate bill, in PG&E's discretion. Regardless whether the monthly payments are included in the regular utility bill or a separate loan installment bill, the following repayment terms will apply:
 - a. The Customer agrees to repay to PG&E the Loan Balance in the number of payments listed below and in equal installments (with the final installment adjusted to account for rounding), by the due date set forth in each PG&E utility bill or loan installment bill rendered in connection with Customer's account (identified by the number set forth below) ("Account"), commencing with the bill which has a due date falling at least 30 days after the Issuance Date.
 - b. If separate energy service bills and loan installment bills are provided, amounts due under this Loan Agreement as shown in the loan installment bill shall be deemed to be amounts due under each energy services bill to the Account, and a default under this Loan Agreement shall be treated as a default under the Account.
 - c. If the Customer is unable to make a full utility bill payment in a given month, payment arrangements may be made at PG&E's discretion.
 - d. Any partial bill payments received for a month will be applied in equal proportion to the energy charges and the loan obligation for that month, and the Customer may be considered in default of both the energy bill and the loan installment bill.
 - e. Further payment details are set forth below.
9. Any notice from PG&E to Customer regarding the Program or the transactions contemplated under the Loan Agreement may be provided within a PG&E utility bill or loan installment bill, and any such notices may also be provided to Customer at the address below or to the Customer's billing address of record in PG&E's customer billing system from time to time, and in each case shall be effective five (5) days after they have been mailed.
10. The Loan Balance shall not bear interest.
11. Customer may, without prepayment penalty, pay the entire outstanding loan balance in one lump sum payment provided the customer first notifies PG&E by telephoning the toll free phone number (1-800-468-4743), and by sending written notice to PG&E On-Bill Financing Program Administrator at the address listed below, in advance of making the lump sum payment. Accelerated payments that are received from Customer without PG&E's prior approval may, at PG&E's sole discretion, be applied proportionally to subsequent energy charges and Loan repayments and PG&E shall have no obligation to apply accelerated payments exclusively to reduction of the outstanding Loan.

12. The entire outstanding Loan Balance will become immediately due and payable, and shall be paid by Customer within 30 days if: (i) the Account is closed or terminated for any reason; (ii) Customer defaults under the Agreement; (iii) Customer sells or transfers ownership of the equipment forming part of the Work to any third party (including as part of a sale or lease of premises or transfer of business or otherwise); or (iv) Customer becomes Insolvent. Customer becomes "Insolvent" if: (i) Customer is unable to pay its debts as they become due or otherwise becomes insolvent, makes a general assignment for the benefit of its creditors, or suffers or permits the appointment of a receiver for its business or assets or otherwise ceases to conduct business in the normal course; or (ii) any proceeding is commenced by or against Customer under any bankruptcy or insolvency law that is not dismissed or stayed within 45 days.
13. Customer understands that without limiting any other remedy available to PG&E against Contractor or Customer, **failure to repay the Loan Balance in accordance with the terms of the Agreement could result in shut-off of utility energy service, adverse credit reporting, and collection procedures, including, without limitation, legal action.**
14. If there is any conflict among the documents comprising the Agreement, the following order of priority shall apply: 1. this Loan Agreement; 2. the Application; 3. any documents attached to the Application.

15. Loan Particulars.

<i>This table is to be completed by PG&E</i>						
Total Cost	Incentive	Customer Buy- Down (if applicable)	Loan Balance ¹	Monthly Payment	Term ² (months)	Number of Payments
\$11,902.53	\$4,056.19		\$7,846.34	\$261.54	29	29

Check Made Payable to Customer or Contractor
 [customer to select payment method. Note that only one check can be issued]

16. This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

Customer Details	Contractor Details
Federal Tax ID or Social Security # Customer 94-6000352	Federal Tax ID or Social Security # Contractor

PG&E Account # / Service Agreement #

Account Name, Customer	Name Contractor
Primary Contact Name: City of King City Primary TIF ID: 8752	

Customer Address (For OBF Check Delivery)	Contractor Address (For OBF Check Delivery)
_____	_____
_____	_____
_____	_____

Name and Title of Authorized Representative of Customer	Name and Title of Authorized Representative of Contractor
_____	_____

Signature of Authorized Representative of Customer

Date

ACCEPTED: Pacific Gas and Electric Company

By	Date
_____	_____
PG&E On-Bill Financing Authorized Representative	

Address:
 Pacific Gas and Electric Company
 On Bill Financing Program
 77 Beale Street - 3rd Floor
 San Francisco, CA 94105

¹ The Loan Balance shall not exceed one-hundred thousand dollars (\$100,000) for commercial customers and shall not exceed two-hundred fifty thousand dollars (\$250,000) for government agency customers, excepting loans to government agency customers where, in PG&E's sole opinion, the opportunity for uniquely large energy savings exist, in which case the Loan Balance may exceed two-hundred fifty thousand dollars (\$250,000) but shall not exceed one million dollars (\$1,000,000).

² Commercial loans may have their loan terms extended beyond five years, not to exceed the expected useful life (EUL) of the bundle of energy efficiency measures proposed, when credit and risk factors support this.

ON-BILL FINANCING PROGRAM (OBF)
Loan Calculation Summary Sheet
Simple project payback per meter

Customer Name: **King City Airport**

Project Number: **TIF 6752**

SAMPLE LOAN TERMS

(A) PROJECT COST FOR MEASURES	(B) REBATES or INCENTIVES	Customer Down Payment or Buy-Down	(C) CUSTOMER AVERAGE RATE PER kWh	(D) CUSTOMER AVERAGE RATE PER Therm	(E) ESTIMATED ANNUAL ENERGY SAVINGS (kWh)	(F) ESTIMATED ANNUAL GAS SAVINGS (Therm)	ESTIMATED ANNUAL ENERGY COST SAVINGS	SIMPLE PAYBACK IN YEARS
\$ 11,902.53	\$ 4,056.19	\$ -	\$ 0.190	\$ -	16,834.7	0.0	\$ 3,198.59	2.45

PAYBACK IN MONTHS BASED ON EXPECTED ENERGY SAVINGS	LOAN TERM (MONTHS) (1 month added for bill neutrality)	CUSTOMER FIXED MONTHLY LOAN PAYMENT	ESTIMATED MONTHLY ENERGY COST SAVINGS
29	30	\$ 261.54	\$ 266.55

(C) = (From utility bill) Total \$ amount (12-month) / Total kWh (same 12-month)

(D) = (From utility bill) Total \$ amount (12-month) / Total therm (same 12-month)



GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

The undersigned customer ("Customer") has contracted for the provision of energy efficiency/demand response equipment and services (the "Work") which qualify for one or more of PG&E's applicable rebate or incentive programs. Subject to the conditions (including the process for Adjustment and preconditions to funding) set forth below, Pacific Gas and Electric Company ("PG&E") shall extend a loan (the "Loan") to Customer in the amount of the loan balance (the "Loan Balance") pursuant to the terms of this On-Bill Financing Loan Agreement ("Loan Agreement") and PG&E's rate schedules E-OBF and/or G-OBF, as applicable (the "Schedule").

To request the Loan, Customer has submitted a completed On-Bill Financing Application and associated documentation as required by PG&E (the "Application"). Collectively the Application and this Loan Agreement (including any Adjustment hereunder) comprise the "Agreement".

1. Customer shall arrange for its Contractor, as identified at the end of this Agreement ("Contractor"), to provide the Work as described in the Application.
2. The estimated Loan Balance is set forth below. The total cost of the Work as installed, rebate/incentive for qualifying energy efficiency measures, Loan Balance, monthly payment, and loan term specified in this Loan Agreement may be adjusted, if necessary, after the Work and the post-installation inspection described in the Application and/or herein are completed (the "Adjustment"). The Adjustment will be calculated using the actual total cost of the Work, as installed, and the estimated energy savings (as described in the Application) of such Work. In no event will the Loan Balance be increased without Customer's written consent, even if Customer is eligible for such increased Loan Balance. Moreover, in no event will the Loan Balance exceed the maximum loan amount stipulated in the Application. Customer understands that in order to be eligible for the Loan, the initial Loan Balance for Work may not fall below the minimum loan amount, nor may the payback period exceed the maximum payback period. **Accordingly, if after the Adjustment, the Loan Balance falls below the minimum loan amount or if the simple payback period exceeds the program maximum payback period, each as described in the Application, PG&E shall have no obligation to extend the Loan, as the Work would not meet program requirements.** The Adjustment described in this paragraph will be communicated to the Customer in writing and will automatically become part of this Loan Agreement, except that any proposed increase in the Loan Balance will only become part of this Loan Agreement upon Customer's written consent to such increase.
3. **PG&E shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work.** Customer shall indemnify and hold harmless PG&E, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a) any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.
4. Customer represents and warrants that (a) Customer is receiving this Loan solely for Work obtained in connection with Customer's business, and not for personal, family or household purposes; (b) Customer, if not an individual or a government agency, is duly organized, validly existing and in good standing under the laws of its state of formation, and has full power and authority to enter into this Agreement and to carry out the provisions of this Agreement. Customer is duly qualified and in good standing to do business in all jurisdictions where such qualification is required; (c) this Loan Agreement has been duly authorized by all necessary proceedings, has been duly executed and delivered by Customer and is a valid and legally binding agreement of Customer duly enforceable in accordance with its terms; (d) no consent, approval, authorization, order, registration or qualification of or with any court or regulatory authority or other governmental body having jurisdiction over Customer is required for, and the absence of which would adversely affect, the legal and valid execution and delivery of this Loan Agreement, and the performance of the transactions contemplated by this Loan Agreement; (e) the execution and delivery of this Loan Agreement by Customer hereunder and the compliance by Customer with all provisions of this Loan Agreement: (i) will not conflict with or violate any Applicable Law; and (ii) will not conflict with or result in a breach of or default under any of the terms or provisions of any loan agreement or other contract or agreement under which Customer is an obligor or by which its property is bound; and (f) all factual information furnished by Customer to PG&E in the Application and pursuant to this Agreement is true and accurate.

5. The Application must include the Federal Tax Identification Number or Social Security Number of the party who will be the recipient of the checks for the rebate/incentive or any Loan proceeds. Checks may be issued directly to the Customer or its designated Contractor or both, for the benefit of the Customer, as specified below. Customer acknowledges that PG&E will not be responsible for any tax liability imposed on the Customer or its contractor in connection with the transactions contemplated under the Agreement, whether by virtue of the Loan contemplated under the Agreement, or otherwise, and Customer shall indemnify PG&E for any tax liability imposed upon PG&E as a result of the transactions contemplated under the Agreement.
6. Upon completion of the Work, Customer shall send a written confirmation of completion to PG&E's On-Bill Financing Program Administrator at the address listed in Section 15. Within 60 days after receiving the confirmation, PG&E (a) will conduct a post installation inspection and project verification, including review of invoices, receipts and other documents as required by PG&E to verify the correctness of any amounts claimed by Customer; (b) will adjust, if necessary, the total cost, incentive, Loan Balance, monthly payment, and loan term as stated above; and (c) if PG&E deems necessary, obtain updated financial information to verify that Customer has good credit standing (as determined by PG&E) prior to making the Loan. Customer shall give PG&E reasonable access to its premises and the Work and shall provide such updated financial information to PG&E upon request. PG&E may decline to make the Loan if PG&E determines, in its sole discretion, that Customer does not have good credit standing at that time. If the Work conforms to all requirements of the Agreement and all amounts claimed by Customer as Work costs are substantiated to PG&E's reasonable satisfaction, and PG&E is satisfied that Customer has good credit standing, PG&E will issue a check ("Check") to Customer or Contractor (as designated by Customer in Section 15) for all amounts PG&E approves for payment in accordance with the Agreement. The date of such issuance is the "Issuance Date". If the Check is issued to Customer, Customer shall be responsible for paying any outstanding fees due to Contractor for the Work. If the Check is less than the amount due from Customer to Contractor, Customer shall be responsible for the excess due to the Contractor.
7. Customer shall repay the Loan Balance to PG&E as provided in this Loan Agreement irrespective of whether or when the Work is completed, or whether the Work is in any way defective or deficient, and whether or not the Work delivers energy efficiency savings to Customer.
8. The monthly payments will be included by PG&E on the Account's regular energy service bills, or by separate bill, in PG&E's discretion. Regardless whether the monthly payments are included in the regular utility bill or a separate loan installment bill, the following repayment terms will apply:
 - a. The Customer agrees to repay to PG&E the Loan Balance in the number of payments listed below and in equal installments (with the final installment adjusted to account for rounding), by the due date set forth in each PG&E utility bill or loan installment bill rendered in connection with Customer's account (identified by the number set forth below) ("Account"), commencing with the bill which has a due date falling at least 30 days after the Issuance Date.
 - b. If separate energy service bills and loan installment bills are provided, amounts due under this Loan Agreement as shown in the loan installment bill shall be deemed to be amounts due under each energy services bill to the Account, and a default under this Loan Agreement shall be treated as a default under the Account.
 - c. If the Customer is unable to make a full utility bill payment in a given month, payment arrangements may be made at PG&E's discretion.
 - d. Any partial bill payments received for a month will be applied in equal proportion to the energy charges and the loan obligation for that month, and the Customer may be considered in default of both the energy bill and the loan installment bill.
 - e. Further payment details are set forth below.
9. Any notice from PG&E to Customer regarding the Program or the transactions contemplated under the Loan Agreement may be provided within a PG&E utility bill or loan installment bill, and any such notices may also be provided to Customer at the address below or to the Customer's billing address of record in PG&E's customer billing system from time to time, and in each case shall be effective five (5) days after they have been mailed.
10. The Loan Balance shall not bear interest.
11. Customer may, without prepayment penalty, pay the entire outstanding loan balance in one lump sum payment provided the customer first notifies PG&E by telephoning the toll free phone number (1-800-468-4743), and by sending written notice to PG&E On-Bill Financing Program Administrator at the address listed below, in advance of making the lump sum payment. Accelerated payments that are received from Customer without PG&E's prior approval may, at PG&E's sole discretion, be applied proportionally to subsequent energy charges and Loan repayments and PG&E shall have no obligation to apply accelerated payments exclusively to reduction of the outstanding Loan.

12. The entire outstanding Loan Balance will become immediately due and payable, and shall be paid by Customer within 30 days if: (i) the Account is closed or terminated for any reason; (ii) Customer defaults under the Agreement; (iii) Customer sells or transfers ownership of the equipment forming part of the Work to any third party (including as part of a sale or lease of premises or transfer of business or otherwise); or (iv) Customer becomes Insolvent. Customer becomes "Insolvent" if: (i) Customer is unable to pay its debts as they become due or otherwise becomes insolvent, makes a general assignment for the benefit of its creditors, or suffers or permits the appointment of a receiver for its business or assets or otherwise ceases to conduct business in the normal course; or (ii) any proceeding is commenced by or against Customer under any bankruptcy or insolvency law that is not dismissed or stayed within 45 days.
13. Customer understands that without limiting any other remedy available to PG&E against Contractor or Customer, **failure to repay the Loan Balance in accordance with the terms of the Agreement could result in shut-off of utility energy service, adverse credit reporting, and collection procedures, including, without limitation, legal action.**
14. If there is any conflict among the documents comprising the Agreement, the following order of priority shall apply: 1. this Loan Agreement; 2. the Application; 3. any documents attached to the Application.

15. Loan Particulars.

This table is to be completed by PG&E

Total Cost	Incentive	Customer Buy-Down (If applicable)	Loan Balance ¹	Monthly Payment	Term ² (months)	Number of Payments
\$118,357.42	\$30,217.14		\$88,140.28	\$308.43	46	46

Check Made Payable to Customer or Contractor
 [customer to select payment method. Note that only one check can be issued]

16. This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

Customer Details	Contractor Details
Federal Tax ID or Social Security #, Customer 94-6000352	Federal Tax ID or Social Security #, Contractor

PG&E Account # / Service Agreement #

Account Name, Customer	Name, Contractor
Primary Contact Name: City of King City Primary TIF ID:	

Customer Address (For OBF Check Delivery)	Contractor Address (For OBF Check Delivery)

Name and Title of Authorized Representative of Customer	Name and Title of Authorized Representative of Contractor

Signature of Authorized Representative of Customer

Date

ACCEPTED: Pacific Gas and Electric Company

By	Date
PG&E On-Bill Financing Authorized Representative	

Address:
 Pacific Gas and Electric Company
 On Bill Financing Program
 77 Beale Street - 3rd Floor
 San Francisco, CA 94105

¹ The Loan Balance shall not exceed one-hundred thousand dollars (\$100,000) for commercial customers and shall not exceed two-hundred fifty thousand dollars (\$250,000) for government agency customers, excepting loans to government agency customers where, in PG&E's sole opinion, the opportunity for uniquely large energy savings exist, in which case the Loan Balance may exceed two-hundred fifty thousand dollars (\$250,000) but shall not exceed one million dollars (\$1,000,000).

² Commercial loans may have their loan terms extended beyond five years, not to exceed the expected useful life (EUL) of the bundle of energy efficiency measures proposed, when credit and risk factors support this.

ON-BILL FINANCING PROGRAM (OBF)

Loan Calculation Summary Sheet
Simple project payback per meter

Customer Name: **King City Muni Bids**

Project Number: **TIF 6598**

SAMPLE LOAN TERMS

(A) PROJECT COST FOR MEASURES	(B) REBATES or INCENTIVES	Customer Down Payment or Buy-Down	(C) CUSTOMER AVERAGE RATE PER kWh	(D) CUSTOMER AVERAGE RATE PER Therm	(E) ESTIMATED ANNUAL ENERGY SAVINGS (kWh)	(F) ESTIMATED ANNUAL GAS SAVINGS (Therm)	ESTIMATED ANNUAL ENERGY COST SAVINGS	SIMPLE PAYBACK IN YEARS
\$ 118,357.42	\$ 30,217.14	\$ -	\$ 0.193	\$ -	155,041.6	0.0	\$ 29,923.03	2.95

PAYBACK IN MONTHS BASED ON EXPECTED ENERGY SAVINGS	LOAN TERM (MONTHS) (1 month added for bill neutrality)	CUSTOMER FIXED MONTHLY LOAN PAYMENT	ESTIMATED MONTHLY ENERGY COST SAVINGS
35	36	\$ 2,448.34	\$ 2,493.59

(C) = (From utility bill) Total \$ amount (12-month) / Total kWh (same 12-month)

(D) = (From utility bill) Total \$ amount (12-month) / Total therm (same 12-month)



GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

The undersigned customer ("Customer") has contracted for the provision of energy efficiency/demand response equipment and services (the "Work") which qualify for one or more of PG&E's applicable rebate or incentive programs. Subject to the conditions (including the process for Adjustment and preconditions to funding) set forth below, Pacific Gas and Electric Company ("PG&E") shall extend a loan (the "Loan") to Customer in the amount of the loan balance (the "Loan Balance") pursuant to the terms of this On-Bill Financing Loan Agreement ("Loan Agreement") and PG&E's rate schedules E-OBF and/or G-OBF, as applicable (the "Schedule").

To request the Loan, Customer has submitted a completed On-Bill Financing Application and associated documentation as required by PG&E (the "Application"). Collectively the Application and this Loan Agreement (including any Adjustment hereunder) comprise the "Agreement".

1. Customer shall arrange for its Contractor, as identified at the end of this Agreement ("Contractor"), to provide the Work as described in the Application.
2. The estimated Loan Balance is set forth below. The total cost of the Work as installed, rebate/incentive for qualifying energy efficiency measures, Loan Balance, monthly payment, and loan term specified in this Loan Agreement may be adjusted, if necessary, after the Work and the post-installation inspection described in the Application and/or herein are completed (the "Adjustment"). The Adjustment will be calculated using the actual total cost of the Work, as installed, and the estimated energy savings (as described in the Application) of such Work. In no event will the Loan Balance be increased without Customer's written consent, even if Customer is eligible for such increased Loan Balance. Moreover, in no event will the Loan Balance exceed the maximum loan amount stipulated in the Application. Customer understands that in order to be eligible for the Loan, the initial Loan Balance for Work may not fall below the minimum loan amount, nor may the payback period exceed the maximum payback period. Accordingly, if after the Adjustment, the Loan Balance falls below the minimum loan amount or if the simple payback period exceeds the program maximum payback period, each as described in the Application, PG&E shall have no obligation to extend the Loan, as the Work would not meet program requirements. The Adjustment described in this paragraph will be communicated to the Customer in writing and will automatically become part of this Loan Agreement, except that any proposed increase in the Loan Balance will only become part of this Loan Agreement upon Customer's written consent to such increase.
3. PG&E shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work. Customer shall indemnify and hold harmless PG&E, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a) any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.
4. Customer represents and warrants that (a) Customer is receiving this Loan solely for Work obtained in connection with Customer's business, and not for personal, family or household purposes; (b) Customer, if not an individual or a government agency, is duly organized, validly existing and in good standing under the laws of its state of formation, and has full power and authority to enter into this Agreement and to carry out the provisions of this Agreement. Customer is duly qualified and in good standing to do business in all jurisdictions where such qualification is required; (c) this Loan Agreement has been duly authorized by all necessary proceedings, has been duly executed and delivered by Customer and is a valid and legally binding agreement of Customer duly enforceable in accordance with its terms; (d) no consent, approval, authorization, order, registration or qualification of or with any court or regulatory authority or other governmental body having jurisdiction over Customer is required for, and the absence of which would adversely affect, the legal and valid execution and delivery of this Loan Agreement, and the performance of the transactions contemplated by this Loan Agreement; (e) the execution and delivery of this Loan Agreement by Customer hereunder and the compliance by Customer with all provisions of this Loan Agreement: (i) will not conflict with or violate any Applicable Law; and (ii) will not conflict with or result in a breach of or default under any of the terms or provisions of any loan agreement or other contract or agreement under which Customer is an obligor or by which its property is bound; and (f) all factual information furnished by Customer to PG&E in the Application and pursuant to this Agreement is true and accurate.

5. The Application must include the Federal Tax Identification Number or Social Security Number of the party who will be the recipient of the checks for the rebate/incentive or any Loan proceeds. Checks may be issued directly to the Customer or its designated Contractor or both, for the benefit of the Customer, as specified below. Customer acknowledges that PG&E will not be responsible for any tax liability imposed on the Customer or its contractor in connection with the transactions contemplated under the Agreement, whether by virtue of the Loan contemplated under the Agreement, or otherwise, and Customer shall indemnify PG&E for any tax liability imposed upon PG&E as a result of the transactions contemplated under the Agreement.
6. Upon completion of the Work, Customer shall send a written confirmation of completion to PG&E's On-Bill Financing Program Administrator at the address listed in Section 15. Within 60 days after receiving the confirmation, PG&E (a) will conduct a post installation inspection and project verification, including review of invoices, receipts and other documents as required by PG&E to verify the correctness of any amounts claimed by Customer; (b) will adjust, if necessary, the total cost, incentive, Loan Balance, monthly payment, and loan term as stated above; and (c) if PG&E deems necessary, obtain updated financial information to verify that Customer has good credit standing (as determined by PG&E) prior to making the Loan. Customer shall give PG&E reasonable access to its premises and the Work and shall provide such updated financial information to PG&E upon request. PG&E may decline to make the Loan if PG&E determines, in its sole discretion, that Customer does not have good credit standing at that time. If the Work conforms to all requirements of the Agreement and all amounts claimed by Customer as Work costs are substantiated to PG&E's reasonable satisfaction, and PG&E is satisfied that Customer has good credit standing, PG&E will issue a check ("Check") to Customer or Contractor (as designated by Customer in Section 15) for all amounts PG&E approves for payment in accordance with the Agreement. The date of such issuance is the "Issuance Date". If the Check is issued to Customer, Customer shall be responsible for paying any outstanding fees due to Contractor for the Work. If the Check is less than the amount due from Customer to Contractor, Customer shall be responsible for the excess due to the Contractor.
7. Customer shall repay the Loan Balance to PG&E as provided in this Loan Agreement irrespective of whether or when the Work is completed, or whether the Work is in any way defective or deficient, and whether or not the Work delivers energy efficiency savings to Customer.
8. The monthly payments will be included by PG&E on the Account's regular energy service bills, or by separate bill, in PG&E's discretion. Regardless whether the monthly payments are included in the regular utility bill or a separate loan installment bill, the following repayment terms will apply:
 - a. The Customer agrees to repay to PG&E the Loan Balance in the number of payments listed below and in equal installments (with the final installment adjusted to account for rounding), by the due date set forth in each PG&E utility bill or loan installment bill rendered in connection with Customer's account (identified by the number set forth below) ("Account"), commencing with the bill which has a due date falling at least 30 days after the Issuance Date.
 - b. If separate energy service bills and loan installment bills are provided, amounts due under this Loan Agreement as shown in the loan installment bill shall be deemed to be amounts due under each energy services bill to the Account, and a default under this Loan Agreement shall be treated as a default under the Account.
 - c. If the Customer is unable to make a full utility bill payment in a given month, payment arrangements may be made at PG&E's discretion.
 - d. Any partial bill payments received for a month will be applied in equal proportion to the energy charges and the loan obligation for that month, and the Customer may be considered in default of both the energy bill and the loan installment bill.
 - e. Further payment details are set forth below.
9. Any notice from PG&E to Customer regarding the Program or the transactions contemplated under the Loan Agreement may be provided within a PG&E utility bill or loan installment bill, and any such notices may also be provided to Customer at the address below or to the Customer's billing address of record in PG&E's customer billing system from time to time, and in each case shall be effective five (5) days after they have been mailed.
10. The Loan Balance shall not bear interest.
11. Customer may, without prepayment penalty, pay the entire outstanding loan balance in one lump sum payment provided the customer first notifies PG&E by telephoning the toll free phone number (1-800-468-4743), and by sending written notice to PG&E On-Bill Financing Program Administrator at the address listed below, in advance of making the lump sum payment. Accelerated payments that are received from Customer without PG&E's prior approval may, at PG&E's sole discretion, be applied proportionally to subsequent energy charges and Loan repayments and PG&E shall have no obligation to apply accelerated payments exclusively to reduction of the outstanding Loan.

12. The entire outstanding Loan Balance will become immediately due and payable, and shall be paid by Customer within 30 days if: (i) the Account is closed or terminated for any reason; (ii) Customer defaults under the Agreement; (iii) Customer sells or transfers ownership of the equipment forming part of the Work to any third party (including as part of a sale or lease of premises or transfer of business or otherwise); or (iv) Customer becomes Insolvent. Customer becomes "Insolvent" if: (i) Customer is unable to pay its debts as they become due or otherwise becomes insolvent, makes a general assignment for the benefit of its creditors, or suffers or permits the appointment of a receiver for its business or assets or otherwise ceases to conduct business in the normal course; or (ii) any proceeding is commenced by or against Customer under any bankruptcy or insolvency law that is not dismissed or stayed within 45 days.
13. Customer understands that without limiting any other remedy available to PG&E against Contractor or Customer, **failure to repay the Loan Balance in accordance with the terms of the Agreement could result in shut-off of utility energy service, adverse credit reporting, and collection procedures, including, without limitation, legal action.**
14. If there is any conflict among the documents comprising the Agreement, the following order of priority shall apply: 1. this Loan Agreement; 2. the Application; 3. any documents attached to the Application.

15. Loan Particulars.

<i>This table is to be completed by PG&E</i>						
Total Cost	Incentive	Customer Buy- Down (if applicable)	Loan Balance ¹	Monthly Payment	Term ² (months)	Number of Payments
\$16,861.76	\$2,673.91		\$14,187.85	\$308.43	46	46

Check Made Payable to Customer or Contractor
 [customer to select payment method. Note that only one check can be issued]

16. This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

Customer Details	Contractor Details
Federal Tax ID or Social Security # Customer 94-6003352	Federal Tax ID or Social Security # Contractor

PG&E Account # / Service Agreement #

Account Name, Customer	Name, Contractor
Primary Contact Name: City of King City Primary TIF ID: 6645	

Customer Address (For OBF Check Delivery)	Contractor Address (For OBF Check Delivery)

Name and Title of Authorized Representative of Customer	Name and Title of Authorized Representative of Contractor

Signature of Authorized Representative of Customer

Date

ACCEPTED: Pacific Gas and Electric Company

By	Date
PG&E On-Bill Financing Authorized Representative	

Address:
 Pacific Gas and Electric Company
 On Bill Financing Program
 77 Beale Street - 3rd Floor
 San Francisco, CA 94105

¹ The Loan Balance shall not exceed one-hundred thousand dollars (\$100,000) for commercial customers and shall not exceed two-hundred fifty thousand dollars (\$250,000) for government agency customers, excepting loans to government agency customers where, in PG&E's sole opinion, the opportunity for uniquely large energy savings exist, in which case the Loan Balance may exceed two-hundred fifty thousand dollars (\$250,000) but shall not exceed one million dollars (\$1,000,000).

² Commercial loans may have their loan terms extended beyond five years, not to exceed the expected useful life (EUL) of the bundle of energy efficiency measures proposed, when credit and risk factors support this.

ON-BILL FINANCING PROGRAM (OBF)
Loan Calculation Summary Sheet
Simple project payback per meter

Customer Name: **Fields KC**
 Project Number: **TIF 6645**

SAMPLE LOAN TERMS

(A) PROJECT COST FOR MEASURES	(B) REBATES or INCENTIVES	Customer Down Payment or Buy-Down	(C) CUSTOMER AVERAGE RATE PER kWh	(D) CUSTOMER AVERAGE RATE PER Therm	(E) ESTIMATED ANNUAL ENERGY SAVINGS (kWh)	(F) ESTIMATED ANNUAL GAS SAVINGS (Therm)	ESTIMATED ANNUAL ENERGY COST SAVINGS	SIMPLE PAYBACK IN YEARS
\$ 16,861.76	\$ 2,673.91	\$ -	\$ 0.220	\$ -	17,380.9	0.0	\$ 3,823.80	3.71

PAYBACK IN MONTHS BASED ON EXPECTED ENERGY SAVINGS	LOAN TERM (MONTHS) (1 month added for bill neutrality)	CUSTOMER FIXED MONTHLY LOAN PAYMENT	ESTIMATED MONTHLY ENERGY COST SAVINGS
45	46	\$ 308.43	\$ 318.65

(C) = (From utility bill) Total \$ amount (12-month) / Total kWh (same 12-month)
 (D) = (From utility bill) Total \$ amount (12-month) / Total therm (same 12-month)



Pacific Gas & Electric Company

Energy Efficiency Retrofit Loan Program On-Bill Financing



No-interest financing for business customers and government agencies

Do you want to make facilities improvements that will save you energy and money? Do you have projects in mind, but need to avoid large outlays of cash, and high-interest costs? The Energy Efficiency Retrofit Loan Program, also known as On-Bill Financing (OBF), helps eligible customers pay for energy-efficient retrofit projects with no-interest loans that are repaid through their monthly PG&E bills.



What kinds of projects are eligible?

Financing is available to fund many technologies, including lighting, refrigeration, HVAC, and LED street light projects. To qualify, a project's estimated monthly energy cost savings must be sufficient to repay the loan within the maximum loan term limits.

The project must qualify for a rebate or incentive through a PG&E program, including the Customized Incentive Program (CIP), certain PG&E third-party programs, the LED Street Light Program and many Energy Efficiency Rebates for Business.

You may install the equipment yourself or hire a contractor to perform the work. PG&E will need to inspect the site before you remove old equipment, and will perform another inspection upon project completion.

How much can my business or agency borrow?

Business customers may qualify for loans between \$5,000 and \$100,000, with loan periods up to 60 months. Government agencies may qualify for loans between \$5,000 and \$250,000 per PG&E meter, with loan periods up to 120 months. Loan funds must be used to purchase and install qualifying energy-efficient equipment.





How is the loan term calculated?

To qualify for financing through the Energy Efficiency Retrofit Loan Program, a project's estimated energy savings must be sufficient to repay the loan during the maximum allowable payment term. The monthly payment is calculated based on estimated monthly energy savings.

For example:

Project cost	\$100,000
Energy efficiency rebates and/or incentives	\$25,000
Loan amount (remaining costs to be funded)	\$75,000
Estimated monthly energy savings from retrofit	\$3,000
Monthly loan installment billed on your utility bill	\$3,000
Estimated term of loan (loan amount divided by monthly payment amount)	25 months

The loan terms for the customer in this example would be \$3,000 per month for 25 months.

If you close your PG&E account before your loan term ends—for example, if your business closes or you move to a new location—you must pay off your loan balance when you settle your final bill.

Does my business or agency qualify?

Before beginning your retrofit project, contact your PG&E Account Representative to make sure that your energy efficiency upgrades qualify for On-Bill Financing. To be eligible, customers must have a PG&E account that has been continuously active for the past 24 months and has been in good standing for the past 12 months. Business customers are also subject to a commercial credit review.

Next Steps

Visit the OBF program Web site at www.pge.com/obf to review program details and a list of energy efficiency rebate and incentive programs that qualify for financing through the Energy Efficiency Retrofit Loan Program. You may also contact your PG&E Account Representative or call the PG&E Business Customer Service Center at 800-448-4874 for assistance.



Financing Supplement to the Energy Efficiency Retrofit Program Application

The Energy Efficiency Retrofit Loan Program (the "Program") is funded by California utility customers and administered by Pacific Gas and Electric Company (PG&E) under the auspices of the California Public Utilities Commission (CPUC). The Program provides qualified PG&E customers with a means to finance energy-efficient (EE) retrofit projects implemented under select PG&E EF Programs (the "Qualified Program"). The loans issued under the Program are interest-free, unsecured loans to fully or partially reimburse qualified PG&E customers for the costs they incur in connection with a qualified retrofit project (the "Retrofit Project"), which term shall mean the energy efficiency retrofit project described in Customer's relevant Energy Efficiency Program Application.

Conditions for Eligibility: Participation in the Program is limited to PG&E customers that meet the following conditions and satisfy these conditions throughout the duration of the Retrofit Project up to and including the date of Final Verification (defined below in Section 8). (a) the PG&E customer must be a business ("Commercial Customer") or a federal, state, county or local government agency ("Government Customer"); Commercial Customers and Government Customers are collectively referred to as "Customer;" (b) Customer currently receives service from PG&E at the location of the Retrofit Project (the "Location"); (c) Customer has continually maintained an active PG&E account for the previous 24 months and has a minimum of 12 months of historical metered energy usage at Customer's current Location; (d) at the time the Customer's Program Application is Approved and Customer's Loan Agreement is executed, and at the time the loan is to be funded following completion of the Retrofit Project and satisfaction of all other requirements of the Loan Agreement, Customer must be in good credit standing, as determined by PG&E through credit review which may include a commercial credit check and a bill history review, which may be based upon the following and other criteria:

- a. No 24-hour disconnection notices in the last 12 months;
- b. No returned payments within the last 12 months;
- c. No more than 1 payment arrangement in the last 12 months;
- d. No broken payment arrangements within the last 12 months;
- e. No deposit assessed within the last 12 months; and
- f. The Retrofit Project qualifies and Customer is eligible for an incentive under the Qualified Program.

Loan Features: The loans offered under the Program are interest-free (0%) and free of any fees, late payment penalties or other charges. The loan terms and conditions are set to provide simple payback from energy savings during the maximum allowed loan term, and are calculated by dividing the loan amount (eligible project cost less Qualified Program Incentives) by the estimated monthly energy savings resulting from the Retrofit Project. The ensuing number of monthly payments must not exceed the Maximum Loan Term set forth in chart below ("Loan Amount and Term Limitations").

Eligibility: Prior to purchasing and installing any energy-efficient measures or equipment under the Qualified Program, Customer must satisfy the eligibility requirements of both the Program and Qualified Program. Because energy efficiency projects in progress are ineligible under the Program, Customer must have an inspection of the Retrofit Project and Location conducted and completed by PG&E before commencing any work or purchasing any equipment for the Retrofit Project.

Inspection: PG&E will assist Customers in understanding the energy efficiency measures available under the Qualified Program and will answer their questions concerning this Program. After Customer has decided upon the measures that comprise the Retrofit Project, PG&E will request an engineering review, perform an inspection of the Location, calculate the Loan Terms and prepare the Loan Documents. Thereafter, PG&E will provide Customer with a copy of the inspection report, a Loan Agreement, the Application, the applicable On-Bill Financing (OBF) Gas and/or Electric Rate Schedule and Loan Calculation Summary Sheet (collectively, the "Loan Documents").

Loan Documents: If the terms of the loan are acceptable, Customer shall execute the Loan Documents and return them to PG&E prior to the commencement of the Retrofit Project. Incomplete or incorrect applications cannot be processed and may result in the delay of PG&E's approval and possible disqualification from the Program. Customer may withdraw this Application for any reason without penalty by sending written notice to PG&E.

Customer's Responsibilities for Contractor and Vendor: Upon PG&E's notification to Customer that the Retrofit Project is eligible for the Program, Customer may begin the Retrofit Project pursuant to the contract agreed upon by Customer, its contractor or vendor. PG&E does not endorse or recommend any particular contractor or vendor nor does PG&E review any contractor or vendor proposals. Rather, Customer shall be solely responsible for reviewing the feasibility of the contractor's and vendor's proposal(s) and verifying their respective qualifications, pricing, energy savings, warranties and the terms and conditions of the contractor's and/or vendor's contract with Customer.

Loan Amount and Term Limitations

Interest	0%, with no additional fees or charges
Minimum Loan Amount	\$5,000
Maximum Loan Amount	Commercial Customer: \$100,000 / premises Government Customer: \$250,000 / meter
Maximum Loan Term, not to exceed the Expected Useful Life (EUL) of the measures	Commercial Customer: 60 months Government Customer: 120 months

*Residential customers are ineligible.

PG&E Disclaimers: CUSTOMER'S DESIGN OF THE RETROFIT PROJECT AND SELECTION AND USE OF ENERGY EFFICIENCY EQUIPMENT, MEASURES AND SELECTION OF CONTRACTORS AND VENDORS IS AT CUSTOMER'S SOLE DISCRETION AND AT CUSTOMER'S SOLE RISK. TO THE EXTENT PERMITTED BY APPLICABLE LAW, PG&E EXPRESSLY AND SPECIFICALLY DISCLAIMS ANY LIABILITY IN RESPECT OF ANY ADVICE, INFORMATION OR OTHER INSTRUCTION PROVIDED BY OR ON BEHALF OF PG&E TO CUSTOMER IN CONNECTION WITH THE QUALIFIED PROGRAM, PROGRAM OR RETROFIT PROJECT. PG&E DOES NOT WARRANT OR BEAR ANY RESPONSIBILITY FOR ANY OF THE FOLLOWING:

- a. THE WORK PERFORMED BY CUSTOMER'S CONTRACTOR(S) OR VENDOR(S), THAT THE RETROFIT PROJECT IS APPROPRIATE FOR THE LOCATION;
- b. THE RETROFIT WILL RESULT IN OR YIELD ANY ENERGY EFFICIENCY SAVINGS OR A SPECIFIC AMOUNT OF ENERGY EFFICIENCY SAVINGS OR OTHER REDUCTION IN CUSTOMER'S PG&E UTILITY BILL AFTER COMPLETION OF THE RETROFIT PROJECT;
- c. THE CONTRACTOR'S OR VENDOR'S SERVICES WILL BE TIMELY, COMPLETE OR ERROR-FREE, OR THAT DEFECTS IN THE RETROFIT PROJECT WILL BE CORRECTED BY SUCH INDIVIDUALS;
- d. ANY ERRORS, OMISSIONS, DEFECTS OR DELAYS IN THE DESIGN OR CONSTRUCTION OF THE RETROFIT PROJECT OR THE OPERATION OF ANY ENERGY EFFICIENCY MEASURES INSTALLED AT THE LOCATION.

Verification: Upon completion of the Retrofit Project, Customer shall request PG&E's post-completion inspection and final verification that the Retrofit Project has been completed in conformity with the requirements of the Qualified Program and that customer remains eligible (the "Final Verification").

- a. If there has been any change to the Retrofit Project's scope, cost and/or incentives available under the Qualified Program or energy savings, Customer will be required to enter into a Loan Modification Agreement with PG&E, which may include new contract terms reflecting the changes in the Retrofit Project. (If a Loan Modification Agreement is required, it shall be deemed part of the "Loan Documents.")

b. If the changes to the Retrofit Project are such that it no longer meets the Program's payback criteria or other conditions, the Retrofit Project will be considered ineligible, the Loan Agreement will be terminated and no loan proceeds will be disbursed.

c. IF PG&E DETERMINES, IN ITS ABSOLUTE DISCRETION, THAT CUSTOMER'S CREDIT HAS DETERIORATED OR HAS OTHERWISE PLACED CUSTOMER'S REPAYMENT OF THE LOAN AT RISK, THE LOAN PROCEEDS SHALL NOT BE ISSUED, EVEN THOUGH THE RETROFIT PROJECT MAY HAVE BEEN SATISFACTORILY COMPLETED AT CUSTOMER'S EXPENSE.

Disbursements: Subject to and following PG&E's satisfactory Final Verification, an incentive check and the loan proceeds will be issued to Customer or, at Customer's written direction, to Customer's contractor or vendor.

General Provisions:

- a. Applications for loans under the Program will be accepted from qualified Customers on a first-come, first-served basis until the funds allocated by PG&E for the Program are no longer available. The Program may be modified or terminated by the CPUC or PG&E at any time and without prior notice. However, termination of the Program following execution of a Loan Agreement by Customer will not affect that Loan Agreement, or, if Customer thereafter satisfies all Program conditions, the disbursement.
- b. The loan proceeds may only be used to pay or reimburse Customer for implementing or installing energy-efficient measures or equipment through the Qualified Program.
- c. If there is any conflict between the terms of any document relating to the Program, the Loan Documents shall control.
- d. For all retrofit projects, including but not limited to streetlight, HVAC and lighting retrofits, Customer acknowledges and understands that Customer is able to use the installation vendor or contractor of their choice.

I have read, understand and agree to all of the Energy Efficiency Retrofit Loan Program requirements and terms and conditions set forth in this Program description. I understand that loan calculations will be based on pre-inspection results and on the applicable program documentation, and that my agency/company must meet all eligibility criteria and requirements in order to participate in the Program. Any unapproved changes to project scope, costs or run hours, or to my agency's/company's creditworthiness, between the time the Loan Documents are accepted and signed and the Retrofit Project is completed and the project's and my agency's/company's continued eligibility are verified, could result in loan ineligibility.

Legal Name of Business (i.e., the formal name on your tax return)

Authorized Representative's Printed Name

Authorized Representative's Signature

Title

Date

Tax identification information (select one):

Federal Tax ID Number: _____

Social Security Number: _____

FOR PG&E USE ONLY:

PG&E OBF Administrator

Printed Name

Date

Retrofit Program Application Number

OBF Application Number





Item No. 9(J)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
RE: CONSIDERATION OF IMMIGRATION AND CITIZENSHIP SERVICES

RECOMMENDATION:

It is recommended the City Council: 1) approve sponsoring a "Know Your Rights" forum to be conducted by Catholic Charities; and 2) appropriate \$7,500 to contract with Catholic Charities to provide ongoing immigration and citizenship services to King City residents for a 6-month period.

BACKGROUND:

Based on input from the community about important needs that exist, the City established a goal this year to develop strategies on how to make available citizenship and immigration related services. The urgency of this need has increased due to recent changes in Federal immigration policies and enforcement, which have created fear, anxiety and misinformation for many individuals in the community. This results in a number of issues because there are many people that may be directly or indirectly affected in King City. Among the problems experienced, it decreases trust in government agencies and makes the Police Department's efforts to encourage residents to come forward with information about acts of violence even more difficult.

Catholic Charities provides assistance and guidance for those who struggle in achieving lawful permanent residency and those who wish to become citizens of our nation. They provide accurate, honest and dignified services to help many individuals navigate through the complex processes. Catholic Charities has a close relationship with the U.S. Citizenship and Immigration Services, with whom they work to provide educational workshops about the immigration process and attaining naturalized citizenship.

**CITY COUNCIL
CONSIDERATION OF IMMIGRATION AND CITIZENSHIP SERVICES
MARCH 14, 2017
PAGE 2 OF 3**

DISCUSSION:

Staff recently met with representatives of Catholic Charities, St. John the Baptist Church, and the South Monterey County Joint Union High School District to discuss how to work together to best address the needs of the community with regard to immigration and citizenship issues. Two proposals were agreed upon.

First, it is recommended to sponsor a "Know Your Rights" forum on April 2nd at 3:00 p.m. at St. John the Baptist Church, which will be primarily conducted by Catholic Charities. If approved, the City will help to promote the event. Comprehensive information will be provided that is important for residents to know about immigration and citizenship laws, processes, current issues and activities, and how to best plan for themselves and their families.

Second, it is recommended to appropriate funding to contract with Catholic Charities to provide a staff representative in King City on a part-time temporary basis to assist members of the community with individual issues. It is proposed to share the cost with the King City Joint Union High School District, who has also expressed an interest in making assistance available. The goal will be to make assistance available for a 6-month period. There is a concentrated need for these services at this time, but it will also be the intent to pursue grant funds to continue the services on an ongoing basis if successful.

There are many issues, questions and concerns arising regarding these issues. City staff does not have the technical expertise or knowledge to respond to requests. Therefore, making services available from those with the appropriate expertise will not only assist the community, but the City agency as well. Staff believes this effort provides a good example of fulfilling the City's mission statement, which is "*Meeting the needs of our entire community through caring, professional and responsive services.*"

COST ANALYSIS:

The total cost to the City would be \$7,500 in this fiscal year budget and \$7,500 next fiscal year, which would be paid for from an appropriation from the General Fund.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Approve sponsorship of the forum, but do not appropriate funding for ongoing services;

**CITY COUNCIL
CONSIDERATION OF IMMIGRATION AND CITIZENSHIP SERVICES
MARCH 14, 2017
PAGE 3 OF 3**

3. Do not approve the project;
4. Provide staff other direction.

Approved by:



Steven Adams, City Manager



Item No. 9(K)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING CITY AUTHORIZING CITY MANAGER TO RELEASE CITY INTERESTS TO ALLOW THE SALE OF 389 AND 399 SAN ANTONIO DRIVE

RECOMMENDATION:

Staff recommends the City Council adopt a Resolution authorizing the City Manager to release the City's interests in the property located at 389 and 399 San Antonio Drive, subject to approval as to form by the City Attorney.

BACKGROUND:

Staff has been contacted by the owner and purchaser of 389 and 399 E. San Antonio Drive. A "Memorandum of Lease" was recorded on the property by the City in 1997. The lease was terminated years ago so the owner needs it removed from record title to allow the property to be sold. City staff are still in the process of assessing this item, including the requirements of documentation, such as covenants, conditions and restrictions ("CC&Rs") recorded in 1996, but it appears City approval is necessary before the property may be sold.

DISCUSSION:

No record has been located where the City Council has designated who would have have authorization to sign a release on behalf of the City. Absent such a designation, any release would require City Council approval. The property owner made the request, and staff is currently reviewing what, if any, releases may be warranted. To avoid delay between Council meetings in the event a release may be appropriate, staff are requesting the City Council designate and

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CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF KING CITY AUTHORIZING CITY MANAGER TO RELEASE CITY
INTERESTS TO ALLOW THE SALE OF 389 AND 389 SAN ANTONIO DRIVE
MARCH 14, 2017
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authorize the City Manager to look into this matter and execute any necessary documents or releases as to the City's interests.

The proposed resolution would enable the City Manager to determine whether the terms and conditions of the CC&R's and any other documents were complied with, and if so, prepare or enter into releases permitting the sale of the properties subject to approval as to legal form by the City Attorney.

COST ANALYSIS:

The City will incur some costs in verifying that the terms and conditions of the CC&R's were complied with by the purchaser and/or seller. Additionally, the City will incur costs in either preparing or reviewing the release permitting the sale of the Properties. At this time there is not enough information available to estimate the costs of verifying the terms and conditions of the CC&R's and preparing or reviewing the release.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Adopt the Resolution;
2. Revise the proposed Resolution;
3. Do not adopt the proposed Resolution;
4. Direct that, when ready, any release of interests be brought back to the City Council for consideration; or
5. Provide other direction to staff.

Approved by:



Steven Adams, City Manager

RESOLUTION NO. 2017-_____

CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING CITY AUTHORIZING CITY MANAGER TO RELEASE CITY INTERESTS TO ALLOW THE SALE OF 389 AND 389 SAN ANTONIO DRIVE

WHEREAS, the properties located at 389 and 399 San Antonio Drive, located within the City of King, (“the Properties”), are governed by covenants, conditions and restrictions entered into in September of 1996 by the Community Development Agency of the City of King and may be subject to certain property interests of the City; and

WHEREAS, the sale of the Properties cannot be completed without first receiving a release of interests from the City; and

WHEREAS, both the property owner and a prospective purchaser recently requested the City release its interests to allow the sale of the properties; and

WHEREAS, the record is not clear if the City Council has previously designated an individual to act on behalf of the City to release such interests; and

WHEREAS, the City desires to designate and authorize the City Manager to release, if appropriate, the City’s interests in the property, and to take any other necessary actions to effectuate such release on behalf of the City of King.

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

1. The facts set forth above in this Resolution are true and correct.
2. The City Manager is directed to investigate the City’s interests in 389 and 399 San Antonio Drive. If the City Manager determines that any necessary conditions have been met for a release of the City’s interests in said property, and that such a release is in the interests of the City, the City Manager is designated and authorized to take any and all actions on behalf of the City necessary to effectuate the release of the Properties in order to complete the sales process, including execution of any and all documentation, subject to approval as to legal form by the City Attorney. The City Manager’s authorization under this resolution does not include the vacation of a street easement or other actions requiring additional findings or hearings mandated by statute or ordinance. Finally, the City Manager’s authorization under this resolution does not include the release of any affordable housing requirements.
3. This Resolution shall go into effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of King at a regular meeting duly held on the 14th day of March, 2017, by the following vote:

AYES, and in favor thereof, Councilmembers:

NAYS, Councilmembers:

ABSENT, Councilmembers:

ABSTAINING, Councilmembers:

Mike LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk of the City of King

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney



Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: MARCH 14, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A JOINT POWERS AUTHORITY AGREEMENT ESTABLISHING THE SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY

RECOMMENDATION:

It is recommended the City Council adopt a Resolution authorizing the Mayor to execute a Joint Powers Authority Agreement establishing the Salinas Valley Basin Groundwater Sustainability Agency.

BACKGROUND:

Legislation adopted by the State Legislature and signed into law by the Governor in 2014 created the "Sustainability Groundwater Management Act" (SGMA). Effective January 2015, the purpose of the act is to provide a process for local groundwater agencies to adopt and implement a plan for the sustainable management of groundwater basins throughout the State of California. Approximately 96% of the State's groundwater supply is contained in 127 basins located throughout California and approximately 88% of the State's population overlay the groundwater basins. Absent sustainable programs in place, several of the State's water basins have been adversely impacted for a variety of reasons over a period of years. This situation has been exasperated by the drought conditions recently experienced in California.

SGMA requires that groundwater agencies overlaying a basin form a Groundwater Sustainability Agency, and once formed, the Groundwater Sustainability Agency (GSA) will develop and implement a Groundwater Sustainability Plan (GSP). Included in the law are certain timeframes local agencies are required to meet in order to avoid State intervention. SGMA requires that basins have a designated GSA by no later than June 30, 2017. Adoption of a GSP is required no later than January 31, 2020 for high or medium

CITY COUNCIL

CONSIDERATION OF RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A JOINT POWERS AUTHORITY AGREEMENT ESTABLISHING THE SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY

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priority basins in critical overdraft and no later than January 2022 if designated a high or medium basin.

King City overlays and draws its water from a portion of the Salinas Valley Basin. The Salinas Valley Basin extends from the Paso Robles Basin in the South to a portion of Monterey Bay in the North (Castroville). The Salinas Valley Groundwater Basin ("Basin") is a high priority basin and the 180/400-foot aquifer sub-basin is designated in critical overdraft.

SGMA authorizes a combination of local agencies to form a GSA by entering into a joint powers agreement. In 2015, a facilitator was retained by the City of Salinas, County of Monterey, Water Resources Agency, Monterey County Farm Bureau, Growers-Shippers Association and Salinas Valley Water Coalition to develop recommendations to the various entities eligible to be GSAs in the Basin concerning the formation of governance for the GSA. After several months of deliberation, it was recommended a joint powers authority ("JPA") be formed to be the GSA in the basin.

The City of King has been invited to join the JPA. Meanwhile, the City also received a request from the City of Greenfield on January 24, 2017, inquiring about the City's interest in working jointly with them to form a separate GSA. The request is attached. In the event multiple GSAs are formed in a basin, SGMA requires the GSAs to coordinate and essentially jointly manage their individual GSPs.

DISCUSSION:

The proposed JPA will be governed by an 11-member board, which includes the following representatives:

- 4 seats for Agriculture
- 1 seat for the City of Salinas;
- 1 shared seat for participating South County Cities;
- 1 shared seat for other GSA eligible entities (not including the cities);
- 1 shared seat for disadvantage community or public water system, including mutual water companies;
- 1 seat for CPUC regulated water companies in the basin;
- 1 seat representing environmental interest; and
- 1 public member.

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CONSIDERATION OF RESOLUTION AUTHORIZING THE MAYOR TO
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Staff met with County representatives to request additional representation on the Board, which was unsuccessful. The primary concern with the structure is that water decisions could potentially have a negative impact on the City's land use authority if water restrictions were enacted, yet the City may not be directly represented on the Board. Local agriculture does currently have a seat on the Board. There are also efforts to fill the public member seat with a local representative.

However, staff believes the City has no practical options at this point. Preparation of a GSP is costly. Since the City is not a water purveyor, costs could not be passed on to the water customer. Staff contacted representatives from Cal Water, who indicated they would participate in a separate GSA, but would not provide funding. Staff also contacted local agricultural representatives. The majority indicated they support the City's participation in the JPA. Therefore, they are not a feasible funding source for a separate GSA.

Therefore, one of the primary advantages of participating in the JPA is that the cost impact to the City would be shared with a number of agencies. The intent of the JPA was also to structure the GSA so it would provide the greatest participation by parties with the most capability of planning and funding water enhancement projects. As a result, staff has recommended the City join the GSA JPA.

The cities of Salinas, Gonzales, and Soledad have all approved the JPA GSA. The Greenfield City Council approved partnering with Clark Colony Water Company to form their own GSA.

COST ANALYSIS:

Cost allocations for the two-year initial budget were calculated using a formula based on population and water use. The agreed upon annual allocations for the two-year period are as follows:

County of Monterey	\$670,000
Water Resources Agency	\$20,000
City of Salinas	\$330,000
City of Gonzales	\$20,000
City of Soledad	\$35,000
City of Greenfield	\$35,000
City of King	\$30,000

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CONSIDERATION OF RESOLUTION AUTHORIZING THE MAYOR TO
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MARCH 14, 2017
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Funding won't be needed until after July 1st. Therefore, no appropriation is necessary from the current budget. No commitment of funding after the initial two-year period is anticipated. The intent is to develop a fee based funding structure associated with water pumping by that time.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Adopt the Resolution;
2. Pursue a separate GSA with the City of Greenfield and other potential private water purveyors and agricultural interests in the area;
3. Request modifications to the GSA Joint Powers Agreement, which staff does not believe will be successful since the JPA has already been formed;
4. Do not approve participation in the GSA, but this option would open the City to potential intervention by the State, which would be costly and circumvent all City authority;
5. Provide staff other direction.

Exhibits:

1. January 24, 2017 letter from Greenfield City Manager

Approved by:



Steven Adams, City Manager

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING AUTHORIZING
THE MAYOR TO EXECUTE A JOINT POWERS AUTHORITY AGREEMENT
ESTABLISHING THE SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY (“SVBGSA”)**

WHEREAS, in the fall of 2014 the California Legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the “Sustainable Groundwater Management Act” (“SGMA”), that initially became effective on January 1, 2015, and that has been amended from time-to-time thereafter; and

WHEREAS, the stated purpose of SGMA, as set forth in California Water Code section 10720.1 is to provide for the sustainable management of groundwater basins at a local level by providing local groundwater agencies with the authority, and technical and financial assistance necessary, to sustainably manage groundwater; and

WHEREAS, SGMA requires the designation of Groundwater Sustainability Agencies (“GSAs”) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (“GSPs”) or an alternative plan for all medium and high priority basins as designated by the California Department of Water Resources; and

WHEREAS, SGMA requires that the Basin have a designated GSA by no later than June 30, 2017, and an adopted GSP by no later than January 31, 2020 if a high or medium priority basin in critical overdraft, and no later than January 31, 2022, if a high or medium priority basin; and

WHEREAS, SGMA authorizes a combination of local agencies to form a GSA entering into a Joint Powers Agreement as authorized by the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code) (“Act”); and

WHEREAS, each Member is a local agency, as defined by SGMA, within that portion of the Salinas Valley Groundwater Basin (“Basin” and as more fully described below) within Monterey County, which is designated basin number 3-004 in Department of Water Resources Bulletin No. 118 (update 2016), and consisting of seven sub-basins plus that portion of the Paso Robles sub-basin within Monterey County (but not including the adjudicated portion of the Seaside sub-basin), each of which is designated as either a high or medium priority basin, and one of which (the 180/400 ft. aquifer) is designated in critical overdraft; and

WHEREAS, the Members are therefore authorized to create the Agency for the purpose of jointly exercising those powers granted by the Act, SGMA, and any additional powers which are common among them; and

WHEREAS, the Members, individually and collectively, have the goal of cost effective sustainable groundwater management that considers the interests and concerns of all beneficial uses and users of groundwater within and adjacent to the Basin; and

WHEREAS, the Members hereby enter into this Agreement to establish the Agency to serve as a GSA for the Basin and undertake the management of groundwater resources pursuant to SGMA; and

WHEREAS, the Members intend to cooperate with adjacent GSAs such as any GSA formed over a portion of the Paso Robles sub-basin (3-04.06) within San Luis Obispo County, and the Pajaro Valley Water Management Agency; and

WHEREAS, the Members intend to pursue state legislation to, among other amendments, amend the WRA Act to modify the governance structure of the WRA in a form similar to the governance of the Agency established herein and to establish that Agency as the statutorily designated GSA for the Basin, or establish a new entity to be so designated;

WHEREAS, it is in the best interest of the City Council of the City of King to authorize the Mayor of King City to execute this JPA agreement to participate in all aspects of the management of the greater Salinas groundwater Basin.

NOW, THEREFORE, BE IT RESOLVED, the City of King Council hereby approves the proposed Joint Exercise of Powers Agreement, which is attached hereto as **Exhibit A**, and authorizes the Mayor of King City to execute the same on behalf of the City of King.

BE IT FURTHER RESOLVED that the City Manager and the City Attorney are hereby authorized to take whatever additional steps may be necessary to effectuate the intent of this resolution including the authority to make non-substantial edits and amendments to the Joint Powers Authority Agreement.

This resolution was passed and adopted this 14th day of **March, 2017** by the following vote:

AYES, Council Members:

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:

Michael LeBarre, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney

JOINT EXERCISE OF POWERS AGREEMENT

establishing the

SALINAS VALLEY BASIN GROUNDWATER

SUSTAINABILITY AGENCY

JOINT EXERCISE OF POWERS AGREEMENT

establishing the

SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY

THIS JOINT EXERCISE OF POWERS AGREEMENT (“Agreement”) establishing the Salinas Valley Basin Groundwater Sustainability Agency (“Agency”) is made and entered into as of _____ (“Effective Date”), by and among the public agencies listed on the attached Exhibit “A” (collectively “Members” and individually “Member”) for the purpose of forming a Groundwater Sustainable Agency (“GSA”) and achieving groundwater sustainability in the Salinas Valley Groundwater Basin.

RECITALS

WHEREAS, in the fall of 2014 the California legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the “Sustainable Groundwater Management Act” (“SGMA”), that initially became effective on January 1, 2015, and that has been amended from time-to-time thereafter; and

WHEREAS, the stated purpose of SGMA, as set forth in California Water Code section 10720.1, is to provide for the sustainable management of groundwater basins at a local level by providing local groundwater agencies with the authority, and technical and financial assistance necessary, to sustainably manage groundwater; and

WHEREAS, SGMA requires the designation of Groundwater Sustainability Agencies (“GSAs”) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (“GSPs”) or an alternative plan for all medium and high priority basins as designated by the California Department of Water Resources; and

WHEREAS, SGMA requires that the Basin have a designated GSA by no later than June 30, 2017, and an adopted GSP by no later than January 31, 2020, if a high or medium priority basin in critical overdraft, and no later than January 31, 2022, if a high or medium priority basin; and

WHEREAS, SGMA authorizes a combination of local agencies to form a GSA by entering into a joint powers agreement as authorized by the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code) (“Act”); and

WHEREAS, each Member is a local agency, as defined by SGMA, within that portion of the Salinas Valley Groundwater Basin (“Basin” and as more fully described below) within Monterey County, which is designated basin number 3-004 in Department of Water Resources Bulletin No. 118 (update 2016), and consisting of seven sub-basins plus that portion of the Paso Robles sub-basin within Monterey County (but not including the adjudicated portion of the

Seaside sub-basin), each of which is designated as either a high or medium priority basin, and one of which (the 180/400 ft. aquifer) is designated in critical overdraft; and

WHEREAS, the Members are therefore authorized to create the Agency for the purpose of jointly exercising those powers granted by the Act, SGMA, and any additional powers which are common among them; and

WHEREAS, the Members, individually and collectively, have the goal of cost effective sustainable groundwater management that considers the interests and concerns of all beneficial uses and users of groundwater within and adjacent to the Basin; and

WHEREAS, the Members hereby enter into this Agreement to establish the Agency to serve as a GSA for the Basin and undertake the management of groundwater resources pursuant to SGMA; and

WHEREAS, the Members intend to cooperate with adjacent GSAs such as any GSA formed over a portion of the Paso Robles sub-basin (3-04.06) within San Luis Obispo County, and the Pajaro Valley Water Management Agency; and

WHEREAS, the Members intend to study the potential for state legislation to, among other amendments, amend the WRA Act to modify the governance structure of the WRA in a form similar to the governance of the Agency established herein and to establish that agency as the statutorily designated GSA for the Basin, or establish a new entity to be so designated;

NOW THEREFORE,

In consideration of the matters recited and the mutual promises, covenants, and conditions set forth in this Agreement, the Members hereby agree as follows:

Article I: Definitions

Section 1.1 – Definitions.

As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

(a) “Act” means the Joint Exercise of Powers Act, set forth in Chapter 5 of Division 7 of Title 1 of the California Government Code, sections 6500, *et seq.*, as may be amended from time-to-time.

(b) “Agreement” means this Joint Exercise of Powers Agreement establishing the Salinas Valley Basin Groundwater Sustainability Agency.

(c) “Agency” means the Salinas Valley Basin Groundwater Sustainability Agency, which is a separate entity created by this Agreement pursuant to the provisions of the Act and SGMA.

(d) "Agricultural Directors" means the four Directors representing agricultural interests, as more fully set forth in rows (f) – (i) of Exhibit B of this Agreement.

(e) "Agricultural Association" means the Salinas Basin Agricultural Water Association.

(f) "Alternate Director" means an Alternate Director appointed pursuant to Section 6.6 of this Agreement.

(g) "Appointing Authority" means the entity authorized to appoint Primary and Alternate Directors pursuant to Sections 6.2, 6.3 and 6.6 of this Agreement and as identified in Exhibit B to this Agreement.

(h) "Basin" means that portion of the Salinas Valley Groundwater Basin, newly designated no. 3-004 in the Department of Water Resources' Bulletin No. 118 (update 2016), within the County of Monterey and that includes the following sub-basins: 1) 180/400 Foot Aquifer (No. 3-004.01); 2) East Side Aquifer (3-004.02); 3) Forebay Aquifer (3-004.04); 4) Upper Valley Aquifer (3-004.05); 5) Langlely Area (3-004.09); 7) the newly designated Monterey sub-basin (3-004.10); and, 8) the portion of the Paso Robles Area (3-004.06) in Monterey County; but not including that portion of the Seaside Area that has been adjudicated, all as their boundaries may be modified from time to time through the procedures described in California Water Code section 10722.2 or by the Department of Water Resources under its separate authority, and not including any other area for which a GSA has been established pursuant to SGMA.

(i) "Board of Directors" or "Board" means the governing body of the Agency as established by Section 6.1 of this Agreement.

(j) "Brown Act" means the California Open Meeting Law, Government Code section 54950 *et seq.*

(k) "Bylaws" means the bylaws adopted by the Board of Directors pursuant to Section 6.8 of this Agreement to govern the day-to-day operations of the Agency.

(l) "Cause" means a conviction of a crime i) of moral turpitude, or ii) involving fraud, misrepresentation, or financial mismanagement, or iii) a finding by an administrative body or agency, or a court of law, that the person has violated any conflict of interest provision of federal, state or local law.

(m) "City Selection sub-Committee" means a subcommittee of the Monterey County City Selection Committee, established by Government Code section 50270 *et seq.*, and consisting of the mayors of the following cities: Gonzales, Soledad, Greenfield, and King City.

(n) "County" means the County of Monterey.

(o) "CPUC" means the California Public Utilities Commission.

(p) "CPUC Regulated Water Company" means an investor owned water company operating in the Basin that has been granted a certificate of public convenience and necessity by the CPUC and is regulated by the CPUC.

(q) "Determination Date" means the date on which the Agency votes to notify the State of its intent to become a GSA as provided in Water Code sections 10723 (a) and (b).

(r) "Director" or "Directors" means Primary and Alternate Directors as set forth in Section 6.6 of this Agreement.

(s) "Director Position(s)" means those eleven Board positions, singularly or plural, established pursuant to Section 6.1 of this Agreement.

(t) "Disadvantaged Community" means a disadvantaged community or economically distressed area as those terms are defined in Water Code section 79702 (as may be amended from time-to-time) within the Basin.

(u) "Effective Date" means the date by which two Members have executed this Agreement which date shall be set forth in the introductory paragraph of this Agreement.

(v) "Fiscal Year" means that period of 12 months beginning July 1 and ending June 30 of each calendar year.

(w) "Groundwater Sustainability Agency" or "GSA" has the meaning set forth in California Water Code section 10721(j).

(x) "Groundwater Sustainability Plan" or "GSP" has the meaning set forth in California Water Code section 10721(k).

(y) "GSA Eligible Entity or Entities" means those entities eligible to become a GSA pursuant to SGMA.

(z) "Initial Board" means the initial Board of Directors established pursuant to Section 6.2, below.

(aa) "Initial Contribution" means the required contribution of Members as set forth in Section 10.4 of this Agreement.

(bb) "Local Agency" or "Local Agencies" has the meaning set forth in California Water Code Section 10721(n).

(cc) "Local small water system" means a system for the provision of piped water for human consumption that serves at least two, but not more than four, service connections, including any collection, treatment, storage, and distribution facilities under control of the operator of such system which are used primarily in connection with such system, and any collection or pretreatment storage facilities not under the control of the operator which are used primarily in connection with such system; it does not include two or more service connections,

which supply dwelling units occupied by members of the same family, on one parcel, all as set forth in Monterey County Code section 15.04.020 (g).

(dd) "Majority Vote" means the affirmative vote of six Directors then present and voting at a meeting of the Board.

(ee) "Member" or "Members" means the GSA Eligible Entities listed in the attached Exhibit "A" that have executed this Agreement, including any new Members that may subsequently join this Agency with the authorization of the Board, pursuant to Section 5.2 of this Agreement.

(ff) "Mutual Water Company" has the meaning set forth in Corporations Code section 14300.

(gg) "Permanent Board" means the permanent Board of Directors established pursuant to Section 6.3 of this Agreement.

(hh) "Permanent Director" means a Director appointed to the Permanent Board.

(ii) "Permanent Director Position" means a Director Position on the Permanent Board.

(jj) "Primary Director" means a Primary Director appointed pursuant to Sections 6.4 of this Agreement.

(kk) "Public Water System" means a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. A public water system includes the following: (1) Any collection, treatment, storage, and distribution facilities under control of the operator of the system that are used primarily in connection with the system, (2) Any collection or pretreatment storage facilities not under the control of the operator that are used primarily in connection with the system, or (3) Any water system that treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption, all as set forth in Health and Safety Code section 116275 (h).

(ll) "South County Cities" means the cities of Gonzales, Soledad, Greenfield and King City.

(mm) "State" means the State of California.

(nn) "State Small Water System" means a system for the provision of piped water to the public for human consumption that serves at least five, but not more than 14, service connections and does not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days out of the year, as set forth in California Health and Safety Code section 116275 (n).

(oo) “Super Majority Vote” means the affirmative vote of eight Directors then present and voting at a meeting of the Board.

(pp) “Super Majority Plus Vote” means the affirmative vote of eight Directors then present and voting at a meeting of the Board but including the affirmative vote of three of the Agricultural Directors.

(qq) “Sustainable Groundwater Management Act” or “SGMA” means the comprehensive groundwater legislation collectively enacted and referred to as the “Sustainable Groundwater Management Act” as codified in California Water Code Sections 10720 *et seq.* and as may be amended from time-to-time.

(rr) “WRA” means the Water Resources Agency of the County of Monterey.

Unless otherwise indicated, all statutory references are to the statutory codes of the State.

Article II: The Agency

Section 2.1 – Agency Established.

There is hereby established a joint powers agency known as the Salinas Valley Basin Groundwater Sustainability Agency. The Agency shall be, to the extent provided by law, a public entity separate from the Members of this Agreement.

Section 2.2 – Purpose Of The Agency.

The purpose of Agency is to cooperatively carry out the requirements of SGMA including, but not limited to, serving as the GSA for the Basin and developing, adopting and implementing a GSP that achieves groundwater sustainability in the Basin, all through the exercise of powers granted to a GSA by SGMA and those powers common to the members as provided in the Act.

Article III: Term

Section 3.1 – Term.

This Agreement shall become operative on the Effective Date. Subject to the terms of Sections 11.6, 11.7 and 11.8, below, this Agreement shall remain in effect unless terminated pursuant to Section 11.10, below.

Article IV: Powers

Section 4.1 – Powers.

The Agency shall possess the ability to exercise those powers specifically granted by the Act, SGMA, and the common powers of its Members related to the purposes of the Agency, including, but not limited to, the following:

- a) To designate itself the GSA for the Basin pursuant to SGMA.
- b) To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Agency and the adoption and implementation of the GSP.
- c) To develop, adopt and implement a GSP for the Basin pursuant to SGMA.
- d) To retain or employ consultants, advisors, independent contractors, agents and employees.
- e) To obtain legal, financial, accounting, technical, engineering, and other services needed to carry out the purposes of this Agreement.
- f) To conduct studies, collect and monitor all data related and beneficial to the development, adoption and implementation of the GSP for the Basin.
- g) To perform periodic reviews of the GSP including submittal of annual reports.
- h) To register and monitor wells.
- i) To issue revenue bonds or other appropriate public or private debt and incur debts, liabilities or obligations.
- j) To levy taxes, assessments, charges and fees as provided in SGMA or as otherwise provided by law.
- k) To regulate and monitor groundwater extractions as permitted by SGMA, provided that this provision does not extend to a Member's operation of its system to distribute water once extracted or otherwise obtained, unless and to the extent required by other laws now in existence or as may otherwise be adopted.
- l) To establish and administer projects and programs for the benefit of the Basin.
- m) To cooperate, act in conjunction, and contract with the United States, the State, or any agency thereof, counties, municipalities, special districts, groundwater sustainability agencies, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of the Agency.

n) To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the Agency.

o) To apply for and accept grants, contributions, donations and loans under any federal, state or local programs for assistance in developing or implementing any of its projects or programs in connection with any project undertaken in the Agency's name for the purposes of the Agency.

p) To acquire by negotiation, lease, purchase, construct, hold, manage, maintain, operate and dispose of any buildings, property, water rights, works or improvements within and without the respective jurisdictional boundaries of the Members necessary to accomplish the purposes describe herein.

q) To sue or be sued in its own name.

r) To invest funds as allowed by law.

s) Any additional powers conferred under SGMA or the Act, or under applicable law, insofar as such powers are needed to accomplish the purposes of SGMA, including all powers granted to the Agency under Article 4 of the Act which are in addition to the common powers of the Members, including the power to issue bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues of the rights thereto as security for such bonds and other indebtedness.

t) Any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the Members to this Agreement and to perform all other acts necessary or proper to fully carry out the purposes of this Agreement.

Section 4.2 – Exercise Of Powers.

In accordance with Section 6509 of the Act, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the County.

Section 4.3 – Water Rights And Consideration Of All Beneficial Uses And Users Of Groundwater In The Basin.

As set forth in Water Code section 10723.2 the GSA shall consider the interests of all beneficial uses and users of groundwater in the Basin, as well as those responsible for implementing the GSP. Additionally, as set forth in Water Code section 10720.5(a) any GSP adopted pursuant to this Agreement shall be consistent with Section 2 of Article X of the California Constitution and nothing in this Agreement modifies the rights or priorities to use or store groundwater consistent with Section 2 of Article X of the California Constitution, with the exception that no extraction of groundwater between January 1, 2015 and the date the GSP is adopted may be used as evidence of, or to establish or defend against, any claim of prescription. Likewise, as set forth in Water Code section 10720.5(b) nothing in this Agreement or any GSP

adopted pursuant to this Agreement determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights.

Section 4.4 – Preservation Of Police Powers.

Nothing set forth in this Agreement shall be deemed to modify or otherwise limit a Member's police powers in any way, or any authority to regulate groundwater under existing law or any amendment thereto.

Article V: Membership

Section 5.1 – Members.

The Members of the Agency shall be the entities listed on the attached Exhibit A so long as their membership has not been withdrawn or terminated pursuant to the provisions of Article XI of this Agreement. GSA Eligible Entities shall have until the Determination Date to execute this Agreement and pay their Initial Contribution, and become Members. Any GSA Eligible Entity that has not executed this Agreement and paid their Initial Contribution by the Determination Date shall be subject to the process described in Section 5.2, below, to become a Member.

Section 5.2 – New Members.

New Members may be added to the Agency by the unanimous vote of all other Members so long as: 1) the new Member is a GSA Eligible Entity; and, 2) the new Member agrees to or has met any other conditions that the existing Members may establish from time-to-time.

Once an application is approved unanimously by the existing Members the attached Exhibit A shall be amended to reflect the new Member.

Article VI: Directors And Officers

Section 6.1 – Board Of Directors.

The Agency shall be governed and administered by an eleven (11) member Board of Directors which is hereby established. All voting power of the Agency shall reside in the Board.

Section 6.2 – Initial Board of Directors.

An Initial Board shall be composed of the Director Positions with the qualifications and Appointing Authority as described in Exhibit B. The nominating groups identified in Section 6.5, below, may, but are not required to, provide nominations to the relevant Appointing Authority for the Initial Board; however, any such nomination must be received by the respective Appointing Authority no later than January 31, 2017. If such nominations are received no later than the time specified the Appointing Authorities shall follow the respective procedures for

appointment to the Permanent Board set forth in Section 6.5, below. If such nominations are not received by the time specified, the Appointing Authority may make appointments to the Initial Board as it determines in its sole discretion.

The Initial Board shall serve only until September 30, 2017, at which time a Permanent Board shall be appointed as described below.

Section 6.3 – Permanent Board.

Subject to the Appointment and Nominating procedures set forth in Section 6.5, below, beginning on October 1, 2017, a Permanent Board shall be established consisting of the Director Positions with the qualifications and Appointing Authority as described in Exhibit B. With the exception of the CPUC Regulated Water Company Director Position, each Permanent Director Position shall have a term consisting of three (3) years and shall hold office until their successor is appointed by their Appointing Authority and the Agency has been notified of the succession. The terms of Permanent Director Positions shall be staggered, with Director Positions identified in rows (a), (c), (f), (h) and (j) of exhibit C serving three (3) year terms from initial appointment, and those identified in rows (b), (d), (g), (i), and (k) serving two (2) year terms from initial appointment, and thereafter serving three (3) year terms. The CPUC Regulated Water Company Director Position shall serve a term of two (2) years, and a Director shall hold office until their successor is appointed and the Agency has been notified of the succession. Notwithstanding the actual date of their initial appointment, for purposes of establishing the terms of Permanent Directors such initial appointment shall be deemed to have commenced on the July 1 preceding such initial appointment, and the terms of Directors shall thereafter commence on July 1 of the respective appointing year. Each Director Position shall require an affirmative appointment by the Appointing Authority for every term.

Section 6.4 – General Qualifications.

a) Each Director, whether on the Initial Board or Permanent Board, must have the following general qualifications:

- i. General education and/or knowledge, interest in and experience relating to the control, storage, and beneficial use of groundwater.
- ii. General understanding and knowledge of the Basin and all its beneficial users.
- iii. Working knowledge and understanding of how to develop strategic plans, policies, programs, and financing/funding mechanisms.
- iv. Genuine commitment to collaboratively work together to (i) achieve groundwater sustainability through the adoption and implementation of a GSP for the Basin, and all its beneficial uses; and (ii) provide for the ongoing sustainable management of the Basin.
- v. General knowledge and understanding of one or more of the different facets

(administration, financial, legal, organizational, personnel, etc.) needed for a successful and productive organization.

- vi. Ability to commit the time necessary, estimated at a minimum 15-20 hours per month, to responsibly fulfill their commitment to the organization. This includes, but is not limited to: (i) Board meetings, (ii) Board training, (iii) analyzing financial statements and technical reports, (iv) reviewing Board documents before Board meetings, (v) attending Board meetings, and (vi) serving on committees to which they are assigned.
- vii. A permanent resident within the Basin, or a representative of an agency with jurisdiction, or a business or organization with a presence, within the Basin.

b) Nominating groups and Appointing Authorities, as described in Section 6.5, should endeavor to avoid nominating or appointing a person to a Director Position that, because of his or her employment or other financial interest, is likely to be disqualified from a substantial number of decisions to be made by the Board on the basis of conflict-of-interest requirements.

Section 6.5 – Appointments and Nominations for Director Positions on the Permanent Board.

The appointment and nominating process for each Primary and Alternate Director Positions on the Permanent Board shall be as follows:

- a) City of Salinas Director Position.

The City of Salinas shall appoint the Director Position listed in Row (a) of Exhibit B, the specific qualifications of such Director Position to be at the discretion of the City of Salinas.

- b) South County Cities Director Position.

The Director Position listed in Row (b) of Exhibit B shall be filled by a representative from one of the four cities listed therein. The City Selection sub-Committee shall determine which city shall be the Appointing Authority for each term of the Director Position. The specific qualifications of such Director Position shall be at the discretion of that city designated the Appointing Authority. If the City Selection sub-Committee cannot reach agreement on a city to be the Appointing Authority for this Director Position, the County Board of Supervisors shall decide which city shall be the Appointing Authority.

- c) Other GSA Eligible Entity Director Position.

- i. Representative of the entities listed on Exhibit C shall be eligible to participate in the nominating process for the Other GSA Eligible Entity Director Position listed in Row (c) of Exhibit B.

- ii. The representatives collectively by agreement among themselves shall make nominations to the Appointing Authority for the persons to fill both the Primary and Alternate Director Positions when the term of such position are expiring or are vacant.
 - iii. The representatives shall nominate one or more persons to fill both the Primary and Alternate Director Positions. If more than one person is nominated the representatives shall indicate the preferred nominee.
 - iv. The Appointing Authority shall appoint the nominee (if only one) or appoint from among the nominees; the Appointing Authority may reject a nominee only for Cause. If the representatives cannot or do not forward any nominations the Appointing Authority shall make the appointment based upon its own determination.
 - v. The representatives may also advise the Appointing Authority regarding the removal of their nominee from the Director Positions for Cause. If the Appointing Authority determines that Cause exists such Director shall be removed and a new Director appointed to fill out the remaining term of the removed Director. The representatives may also request that their nominee in the Director Position be removed for any reason or no reason. If such request is made the Appointing Authority shall remove the Director and a new Director appointed to fill out the remaining term of the removed Director.
 - vi. From time-to-time entities may ask to be removed from Exhibit C. If such request is made the Appointing Authority shall notify the other Members and the Board, and Exhibit C shall be modified accordingly.
 - vii. From time-to-time other entities may request to be included on Exhibit C. The then-existing representatives shall inform the Appointing Authority if such requests are acceptable. If accepted by the representatives the Appointing Authority shall notify the other Members and the Board, and Exhibit C shall be modified accordingly.
- d) Disadvantaged Community, or Public Water System Systems, including Mutual Water Companies serving residential customers, Director Position.
- i. Representative of the entities listed on Exhibit D shall be eligible to participate in the nominating process for the Disadvantaged Community, or Public Water System Systems, including Mutual Water Companies serving residential customers, Director Position listed in Row (d) of Exhibit B.
 - ii. The representatives by agreement among themselves shall collectively make nominations to the Appointing Authority for the persons to fill both the Primary and Alternate Director Positions when the term of such positions are expiring or are vacant.

- iii. The representatives shall nominate one or more persons to fill both the Primary and Alternate Director Positions. If more than one person is nominated the representatives shall indicate the preferred nominee.
 - iv. The Appointing Authority shall appoint the nominee (if only one) or appoint from among the nominees; the Appointing Authority may reject a nominee only for Cause. If the representatives cannot or do not forward any nominations the Appointing Authority shall make the appointment based upon its own determination.
 - v. The representatives may also advise the Appointing Authority regarding the removal of their nominee from the Director Positions for Cause. If the Appointing Authority determines that Cause exists such Director shall be removed and a new Director appointed to fill out the remaining term of the removed Director. The representatives may also request that their nominee in the Director Position may be removed for any reason or no reason. If such request is made the Appointing Authority shall remove the Director and a new Director appointed to fill out the remaining term of the removed Director.
 - vi. From time-to-time entities may ask to be removed from Exhibit D. If such request is made the Appointing Authority shall notify the other Members and the Board, and Exhibit D shall be modified accordingly.
 - vii. From time-to-time other entities may request to be included on Exhibit D. The then-existing representatives shall inform the Appointing Authority if such requests are acceptable. If accepted by the representatives the Appointing Authority shall notify the other Members and the Board, and Exhibit D shall be modified accordingly.
- e) CPUC Regulated Water Company Director Position.
- i. Representative of the entities listed on Exhibit E must meet the requirements of Section 1.1 (o) and shall be eligible to participate in the nominating process for the CPUC Regulated Water Company Director Position listed in Row (e) of Exhibit B.
 - ii. The representatives by agreement among themselves shall collectively make nominations to the Appointing Authority for the persons to fill both the Primary and Alternate Director Positions when the term of such position are expiring or are vacant.
 - iii. The representatives shall nominate one or more persons to fill both the Primary and Alternate Director Positions. If more than one person is nominated the representatives shall indicate the preferred nominee.

- iv. The Appointing Authority shall appoint the nominee (if only one) or appoint from among the nominees; the Appointing Authority may reject a nominee only for Cause. If the representatives cannot or do not forward any nominations the Appointing Authority shall make the appointment of an employee or agent of a CPUC Regulated Water Company listed on Exhibit E based upon its own determination.
 - v. The representatives may also advise the Appointing Authority regarding the removal of their nominee from the Director Position for Cause, although such authority to remove shall rest solely with the Appointing Authority.
 - vi. From time-to-time entities may ask to be removed from Exhibit E. If such request is made the Appointing Authority shall notify the other Members and the Board, and Exhibit E shall be modified accordingly.
 - vii. From time-to-time other entities may request to be included on Exhibit E. The then-existing representatives shall inform the Appointing Authority if such requests are acceptable. If accepted by the representatives the Appointing Authority shall notify the other Members and the Board, and Exhibit E shall be modified accordingly.
- f) Agriculture Director Positions.
- i. The Agricultural Association shall be eligible to participate in the nominating process for the Agriculture Director Positions listed in Rows (f) – (i) of Exhibit B. The Agricultural Association shall be solely responsible for its membership.
 - ii. The Agricultural Association shall make nominations to the Appointing Authority for the persons to fill each Primary and Alternate Director Position when the terms of such positions are expiring or are vacant.
 - iii. The Agricultural Association shall nominate at least two persons to fill each Director Position; the Agricultural Association shall indicate the preferred nominee for each Director Position.
 - iv. The Appointing Authority shall appoint from among the nominees for each Director Position; the Appointing Authority may reject a nominee only for Cause. If the Agricultural Association cannot or does not forward any nominations the Appointing Authority shall make the appointment based upon its own determination.
 - v. The Agricultural Association may also advise the Appointing Authority regarding the removal of a nominee from a Director Position for Cause. If the Appointing Authority determines that Cause exists such Director shall be removed and a new Director appointed to fill out the remaining term of the removed Director. The Agricultural Association may also request that

their nominee in a Director Position may be removed for any reason or no reason. If such request is made the Appointing Authority shall remove the Director and a new Director appointed to fill out the remaining term of the removed Director.

- g) Environment Director Position.
- i. Representative of the entities listed on Exhibit F shall be eligible to participate in the nominating process for the Environment Director Position listed in Row (j) of Exhibit B.
 - ii. The representatives by agreement among themselves shall collectively make nominations to the Appointing Authority for the persons to fill both the Primary and Alternate Director Positions when the term of such positions are expiring or are vacant.
 - iii. The representatives shall nominate at least two persons to fill both the Primary and Alternate Director Positions and the representatives shall indicate the preferred nominee.
 - iv. The Appointing Authority shall appoint from among the nominees; the Appointing Authority may reject a nominee only for Cause. If the representatives cannot or do not forward any nominations the Board shall solicit applications from interested persons. At an open public meeting, the Board shall select qualified applicants whose names shall be forwarded to the Appointing Authority. The Board may indicate a preferred nominee. The Appointing Authority shall make the appointment from the list of candidates in its sole discretion. If the Board cannot, or does not, forward a list of candidates, the Appointing Authority shall make the appointment based upon its own determination.
 - v. The representatives may also advise the Appointing Authority regarding the removal of their nominee from the Director Position for Cause. If the Appointing Authority determines that Cause exists such Director shall be removed and a new Director appointed to fill out the remaining term of the removed Director. The representatives may also request that their nominee in the Director Position may be removed for any reason or no reason. If such request is made the Appointing Authority shall remove the Director and a new Director appointed to fill out the remaining term of the removed Director.
 - vi. From time-to-time entities may ask to be removed from Exhibit F. If such request is made the Appointing Authority shall notify the other Members and the Board, and Exhibit F shall be modified accordingly.
 - vii. From time-to-time other entities may request to be included on Exhibit F. The then-existing representatives shall inform the Appointing Authority if such requests are acceptable. If accepted by the representatives the

Appointing Authority shall notify the other Members and the Board, and Exhibit F shall be modified accordingly.

- h) Public Member Director Position.
 - i. The Public Member Primary and Alternate Director Positions listed in Row (k) of Exhibit B shall be filled by application to the Board when the term of such position is expiring or is vacant.
 - ii. Board staff shall process the applications to an open and public meeting of the Board.
 - iii. At the public hearing, the Board shall select the qualified applicants whose names shall be forwarded to the Appointing Authority. The Board may indicate a preferred nominee.
 - iv. The Appointing Authority shall appoint from among the nominees in its sole discretion. If the Board cannot or does not forward any nominations the Appointing Authority shall make the appointment based upon its own determination.
 - v. The Board may also advise the Appointing Authority regarding the removal of the Public Member Director for Cause, although such authority to remove shall rest solely with the Appointing Authority.

Section 6.6 – Primary Directors And Alternates.

Subject to the Appointing and Nominating procedures set forth in Section 6.5, above, each Appointing Authority shall appoint one Primary Director and one Alternate Director for each Director Position. With the exception of the Chairperson and Vice-Chairperson duties as more fully described in Section 6.7, below, the Alternate Director shall serve and assume the rights and duties of the Primary Director when the Primary Director is unable to attend or participate in a Board meeting. Unless appearing as a substitute for a Primary Director, Alternate Directors shall have no vote, and shall not participate in any discussions or deliberations of the Board, but may appear at Board meetings as members of the public. The Primary and Alternate Directors may be removed by their Appointing Authority only for Cause only upon the recommendation of or consultation with the nominating body for that Director Position, or upon the request of the nominating body for that Director Position. In the event that a Primary or Alternate Director is removed from their position, that Director Position shall become vacant and the Appointing Authority for that Director Position shall appoint a new Primary or Alternate Director pursuant to the provisions of Section 6.5 who shall fill the remaining term of that Director Position. In the event that a Director resigns from a Director Position, the Board shall notify the nominating body for that Director Position and the Appointing Authority for that Director Position shall appoint a new Primary or Alternate Director pursuant to the provisions of Section 6.5 who shall fill the remaining term of that Director Position.

Section 6.7 – Officers Of The Board.

a) Designation.

Officers of the Board shall consist of a Chairperson and Vice-Chairperson who shall be selected from the Primary Directors. The Chairperson shall preside at all meetings of the Board. Notwithstanding the appointment of an Alternate Director for the Chairperson, the Vice-Chairperson shall perform the duties of the Chairperson in the absence or disability of the Chairperson; however, the Alternate Director may otherwise attend and participate in the meeting as a substitute for the absent Primary Director. The Chairperson and Vice-Chairperson shall exercise and perform such other powers and duties as may be assigned by the Board. In the absence of both the Chairperson and Vice-Chairperson, and notwithstanding the appointment of an Alternate Director for the Director Position serving as Vice-Chairperson, the Board shall elect a Chairperson Pro-Tem from the Primary Directors to preside at a meeting; however, the Alternate Director for the Vice-Chairperson may otherwise attend and participate in the meeting as a substitute for the absent Primary Director.

b) Election.

The Board shall elect officers at the initial meeting of the Board, described in Section 7.1, below. The Primary Director appointed by the City of Salinas shall be designated as the Chairperson Pro Tem to convene and preside at the initial meeting of the Board, described in Section 7.1, until a Chairperson is elected by the Board. The Chairperson so elected shall serve in such capacity until June 30 of the succeeding calendar year. Thereafter, the Board shall annually elect the officers of the Board from the Primary Directors. Officers of the Board shall hold office for a term of one year commencing on July 1 of each calendar year and they may serve for multiple consecutive terms. Officers of the Board may be removed and replaced at any time, with or without cause, by a Majority Vote. In the event that an officer loses their position as a Primary Director, that officer position shall become vacant and the Board shall elect a new officer from existing Primary Directors to serve the remaining officer term.

Section 6.8 – Bylaws.

The Board shall adopt Bylaws governing the conduct of meetings and the day-to-day operations of the Agency on or before the first anniversary of the Effective Date.

Section 6.9 – Official Seal And Letterhead.

The Board may adopt, and/or amend, an official seal and letterhead for the Agency.

Section 6.10 – Conflict of Interest.

Directors shall be subject to the provisions of the California Political Reform Act, California Government Code section 81000 et seq, and all other laws governing conflicts of interests. Directors shall file the statements required by Government Code section 87200, et seq.

Article VII: Board Meetings And Actions

Section 7.1 – Initial Meeting.

The initial meeting of the Board shall be held at either the County Board of Supervisors chambers, located at 168 W. Alisal Street in Salinas, or at the Salinas City Council chambers, located at 200 Lincoln Avenue in Salinas within thirty days (30) days of the Effective Date of this Agreement. The date and time of the meeting shall be prominently publicized and noticed in addition to any requirements of the Brown Act in an effort to maximize public participation.

Section 7.2 – Regular Meeting Schedule.

At its initial meeting, and annually before July 1 of each calendar year thereafter, the Board shall establish a schedule of regular meetings, including time and place, at a location overlying the Basin. The Board may vote to change the regular meeting location, time and place, and may call special or emergency meetings, provided that the new, special or emergency meeting location remains at a place overlying the Basin, unless otherwise authorized by the Brown Act.

Section 7.3 – Principal Office.

At its initial meeting the Board shall establish a principal office for the Agency, which shall be located at a place overlying the Basin. The Board may change the principal office from time to time as the Board sees fit so long as that principal office remains at a location overlying the Basin.

Section 7.4 – Conduct Of Board Meetings.

Meetings of the Board of Directors shall be noticed, held, and conducted in accordance with the provisions of the Brown Act and such By-laws as the Board may adopt that are consistent with the Brown Act.

Section 7.5 – Quorum.

A quorum of the Board shall consist of a majority of the Director Positions.

Section 7.6 – Voting.

Each Director Position shall have one vote. In all cases, when a quorum is present, a Majority Vote shall be required to conduct business, unless a Super Majority Vote or a Super Majority Plus Vote is required.

Section 7.7 – Super Majority Vote Requirement.

Items that require a Super Majority Vote include the following unless otherwise required by law:

- a) Approval of a GSP;
- b) Amendment of budget and transfer of appropriations;
- c) Withdrawal of Members pursuant to Section 11.6 (d); and,
- d) Termination of Members pursuant to Section 11.7 (c).

Section 7.8 – Super Majority Plus Vote Requirement.

Items that require a Super Majority Plus Vote include the following unless otherwise required by law:

- a) Decisions to impose fees not requiring a vote of the electorate or property owners;
- b) Proposals to submit to the electorate or property owners (as required by law) decisions to impose fees or taxes; and
- c) Limitations on well extractions (pumping limits).

Section 7.9 – Conflict Of Interest Code.

At the initial meeting of Board, the Board shall begin the process for adoption and filing of a Conflict of Interest Code pursuant to the provisions of the Political Reform Act of 1974 (Government Code section 81000 et seq.).

Article VIII: Board Committees

Section 8.1 – Committees Of The Board.

a) **Board Committees.**

The Board may from time-to-time establish one or more standing or ad hoc committees consisting of Directors to assist in carrying out the purposes and objects of the Agency, including but not limited to a Budget and Finance Committee, Planning Committee, and an Executive Committee. The Board shall determine the purpose and need for such committees. Meetings of standing committees shall be subject to the requirements of the Brown Act.

b) **Advisory Committee.**

The Board shall establish an advisory committee consisting of Directors and non-Directors. The advisory committee shall be designed to ensure participation by and input to the Board of those constituencies set forth in Water Code section 10723.2 whose interests are not directly represented on the Board. The Board shall determine the number and qualifications of committee members.

Article IX: Operations And Management

Section 9.1 – Initial Administrative And Legal Services.

One or more of the Members shall provide initial administrative, legal and other support services to the Agency at no charge until the appointment of the Permanent Board as provided in Section 6.3, above. The Members shall collectively determine which of the Members shall provide such services.

Section 9.2 – Contracting Administrative And Legal Services.

The Agency may engage one or more Members to provide administrative or legal services following the conclusion of the initial administrative and legal services described in Section 9.1 of this Agreement, on terms and conditions acceptable to the Board. Any Member so engaged shall have such responsibilities as are set forth in the contract for such Member's services.

Section 9.3 – Executive Director.

The Agency may appoint an Executive Director from time-to-time under terms and conditions to be determined by the Board. The Executive Director shall report to and serve at the pleasure of the Board. The Executive Director shall be responsible for the general administration of the Agency, the preparation and implementation of a GSP, and such other duties as may be determined by the Board. If the Board has contracted for administrative services as described in Section 9.2, above, and appoints an Executive Director, the Executive Director shall be responsible for the oversight and control of such contracted administrative services pursuant to the policies and directives established by the Board.

Section 9.4 – Legal Counsel And Other Officers.

a) General Counsel

The Agency may appoint a General Counsel from time-to-time under terms and conditions to be determined by the Board. The General Counsel shall report to and serve at the pleasure of the Board. The General Counsel shall be responsible for the general oversight of the Agency's legal affairs, including litigation. The Board may contract with other counsel for specialized legal services under the supervision of the General Counsel.

b) Treasurer and Auditor

The City of Salinas shall serve as the initial Treasurer and Auditor for the Agency upon its formation, and shall discharge the duties set forth in Sections 6505 and 6505.5 of the Act. Subsequent to formation of the Agency, the Board may appoint a separate Treasurer or separate Auditor pursuant to Section 6505.6 of the Act, and those officers shall discharge the duties set forth in Sections 6505 and 6505.5 of the Act, respectively. The Board may change such Auditor or Treasurer from time-to-time provided such change is consistent with the Act.

c) Custodian of Property

The Public Works Director of the City of Salinas ("PW Director") shall serve as the initial Custodian of the Agency's Property as set forth in Section 6505.1 of the Act upon the Agency's formation. The PW Director shall file an official bond as described in Government Code section 1450 et seq. in the amount of \$50,000, the premium of which shall be paid by the Agency. Subsequent to the formation of the Agency, the Board may designate a different Custodian provided such Custodian files an official bond in an amount required by the Board.

b) Other Officers

Subject to the limits of the Agency's approved budget, the Board may establish other officer positions and appoint and contract for the services of such other officers as it may deem necessary or convenient for the business of the Agency, all of whom shall serve at the pleasure of the Board.

Section 9.5 – Employees.

Subject to the limits of the Agency's approved budget, the Agency may hire employees to discharge the duties and responsibilities of the Agency, subject to the general oversight and control of the Executive Director.

Section 9.6 – Independent Contractors.

Subject to the limits of the Agency's approved budget, the Board may contract for the services of such consultants, advisers and independent contractors as it may deem necessary or convenient for the business of the Agency.

Article X: Financial Provisions

Section 10.1 – Fiscal Year.

The Fiscal Year of the Agency shall be July 1 – June 30.

Section 10.2 – Establishment Of Funds.

The Board shall establish and maintain such funds and accounts as may be required by generally accepted government accounting practices. The Agency shall maintain strict accountability of all funds and report all receipts and disbursements of the Agency on no less than a quarterly basis.

Section 10.3 – Budgets.

a) Initial Budgets

The initial budget of the Agency for the Fiscal Year ending June 30, 2017, shall not exceed \$50,000. The budgets of the Agency for Fiscal Years 2017 – 2018 and 2018 – 2019 shall not exceed \$1,100,000 each unless otherwise agreed to by the unanimous vote of the Members as

described in Section 10.4, below.

b) Regular Budgets

Beginning for Fiscal Year 2019 – 2020, no later than sixty (60) days prior to the end of each Fiscal Year, the Board shall adopt a budget for the Agency for the ensuing Fiscal Year. The Board may authorize mid-year budget adjustments, as needed by Super Majority Vote.

Section 10.4 – Initial Contributions.

a) Fiscal Years 2017 – 2018 and 2018 - 2019

In order to provide the necessary capital to initially fund the Agency during Fiscal Year 2017 - 2018, the Members identified below shall each provide the listed Initial Contribution to the Agency's Treasurer/Auditor no later than July 7, 2017:

- | | |
|------------------------|-----------|
| 1) County: | \$670,000 |
| 2) WRA: | \$ 20,000 |
| 3) City of Salinas: | \$330,000 |
| 4) City of Gonzales: | \$ 20,000 |
| 5) City of Soledad: | \$ 35,000 |
| 6) City of Greenfield: | \$ 35,000 |
| 7) City of King: | \$ 30,000 |
| 8) Castroville CSD | \$ 20,000 |

In order to provide the necessary capital to fund the Agency during Fiscal Year 2018 – 2019, the Members identified below shall each provide the listed Initial Contribution to the Agency's Treasurer/Auditor no later than July 6, 2018:

- | | |
|------------------------|-----------|
| 1) County: | \$670,000 |
| 2) WRA: | \$ 20,000 |
| 3) City of Salinas: | \$330,000 |
| 4) City of Gonzales: | \$ 20,000 |
| 5) City of Soledad: | \$ 35,000 |
| 6) City of Greenfield: | \$ 35,000 |
| 7) City of King: | \$ 30,000 |
| 8) Castroville CSD | \$ 20,000 |

b) Additional Initial Contributions

New Members not listed above executing this Agreement no later than the Determination Date shall pay a minimum Initial Contribution of twenty thousand dollars (\$20,000) per year for the two fiscal years. New Members not listed above executing this Agreement after the

Determination Date shall pay a minimum Initial Contribution of fifty thousand dollars (\$50,000) per year for the two fiscal years.

Should the Board determine that additional funding for each of Fiscal Years 2017 – 2018 and 2018 – 2019 is necessary for Agency operations the Board shall adopt a resolution requesting each of the Members to consider additional funding and demonstrating in detail 1) the need for the funding, and 2) the purposes for which the additional funding will be utilized. Such requested funding shall be in the same proportion as the Initial Contributions set forth in Section 10.4 (a) unless the Members unanimously agree otherwise.

Upon receipt of the resolution requesting additional funding representatives of the Members may meet and confer regarding the request; however, each Member shall consider and act upon the request no later than 30 (thirty) days following the adoption of the resolution by the Board.

c) Reimbursement of Initial Contributions

To the extent the Agency is able to secure other funding sources, and to the extent permitted by law, the Agency shall reimburse these Initial Contributions to the Members on a proportionate basis in relation to their cumulative Initial Contributions to the Agency.

Section 10.5 – Payments To The Agency.

All costs and expenses of the Agency may be funded from: (i) voluntary contributions from third parties; (ii) grants; (iii) contributions from Members from time to time to supplement financing of the activities of the Agency; (iv) advances or loans from the Members or other sources; (v) bond revenue; and, (vi) taxes, assessments, fees and/or charges levied by the Agency under the provisions of SGMA or as otherwise authorized by law.

Section 10.6 – Directors’ Stipends and Expenses.

Directors shall be eligible to receive a stipend in the amount of \$ 100 for each Board meeting actually attended plus mileage to and from Board meetings. In addition, Directors shall be reimbursed for the actual and necessary expenses incurred in the discharge of their duties pursuant to an adopted Board policy. Directors are not required to accept the stipend or mileage, or expenses, and may decline the same by written notice to the Board.

Article XI: Relationship Of Agency And Its Members

Section 11.1 – Separate Entity.

In accordance with Sections 6506 and 6507 of the Act, the Agency shall be a public entity separate and apart from the Members.

Section 11.2 – Liabilities.

In accordance with Section 6507 of the Act, the debt, liabilities and obligations of the Agency shall be the debts, liabilities and obligations of the Agency alone and not of its Members. The Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities or obligations of the Agency, except as may be specifically provided for in California Government Code Section 895.2 as amended or supplemented.

Section 11.3 – Insurance.

The Agency shall procure appropriate policies of insurance providing coverage to the Agency and its Directors, officers and employees for general liability, errors and omissions, property, workers compensation, and any other coverage the Board deems appropriate. Such policies shall name the Members, their officers and employees as additional insureds.

Section 11.4 – Indemnity.

Funds of the Agency may be used to defend, indemnify, and hold harmless the Agency, each Member, each Director, and any officers, agents and employees of the Agency for their actions taken within the course and scope of their duties while acting on behalf of the Agency. To the fullest extent permitted by law, the Agency agrees to save, indemnify, defend and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are attributable in whole or in part, to negligent acts or omissions of the Agency or its employees, officers or agents or the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the Agency. Notwithstanding the foregoing, the sole negligence, gross negligence, or intentional acts of any Member is exempted from this Section 11.3 - Indemnity.

Section 11.5 – Agreements With Members

The Agency intends to carry out activities in furtherance of its purposes consistent with the powers established by this Agreement and with the participation of all Members. Notwithstanding the foregoing, the Board shall have the authority to approve any agreements with one or more Members in order to further the purposes of the Agency, including, but not limited to, the commencement of a condemnation action within the jurisdictional boundary of the agreeing Member or Members.

Section 11.6 – Withdrawal Of Members.

a) Any Member shall have the ability to withdraw by providing ninety (90) days written notice of its intention to withdraw. Said notice shall be given to the Board and to each of the other Members. If such Member is an Appointing Authority, the Member's withdrawal shall not be effective unless and until the non-withdrawing Members agree to an amendment to this

Agreement providing for the composition of and appointment to the Board.

b) A Member shall not be fiscally liable for any contribution to an adopted budget provided that the Member provides written notice ninety (90) days prior to the adoption of the budget of its intention to withdraw.

c) In the event of a withdrawal, this Agreement shall continue in full force and effect among the remaining members as set forth in Section 11.8, below.

d) Notwithstanding the foregoing, Members shall not have the ability to withdraw if there is outstanding bonded debt or other long term liability of the Agency unless and until it is determined by the Board by Super Majority Vote that the withdrawal of the Member shall not adversely affect the ability of the Agency to perform its financial obligations pursuant to the bonded debt or other liability. The Board shall communicate its finding to the non-withdrawing Members who may approve the withdrawal by unanimous vote.

Section 11.7 – Termination Of Members.

a) As an alternative to pursuing litigation against a Member for failure to meet its funding obligations set forth in this Agreement or as may be adopted by the Board from time to time, the Board may vote to terminate such Member. The Board shall transmit its determination to the Members who may approve the termination by unanimous vote of the Members not proposed to be terminated. If such Member is an Appointing Authority, the Member's termination shall not be effective unless and until the non-terminated Members agree to an amendment to this Agreement providing for the composition of and appointment to the Board.

b) In the event of a termination, this Agreement shall continue in full force and effect among the remaining members as set forth in Section 11.8, below.

c) Notwithstanding the foregoing, Members may not be terminated if there is outstanding bonded debt or other long term liability of the Agency unless and until it is determined by the Board by Super Majority Vote that the termination of the Member shall not adversely affect the ability of the Agency to perform its financial obligations pursuant to the bonded debt or other liability. The Board shall communicate its finding to the Members who may approve the termination by unanimous vote of the Members not proposed to be terminated.

Section 11.8 – Continuing Obligations; Withdrawal Or Termination.

a) Provided that at least two Members remain, the withdrawal or termination of one or more Members shall not terminate this Agreement or result in the dissolution of the Agency; this Agreement shall remain in full force and effect among the remaining Members; and the Agency shall remain in operation.

b) Except as provided in Section 11.6 (b), any withdrawal or termination of a Member shall not relieve the Member of its financial obligations under this Agreement in effect prior to the effective date of the withdrawal or termination.

Section 11.9 – Disposition Of Money Or Property Upon Board Determination Of Surplus.

Upon determination by the Board that any surplus money is on hand, such surplus money shall be returned to the then existing Members in proportion to their cumulative contributions to the Agency, or such surplus money may be deposited in a Board designated reserve account. Upon determination by the Board that any surplus properties, works, rights and interests of the Agency are on hand, the Board shall first offer any such surplus for sale to the Members and such sale shall be based on highest bid received. If no such sale is consummated, the Board shall offer the surplus properties, works, rights and interests of the Agency for sale in accordance with applicable law to any governmental agency, private entity or persons for good and adequate consideration.

Section 11.10 – Termination And Dissolution.

a) **Mutual Consent**

i) Except as otherwise provided in this Section 11.10 (a), this Agreement may be terminated and the Agency dissolved at any time upon the unanimous approval of the Members provided that provision has been made by the Members for the payment, refunding, retirement, or other disposition of any bonded debt or other long term liability in the name of the Agency.

ii) Upon Dissolution of the Agency, each then existing Member shall receive a proportionate share, based upon the cumulative contributions of all then remaining Members, of any remaining assets after all Agency liabilities and obligations have been paid in full. The distribution of remaining assets may be made “in kind” or assets may be sold and the proceeds thereof distributed to the Members. The Agency shall remain in existence for such time as is required to determine such distribution, and the Board, or other person or entity appointed by the Members, shall be responsible for its determination. Such distribution shall occur within a reasonable time after a decision to terminate this Agreement and dissolve the Agency has been approved by the Members. No former Member that previously withdrew or was terminated as of the effective date of the decision to terminate this Agreement and dissolve the Agency shall be entitled to a distribution upon dissolution.

b) **Insufficient Members**

Subject to the provisions of Sections 11.6 and 11.7, should Members either be terminated or withdraw such that only one Member remains, this Agreement shall terminate and the Agency dissolved. In such event the last remaining Member shall be entitled to all assets of the Agency.

c) **Failure to be Financially Sustainable**

In the event that the Agency does not take the necessary actions to create a sustainable revenue stream necessary to fully finance its operating budget by the end of Fiscal Year 2018 – 2019 this Agreement shall terminate and the Agency shall be dissolved, unless otherwise agreed to by amendment to this Agreement approved unanimously by all then-existing Members. In the event of such termination and dissolution, the process of dissolution shall begin on July 1, 2019, and proceed as set forth in Section 11.10 (a) (ii), above.

d) Legislative Determination

Should the State adopt legislation specifying that the Basin should be managed by a statutorily designated entity this Agreement shall terminate and the Agency shall be dissolved upon such terms and conditions as the legislation may designate. Upon such dissolution, the assets and liabilities of the Agency shall be disposed of in the manner specified by the legislation. If the legislation does not so specify, the assets and liabilities of the Agency shall be disposed of in the manner provided in Section 11.10 (a), above.

Article XII: Miscellaneous Provisions

Section 12.1 – Complete Agreement.

The foregoing constitutes the full and complete Agreement of the Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

Section 12.2 – Amendment.

This Agreement may be amended from time-to-time by the unanimous consent of the Members, acting through their governing bodies. Such amendments shall be in the form of a writing signed by each Member.

Section 12.3 – Successors And Assigns.

The rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. Any assignment or delegation permitted under the terms of this Agreement shall be consistent with the terms of any contracts, resolutions or indentures of the Agency then in effect.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Members hereto. This section does not prohibit a Member from entering into an independent agreement with another person, entity, or agency regarding the financing of that Member's contributions to the Agency or the disposition of proceeds, which that Member receives under this Agreement so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Agency or the Members under this Agreement.

Section 12.4 – Dispute Resolution.

In the event there are disputes and/or controversies relating to the interpretation, construction, performance, termination, breach of, or withdrawal from this Agreement, the Members involved shall in good faith meet and confer within twenty-one (21) calendar days after written notice has been sent to all the Members. In the event that the Members involved in the dispute ("Disputing Members") are not able to resolve the dispute through informal negotiation, the Disputing Members agree to submit such dispute to formal mediation before litigation. If Disputing Members cannot agree upon the identity of a mediator within ten (10) business days

after a Disputing Member requests mediation, then the non-Disputing Members shall select a mediator to mediate the dispute. The Disputing Members shall share equally in the cost of the mediator who ultimately mediates the dispute, but neither of the Disputing Members shall be entitled to collect or be reimbursed for other related costs, including but not limited to attorneys' fees. If mediation proves unsuccessful and litigation of any dispute occurs, the prevailing Member shall be entitled to reasonable attorneys' fees, costs and expenses in addition to any other relief to which the Member may be entitled. If a Disputing Members refuses to participate in mediation prior to commencing litigation, that Member shall have waived its right to attorneys' fees and costs as the prevailing party.

Section 12.5 – Execution In Parts Or Counterparts.

This Agreement may be executed in parts or counterparts, each part or counterpart being an exact duplicate of all other parts or counterparts, and all parts or counterparts shall be considered as constituting one complete original and may be attached together when executed by the Members hereto. Facsimile or electronic signatures shall be binding.

Section 12.6 – Member Authorization.

The governing bodies of the Members have each authorized execution of this Agreement, as evidenced by their respective signatures below.

Section 12.7 – No Predetermination Or Irrevocable Commitment of Resources.

Nothing herein shall constitute a determination by the Agency or any Members that any action shall be undertaken or that any unconditional or irrevocable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, have been completed.

Section 12.8 – Notices.

Notices authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the addresses set forth for each of the Members hereto on Exhibit "A" of this Agreement, or to such other changed addresses communicated to the Agency and the Members in writing.

Section 12.9 – Severability And Validity Of Agreement.

Should the participation of any Member, or any part, term or provision of this Agreement, be decided by the courts or the legislature to be illegal, in excess of that Member's authority, in conflict with any law of the State, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms or provisions of this Agreement shall not be affected thereby and each Member hereby agrees it would have entered into this Agreement upon the same remaining terms as provided herein.

Section 12.10 – Singular Includes Plural.

Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

IN WITNESS WHEREOF, the Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing boards, have caused their names to be affixed by their proper and respective officers as of the day and year so indicated.

COUNTY OF MONTEREY

By _____
Chair of the Board of Supervisors

Dated: _____

APPROVED AS TO FORM

CHARLES J. MCKEE, County Counsel

By _____

WATER RESOURCES AGENCY OF THE COUNTY OF MONTEREY

By _____
Chair of the Board of Supervisors of the Water Resources Agency

Dated: _____

APPROVED AS TO FORM

CHARLES J. MCKEE, County Counsel

By _____

CITY OF SALINAS

By _____
Mayor

Dated: _____

APPROVED AS TO FORM

CHRISTOPHER CALLIHAN, City Attorney

By _____

CITY OF SOLEDAD

By _____

Mayor

Dated: _____

APPROVED AS TO FORM

_____, City Attorney

By _____

CITY OF GONZALES

By _____

Mayor

Dated: _____

APPROVED AS TO FORM

_____, City Attorney

By _____

CITY OF GREENFIELD

By _____

Mayor

Dated: _____

APPROVED AS TO FORM

_____, City Attorney

By _____

CITY OF KING

By _____

Mayor

Dated: _____

APPROVED AS TO FORM

_____, City Attorney

By _____

CASTROVILLE COMMUNITY SERVICES

By _____

Chair of the Board of Directors

APPROVED AS TO FORM

_____, District Counsel

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

By _____

Chair of the Board of Directors

APPROVED AS TO FORM

_____, Agency Counsel

EXHIBIT A

MEMBERS

COUNTY OF MONTEREY
County Administrative Officer
168 W. Alisal St., Salinas, CA 93901

WATER RESOURCES AGENCY OF MONTEREY COUNTY
General Manager

CITY OF SALINAS
City Manager

CITY OF SOLEDAD
City Manager

CITY OF GONZALES
City Manager

CITY OF GREENFIELD
City Manager

CITY OF KING (KING CITY)
City Manager

CASTROVILLE COMMUNITY SERVICES DISTRICT
General Manager

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY
General Manager

EXHIBIT B

BOARD OF DIRECTORS

<u>Director</u>	<u>Representing</u>	<u>Specific Qualifications</u>	<u>Appointing Authority</u>
a)	City of Salinas.	City of Salinas.	Salinas City Council.
b)	South County Cities.	Cities of Gonzales, Soledad, Greenfield, and King City.	Appropriate City Council as recommended by the City Selection sub-Committee.
c)	Other GSA Eligible Entity.	GSA Eligible Entities but not including the cities of Salinas, Gonzales, Soledad, Greenfield or King City.	Monterey County Board of Supervisors.
d)	Disadvantaged Community, or Public Water System, including Mutual Water Companies serving residential customers.	Unincorporated Disadvantaged Communities, or Public Water Systems, including Mutual Water Companies serving residential customers only.	Castroville Community Services District.
e)	CPUC Regulated Water Company.	CPUC Regulated Water Companies in the Basin.	Salinas City Council.

f)	Agriculture.	Agricultural interests.	<p>Company.</p> <p>Must be an individual that is: 1) engaged in, and derives the majority of his or her gross income or revenue from, commercial agricultural production or operations; or 2) designated by an entity this is engaged in commercial agricultural production or operations, and the individual derives the majority of his or her gross income or revenue from agricultural production or operations, including as an owner, lessor, lessee, manager, officer, or substantial shareholder of a corporate entity.</p> <p>Same as (f).</p>	Monterey County Board of Supervisors.
g)	Agriculture.	Agricultural interests.		Monterey County Board of Supervisors.
h)	Agriculture.	Agricultural interests.	Same as (f).	Monterey County Board of Supervisors.
i)	Agriculture.	Agricultural interests.	Same as (f).	Monterey County Board of Supervisors.
j)	Environment.	Environmental users and interests.	Must be a representative of an	Monterey County

established environmental organization that has a presence or is otherwise active in the Basin.

Board of Supervisors.

Monterey County Board of Supervisors.

k) Public Member.

Interests not otherwise represented on the Board.

EXHIBIT C

OTHER GSA ELIGIBLE ENTITY DIRECTOR POSITION NOMINATING GROUP

COUNTY OF MONTEREY

WATER RESOURCES AGENCY OF MONTEREY COUNTY

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

EXHIBIT D

**DISADVANTAGED COMMUNITY, OR PUBLIC WATER SYSTEM, INCLUDING
MUTUAL WATER COMPANIES SERVING RESIDENTIAL CUSTOMERS DIRECTOR
POSITION NOMINATING GROUP**

CASTROVILLE COMMUNITY SERVICES DISTRICT (Group Contact)

Eric Tynan, General Manager

11499 Geil St.

Castroville, CA 95012

(831) 633-2560 phone

(831) 633-3102 fax

info@castrovillecsd.org

ENVIRONMENTAL JUSTICE COALITION FOR WATER

SAN JERARDO COOPERATIVE

SAN ARDO WATER DISTRICT

SAN VICENTE MUTUAL WATER COMPANY

EXHIBIT E

CPUC REGULATED WATER COMPANY DIRECTOR POSITION NOMINATING GROUP

ALISAL WATER CORPORATION DBA ALCO WATER SERVICE (Group Contact)

Thomas R. Adcock, President

249 Williams Road

Salinas, CA 93905

831-424-0441 phone

831-424-0611 fax

tom@alcowater.com

CALIFORNIA WATER SERVICE COMPANY

EXHIBIT F

ENVIRONMENT DIRECTOR POSITION NOMINATING GROUP

SUSTAINABLE MONTEREY COUNTY

LEAGUE OF WOMEN VOTERS OF MONTEREY COUNTY

LANDWATCH MONTEREY COUNTY

FRIENDS AND NEIGHBORS OF ELKHORN SLOUGH

CALIFORNIA NATIVE PLANT SOCIETY, MONTEREY CHAPTER

TROUT UNLIMITED

SURFRIDERS

THE NATURE CONSERVANCY

CARMEL RIVER STEELHEAD ASSOCIATION



City of Greenfield

PO Box 127 / 599 El Camino Real
Greenfield, CA 93927
☎ 831-674-5591 📠 831-674-3149
www.ci.greenfield.ca.us

January 24, 2017

Steve Adams
City Manager
King City

RE: Inquiry relative to interest in jointly participating in the formation of a Groundwater Sustainability Agency

Dear Mr. Adams,

I am writing to inquire about your agency's interest in participating with the City of Greenfield in the formation of a Groundwater Sustainability Agency (GSA). As you are aware County of Monterey, the Cities of Salinas and Gonzales and the Castroville Community Service District have agreed to a Joint Powers Agreement forming a GSA. I am certain that you will be reviewing the decision of joining the JPA with your Council in the very near future. The formation of the GSA is in response to State Law which created the Sustainability Groundwater Management Act (SGMA). The Act requires jurisdictions that overlay a basin to form a GSA and to prepare a Groundwater Sustainability Plan (GSP) within certain time parameters to avoid State intervention.

For several months, an effort has been underway led by the County and the City of Salinas to develop a JPA that would guide the formation of a GSA and a GSP for the entire Salinas Valley. The JPA circulating for consideration indicates the powers of the authority are fairly broad relative to the ultimate development of the GSP. The outcomes of the plan are likely to impact all of us. Conversely, in the document the eleven-member governing board includes only a single member that would represent the four cities in the South County. Given the fact that several of the businesses contributing to the county-wide economy is located in our cities, the composition of the Board does not appear to be equitable.

On January 10th, I took the attached report to the Greenfield City Council. In the report I covered the requirements of SGMA and detailed a number of options for Council consideration. In the report, I identified the City does have the option of developing its own GSA or working with other eligible parties to establish by agreement a joint GSA. The Council directed that I reach out to other agencies to determine if there is an interest in forming a joint GSA. The benefit of forming a GSA independent from the JPA currently being contemplated is that it could potentially increase your ability to protect your portion of the aquifer while also protecting your

interests. This is a complicated issue to say the least and there most certainly will be costs involved whichever way your agency chooses to comply with SGMA.

Please let me know by Tuesday, February 7th if you are interested in pursuing a joint discussion regarding the formation of a GSA for portions of the Basin located in the South County as an alternative to the Basin-wide GSA.

Sincerely,



Bob Perrault
City Manager

Cc: City Council
City Attorney
City Manager, Gonzales
City Manager, Salinas
County Administrative Officer